Also, petition of Pasadena (Cal.) Audubon Society and Alice W. Pitman, Elizabeth P. Evans, Lydia Pike, and Ellen L. Garwood, of Pasadena, Cal., protesting against shipment of American horses to European battle fields; to the Committee on Foreign Affairs.

Also, memorial of citizens of Los Angeles, Cal., urging Congress to invite all nations to join us in a world federation; to the Committee on Foreign Affairs.

Also, petition of Harvey H. Duryee, of Los Angeles, Cal., relative to the Zeppelin raid on England and urging protest by the United States; to the Committee on Foreign Affairs.

Also, memorial of board of supervisors of Solano County, Cal., favoring passage of civil-service retirement bill, H. R. 5139; to the Committee on Reform in the Civil Service.

By Mr. VOLLMER: Petitions of 31 American citizens and citizens of Mankota and vicinity, to lay an embargo on war material; to the Committee on Foreign Affairs.

By Mr. YOUNG of North Dakota: Memorial of mass meeting of citizens of Louisiana, protesting against export of war material by United States; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *January 29, 1915.*

(Legislative day of Tuesday, January 26, 1915.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Hollis	Norris	Smith, Ga.
Brandegee	James	O'Gorman	Smith, Md.
Catron	Johnson	Overman	Smoot
Chamberlain	Jones	Page	Stone
Chilton	Kenyon	Perkins	Swanson
Culberson	Kern	Pittman	Thomas
Cummins	La Follette	Ransdell	Thompson
Dillingham	Lippitt	Reed	Thornton
Fletcher	Lodge	Robinson	Tillman
Gallinger	McCumber	Saulsbury	Townsend
Gore	Martine, N. J.	Shafroth	Vardaman
Gronna	Myers	Sheppard	White
Hitchcock	Nelson	Simmons	Williams

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

Mr. NORRIS obtained the floor.

Mr. GALLINGER. Will the Senator from Nebraska yield to me for a moment?

Mr. NORRIS. I yield to the Senator.

Mr. GALLINGER. I had intended to continue the discussion of the bill this morning, but I gladly yield to the Senator from Nebraska, and will follow the Senator from Nebraska when he concludes.

Mr. KENYON. Will the Senator from Nebraska yield to me for a moment?

Mr. NORRIS. I yield to the Senator from Iowa.

Mr. KENYON. I ask consent to have printed and lie on the table two amendments to the pending bill.

The VICE PRESIDENT. It will be so ordered.

Mr. NORRIS. Mr. President, I take it that all of us, without regard to party affiliation and without regard to the section of the country from which we come, are in favor of building up our merchant marine and are also in favor of lending whatever legitimate assistance we can in a legislative way to the upbuilding of American shipping on the high seas.

As to the methods that we should follow in improving our merchant marine or building up our shipping, there is great difference of opinion. I desire to concede, to begin with, that there is ground for difference of opinion. I have always been one of those who have opposed the building up of our merchant marine by a subsidy from the Treasury. I concede, however, that there are two sides to that question, and I am not questioning the fidelity or the patriotism of those who think we ought to resort to a direct subsidy. I have opposed this method, however, ever since I have been in Congress, and I formed the opinion myself several years ago that a better and more practical way would be for the Government itself to build such ships as might be necessary for our Navy in time of war, and that those ships, in time of peace, should be used through the instrumentality of a governmental corporation or some other method that would put them in use. It has never seemed to me proper to pay enormous subsidies to private parties to keep their ships on the high seas and then when we needed them, if ever, in time of danger we would be compelled again to pay for the ships themselves.

Several years ago I offered an amendment in the House of Representatives to the naval appropriation bill, the substance of which and the effect of which would have been, if adopted, to provide for the building of vessels by the Government and their use in time of peace through the instrumentality of the Panama Railroad Co. When the Alaskan railroad bill was before the Senate I offered a similar amendment here. It was, however, defeated by quite a large vote.

These introductory statements I make simply to show that I feel friendly to the method provided in this bill for the building up of a merchant marine through the instrumentality of a corporation. If I had my way about it, I would change the bill in several respects regarding this corporation with a view of keeping it from under the control of political influence, but my objection to the details of the bill in that respect are not sufficient to preclude me from voting for the bill if it had attached to it two amendments of which I desire to speak this morning.

I think it is to be regretted that this measure is made a partisan one and that it is drafted in caucus so that any amendments which may be offered here will necessarily be voted down unless they are taken up by the committee and by the committee referred to the caucus and receive favorable action there. I am in earnest about the amendments I am suggesting, and I wish it were possible that they might be taken up in this way with a view of having them considered. I have just as much interest and I think others have the same interest in the drafting of a proper law and in its proper consideration as anyone on the other side of the Chamber.

There is one respect in which I differ very materially from the President in his advocacy of a measure of this kind, and one of the amendments that I had printed yesterday, and which is now on the desks of all Senators, has to do with that part of the bill carrying out the President's idea that when through the instrumentality of this corporation we engage in business and build it up and make it profitable we shall immediately withdraw from it and let private parties take it up. My own idea is that if we go into the business and build up a line of trade or commerce with any of the foreign countries of the world or of domestic commerce and it becomes profitable we should, through the instrumentality of this same corporation, remain in the business and let the taxpayers of the country share the profits as well as bear the losses incidental to the building up of the business.

I believe the idea of the President in his message was not that we should make money out of the transaction, and I am not advocating going into it because I would like to see the Government make money out of it. There are two objects in view—one to build up the merchant marine and the other to put these ships to beneficial use when they are not needed as a merchant marine. Incidentally it will improve our shipping; incidentally it will perhaps decrease the rates somewhat; but I believe it ought to be the permanent policy of the Government. I am not in favor of going into it as a temporary proposition, and would rather stay out of it entirely than to go in only to build up a profitable business for somebody else to reap the benefit at the expense of the taxpayers of the country after it has been built up.

The President, in his message delivered on the 8th day of December, in speaking of the desirability of this kind of legislation, used the language I shall read. I will quote that particular part of his message in which he lays down the idea that we should not remain permanently in the business. The President said:

> It may seem a reversal of the natural order of things, but it is true, that the routes of trade must be actually opened—by many ships and regular sailings and moderate charges—before streams of merchandise will flow freely and profitably through them.

Again, he said:

> The Government must open these gates of trade, and open them wide; open them before it is altogether profitable to open them, or altogether reasonable to ask private capital to open them at a venture. It is not a question of the Government monopolizing the field. It should take action to make it certain that transportation at reasonable rates will be promptly provided, even where the carriage is not at first profitable.

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That far with the President I most heartily agree. I think it must be conceded that when we undertake to open lines of trade and of commerce where there are none now we will necessarily lose some money in the venture. But even though we do lose it the theory is, and I believe it is a good one, that since it is almost imperative that we must have a merchant marine so that our Navy can be of any practical benefit in time of war we must make some provision for the merchant marine. It will be expensive, it will cost money, and when these ships are not in use as a merchant marine they would be idle unless some provision was made for their use.

But what the President says further, it seems to me, is wrong. He goes on:

And then, when the carriage has become sufficiently profitable to attract and engage private capital, and engage it in abundance, the Government ought to withdraw. I very earnestly hope that the Congress will be of this opinion, and that both Houses will adopt this exceedingly important bill.

It seems to me in that respect the President is wrong and in that respect this bill is wrong. The particular language of which I complain has been in every print of the bill. The President's message was delivered on the 8th day of December, 1914; the bill now under consideration was introduced on the 9th day of December, 1914—the next day; it was reported from the committee with quite a number of amendments on December 16, 1914; it was made the unfinished business on January 4, 1915. On the 6th day of January, two days thereafter, the committee withdrew its amendments which it had offered, and offered a new bill by way of a substitute. Again, on the same day, the committee withdrew its substitute and offered another new bill by way of substitute. In each one of those prints, in each one of those bills, somewhere in the bill was always contained language that would enable this governmental corporation provided for in the bill to withdraw from the business. It was not declared in the bill as the open policy, but it has always been there. I think it is the joker in this bill, and thus far in this debate it has not been noticed.

Mr. SIMMONS. To what provision of the bill does the Senator from Nebraska refer?

Mr. NORRIS. I am coming to that now. I will say to the Senator from North Carolina that in the last print, the last substitute that was offered, it is found on page 2. It is part of the charter of the corporation provided for in the bill. I want to read that. In order to get the connection, I will read some other parts of the provision in reference to the corporation:

Said corporation shall have for its object the purchase, construction, equipment, maintenance, and operation of merchant vessels to meet the requirements of the foreign commerce of the United States, or to charter vessels for such purposes—

Under the authority contained in this charter this corporation could purchase ships, could construct ships, and could charter ships—purchase, construct, and charter; in other words, they could purchase the ships outright, they could build them, or they could lease them.

The next clause, however, gives the corporation authority to dispose of these ships, and that is the particular language to which I object. It is the clause in this substitute, and which in substance has been in every one of the bills, which enables this governmental corporation to practically go out of business whenever the President desires it to do so; for while this is done through the shipping board, the shipping board provided for in the bill is, of course, under the control of the President. Two members of the shipping board are members of his Cabinet, and the other members of the shipping board are appointees of the President. That is the language following that which I have just read, and reads as follows:

And to make charters or leases of any vessel or vessels owned by such corporation to any other corporation, organized under the laws of a State—

In other words, all of these ships, with the exception of ships that they might rent, this corporation can at any time lease out to other private corporations. They can lease every one of these ships for 99 years or for any other length of time. They have, so far as the practical operation of the business is concerned, power to sell them. The only reservation would be that these ships could be taken in time of war as part of our merchant marine.

Mr. FLETCHER. May I interrupt the Senator?

Mr. NORRIS. I yield to the Senator.

Mr. FLETCHER. I ask the Senator from Nebraska if he will not agree that it is important that the corporation should have the power to charter or lease vessels under its control? There might be times when, for instance, a regular line operating ships to South America would be crowded with business and would not be able to take care of the cargoes offered. Is it not important for the corporation to be in a position to charter one of its ships to such line for a voyage, for instance? These charter parties do not generally extend over a voyage, or perhaps to three round trips. The purpose of the bill is to put the corporation in a position where, if it becomes important to serve commerce by chartering one of their vessels to a regular line doing business, as may be needed——

Mr. NORRIS. For temporary purposes?

Mr. FLETCHER. For a voyage, or even more than a voyage.

Mr. NORRIS. Yes. Now, let me ask the Senator if it is the purpose of the language to enable this corporation to do that?

Mr. FLETCHER. That is the main purpose, I think.

Mr. NORRIS. Is that the only purpose?

Mr. FLETCHER. Well, I do not know what contingency might arise. I would not want to say that that is the sole power or that that is the extent of the power or the extent of the purpose; but so far as I know it is the purpose to give the corporation the power to make these charters or leases as conditions may warrant. Of course, we can not tell what situation may develop.

Mr. NORRIS. Let me say to the Senator that I am in entire sympathy with that purpose; I have no objection to giving this corporation the power that he has outlined; but if that be the purpose of those who are behind this bill, and there is no intention to permit the making of a lease that will be so long that it will have the practical effect of a sale, then the Senator can easily provide by a very simple amendment that such lease shall not extend over, say, three months or over a voyage, or something of that kind, or that it should only be a temporary lease; in other words, to declare the policy that this governmental corporation shall not go out of business unless the law is changed. Of course, it would always be in the power of Congress to do that.

Mr. FLETCHER. The main objection I have to that is that I would hesitate to hamper or embarrass the reasonable and proper operation of the line.

Mr. NORRIS. I do not want to do that. I would not object to any reasonable provision which might be put in the bill for the purposes which the Senator has outlined; but this language goes a great deal further. Even if we declared in the law that it was the intention to permit such leasing only for temporary purposes and that the intention of the law was that this governmental corporation, when it got into business, should remain in it permanently, it would relieve the objection.

Mr. SMITH of Georgia. Mr. President——

Mr. NORRIS. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. The permanency which the Senator from Nebraska asks for is permanency of operation of these vessels by the Government, and not simply permanency of ownership?

Mr. NORRIS. No; I would not agree to that statement, because that means that they could be leased out for 99 years.

Mr. SMITH of Georgia. No; the Senator from Nebraska misunderstands me.

Mr. NORRIS. Perhaps I do.

Mr. SMITH of Georgia. The permanency which the Senator from Nebraska desires is permanency of actual operation of the vessels by the corporation?

Mr. NORRIS. Yes, sir.

Mr. SMITH of Georgia. The Senator is not satisfied simply with the permanency of ownership if the vessels are to be leased out?

Mr. NORRIS. No; I am not satisfied to give this corporation the power to lease out these vessels to various other corporations indefinitely.

Mr. SMITH of Georgia. The Senator, then, differs radically from those of us who would vastly prefer an assurance that they would not be operated at all.

Mr. NORRIS. If the Senator is in favor of the Government constructing these vessels and then not operating them, if that is what he means, then I do disagree, of course.

Mr. SMITH of Georgia. That is what I mean exactly. I would vastly prefer an assurance that the Government would never operate them at all.

Mr. NORRIS. Well, if the Government is not going to operate them through the instrumentality of this governmental corporation, then, in my judgment, it never ought to build them. It seems to me it would be an economic waste to build a lot of vessels and not use them.

Mr. SMITH of Georgia. How would it be an economic waste if the Government built them and leased them on a basis that would pay the Government 4 per cent rental on the money and 5 per cent per annum for depreciation and turn them into the

control of separate companies to stimulate the development of individual enterprise?

Mr. NORRIS. I see the Senator's point, and, of course, a great deal can be said in its favor. The Senator from Iowa [Mr. CUMMINS] has introduced an amendment as a substitute that will have that effect; but if the Senator believes that, then he is in reality opposed to the fundamental principles underlying this bill. There is no use of this governmental corporation being organized if we are not going to use it. The Government can build the ships and lease them direct without the interposition of the corporation provided for in the bill.

Mr. SMITH of Georgia. I think so.

Mr. NORRIS. To that policy——

Mr. OWEN. Mr. President——

Mr. NORRIS. In just a moment I will yield to the Senator. To that policy I do not agree; that is, I would prefer that the ships be operated through the instrumentality of the corporation to be organized. I now yield to the Senator from Oklahoma.

Mr. OWEN. Mr. President, I wish to make this suggestion, that the idea of leasing these boats instead of the Government operating them proceeded upon the conception that by leasing the boats to different companies and groups of men they would compete with each other and, by their competition, lower rates. We have tried that idea to a legitimate conclusion and have found that it is not sound. We have found that different groups in the United States, in England, in Germany, in France, in Italy, in Belgium, and in Holland instead of having free competition have an international trust; and why should we contribute $40,000,000 to enlarge a system that already exists?

If we were to lease these boats at 4 per cent rental and 5 per cent depreciation—9 per cent altogether as interest and as maintenance—the very men obtaining such leases would be the instrumentalities of a trust existing now. The very trusts existing would send individuals to make these leases and back them up. You would be able to trace the transaction with the very greatest difficulty. It would be almost impossible, and I may say practically impossible, to do so. They would act exactly as was done in Oklahoma, where the trust grabbed the oil under color of a lease through the medium of thousands of men acting under shelter, under the blanket, and operating for the Standard Oil Co. and for the Prairie Oil & Gas Co. under rules intended to establish free competition, but under a system that actually works out an absolute, grinding monopoly in the transport of oil out of that country through a series of pipe lines that have a perfect understanding with each other.

Mr. NORRIS. Mr. President, I take it, from what the Senator from Oklahoma says, that he is in favor of the amendment that I have proposed to strike out the language that gives this governmental corporation the power to lease these ships to others.

Mr. OWEN. I thoroughly agree with the idea which the Senator has, but I think to make it so drastic as to say that the shipping board should not under any circumstances make a lease would be going rather further than practical administration would require. I think the purpose of this bill, the intent of this bill, is not to permit leasing except under some exigency which would justify it, separate and apart from the conception of establishing free competition through a system of leasing.

Mr. NORRIS. The Senator, then, would at least favor an amendment such as I have suggested to the Senator from Florida, which would, of course, be entirely satisfactory to me. The Senator must understand that I have no objection to a temporary lease if it shall become necessary. I do not know that it ever will be necessary; but if such a contingency should arise, if this governmental corporation were operating a line of ships and they had no particular use for some vessel and some other corporation wanted to lease it to make a trip, as the Senator from Florida suggests, I certainly would have no objection to giving them the authority to do that; but under the bill as it stands this corporation could lease out every one of these ships for 99 years.

Mr. SMITH of Georgia. Mr. President, not only is that true, but is it not also true that the spirit of this bill contemplates that they shall be leased if practicable?

Mr. NORRIS. I think so. I think the Senator is perfectly fair, and that is the reason I read, to begin with, the message of the President——

Mr. SMITH of Georgia. That is the reason I can vote for the bill.

Mr. NORRIS. Where the President outlined that course, and here comes the bill introduced the next day to carry out the President's idea containing this provision. So I take it that it would be the policy of the President when he built up through the instrumentality of this corporation a line of business which became profitable, then he would lease all these vessels for a long term of years to private corporations and practically withdraw from the business. That is what I object to.

I am perfectly willing, if Senators think there should be some clause in the bill providing, in case of an emergency, for a temporary lease, or something of that kind, that it should be in the power of the shipping board to make it; but what I desire to take away from this governmental corporation, what I desire to take out of the charter of this corporation, is the power to lease for an indefinite length of time, and practically put the corporation out of the shipping business, and I am glad to know that in that I have the entire sympathy of the Senator from Oklahoma.

Mr. SIMMONS. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SIMMONS. Mr. President, I appreciate, as I am sure all Senators on this side do, the spirit of fairness with which the Senator from Nebraska is discussing this bill. I think we ought to have a clear understanding as to the purpose of this side of the Chamber, with reference to the provision which the Senator is discussing.

It is well known that there have been two lines of thought in this Chamber with reference to the ownership and operation of these vessels. One group have insisted that the Government should buy and operate, while the other group have insisted that the proper method would be that the Government should buy and own and not operate but lease. It has been my understanding that a large number of Senators on the other side of the Chamber who are opposed to the bill in its present form would not be disposed to offer any serious objection to it if it provided for the ownership by the Government, and that the Government should not undertake at all to operate, but in every instance lease, leaving the operation to private capital. There are on this side certain Senators who have taken that view of it, and who have insisted quite strenuously that the Government ought not to operate these vessels; that it ought to purchase them in order to meet an emergency; but that as soon as it purchased them it should lease them to private companies to be operated by them.

I think it is due, in fairness to this side of the Chamber, to say that that view has not met the approval of the majority on this side of the Chamber. It did not meet the approval of the committee. It did not meet the approval of the caucus, if I may speak frankly. I do not think this bill would receive any very hearty support on this side of the Chamber—although it would receive very enthusiastic support from some of the ablest Senators on this side—if it was understood that the Government was to lease these ships; that the Government was not to operate them at all, but merely to hold the ownership of stock in a corporation purchasing ships and leasing them to private individuals.

From that statement the Senator will see, I think, that it was not our purpose, in using the language to which he has called attention, to provide for Government ownership and private operation. Still we thought conditions might arise where the corporation would find it wise to charter this ship or lease that ship, just as any shipping company operating its own ships now and then finds it expedient, wise, and good policy to charter or lease some of its ships. Therefore we have not denied the board the right to lease, as we denied the board the right to sell the stock.

Mr. SMITH of Georgia. Mr. President——

Mr. SIMMONS. Just a moment; let me finish this statement. The Senator will discover in section 7 of the bill, I think, that while authority to sell the stock is conferred upon the board, it is upon the condition that the board shall have the approval and sanction of Congress; or, in other words, the board may sell the stock with the consent of the Congress, requiring additional legislation. We have not seen fit to put in that condition with reference to the power to lease. The board may lease, but it was not and is not the thought or the purpose of this side that this corporation shall simply hold the ownership of these ships for the Government without undertaking to operate them themselves, and shall lease them. That is not the thought, that is not the purpose of this side.

Mr. SMITH of Georgia. Mr. President——

Mr. NORRIS. Just let me answer the Senator. I will yield to the Senator from Georgia later.

Mr. SIMMONS. That was not the purpose. It was sought to have the bill so framed that the board should be compelled to lease these vessels, provided they could secure reasonable rental, but that thought and that proposition did not prevail.

Mr. NORRIS. If the Senator has the right theory of it, if the purpose of this bill be as he states, that these ships shall

not be leased out indefinitely or for long terms to other corporations, then why not say so in the bill?

We are brought face to face with this condition: The Senator says it is not the intention to lease out these ships indefinitely; and yet there are Senators on that side of the Chamber supporting the bill because they are in favor of having them leased out indefinitely, and they see in the very language to which I have called attention the right so to lease. They support the bill, therefore, on the theory that these ships are going to be practically sold, leased out indefinitely, to other corporations; and then you are getting other Senators to support it on that side, I presume, from what the Senator from North Carolina says, because they conceive there will be a contrary policy. So you are getting both extremes with that kind of language. You are attempting to catch them coming and going.

Now, let us make it certain. Let us be fair. If we are going to lease them out, if that is going to be the policy, let us say so. If we are not, let us say so in the law. I think the Senators on that side who are supporting the bill believing that the proper policy is to lease out these ships permanently have the best of the argument, because it is undisputed that this language will give the board that power. It is undisputed that the President will control the board. It is undisputed that the President is in favor of that kind of a policy as soon as the business becomes profitable.

Now I yield to the Senator from Georgia.

Mr. SMITH of Georgia. Mr. President, is it not true that the language used in this bill is very different from the language of construction which the Senator from North Carolina has placed upon it?

Mr. NORRIS. I think so.

Mr. SMITH of Georgia. Instead of simply not denying the board the privilege of leasing out the vessels, it broadly gives them the privilege, and broadly encourages their lease.

Mr. NORRIS. Absolutely.

Mr. SMITH of Georgia. I want to say that there certainly are Senators upon this side who supported the bill in the hope that but little operation will be necessary and that, practically, the result will be that the vessels will be leased to private enterprise.

Mr. NORRIS. I think that is a complete answer to the Senator from North Carolina.

Mr. SIMMONS and Mr. WALSH addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield, and to whom?

Mr. NORRIS. I yield first to the Senator from North Carolina.

Mr. SIMMONS. The thought I wanted to get into the Senator's mind is that it had been seriously and strenuously urged upon this side that we should incorporate in the bill a provision that these ships should be leased out, and that this side of the Chamber did not approve of that proposition; on the contrary, it emphatically expressed its dissent from that proposition; but that we thought it advisable to permit the board under certain conditions, such as may arise in the operation of any enterprise of this sort, to make a lease, and that the purpose was not to deny the board the right to meet those conditions and those circumstances by withholding from them the power. That is my idea of the thought we had in incorporating this provision in the bill.

I am glad the Senator is discussing it in the way he is discussing it. It may be that to carry out the views of, I think, a large majority on this side it may be necessary to modify that language somewhat. I am glad to hear the Senator discuss it, and, so far as I am concerned, I am listening to him with an entirely open mind.

Mr. NORRIS. Oh, I understand the Senator is. The Senator understands, of course, that I would be delighted if such an amendment could be offered and adopted.

Mr. SIMMONS. Let me say that my idea was that the bill was so framed that the board, and the directors of the corporation that they might select, would see that it was the purpose of the Government to own and operate these ships. We have denied them the power to sell the stock without the consent of Congress. The sale of the stock would have put the Government absolutely out of the business altogether. We have refused to incorporate in the bill a provision that they should be compelled to lease, notwithstanding that was insisted upon, provided they could secure reasonable rates, and we thought it might answer the purpose and meet the situaton if we left that question to be determined by the shipping board, composed as it will be of two of the leading members of the President's Cabinet and three other gentlemen selected by the President himself and confirmed by the Senate. We felt that we might safely trust them with a discretion to determine at all times while this measure should be in operation how many of these ships it was wise and expedient to lease and how many it was wise and expedient for the Government to operate.

Mr. POINDEXTER. Mr. President——

Mr. NORRIS. Let me first answer the Senator from North Carolina.

Mr. SIMMONS. Just one moment, if the Senator will permit me. So far as I am concerned, I have seen in this legislation a larger emergency than that of simply supplying the present scarcity of ships to transport the products of this country to foreign markets. I see another emergency—an emergency of deep import and importance; an emergency not temporary in its character; an emergency which has not come upon us suddenly, but which has existed for years; an emergency that will continue to exist until our merchant marine is rehabilitated. It is the emergency of this Government's acquiring, either by Government ownership or through the ownership of citizens of this country, a sufficient control of sea transportation to make this Government and this people at least measurably free from the exactions and handicap of their competitors controlling the transportation facilites upon which they must rely.

Until that emergency is met I do not think myself the emergency which calls for this legislation will have passed. When we have secured a sufficient control of sea transportation to make us, to some extent at least, possessors of our own transportation to those open and neutral markets of the world where we have to meet the world in competition. Until we have been able to secure, I say, reasonably the possession and control of our own transportation to those markets and our relief, and to relieve us from our dependence upon our competitors in those markets for our transportation, I do not see how we can hope to meet their competition upon equal terms or successfully; but when we have accomplished that, then the emergency feature of this matter will have passed, and to my mind it will not have passed until then.

Mr. NORRIS. That means that it never will have passed, in my judgment.

Mr. SIMMONS. Well, I do not know how far that will go. I do not know how long it is going to take.

Mr. NORRIS. I am in favor of what I have outlined as a permanent policy. I am not in favor of going into this business and then backing out as soon as it becomes profitable, and letting somebody else who did not share the danger of losses in building it up take all the profits. I believe the Senator from North Carolina [Mr. SIMMONS] is in harmony with me, as well as the Senator from Oklahoma [Mr. OWEN], on this particular part of the bill; but the Senator from North Carolina can not fail to notice what has been said by his colleague from Georgia [Mr. SMITH], whose support of this bill, as I understand, was brought about because this language is in here. He believes in leasing these ships all the time to some other corporation, and he is supporting this bill because such authority is in the bill. I presume he takes into consideration, too, the fact that the shipping board provided in this bill is already on record as being in favor of such a policy, through the message of the President of the United States.

So it seems to me those Senators really have the better of the argument. Now, if it is the policy on that side that these leases should be made only for temporary purposes then this bill ought to be amended, perhaps not by the adoption of my amendment that strikes out the language giving this authority, but in a modified form as I have suggested.

Mr. WALSH. Mr. President——

Mr. NORRIS. I will yield to the Senator in just a moment. That would suit me just as well as the amendment I have proposed.

I want to assure the Senator from North Carolina that I do not want to take away from this shipping board, however it may be constituted, a reasonable discretion. I know that this corporation can not do business if its discretion is entirely taken away. I have no disposition, and it is not my intention, to interfere with a reasonable discretion; but we are giving the board a power to nullify this act if the construction placed on it by the Senator from North Carolina is proper.

Mr. SMITH of Georgia. Mr. President——

Mr. NORRIS. They will have authority practically to nullify it. The President, as soon as it becomes a profitable business, will be in favor of so doing, and they can readily say: "Why, this bill that you have passed gave us this authority. It was introduced to carry out the recommendations of the President, who himself made that kind of a recommendation. Therefore

we are entirely within the scope and the spirit of this act," if it is passed in this form, "if we lease for 99 years every ship that this Government corporation owns."

Mr. WALSH. Mr. President——

Mr. NORRIS. I yield to the Senator from Montana.

Mr. WALSH. I dare say the Senator from Nebraska is not unaware of a fact, information of which was conveyed to the public through the press, that in the Democratic caucus the Senator from Georgia was one of three who stood for the sentiment he has expressed upon this floor. That was the occasion that brought me to my feet.

Mr. SMITH of Georgia. Mr. President, if the Senator will allow me, he is incorrect in that statement.

Mr. WALSH. I am not incorrect in what the newspapers said.

Mr. SMITH of Georgia. That was not the newspaper statement. I was one of three who opposed making this bill a party measure, and thought that the entire subject should be left free to amendment by all Senators. That was not the vote upon the proposition to restrict operation by the Government.

Mr. NORRIS. Let me inquire whether the Senator from Georgia is speaking now of the newspaper report of the caucus or of the fact.

Mr. SMITH of Georgia. I am speaking of the newspaper report and the fact, too.

The VICE PRESIDENT. Just one moment. The Chair wants to make an observation at this point. The Chair has heretofore ruled, and been sustained by the Senate, that if a Senator on the floor yields for any purpose except for the purpose of a question he yields the floor. That ruling would have to be made upon a point of order being made.

Now, the Chair wants to say that he is not going to enforce that rule of order if the Senate does not assist him in enforcing it. He can not go along here a part of the time with speeches being interjected in the argument of the Senator who is supposed to have the floor and no point of order being raised, and when a Senator wants to raise a point of order it must be enforced. It must either be raised regularly or the Chair will not enforce the rule.

Mr. WALSH. Mr. President——

Mr. NORRIS. Mr. President, as I understand the Chair and I ask for information, I know the ruling has been as the Chair has said, but I have gone on the theory that unless some one objected or made the point no notice would be taken of it. I have no objection to the interruptions.

The VICE PRESIDENT. The interjection of the Chair is for the protection of the Chair. He does not choose to be placed in a position of seeming partiality by any ruling upon this question. The Chair has once ruled and has been sustained by the Senate, and the Chair believes that it is the duty of the Senate to enforce that rule or to abrogate it.

Mr. WALSH. I rose for a question.

Mr. NORRIS. I yield to the Senator from Montana.

Mr. WALSH. Unless the Senator from Nebraska misquoted himself in saying——

Mr. NORRIS. The Senator now, after the admonition received from the Chair, must ask me a question or I can not yield.

Mr. WALSH. Very well. In saying that the President of the United States was committed to the policy of leasing these ships for a long or a short term, will the Senator kindly call our attention to that portion of the message of the President to which he gives that interpretation? I was not able to give it to any portion of the message to which the Senator now calls the attention of the Senate.

Mr. NORRIS. The Senator, I presume, was here when I read from the message. I do not care to take up the time of the Senate to repeat it.

Mr. WALSH. I simply inquire whether it is the understanding of the Senator from the extract he read that the President is committed to the policy of leasing these ships for a long term.

Mr. NORRIS. The President is committed to the policy of this governmental corporation going out of the shipping business just as soon as the business becomes profitable. That is what I take the message to mean.

Mr. WALSH. That is what I was——

Mr. NORRIS. And I believe this language gives this corporation the right to practically go out of the shipping business by leasing all these ships for an indefinite number of years.

Mr. POINDEXTER. Mr. President——

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

Mr. NORRIS. I yield to the Senator for a question.

Mr. POINDEXTER. I wish to ask a question, but rather of the Senator from North Carolina [Mr. SIMMONS].

Mr. NORRIS. I presume I could not yield for that purpose. I would be glad to yield if it were not for the parliamentary situation, but I suppose that would take me off the floor.

Mr. POINDEXTER. I will ask the Senator from Nebraska——

Mr. SIMMONS. If the Senator from Nebraska will pardon me, he having the floor, I am quite sure that the President has meant all he said in his message in reference to——

Mr. NORRIS. I have not yielded to the Senator. I would be glad to yield, but under the ruling I am not allowed to do so.

Mr. SIMMONS. I was going to say——

Mr. NORRIS. Of course, if the Senator insists on talking, I can not help it, and personally I do not object to it.

Mr. SIMMONS. What I wanted to say was, that while I think the President may have some idea, as his message indicates, that the Government at some time will go out of this business, I think the President feels like a great many others of us, that so long as the Government does remain in the business it shall operate these ships and not lease them.

Mr. POINDEXTER. I understood the remark of the Chair somewhat different from the Senator from Nebraska. I understood the Chair to say that he has made a ruling and has been sustained by the Senate, but that the Senate is violating the rule so constantly that the Chair will not undertake to enforce the rule unless he is sustained by the Senate, and the point can only be raised by some one making a point of order.

Mr. NORRIS. I had supposed the Chair would not be called upon to rule unless some one made the point.

Mr. POINDEXTER. However, I wanted to ask a question. I am sorry the Senator from North Carolina has disappeared from the Chamber just as I wanted to get some information from him, but the Senator from Nebraska probably can answer it.

Of course, this is a legislative matter that has just been discussed between the Senator from North Carolina and the Senator from Nebraska, as to whether or not the Government shall remain in the business of operating these ships. That is a vital principle of the bill which is before Congress for determination as a legislative matter. Now, I should like to understand if the proposition is to transfer that legislative power and legislative discretion in effect to this board, divesting Congress of it. That would be the result if the board is going to have the discretion of quitting the business at any time it sees fit. If the board can do that, it can, in effect, repeal this law, if the purpose and intention of those passing the bill is what is stated by the Senator from North Carolina. He states that it is the purpose and intention that the Government, acting through this corporation, shall continue in this business until the emergency disappears. The whole bill is based on the proposition of an emergency existing. Congress is now debating the proposition as to whether there is an emergency. Congress is to determine whether an emergency exists which justifies the Government going into this business.

The Senator from North Carolina interprets this bill so that when Congress has passed the bill, perhaps when Congress has adjourned, at any time—it may be in a few weeks or a few months or a few years—the board created under the bill will take up then and discuss and determine the exact question which Congress is now debating under the conditions existing now. It will determine, under conditions existing then, the very proposition which is involved in this whole measure, as to whether the Government shall operate merchant ships.

Now, there is a little further inquiry I should like to make.

Mr. NORRIS. The Senator's question is already long enough, and it will take some time to answer it.

Mr. POINDEXTER. The Senator declines to yield?

Mr. NORRIS. I have really forgotten just what the question was. The Senator will have to repeat it.

Mr. POINDEXTER. I will not undertake to repeat it. I will repeat it in my own right at some future time.

Mr. NORRIS. I do not believe the clause the Senator refers to—the particular clause to which I have called attention—is delegating legislative authority to this board. It simply provides in the charter of this corporation that the corporation itself shall have the right to lease the vessels that it owns. I do not believe that is a legislative act. It does not appear to me that it would be subject to the objection that it was unconstitutional because it was a delegation of legislative authority.

Mr. POINDEXTER. Will the Senator yield for a question?

Mr. NORRIS. Certainly.

Mr. POINDEXTER. Would not the effect of it be just as much legislative as the bill is if they lease all the vessels and go out of the business?

Mr. NORRIS. This legislation gives the permission to do that. We can provide by law for the building of vessels and then leasing them. We can provide that they shall be built by the Government and then leased to private corporations. We can provide that they shall be constructed and built by the Government and given to this corporation and by them leased to some other corporation. That is what this bill does.

It seems to me, from the admissions made on the other side of the Chamber, that this bill is so framed as to be guilty of the charge that it is obtaining votes under false pretenses.

Mr. SMITH of Georgia. Mr. President——

Mr. NORRIS. It gets the support of one man because he is in favor of all these vessels being leased as a permanent policy, and it gets the support of another man because he agrees with me that the policy ought to be that these ships shall be operated through the governmental corporation provided in the bill.

Mr. SMITH of Georgia. Mr. President——

Mr. NORRIS. Now, I submit to Senators that is not a fair way to legislate. We ought to do one or the other. While I am opposed to one and am in favor of the other, at the same time there ought to be no doubt about this bill, if it is enacted into law, as to what it means. I yield to the Senator from Georgia for a question.

Mr. SMITH of Georgia. Is not this a fairer statement of the effect of the bill. It gives unlimited discretion, does it not, to this board?

Mr. NORRIS. I think it does.

Mr. SMITH of Georgia. Either to operate or to lease?

Mr. NORRIS. Yes, sir.

Mr. SMITH of Georgia. Those who entertain the view I have upon the subject vote for the bill upon the ground that we believe this board, if not satisfied from the start that they ought to lease the vessels, will, from their experience, quickly realize that they ought to lease them, and that the result will be that the vessels will be chartered or leased and not operated by the Government.

Mr. NORRIS. I think the Senator has made a very fair statement. I presume that is what has moved the Senator in his support of the bill. It all goes to show that some amendment along the line I have suggested ought to be adopted, or if the majority party in caucus favor the theory outlined by the Senator from Georgia, they ought to say so in this bill.

Mr. JONES. Mr. President——

Mr. NORRIS. I yield to the Senator from Washington.

Mr. JONES. I merely wish to ask the Senator if it is not clear that when the operation of the ships becomes profitable, a President holding the views of the present Executive would then force the leasing of the ships.

Mr. NORRIS. I should think so. I would if I were President, and if the President did that after the message he delivered to Congress, and we passed this law as we have it before us now, I should say he was perfectly justified in doing it, although that is a policy in which I do not agree with him.

Mr. JONES. If we were to elect a President in 1916 who was opposed to the Government operating the ships, whether they are profitable or unprofitable, immediately upon his inauguration a shipping board would be selected that would lease the ships whether they are profitable or whether they are not profitable.

Mr. NORRIS. Yes; and if the next President who was elected was of a different faith and policy and believed the Government ought to operate them, he would immediately proceed to cancel all the leases, if he could, if he had the power under the leases or the law, and so we would have a checkered policy changing every time there was a change in the occupant of the White House.

Mr. JONES. Mr. President——

Mr. NORRIS. I yield again to the Senator.

Mr. JONES. Would not that necessarily bring the matter into politics?

Mr. NORRIS. Yes; I think so. I think it is already brought into politics a great deal more than it ought to be; but that would, of course, plunge it into every campaign that would come up, and the business, in my judgment, with that uncertainty would be a failure.

If the view of those in favor of building these ships by the Government and leasing them to private corporations prevails and that is enacted into law, then, of course, as a patriotic citizen or as one of those public officials, I would do everything I could to see that that policy was carried out in good faith, although I do not agree with the policy. At least the permanent policy of the Government ought to be announced in this law, and that is the object of the amendment.

The Senator from North Carolina has said that in section 7 the bill provides that the stock of the corporation can be sold with the consent of Congress. Of course that would be true, even if it was not there; Congress could amend the law, but when I read section 7, providing as it does that this board can sell any part or all the stock the Government owns in this corporation whenever Congress consents to such sale, I could not see why they did not say in the same section that they could not only sell the stock but they could sell or lease the property, the ships of this corporation, with the consent of Congress. That would mean that the law would have to be changed before these ships could be leased for an indefinite term. You can lease all the ships and still own all the stock, and while you practically put the corporation out of business technically the stock is already in existence and the corporation is still alive.

Instead of strengthening the idea of the Senator from North Carolina, that because we say in section 7 that the stock can not be sold without the consent of Congress, it would necessarily imply that the vessels could not be disposed of by long-term leases, I look at it just the contrary. If we leave the bill as it is, any President who wanted to lease the ships after they had been in operation for some time, after they had been built and owned by this governmental corporation, could say, "Well, I will lease these ships for 99 years. If Congress did not intend that I should lease them for an indefinite term, they would have said in section 7 that not only the stock could not be sold but that the ships could not be leased or sold without the consent of Congress."

Mr. President, I want to take up another amendment. I offered yesterday and had printed another amendment that I expect to offer and to which I desire to call the attention particularly of the Members on the other side, with a candid hope that they may take it into consideration through the instrumentality of the caucus, if that is the only way that it can be reached, and either adopt it or some other similar amendment having the same purpose in view. This amendment is intended to be offered as an amendment to the last substitute of the bill reported by the committee. On page 5 of the substitute, at the end of section 3, I propose to insert the following proviso:

Provided, That no vessel shall be purchased under this act, which sails under the flag of any nation at war with any other nation which is at peace with the United States, unless prior to such purchase an understanding or agreement shall have been reached that will avoid any international difficulty or dispute regarding such purchase.

To my mind, Senators, there is great danger ahead of us, great danger of international difficulty, if not of war, if we pass the present bill without some amendment similar to that one. Men may disagree, do honestly disagree, I presume, as to whether the purchase of a belligerent ship after the breaking out of hostilities is an unneutral act. To my mind it is clear—under international law I can not see any possibility of doubt—but there are other men more able and wise than I am who take the opposite view. I had assumed up to yesterday that Senators on that side agreed with the proposition that under international law any ship flying the flag of a belligerent nation could not be purchased by a neutral nation and avoid the possibility—or the right, rather—of capture of the ship if it were used on the high seas, because in a colloquy that I had with the Senator from Mississippi [Mr. WILLIAMS], joined in later on by the Senator from North Carolina [Mr. SIMMONS], I formed the opinion that they believed that was international law, but that if this bill were passed, it being provided that the Government shall purchase the ships and then turn them over to the shipping board, there would be no danger of our Federal officials purchasing any such ships to be transferred to this governmental corporation; but yesterday we listened to an able argument of considerable length by the Senator from Montana [Mr. WALSH] in which he took the view, in a general way, as I understand, that there was no doubt we had a right to purchase such ships and that, as a matter of fact, we ought to purchase them and have the question tested and settled. He was satisfied that we had such a right, that we would be able to maintain it and establish that kind of precedent in international law.

It has been my understanding that, under international law, a ship sailing under the flag of a belligerent nation could not avoid the liability of capture by such transfer either to a neutral nation or to the citizens of a nation that was neutral. There are some exceptions—and I think it always has been conceded that there are some exceptions—which I am not going into now. A few years ago all the leading civilized nations of the earth met in a great conference in London and adopted what is known as the Declaration of the International Naval Conference. This conference was held in London, England, from December 4, 1908, to February 26, 1909. This conference, as I said a few

moments ago, was participated in by practically all of the civilized nations of the world, including our own. I have a list of them here, but I do not know that it is important to put it in. It is sufficient to say that Russia, England, Germany, France, the Netherlands, and Italy were represented there, and all joined in this declaration.

I believe it is fair to say that under international law each nation has a right to determine for itself the course that shall be pursued in time of war with regard to contraband and a great many other things, including the right to transfer ships during hostilities from a belligerent nation to a neutral nation. That being true, even without this declaration of London in this naval conference, each one of the belligerent nations would have a right to declare for itself in the case of hostilities what its policy should be. While this declaration was agreed to by all of the representatives there—as I understand, it was a unanimous agreement—there was no action taken by the nations afterwards in formally approving it; but England has declared her intention of abiding by the conference, with certain exceptions that she noted in the various declarations she has issued since the war. I understand that this declaration was also approved by Germany, by France, and by Russia. Article 56 of the declaration reads as follows:

The transfer of an enemy vessel to a neutral flag effected after the outbreak of hostilities is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed.

There, however, is an absolute presumption that a transfer is void—

(1) If the transfer has been made during a voyage or in a blockaded port.

(2) If the right to repurchase or recover the vessel is reserved to the vendor.

(3) If the requirements of the municipal law governing the right to fly the flag under which the vessel is sailing have not been fulfilled.

I am not now contending that any of the ships of which I shall speak in a general way are included in any of the three presumptions here, which are absolute. I am confining myself entirely to article 56 itself, wherein it is stated that—

The transfer of an enemy vessel to a neutral flag * * * is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel as such is exposed.

There will be two things to prove if article 56 is brought into question. Supposing we pass this bill without making any changes in this respect, that we buy through this governmental corporation provided for in the bill some of the hostile ships of any of the belligerent nations, that we then take one of such ships out on the high seas, and that some other belligerent nation takes it as a prize on the ground that the transfer to this corporation of ours was void under article 56 of the London declaration—an article that no one of the belligerent nations on any side has modified, but which they have accepted and declared to be the law in full force—what would we have to prove under those circumstances?

I think it would be fair to say that there would be two things incumbent upon us to prove in order to escape the liability of giving up the ship as a prize. First, we would have to prove our good faith; we would have to prove that we bought the ship in good faith. I concede that would not be difficult to do, for I am going on the theory that the Government would not purchase a ship in any other way; that, so far as we were concerned, we would be acting in good faith. But, Mr. President, that is not all of the proof which we would have to offer and establish. Not only would we have to show our good faith, but we would be confronted with the proposition of proving that the vendor of the vessel in selling it to us had no intention of escaping the liability of capture at sea of his vessel, that he did not intend "to evade the consequences to which an enemy vessel as such is exposed."

Mr. President, why are any of these vessels now interned in American ports? This is the most profitable season in the shipping business that has existed for a century. A man with a vessel that is able to carry produce from our shores across the Atlantic Ocean now, of all times under the sun, would be busy with that vessel, because there is now more cargo to carry at a higher rate than ever before existed in the life of any man who lives to-day. The very fact that his vessel is interned, the very fact that his vessel is not on the high seas earning large profits for its owner, is evidence of the fact that the owner is afraid of its capture at sea. The interned vessel is not only idle, but its owner must pay for having the right to keep his ship in a neutral port tied up to a dock that can not be used for any other purpose while the vessel is there. Its idleness therefore is a source of expenditure to him. Then, it seems to me, it would follow as logically as the rising and setting of the sun that under those circumstances his object in selling the ship would be, as article 56 says, "to evade the consequences to which an enemy vessel, as such, is exposed."

Under no other circumstances that I can conceive of would he offer a vessel for sale, and under no other circumstances would his vessel remain there idle when it might, if it were not for that one thing, bring greater profit and benefit to him than at any other time he had owned that vessel or any other vessel. So, it seems to me, that as to one of these propositions we would absolutely fail of proof; we could not produce it, because it would be impossible of proof. We could not produce it, because the opposite is true and apparent to every man, it seems to me, who will look at it reasonably and fairly in the face.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield for a question.

Mr. WALSH. Mr. President, if the Senator from Nebraska has not forgotten the circumstance, how would he account, upon his theory of the position which Great Britain is likely to take, for the statement which her own representatives made three days after the conclusion of the conference in the formal representation they made to their Government, that all that was necessary to prove under article 56 was that the sale was bona fide?

Mr. NORRIS. Mr. President, I have not seen that statement and did not know of it, except as the Senator gave it to us yesterday. I assume that it is correct in all respects, of course, but I thought yesterday, when the Senator gave that statement to us, that it is an opinion expressed by some individual citizens of Great Britain.

Mr. WALSH. Oh, Mr. President——

Mr. NORRIS. Although they happen to hold high official position.

Mr. WALSH. And they were acting under the immediate direction and in absolute conjunction with Lord Grey, the official representative of the British Government.

Mr. NORRIS. That has no more effect than if, when we pass this bill, some one should say, "Why, the Senator from North Carolina said if this bill were passed the policy clearly outlined meant that the Government corporation should remain permanently in the business when it once entered upon it," and some one else should say, "Another Senator on an equal footing and standing with the Senator from North Carolina made the statement that if this bill should be passed there would not be any question on earth that the President of the United States and the shipping board could, without any inconsistency whatever, lease every ship that we had purchased." When the law came to be tested, what the Senator from North Carolina had said or what the Senator from Georgia had said would not be evidence. The court, as the Senator from Montana himself yesterday pointed out, would not take their opinion, great and able as they may be.

Great Britain has, since the beginning of the war, actually declared to the world that the London conference is in full force and effect excepting as she has modified it in her various proclamations; and in no proclamation has she ever modified in any particular whatever article 56. So article 56, whatever it means, according to the official declaration of the Government of England, is in full force and effect, and the same can be said of Germany, of France, and of Russia.

Mr. WALSH. But, let me ask the Senator, why does he assume that the Government of Great Britain will not take exactly the view that her representatives took concerning the meaning of this article?

Mr. NORRIS. Well, in the first place, I take it, Mr. President, that any man who reads the article can not possibly, as I view it, give it any other construction than the one I have placed upon it. It seems to me it is plain. The Senator must remember, however, that the officials of Great Britain who made the declaration of which he speaks, simply said, as I remember, in effect that this did not change the law as heretofore existing; that it did not change the position heretofore taken by Great Britain.

Mr. WALSH. Exactly.

Mr. NORRIS. That was it in substance. The position Great Britain has heretofore taken is at issue in that statement as well as article 56.

Mr. WALSH. If the Senator will excuse me, let me correct him. The representatives of the British Government declared:

The provisions under this head are practically in accord with the rules hitherto enforced by British prize courts.

Mr. NORRIS. Yes.

Mr. WALSH. There was not any doubt about that, was there?

Mr. NORRIS. There could be a great deal said on both sides of the question as to just what were all of the rules that were enforced heretofore by the English prize court.

Mr. WALSH. The Senator from Nebraska does not want us to understand that prior to that time there was any doubt about what were the rules established by the English prize courts upon this particular subject, does he?

Mr. NORRIS. I think there is some doubt.

Mr. WALSH. Will the Senator tell us of some case in which the doubt was expressed?

Mr. NORRIS. No; for the sake of argument, I am going to assume the literal correctness of the statement of the Senator from Montana. I am going to argue it from that standpoint. At most, it could be said that some official of England, after the declaration of the London conference had been agreed to, had said—and it was not an official who took part in the conference, either, as I understand——

Mr. WALSH. If the Senator will excuse me, the statement was made by the English delegates to the conference——

Mr. NORRIS. That makes it all the better.

Mr. WALSH. Sitting, bear in mind, in the foreign office in the city of London, under the immediate direction and in immediate communication with the foreign secretary. It was made by the delegates to the conference in their official report made three days afterwards.

Mr. NORRIS. That makes it all the stronger, if it comes from that source. Here was a man who had represented Great Britain in this great international conference. He, of course, was anxious to have his Government pleased with the work of that conference in which he had taken such an active part. Naturally and properly he wanted to have it approved by his Government. It was the same with every other delegate from every other country; and anything that he could say that would have a tendency to bring approval from his countrymen he would say if he could consistently do so with his idea as to what had been accomplished. So that we must take his statements with that kind of an allowance, and then take the statement itself where it says there was "practically" no change. In my judgment there was some change. I do not think there was as big a change as the Senator from Montana argued yesterday, but I think that is quite immaterial, because the Government of England afterwards, through her proper authorities, through her regular legal channels, announced to the world the approval of this conference, and made no exception to article 56. When it comes to be construed by an English prize court, will that prize court say: "We are going to put a construction on this language that was put on it by a man who was a member of the conference"? They will not do so. They will cite the same authority the Senator from Montana cited yesterday—the Supreme Court of the United States—wherein it said that, in construing an act of Congress, the individual opinions of Members on the floor when they were arguing would not be taken into consideration. They will take the language, and I ask Senators to take the language. There is not anything doubtful about it. There is not anything covered up. I can not conceive of language being plainer. It seems to me there can be no doubt in the mind of any reasonable man what it means. Let me read again that part of article 56 that is now under discussion:

> The transfer of an enemy vessel to a neutral flag effected after the outbreak of hostilities is void—

The presumption is that it is void—

> unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed.

I do not believe there can be any doubt in any man's mind that when a ship which has been taken off the seas and hid in a port at a time when it would be more profitable than at any time in a hundred years to be out on the seas doing business is sold the sale was, on the part of the vendor at least, with a view of evading "the consequences to which an enemy vessel, as such, would be exposed"; and we would have to prove that such was not the case.

Mr. WALSH. Mr. President, just one other question.

Mr. NORRIS. I yield to the Senator from Montana.

Mr. WALSH. I should like to know whether the Senator from Nebraska desires to convey to the Senate the idea that he is of the impression that Desart, the English representative, sought to deceive Lord Grey, and that Lord Grey was deceived, as to the meaning of this article?

Mr. NORRIS. Oh, no. I do not believe the Senator from North Carolina [Mr. SIMMONS] sought to deceive the Senate this morning when he gave his construction of another part of this bill; neither do I believe that the Senator from Georgia [Mr. SMITH], who gave an exactly opposite construction, desired to deceive anybody.

Mr. WALSH. That is, the Senator thinks that Desart honestly believed that was the proper construction of the article and that Grey honestly believed that was the proper construction of the article?

Mr. NORRIS. Yes.

Mr. WALSH. Is that what the Senator desires to say?

Mr. NORRIS. The Senator must remember that they did not say that there was no change. If you take their own language, they did not say that; they said "practically" no change; but my proposition is that it does not make any difference what they said. Here is the language. They are not going to pass on it. They will not be the prize court. While I may be mistaken about this, I believe it has already been stated on this floor that word has already reached our Government that the British Government will not consent, at least in one instance that has been put up to it, to the transfer of one of these interned vessels.

Mr. WALSH. The Senator would not consider that that settled the thing, would he?

Mr. NORRIS. Oh, no; I would not consider that that settled it.

Now, Mr. President, it seems to me that just as soon as we get doubt on this question, as soon as there is in the mind of any reasonable man any honest question as to whether we have a right to do this thing, and that the consequences of doing it might bring us into the present war, we ought to hesitate long and consider well before we take the step. The Senator from Montana himself, the only Senator so far that I have heard who has defended taking that kind of a course, has practically, in his argument, admitted that there would be a controversy. He says that if the prize court decides against us, that does not end it. That is true. He says we can take it up through diplomatic sources and settle it in that way, if possible; and if it can not be settled in that way, there is still another place to go, and that is arbitration. Now, that is all true. There is still another place to go, and that is to the battle field.

Suppose you pass this bill with this provision unamended, and one of these interned vessels is purchased, goes out on the high seas, is seized and taken into the prize court of a foreign nation, and is condemned, as I believe it will be, as a prize of war. What are we going to do about it? We can remain silent and let it go if we want to. If that is the case, we have lost our vessel and all the money we put in it. We can, after fighting through the prize court and getting beaten there take it up, as the Senator from Montana says, through diplomatic channels. What courses are left open to us? We can either quit and do nothing, we can ask for arbitration, or we can go to war.

I assume we would ask for arbitration. Let us see what kind of difficulty we would get into. What nation in Europe can furnish a citizen for that arbitration tribunal? Where are we going to get a tribunal to arbitrate the question? If the dispute was with Germany, do you suppose Germany would consent that a citizen of France or of England or of Russia or of Italy should be put on that tribunal? If the dispute was with England, would we consent that a citizen of France, of Russia, or of Italy should be put on the tribunal—nations standing for the same thing that England is standing for? Would England in that case consent that a citizen of Germany should be put on the tribunal?

So that arbitration begins to get in the distance to quite an extent. Suppose we consented to citizens of some of these belligerent nations going on the tribunal and we were beaten in the arbitration, what would our citizens think? What effect would the judgment of that tribunal have upon our citizens? They are already divided between these contending armies in Europe. The sympathies of millions of our citizens are on one side or the other in that controversy. What would they demand? Why, I fear there would come a demand that would say: "We must defend our rights. We will not submit this question to a biased tribunal, and we can not get any other. We will send with these ships the vessels of our Navy." There is where the demand would come.

Mr. WALSH. Mr. President, is it disagreeable to the Senator to have me question him?

Mr. NORRIS. Oh, no.

Mr. WALSH. I inquire of the Senator whether he would not regard all of the nations engaged in the present war as excluded from the arbitration?

Mr. NORRIS. Yes; I should think so.

Mr. WALSH. Certainly. Then does the Senator feel that it would be difficult to select arbitrators from the neutral nations—Italy, Spain, all of the South American Republics?

Mr. NORRIS. Well, let us take the first one the Senator mentions—Italy. Do you suppose that Germany, if we had

a dispute with her, would consent to that? And if we had a dispute with England, would we consent to putting an Italian on the court of arbitration?

Mr. WALSH. Let us exclude Italy, then.

Mr. NORRIS. Yes.

Mr. WALSH. There is Spain.

Mr. NORRIS. The same thing is true of Spain. There is not a nation in Europe, whether she is engaged in war or not, but that would raise suspicion upon one side or the other.

Mr. WALSH. Well, assume that that is the case.

Mr. NORRIS. I think it is fair to do it.

Mr. WALSH. I see no reason at all why any of these nations should object to a representative from Spain, from Denmark, from Norway, from Sweden; but in addition you have all the South American Republics, all of them or many of them furnishing some of the great standard writers upon the subject of international law.

Mr. NORRIS. Yes; but let us see what we would come up against there. Would any European nation consent that a European question should be settled by American or South American citizens? Immediately you run up against that prejudice. I want to say to the Senator that I believe it would be very difficult to agree upon an arbitration tribunal.

Mr. WALSH. We would have no difficulty in picking out arbitrators.

Mr. NORRIS. Oh, we would not object to some, but we would object to some others, and what we did not object to they would object to.

Mr. WALSH. The statement of the Senator, then, is that England would refuse to arbitrate?

Mr. NORRIS. Possibly not; but after she agreed to arbitrate, the selection of the arbitrators would still be an undecided question that might defeat the arbitration itself.

Mr. President, I have been discussing a case with England. We have got that along to arbitration; but we will say this bill is passed, and we have bought a whole lot of ships. England got the first one that went out, which was a German ship. England captured it. It went into a prize court in England. The next ship that went out was one that had formerly been sailed under the English flag. Germany, we will say, captured that ship, and it went into a German prize court. The next one might have been a German ship, again, and a French man-of-war captured that and took it into a French court; and Russia captured another one. So we would have ourselves in every prize court on the face of the earth, contesting for something that all these nations are opposed to.

Is that where we want to go? Is that what we want to do? Can we afford to do it—the only great Nation under the shining sun now at peace with all the world? Can we, as such Nation, afford to take a chance of that kind?

Why, Mr. President, for the sake of a few paltry dollars we would jeopardize our good standing with the world, and, in my judgment, in the end would bring ourselves into this great, foolish, illogical contest that is now going on upon a hundred battle fields across the water. We can not afford to do it. I appeal to Senators on that side, let us not take a step that will by any possibility put us in a position where we will get into that kind of a difficulty.

For the sake of argument, let us assume that the Senator from Montana is right in every respect. Let us assume that. He admits that it will get us into difficulty. He admits that we will get into arbitration, and I think it will follow that we will be in a controversy not with one nation but with five or six nations, every one of them against us. Do not let any man get the idea that only England is against this idea. Germany, her enemy, is likewise against it. The Senator devoted most of his attention to England's position. Why, we are not confined to that. There is not any doubt in his mind of the position of France being exactly against it before the London conference, although he said it was ancient. Suppose one of these ships goes out on the high seas and is captured by a French man-of-war, and then we go into a French prize court. Does the Senator contend that what Lord Grey or somebody else said over in England is going to influence that court? Is there anybody here or elsewhere who contends that France could not consistently enforce article 56 of the London declaration? No man so far has made any such claim.

Suppose the vessel is captured by a Russian man-of-war. It is not so apt to take place, I concede; but if that is the case, we go into a prize court in Russia. Is there any danger of this? The Senator from Mississippi [Mr. WILLIAMS] said the other day that there was not any, because nobody would be so foolish as to buy one of these ships unless, he said, they had an agreement with the other nations that they would not object. Then why not put it in the law? Why not write it in the statute, if that is what you believe is going to be done? Let us take no chances.

Why, I thought when I heard the Senator from Mississippi that possibly he was speaking for the administration, but it was said by the newspaper men who interviewed the President the next day that he was not representing the administration. I assume that the administration inclines more to the theory of the Senator from Montana, and I do not criticize any man for taking that position. Do not let anyone misunderstand me. He has a right to take it. I assume when he takes it there is a prima facie case against opposition to this amendment that I have offered.

Mr. SIMMONS. Mr. President, I do not know what the Senator refers to when he speaks of the newspaper statement of the attitude of the President. It may have appeared differently in different papers. I only saw it in one paper, and I gathered from that paper that what the President had said was that if this bill was passed and these powers of purchase were conferred, no one need apprehend that anything unneutral would be done in connection with the purchase of those ships.

Mr. NORRIS. That is what the Senator from Mississippi said, in effect. He said that there would not be any danger, because nobody would be foolish enough to do it.

Mr. SIMMONS. That is what the newspaper I read represented the President as saying. I do not know what he said. I do not know what his position about it is.

Mr. SMITH of Michigan. Mr. President, will the Senator from Nebraska yield to me for a question?

Mr. NORRIS. I yield for a question.

Mr. SMITH of Michigan. Perhaps the newspapers did not properly reflect the attitude of the administration, but Secretary McAdoo must reflect the attitude of the administration. There is no question about that, is there? I ask the Senator from North Carolina.

Mr. SIMMONS. Why, Secretary McAdoo is a leading member of the Cabinet.

Mr. SMITH of Michigan. Is he not the most potential figure in the administration outside of the President?

Mr. SIMMONS. I would not care to say that.

Mr. SMITH of Michigan. The Senator is the only Democrat who will not admit it; but I wish to suggest that when asked before the House committee as to whether the purchase of these interned bottoms might not bring us trouble, and when Mr. SAUNDERS said:

> It has been suggested that there would be grave objection to our undertaking to purchase German bottoms.

Secretary McAdoo, with astonishment, said, "Why?" And while dismissing the question of the diplomatic policy of the administration with the suggestion that he did not want to discuss it, he ventured to say:

> That is a question altogether aside, I think, from the issue. I believe that it can not be successfully disputed by any individual or any nation that this Government or any Government has a right to buy merchant ships, provided it buys them in good faith and for a neutral purpose, and that is exactly what would be done in this case.

There is no question about the attitude of the administration. The Secretary is astonished at the suggestion that you could not buy the ships of belligerents.

Mr. SIMMONS. I do not think the Senator read all of Secretary McAdoo's testimony.

Mr. SMITH of Michigan. I have read every word of it.

Mr. SIMMONS. Somewhere in Secretary McAdoo's testimony, speaking about this very matter, he said that in view of the President's record upon these questions he did not think any one would doubt that the President would pursue a policy which would not violate our neutrality with other nations.

Mr. SMITH of Michigan. Oh, yes; if the Senator from Nebraska will pardon me.

Mr. SIMMONS. That is all I said that I understood the newspapers had represented the President as saying about this matter.

Mr. SMITH of Michigan. Secretary McAdoo did wind up his statement with a brilliant eulogy of the President of the United States, as he always does whenever he speaks regarding the administration; and he did attribute to the President discretion and judgment and care in making these investments; but you may rely upon him at all times to attribute to the President of the United States infallible qualities with respect to the exact attitude of foreign nations as to any question of this character.

Mr. NORRIS. Mr. President, I hope the Senators will not engage in a colloquy outside of my remarks here. I should like to proceed. I do not want to consume too much of the time of the Senate, and under the admonition made by the Presiding Officer some time ago I do not want to get in a position where I might violate the rule.

Mr. SIMMONS. Of course, if the Senator objects I will not interrupt further.

Mr. NORRIS. I yield to the Senator for a question. He can put it in the shape of a question.

Mr. SIMMONS. All I desired to say was that I had understood the Secretary of the Treasury in his testimony—and I have read his testimony—as saying, in substance and effect, that we can safely trust the President in this exigency to do nothing which would violate the neutrality of this Government.

Mr. NORRIS. I think he said that. That has been said repeatedly by a good many people.

Mr. SIMMONS. And I think that is what the President is represented by the newspapers as saying in the interview—that nothing would be done by him that would violate the neutrality obligations of this Government.

Mr. SMITH of Michigan. If the Senator from Nebraska will permit me, the President said he could be relied upon, but it is not the first time he said it. He said that he could be relied upon in the Mexican situation to prevent any difficulty, and he was not a good prophet.

Mr. NORRIS. Mr. President, I was about to give the source of my information when the Senator from North Carolina interrupted me, but the controversy went on and I was not able to do it. I was speaking of what the Senator from Mississippi said, in substance saying that there was no danger of anybody buying any of these ships where there might any question arise, and if he had the buying of them he would not buy an interned ship unless he got the consent of the other nation.

I say that the President, in talking with the newspaper men the next day, said that the Senator from Mississippi was not speaking for him or for the administration. I got my information from a newspaper man who was there. I did not happen to see anything about it in the newspapers. That is no reflection on the President. I offer it simply to show that when the Senator from Mississippi rather conveyed the idea that he thought there was no use paying any attention to this because nobody had tried to do anything of this kind, he did not claim to be representing the President, but the President has declared, as I understand it, that he was not representing him, which I presume was the fact, going to show, at least being some evidence to show, that the President did not agree with that statement.

I was about to offer, and I shall offer, some additional evidence on that subject. We have an opinion given by the Solicitor for the State Department to the State Department which rather bears out the theory advocated by the Senator from Montana [Mr. WALSH]. This was printed here. You will find it in Senate Document 563, Sixty-third Congress, second session, printed as a Senate document August 11, 1914, in which the Solicitor for the State Department expressed the opinion which I will read:

CONCLUSIONS FROM THE MEMORANDUM ATTACHED.

1. Merchant ships of a belligerent may be transferred to a neutral after the outbreak of hostilities.

2. If the sale of the ship is made in good faith, without defeasance or reservation of title or interest in the vendor, without any understanding, expressed or tacit, that the vessel is to be retransferred after hostilities and without the indicia or badges of a collusive or colorable transaction.

3. But transfer can not be made of such vessel in a blockaded port or while in transitu.

4. The transfer must be allowable under and in conformity to the municipal regulations of the country of the neutral purchaser.

5. The declaration of the London convention that transfers of an enemy vessel to a neutral during war will not be valid unless it be shown that the same was not made to evade the consequences to which an enemy vessel, as such, is exposed, if it were controlling of the question, relates only to the good faith of the transfer and not to the ulterior motive of the parties to reap the natural advantages to flow from the operation of the vessel under the flag of a country not at war, while it inverts the burden of proof of the good faith of the transaction.

So I say the State Department has already been advised as indicated here.

I said at the beginning of my remarks to-day that in my judgment this advice was wrong, contrary to the declaration of London, contrary to article 56, contrary to international law; but it shows that the adviser of the State Department holds a different opinion. He is in error when he says:

2. If the sale of the ship is made in good faith, without defeasance or reservation of title or interest in the vendor, without any understanding, expressed or tacit, that the vessel is to be retransferred after hostilities and without the indicia or badges of a collusive or colorable transaction.

The good faith, as I pointed out, and I am not going over it again, provided for in article 56 is not only on the part of the purchaser but on the part of the vendor as well. He must have made this transfer without any idea of evading the consequences to which an enemy vessel, as such, is exposed. It makes absolutely no difference whether we pay the full price of the vessel, whether, as far as we are concerned, it is absolutely bona fide, although we must prove that. I am assuming that we will be able to prove that. I do not suppose our Government would buy a vessel except it acted in good faith. But whatever good faith we may have can not apply to the man who owns the vessel. We can not get down into his heart and find the reason why he transferred it. But it is quite apparent that he transferred it to avoid its capture on the high seas, especially if his vessel is interned and held in idleness at a time when it would be earning him much money.

But, Mr. President, that is not the only evidence the administration holds to the idea of the Senator from Montana. The Senate received an official communication on the 26th day of January, 1915, signed by the Secretary of Commerce and the Secretary of the Treasury, two members of the President's Cabinet, both of whom will be members of this shipping board if this bill passes unamended In that official communication they say, in disputing the charge that has often been made that the only vessels that could be purchased if this bill were passed are German vessels that are interned in American ports—they say that is not true, that there are other vessels which can be purchased, as well; and they say:

There is attached to this report as Exhibit 76 a list of ships offered by the Merchant Marine Agency, J. V. McCarthy, manager, Boston, Mass., from which it will be seen that there are 15 ships of English registry and 7 of German registry which he proposes to sell.

Further, where we get Exhibit 73, we find a minute description of each one of those vessels—15 under the English flag and 7 under the German flag—that one man has for sale and wants to sell to this new corporation.

Mr. President, let us not get the idea that it is going to be confined to vessels of one nationality alone. We will have various kinds of ships that, if we purchase, will be subject to seizure.

It seems to me, taken in connection with the address of the Senator from Montana [Mr. WALSH] and the statement of the President, that the Senator from Mississippi [Mr. WILLIAMS] in the statement referred to did not represent the administration. The statement read by the Senator from Michigan [Mr. SMITH] from the Secretary of the Treasury, the official letter of the Secretary of Commerce and the Secretary of the Treasury, giving us the list of these ships, all taken together, demonstrate absolutely that we are sailing on the rocks if we pass this bill unamended. If Senators believe that our Government should not purchase ships sailing under the flag of a belligerent nation without the consent of the other nations, then there can be no objection to this amendment.

Some Senators have said if we purchase, for instance, German vessels interned in our ports, England would be glad of it. It may be she would in some instances; I do not know. There might be cases; it may be it would be so in all of them. If that be true, then why should this amendment not be adopted?

Some Senators say, "Why, before the President would purchase a German vessel he would get the consent of England, and England would not object, because she would rather the vessel would be sailing under our flag than after the war to be back under the German flag, and besides, it would help in carrying produce to England." Assuming that to be true, what is the objection to the amendment?

If the Senator from Montana has the right position the President will not take that course. He will want this question settled, and the way to settle it will be to take a ship without the consent of anybody, just the same as we were going to have free coinage without the consent of any other nation on earth. That will settle it; it will be determined. The fact that that difficulty will arise, and it is practically undisputed that it will arise, is a sufficient reason for the adoption of this amendment.

But take the German vessel. Suppose England does consent, what about France or Russia? Suppose France says no and France seizes the vessel, and there is much more danger of our being defeated in a prize court and in arbitration if France seizes it than if it was seized by England, because there is no dispute but what France itself before the declaration of London held that the transfer under such circumstances of the ship of a belligerent nation to a neutral one was void and did not relieve her from capture on the high seas. France at least will not have to take a step backward. France at least is consistent in that course.

Mr. President, I know the amendment offered by me can not be adopted on the floor of the Senate. The Senator from North Carolina [Mr. SIMMONS], one of the leading Senators on the other side, has very kindly given me credit within the last hour for being fair in this discussion, saying, in regard to the other amendment, that he did not know but what it ought to be taken up and considered by the committee. I want to appeal to him as a patriotic citizen to take the same course with regard to this amendment. If we must be ruled by caucus action, which

of course I do not agree to, I submit to it because I must submit to the inevitable, but if we must be ruled by caucus action, then in the name of peace I ask the Senators on the other side to give consideration to this question.

It is no reflection on the President; it can not be construed as such, to put into the law what we think ought to be there, and it is no reflection on the President if he thinks we have a right to go and take these ships without anybody else's consent. I concede he has a right to that opinion. I no more find fault with him if he holds that opinion than I do with the very able and distinguished Senator from Montana who holds that opinion. But it seems to me that before us there is a difficulty that will lead us, because of the difficulty of obtaining arbitration, to one of two dilemmas. It seems to me either that we will let these ships go to the prize court and abide the judgment of the prize court without any controversy afterwards or we send our Navy out on the seas to defend these vessels against all other nations.

Mr. President, even if you assume that this bill, unamended if enacted into law, will not bring about difficulties because the President will never purchase a ship of a belligerent without the consent of the other belligerent, you have not answered the argument fully, because I say the passage of this law without some statement in it in regard to the position of the American Government will of itself create an international suspicion against us all over the civilized world.

We sent our representatives to London who took part in that conference, a conference participated in by all the world, and practically all the belligerents of the world announce that they uphold that conference with certain exceptions in regard to contraband which they enumerate. We alone would stand out and say to the balance of the civilized world, "Article 56 is not in force; we will not abide by it; but for the sake of a few paltry dollars we will defy civilization and go back of the conference and stand out alone against the world in favor of our right to purchase these contraband ships."

Mr. SMITH of Georgia. Mr. President——

Mr. NORRIS. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. Is it the view of the Senator that we should go to the extent of excluding the purchase of any belligerent vessels or simply that we should follow the article he has just referred to in the London conference, and exclude any vessel the purchase of which is denied by that provision?

Mr. NORRIS. The amendment I read at the beginning of my remarks I will read again, because it will answer the Senator's question, and then I have just a few words to say in regard to the amendment and I am done. This I propose to put in the bill at the end of the section where provision is made for the purchase.

Provided, That no vessel shall be purchased under this act which sails under the flag of any nation at war with any other nation which is at peace with the United States, unless prior to such purchase an understanding or agreement shall have been reached that will avoid any international difficulty or dispute regarding such purchase.

Mr. SMITH of Georgia. Would it not be amply far enough to limit the purchase according to the language of the London conference? Would not that be just as far as——

Mr. NORRIS. To me that would be sufficient, but I understand there are men—able men like the Secretary of the Treasury, the Senator from Montana, and the legal adviser of the State Department—who contend that even under the London conference we have a right to purchase these vessels. I do not see how anyone can contend that. I can not get that out of the language, but I concede, of course, the fact that I may be wrong and the others right.

I want to say in regard to this amendment I had first prepared it to simply prohibit the purchase of these vessels. For instance, the pending amendment offered by the Senator from Massachusetts [Mr. LODGE] prohibits absolutely the purchase of these vessels, and prohibits as well the purchase of any vessels from a nation that gives a subsidy. I, of course, am not in favor of that amendment. I thought if the amendment provided that no vessel flying the flag of a belligerent nation should be purchased, and just make it absolute, it would be sufficient; but I have talked with some Members of the majority in this body and some Members on this side in regard to such a provision, and they have agreed that there might be cases where that kind of a rule would be too stringent. As was said by the Senator from Mississippi, perhaps these other Governments would not object in case of our purchasing the vessels, and if they do not, certainly there ought to be no prohibition against their purchase, and I agree to that. So I have drawn this amendment with that in view. If it does not express the idea, if some other idea that will carry out the theory just as well can be better expressed, as no doubt may be true after you consider it in committee or in caucus, of course it will be satisfactory to me. But it seems to me that it is your duty, having this responsibility on you now, to so shape this bill that there will be no danger even of a serious international dispute arising out of it.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. In just a moment. There will come a time—I hope it is not far in the future—when this furious war will draw to a close and when the world with one acclaim will be looking to the United States to take the lead in bringing about peace and the ceasing of hostilities. Let us take no step here that will either directly or indirectly cause any ripple of suspicion in the civilized world against our good intentions.

Senators, when that time comes we can not say now how great may be our responsibility. There can be no reason now why we should not strengthen our good standing with all the belligerent nations by putting in the law this amendment either directly or in substance. It will elevate us in their minds. It will place us above suspicion. No man can then point the finger of suspicion at us and say, "You passed this legislation, running the risk even of going to war, in order that you might make a few dollars in commercial transactions."

I yield to the Senator from Montana for a question.

Mr. WALSH. Mr. President, inasmuch as the Senator from Nebraska has suggested that some serious difficulty may arise in respect to the choice of arbitrators if this matter should eventually go before arbitrators, I desire to inquire of him whether he has in mind these provisions of The Hague convention of 1899:

ARTICLE 23.

Within the three months following its ratification of the present act each signatory power shall select four persons at the most, of known competency in questions of international law, of the highest moral reputation, and disposed to accept the duties of arbitrators.

The persons thus selected shall be inscribed as members of the court, in a list which shall be notified by the bureau to all the signatory powers.

Any alteration in the list of arbitrators is brought by the bureau to the knowledge of the signatory powers.

And the succeeding paragraph:

ARTICLE 24.

When the signatory powers desire to have recourse to the permanent court for the settlement of a difference that has arisen between them, the arbitrators called upon to form the competent tribunal to decide this difference must be chosen from the general list of members of the court.

Failing the direct agreement of the parties on the composition of the arbitration tribunal, the following course shall be pursued:

Each party appoints two arbitrators, and these together choose an umpire.

If the votes are equal, the choice of the umpire is intrusted to a third power, selected by the parties by common accord.

Our Government has appointed as members of that permanent tribunal Mr. George Gray, Mr. Oscar S. Straus, Mr. ELIHU ROOT, and Mr. John Bassett Moore, and the other signatory powers have completed their quota of members of the court. I desire to inquire of the Senator whether he still has apprehensions about the possibility of organizing an arbitration tribunal?

Mr. NORRIS. Yes, Mr. President; I still have apprehensions about the possibility of organizing an arbitration tribunal. I suppose, of course, that the Senator from Montana knows that I have always been in my weak way an advocate of international arbitration. I favor it; I believe in it; and I do not say now and I have not said in the course of my remarks that we would absolutely not be able to get an arbitration tribunal under the present conditions. But I did say that it would be extremely difficult. It might result in an impossibility. It would with most of the signatory powers to that convention at war with each other.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. NORRIS. I yield to the Senator.

Mr. WALSH. Will the Senator pardon me until I read the list of the signatory powers?

Mr. NORRIS. The Senator can, but I do not care to take up the time. I think we all know in a general way.

Mr. WALSH. We start in with Argentina, Austria-Hungary, Belgium, Bolivia, Brazil, Bulgaria, Chile, China, Colombia, Cuba, Denmark, Dominican Republic, Ecuador, France, German Empire, Great Britain, Greece, Guatemala, Haiti, Italy, Japan, Luxemburg, Mexico, Montenegro, Netherlands, Nicaragua, Norway, Panama, Persia, Peru, Portugal, Roumania, Russia, Salvador, Servia, Siam, Spain, Sweden, Switzerland, Turkey, United States, Uruguay, Venezuela.

Mr. NORRIS. Suppose we eliminate those that are either directly or indirectly interested, what have we left? We have Mexico left. Do you say it would be possible to get persons out of Mexico now to settle an international difficulty, and would we want to submit it to them if we did?

Mr. GALLINGER. China.

Mr. NORRIS. The Senator from New Hampshire suggests China. We can get one from Ecuador. There are several countries where we can get them to settle the difficulty all Europe is interested in. Do you suppose they would agree to it? Do you suppose we would ourselves demand it?

It all goes to prove, Mr. President, that right ahead of us is this difficulty that I have pointed out in my weak way. But the Senator really admits it, although he minimizes, I think, the difficulty that will come; there is no escape from it, Mr. President. Every time the Senator interrupts and asks a question he only leads us further into that difficulty. It is only an additional demonstration that trouble is ahead if we do not amend this bill.

This amendment would not appeal I know to the Senator from Montana, because it would avoid a question that he wants to settle. The Senator is so belligerent in his good-natured way that he sees here an opportunity for a discussion and a debate and he wants the Government to get into it right away. But at the other side of that discussion and that debate there is danger of war even though we take some time in reaching it. In any case there is this thing sure, that in the eyes of the world the American Government has gone down by leaps and bounds.

Mr. WALSH. Let me inquire of the Senator from Nebraska, then, whether he believes that Secretary Marcy, Secretary Cass, Secretary Fish, and Secretary Evarts all pursued a most unwise policy in counseling the purchase of such ships?

Mr. NORRIS. Oh, no. I have always felt pretty good when I read about our great statesman who preceded all of us a good while who said, "Millions for defense but not a cent for tribute." I do not want the Senator to get the idea that I think the American people ought to be cowards. I do not want the Senator to get the idea that I am not in favor of defending ourselves on all occasions where we conscientiously believe we are right. But I want to be just as careful that we do not put a chip on our shoulder and walk out into the international world and say to all the balance of the world, "Knock it off." The man who puts a chip on his shoulder and the man who knocks it off are probably both at least inviting trouble. We ought not to do it. It is no indication that we are cowards or that we lack either the energy or bravery or the courage to defend ourselves and our flag when we put into a law of this kind a provision that will keep us out of international difficulty that everybody admits we will get into without it. We ought to avoid a quarrel.

I believe we ought always to keep in mind, as I said a while ago, the fact that we are almost alone among the leading nations of the world at peace. Everybody else is quarreling. We are going to have a responsibility before long undoubtedly on our shoulders to help to bring about the settlement of this great strife. We can not afford for the sake of settling a question about which I do not believe there can be any doubt to begin with, or for the sake of making a few dollars, to run any risk of putting ourselves in disrepute before the world or endangering our country and our flag, as I believe this measure will do, even to the extent of getting into war.

Mr. SMOOT obtained the floor.

Mr. SIMMONS. Will the Senator from Utah yield to me?

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

Mr. SIMMONS. Mr. President, I am sure the Senator from Nebraska [Mr. NORRIS], who has just taken his seat, did not intend to misrepresent my position with reference to the ownership of these vessels, and yet sometime ago he made a statement as to my position that does misrepresent it. I simply want to make my position clear.

The Senator stated that I had said I wanted the Government to remain permanently in the shipping business. The Senator misunderstood me if he understood me to say that. What I did say was that we were not going into this business, from my standpoint, simply to meet the emergency of a present scarcity of ships. I said that in my judgment there was another and a broader emergency, and I undertook to describe that emergency. I said that until these two emergencies were met and remedied I thought the Government ought to remain in the business and operate these vessels through the corporation provided in this bill.

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

The PRESIDING OFFICER. The absence of a quorum has been suggested. The Secretary will call the roll.

The Secretary proceeded to call the roll, and called the name of Mr. ASHURST.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. SIMMONS. I want to inquire if there has been any business transacted since the last roll call? If so, I do not now recall what it was. Will the Senator from Utah indicate what he has in mind?

Mr. SMOOT. The Senator from Iowa [Mr. KENYON] introduced a couple of amendments after the roll was last called.

Mr. SIMMONS. Was he recognized to introduce them and did he introduce them?

Mr. SMOOT. He did introduce them.

Mr. SIMMONS. Then I withdraw the point.

The PRESIDING OFFICER. The Secretary will proceed with the calling of the roll.

The Secretary resumed the calling of the roll, and the following Senators answered to their names:

Ashurst	Gallinger	O'Gorman	Smith, Md.
Borah	Gore	Overman	Smoot
Brady	Gronna	Owen	Stephenson
Bryan	Hitchcock	Page	Sterling
Burton	Hollis	Perkins	Swanson
Catron	James	Pittman	Thomas
Chamberlain	Kenyon	Poindexter	Thompson
Chilton	Kern	Pomerene	Thornton
Clark, Wyo.	Lane	Reed	Tillman
Clarke, Ark.	Lee, Md.	Saulsbury	Walsh
Colt	Lodge	Shafroth	Warren
Culberson	McLean	Sheppard	White
Cummins	Martine, N. J.	Shively	Williams
Dillingham	Myers	Simmons	Works
du Pont	Nelson	Smith, Ariz.	
Fletcher	Norris	Smith, Ga.	

Mr. MARTINE of New Jersey. I am requested to state that the Senator from South Carolina [Mr. SMITH] is detained from the Senate on account of illness in his family.

Mr. SMITH of Georgia. I wish to state that my colleague, the junior Senator from Georgia [Mr. HARDWICK], is detained from the Chamber on account of sickness.

Mr. KERN. I desire to announce the unavoidable absence of the Senator from Illinois [Mr. LEWIS], who is detained on account of illness. This announcement may stand for the day.

The PRESIDING OFFICER. Sixty-two Senators have answered to their names. A quorum is present.

Mr. GALLINGER. Mr. President, I know that rumors should always be taken *cum grano salis*, but the word has been passed around the Senate that we are to be kept here all night, and that we are likely to see the sun rise before we are permitted to go to our homes. In that connection it has been very strenuously urged that we are engaged in a filibuster on this bill, and from certain Democratic utterances the country would be led to believe that a filibuster is a very unusual thing in this body.

Mr. President, I have listened hour after hour to Democratic Members of this body engaged in what we supposed was a filibuster, who, taking their utterances now, one would suppose that if they should meet a filibuster on the street they would call upon the police to rescue them from it. We have had a good many filibusters during the 23 years that I have been a Member of this august assembly, and I want to call attention very briefly to a few of them. It will be remembered that in the closing days of the last administration we had over 200 filibusters in this Chamber, one succeeding another, when our Democratic friends marched in solemn column to the cloakroom, preventing us from getting a quorum, and then marching solemnly into the Chamber when it suited their purpose to do so. They have forgotten that, very likely, and hence they look with great concern upon the so-called filibuster that is now going on, when in reality we are trying by legitimate debate to defeat an utterly obnoxious and dangerous piece of legislation.

The length of time that we have taken to discuss the pending bill, Mr. President, which, from my viewpoint, has done a great deal of good, is a very short period compared with what we have taken to discuss other bills in the past. A tariff bill in 1883 was debated in the Senate 33 days. My friend the Senator from Wyoming [Mr. WARREN] remembers it well. The Mills bill, in 1888, was debated 10 days in the first session of the Fiftieth Congress and 31 days in the second session—41 days. The McKinley bill, in 1895, passed the Senate after 44 days' debate and 2 days' debate on the conference report. The Wilson-Gorman bill was debated in the Senate 3 months and 1 day in 1894. The Dingley tariff bill, in 1897, passed the Senate after 37 days' debate on the bill and 5 days' debate on the conference report. The Panama Canal tolls bill was considered in

the Senate from May 29 to August 26 in 1912, almost 3 months. The Canadian reciprocity bill was debated in the Senate from May 1 to July 22, 1911—2 months and 21 days.

Mr. President, I recall some of the noted speeches made in this body on some of those bills.

Mr. WARREN. May I ask the Senator a question?

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from New Hampshire yield to the Senator from Wyoming

Mr. GALLINGER. I yield to the Senator.

Mr. WARREN. Does the Senator remember—I am not quite certain whether or not he was then a Member of this body—the contest over the so-called force bill 24 years ago, which extended through December and January, during which the carpet on the floor fronting the cloakroom on the other side was worn out with Senators passing in and out to break and make a quorum?

Mr. GALLINGER. Mr. President, I was a Member of the House of Representatives in the Forty-ninth and Fiftieth Congresses. At the end of four years' service I seriously came to the conclusion that I ought to return to my profession, in the practice of which I could care for my family better than I could in public life, and I was absent from public life for two years. So I was absent and not a Member of either House during the debate on the force bill; but I read about it, and I know that one Senator spoke 13 hours on that bill without cessation, and that many other Senators did the same thing; that the quorum was broken time after time and the roll was called every little while.

I remember that one Senator spoke 14 hours on the bill to repeal the silver-purchasing clause of the Sherman law; one Senator spoke on the river and harbor bill 14 hours; another Senator spoke 18 hours and 20 minutes on the currency bill, during which 39 roll calls for a quorum were made in a single day; that a merchant-marine bill was defeated by a filibuster carried on by two Senators on the other side; that another Senator spoke for 8 hours and 5 minutes on the adoption of the resolution declaring Senator Lorimer entitled to a seat in the Senate; that another Democratic Senator spoke 12 or 13 hours on the resolution approving the constitution adopted by the constitutional convention of the Territory of New Mexico; and we all know that another Senator occupied quite a little time in a discussion of the river and harbor bill at the last session.

Mr. President, when filibusters were carried on by our Democratic friends when they were in the minority we were constantly told that that was the only protection the minority had against the aggressions of the majority; that it was the only weapon they had to defeat bad legislation; and that they were justified in using it to the fullest extent. I never felt like quarreling with that declaration, because really it seems to me that when some great fundamental or constitutional question is involved to which the minority is firmly opposed the fullest possible latitude of debate ought to be allowed until the country is fully informed concerning the matter.

The late John B. Gough, one of the greatest orators that this country has produced, in one of his impassioned addresses spoke of the minority, and inasmuch as our Democratic friends have been in the minority most of the time I know it will appeal to them. This is what Mr. Gough said:

> What is a minority? The chosen heroes of this earth have been in a minority. There is not a social, political, or religious privilege that you enjoy to-day that was not bought for you by the blood and tears and patient sufferings of the minority. It is the minority that have vindicated humanity in every struggle. It is a minority that have stood in the van of every moral conflict and achieved all that is noble in the history of the world. You will find that each generation has been always busy in gathering up the scattered ashes of the martyred heroes of the past to deposit them in the golden urn of a nation's history. Look at Scotland, where they are erecting monuments—to whom? To the Covenanters. Ah, they were in a minority. Read their history, if you can, without the blood tingling to the tips of your fingers. These were the minority that, through blood, and tears, and bootings, and scourgings—dyeing the waters with their blood and staining the heather with their gore—fought the glorious battle of religious freedom. Minority! If a man stand up for the right, though the right be on the scaffold, while the wrong sits in the seat of government; if he stand for the right, though he eat, with the right and truth, a wretched crust; if he walk with obloquy and scorn in the by-lanes and streets while falsehood and wrong ruffle it in silken attire, let him remember that wherever the right and truth are there are always "troops of beautiful tall angels" gathered round him, and God himself stands within the dim future and keeps watch over His own! If a man stands for the right and the truth, though every man's finger be pointed at him, though every woman's lip be curled at him in scorn, he stands in a majority, for God and good angels are with him, and greater are they that are for him than all they that be against him.

Mr. President, I have called attention to the fact that the minority have rendered both the country and the majority in this body great service by discussing the pending bill and thus giving to the majority time to reconstruct it, which they have done at least three times.

The able speech just made by the Senator from Nebraska [Mr. NORRIS] opened new avenues of thought, which led the Senator from North Carolina [Mr. SIMMONS] to admit that possibly other amendments to the bill may be desirable.

Mr. President, in picking up the morning paper my attention was attracted to two or three matters that struck me as being of very great interest at the present time. The heading to the first article is, "Mexico City falls to Carranza army"; in other words, the conflict in Mexico, in which we intervened and from which we retreated, is going on; bloodshed is rife throughout that unfortunate Republic. What does it all mean? What does it mean, Mr. President, that this country has said to the nations of the world that we will take care of their interests in Mexico as well as our own? Why have we, under the Monroe doctrine, kept England and Germany out of Mexico and prevented them from redressing their wrongs and securing their rights? We all hope that that fearful struggle in Mexico will at some time come to an end; but when it comes to an end, Mr. President, in view of the attitude our Government has taken on that question, who is wise enough to know what indemnity will be demanded of the United States by England, Germany, and possibly other nations?

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from New Hampshire yield to the Senator from Kansas?

Mr. GALLINGER. I yield.

Mr. BRISTOW. Let me inquire of the Senator what he thinks would have happened if the United States had landed an army and with its naval vessels had blockaded a port on the coast of England and, having taken possession of a port of that country and collected a million dollars of the money of the people of England, had then sailed off to the United States with its army and vessels and the money? What does the Senator think would have happened to our country in such a case?

Mr. GALLINGER. Of course, Mr. President, we would have been at war with England, but, in my opinion, we would never have had a chance to sail away from a port of England with either the ships or the money.

Mr. BRISTOW. If the Senator will allow me further, does he think that it would have been impossible for us to have done the same thing to a port of England that we did to a port of Mexico?

Mr. GALLINGER. Oh, we did it to Mexico because Mexico is a weak nation, unable to defend herself from our aggressions; that is all there is to it. We would not have done it to any great maritime power in the world—certainly not without war.

Mr. BRISTOW. What does the Senator think the civilized judgment of mankind will be as to the episode of our Government making war on Mexico, robbing her revenues of a million dollars and then carrying it off?

Mr. WHITE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Alabama?

Mr. GALLINGER. Yes.

Mr. WHITE. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. WHITE. My understanding is that under the rules a Senator may ask another Senator a question when that Senator consents to the interruption.

Mr. GALLINGER. Where does the Senator find that rule?

Mr. WHITE. That a Senator may ask questions of a Senator who is on the floor?

Mr. GALLINGER. Yes.

Mr. WHITE. Well, it is the practice here, and I suppose there is a rule to that effect; but what I am objecting to, and the point I make, is that the Senator from Kansas has no right to ask the Senator from New Hampshire to prophesy; he has no right to call for prophecies.

The PRESIDING OFFICER. The point of order is well taken. [Laughter.]

Mr. GALLINGER. Well, Mr. President, that decision will be historical. We had a very interesting discussion this morning when the Senator from Nebraska was speaking. There was a free interchange of opinion between Senators. The Vice President was in the chair, and he did not call any Senator to order.

Mr. BRISTOW. Well, Mr. President——

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Kansas?

Mr. GALLINGER. I yield for a question; yes.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. The Senator from Kansas has the floor, the Senator from New Hampshire having yielded to him.

Mr. BRISTOW. I do not ask the floor. I want to ask permission of the Senator from New Hampshire to ask him a question.

Mr. GALLINGER. I yield for that purpose.

The PRESIDING OFFICER. The Senator from New Hampshire yields.

Mr. FLETCHER. I should like to say, on the question of the point of order, that what the Senator from New Hampshire refers to took place by unanimous consent. In case of objection I think the ruling still holds good that an interruption can be made only for a question.

Mr. GALLINGER. Will the Senator from Florida please point us to that rule?

Mr. FLETCHER. I refer to the ruling of the Chair.

Mr. BRISTOW. I will ask the Reporter to read the last question I asked the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, if the Senator from Kansas will suspend a moment, I am told that the Vice President admonished the Senate this morning on that point. I was not present. It is an unfortunate ruling that we are not permitted to indulge in debate, as we always have done in the Senate for 23 years to my knowledge, but if a different ruling has been made, I yield to it. But I do not see that even that ruling has been violated. I now yield to the Senator from Kansas for a question.

Mr. BRISTOW. I will ask the Reporter to read the last question which I asked the Senator.

The PRESIDING OFFICER. The Reporter will read as requested.

The Reporter read as follows:

Mr. BRISTOW. What does the Senator think the civilized judgment of mankind will be as to the episode of our Government making war on Mexico, robbing her revenues of a million dollars, and then carrying it off?

Mr. GALLINGER. Mr. President, recognizing that as a proper question, I reply that, in my judgment, we will not stand very well in the eyes of the civilized world so far as that episode is concerned.

Mr. BRISTOW. May I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from New Hampshire further yield to the Senator from Kansas?

Mr. GALLINGER. For a question, yes.

Mr. BRISTOW. Will the Senator advise the Senate in what respect he regards the action of our Government in the taking of Vera Cruz and the securing possession of the customs collected there as different from the action of any pirate taking possession of a port and committing a similar wrong?

Mr. GALLINGER. Well, Mr. President, I will let the individual Senators and the country form their own judgment as to a proper answer to that question. I think I know what the answer will be.

The point I was making is that, having assured the civilized world that we under the Monroe doctrine would protect the interests of other countries in Mexico, after this unfortunate war ends we are likely to be called upon for an indemnity that will make it rather necessary that the $30,000,000 that we propose to invest in interned ships shall be in the Treasury of the United States; and I think the Government will be disposed to thank the minority of this body for having saved $30,000,000 during the last session in reducing the appropriations carried by the river and harbor bill. Those $30,000,000, in my judgment, will come in handy when we are called upon to settle with great Britain and Germany because of the injury that has been done to their property and their subjects during the Mexican war.

I notice, Mr. President, another rather startling headline, which reads: "Deficit must stand."

It seems that on yesterday there was a little conference at the White House. Mr. UNDERWOOD, the chairman of the Ways and Means Committee of the House, was there, and Mr. FITZGERALD, the chairman of the Appropriations Committee of the House, was there. In conferring with the President they told him that it was impossible to reduce the appropriations in the present Congress beyond the point that had been recommended, and that the deficit of $80,000,000 in the revenues of the Government, to which attention had been called, must remain and must be added in due time to the debt of the Government. It is a rather startling thing to some of us that after the tariff bill that is on the statute books was passed and the predictions concerning the revenue-producing qualities of that measure were heralded to the world, we found ourselves in a position where we had to impose upon the taxpayers of this country a so-called war revenue tax of $100,000,000, and that now we are informed that $80,000,000 more will have to be raised in some way to meet the deficit that is imminent. It will be remembered that there are yet several months of this fiscal year, and the $80,000,000 is likely to be doubled, if not trebled, before the fiscal year comes to an end.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Kansas?

Mr. GALLINGER. I yield to the Senator from Kansas for a question.

Mr. BRISTOW. Let me inquire of the Senator if the writer of that article did not, in connection with his comment, take the position that sugar was on the free list, and that we had lost $50,000,000 revenue from that source, when, as a matter of fact, sugar is not on the free list, and that additional deficit in the Treasury is yet to come?

Mr. GALLINGER. A portion of it; yes. That is true. No one can prophesy what the amount of the deficit will be on the 30th day of June, any more than any man can prophesy what amount will be demanded from this country on the part of Great Britain and Germany because of the losses incurred by them in Mexico, so far as property is concerned, and the losses of the lives of their citizens.

I find another very interesting item on the front page of the Post. There is also a very illuminating editorial in this number of the Post. When I quoted the Post the other day as being against the shipping bill, the Senator from Florida [Mr. FLETCHER] promptly said that some days after that editorial had been written the Post had an editorial of a different tenor. I had not observed that; but I will direct the attention of the Senator from Florida to an editorial in the Post this morning, which seems to indicate that the editor has gotten back to his desk again, and that he is again writing very vigorously against this shipping measure. But the item that interested me was on this question of neutrality on the part of the United States, which has been discussed this morning. It is said that the President can be safely trusted to observe the strictest neutrality between the contending nations of the world, and I am inclined to think that is so. My impression that that is so comes from reading this article:

HOLDS TO NEUTRALITY—PRESIDENT WILL NOT ATTEND UNVEILING OF MONUMENT TO HERO OF REVOLUTION.

RALEIGH, N. C., *January 28.*

Declining an invitation to attend the unveiling of a monument at Guilford Courthouse, N. C., to Gen. Nathanael Greene, who won a battle over the British in the Revolutionary War, President Wilson gave as his reason that he thought it would be unneutral for him to participate in such a demonstration.

The delegation which extended the invitation to the President consisted of United States Senators OVERMAN and SIMMONS, of North Carolina; Secretary of the Navy Daniels, President Graham, of the University of North Carolina, and Prof. George Howe, a nephew of the President.

At Raleigh to-night it was stated that the President's decision, together with the reason he gave, caused surprise and disappointment in North Carolina.

Well, I should think it would. One of the leading generals of Washington's army, a man who distinguished himself on all the battle fields of the Revolution, a man whose name has gone down in history as one of the greatest heroes this country ever produced, is to have a monument erected to his memory at Guilford Courthouse, N. C., and the President of the United States will not attend that dedication because he is afraid it will be an unneutral act! Unneutral to whom? To England, of course. What other country could find fault?

Mr. POINDEXTER. Mr. President——

Mr. GALLINGER. I yield to the Senator from Washington for a question.

Mr. POINDEXTER. I was going to ask the Senator if he knows whether that letter has been printed? It would be extremely interesting to see a written statement from the President of the United States declaring that it was not proper for us in the conduct of our foreign affairs to participate in celebrations of Revolutionary generals. It would amount to a repudiation of the most interesting period in our history. It would amount to a statement that in order to be loyal to our international obligations we must be disloyal to our own origin and the founders of our Republic.

Mr. GALLINGER. I apprehend that no letter has been written. This delegation of distinguished men, according to this dispatch, called upon the President, and he gave that as his reason—that he was afraid it would be an unneutral act, according to his judgment, to participate in that celebration.

Mr. POINDEXTER. It sounds more like a statement coming from the Carnegie Peace Society than from the President of the United States, and like an echo of the message in regard to the Panama Canal.

Mr. GALLINGER. Mr. President, it means just this, that if that is a proper attitude for the President of the United States to take we will have the flags on the White House and on this Capitol Building hauled down on the 4th day of July. They ought to be hauled down.

Mr. FLETCHER. Mr. President——

Mr. GALLINGER. I yield to the Senator from Florida for a question.

Mr. FLETCHER. May I ask the Senator who says the President takes that position?

Mr. GALLINGER. A dispatch from Raleigh, N. C., which has not been denied. The Senator will find it on the third column of the first page of the Washington Post of this morning.

Mr. FLETCHER. Of this morning? They have not had very much time to deny it.

Mr. GALLINGER. Does the Senator deny it?

Mr. FLETCHER. The Senator does not know the party sending the dispatch or purporting to send it.

Mr. GALLINGER. Does the Senator deny it on behalf of anybody?

Mr. FLETCHER. No; I never heard of it before.

Mr. GALLINGER. I give it, then, for what it is worth. I do not vouch for it.

Mr. FLETCHER. But I hesitate to believe a newspaper article making a statement of that sort.

Mr. GALLINGER. I am afraid the Senator is violating the ruling of the Chair. I yielded to the Senator for a question.

Mr. President, I shall await with a great deal of interest a denial of this dispatch from Raleigh. It is very specific. It says that two Members of this body, the Secretary of the Navy, the president of the University of North Carolina, and another gentleman, a nephew of the President, called on him, and that the President gave that as his reason; and at Raleigh last night it was stated, so the dispatch says, that the President's decision, together with the reason he gave, caused surprise and disappointment in North Carolina. I should think it would.

There is another matter discussed on the front page of this paper that I desire to call attention to, because I want to correct some history in reference to it. On yesterday a presidential message was sent to the House of Representatives vetoing the immigration bill. A President representing the party to which I belong vetoed a similar bill on the same ground, and it was a matter of profoundest regret to me that he did so. It is a matter of equal regret to me that a President of the Democratic Party has vetoed the bill, putting the veto upon the same ground that President Taft did. As the House of Representatives may not pass the bill over the veto, and it may never come here officially, I feel that it is my duty to read this message to the Senate so they will all understand it. The veto message is in this morning's CONGRESSIONAL RECORD, and perhaps that is too recent for me to read with any degree of authority, but I assume that it is accurate. The veto message is as follows:

To the House of Representatives:

It is with unaffected regret that I find myself constrained by clear conviction to return this bill (H. R. 6060, "An act to regulate the immigration of aliens to and the residence of aliens in the United States") without my signature. Not only do I feel it to be a very serious matter to exercise the power of veto in any case, because it involves opposing the single judgment of the President to the judgment of a majority of both the Houses of the Congress, a step which no man who realizes his own liability to error can take without great hesitation, but also because this particular bill is in so many important respects admirable, well conceived, and desirable. Its enactment into law would undoubtedly enhance the efficiency and improve the methods of handling the important branch of the public service to which it relates. But candor and a sense of duty with regard to the responsibility so clearly imposed upon me by the Constitution in matters of legislation leave me no choice but to dissent.

In two particulars of vital consequence this bill embodies a radical departure from the traditional and long-established policy of this country, a policy in which our people have conceived the very character of their Government to be expressed, the very mission and spirit of the Nation in respect of its relations to the peoples of the world outside their borders. It seeks to all but close entirely the gates of asylum which have always been open to those who could find nowhere else the right and opportunity of constitutional agitation for what they conceived to be the natural and inalienable rights of men; and it excludes those to whom the opportunities of elementary education have been denied, without regard to their character, their purposes, or their natural capacity.

Restrictions like these, adopted earlier in our history as a Nation, would very materially have altered the course and cooled the humane ardors of our politics. The right of political asylum has brought to this country many a man of noble character and elevated purpose who was marked as an outlaw in his own less fortunate land, and who has yet become an ornament to our citizenship and to our public councils. The children and the compatriots of these illustrious Americans must stand amazed to see the representatives of their Nation now resolved, in the fullness of our national strength and at the maturity of our great institutions, to risk turning such men back from our shores without test of quality or purpose. It is difficult for me to believe that the full effect of this feature of the bill was realized when it was framed and adopted, and it is impossible for me to assent to it in the form in which it is here cast.

The literacy test and the tests and restrictions which accompany it constitute an even more radical change in the policy of the Nation. Hitherto we have generously kept our doors open to all who were not unfitted by reason of disease or incapacity for self-support or such personal records and antecedents as were likely to make them a menace to our peace and order or to the wholesome and essential relationships of life. In this bill it is proposed to turn away from tests of character and of quality and impose tests which exclude and restrict; for the new tests here embodied are not tests of quality or of character or of personal fitness, but tests of opportunity. Those who come seeking opportunity are not to be admitted unless they have already had one of the chief of the opportunities they seek—the opportunity of education. The object of such provisions is restriction, not selection.

If the people of this country have made up their minds to limit the number of immigrants by arbitrary tests and so reverse the policy of all the generations of Americans that have gone before them, it is their right to do so. I am their servant and have no license to stand in their way. But I do not believe that they have. I respectfully submit that no one can quote their mandate to that effect. Has any political party ever avowed a policy of restriction in this fundamental matter, gone to the country on it, and been commissioned to control its legislation? Does this bill rest upon the conscious and universal assent and desire of the American people? I doubt it. It is because I doubt it that I make bold to dissent from it. I am willing to abide by the verdict, but not until it has been rendered. Let the platforms of parties speak out upon this policy and the people pronounce their wish. The matter is too fundamental to be settled otherwise.

I have no pride of opinion in this question. I am not foolish enough to profess to know the wishes and ideals of America better than the body of her chosen representatives know them. I only want instruction direct from those whose fortunes, with ours and all men's, are involved.

WOODROW WILSON.

THE WHITE HOUSE, *January 28, 1915.*

Mr. President, this bill is vetoed fundamentally upon the proposition that we ought not to require immigrants coming from southern Europe and elsewhere to be able to read a sentence in some language—not in the English language, not in the French language, not in the German language, not in the Russian language, but in some language—their own language. Why, there is not a lad in any country on all this earth who can not qualify himself for that test in three or four months. There is not a young man or an old man in southern Europe to-day who desires to find asylum in the United States who can not qualify himself to read a sentence in his own language in a few weeks. To give that as the reason for the veto of a great bill which is designed to bring so much benefit to the people of the United States, that will so greatly conduce to their benefit and their happiness is, to my mind, a very unfortunate circumstance. But I want to call attention to the mistake President Wilson has made in this veto message.

President Wilson is a historian. He prides himself upon that fact; and while I think the histories he has written have not always been accurate, there is such a glaring mistake in this state paper that I would be doing myself an injustice if I did not call attention to it. Listen to the President:

Has any political party ever avowed a policy of restriction in this fundamental matter—

That is, as to requiring incoming immigrants to read—

gone to the country on it, and been commissioned to control its legislation?

I respectfully submit that no one can quote their mandate to that effect.

Mr. President, I turn to the platform of the Republican Party in 1896. The platform of the Democratic Party that year, while it is not so pronounced as that of the Republican Party, distinctly utters a note of warning against bringing immigrants into this country to disturb the relations of our workingmen and to affect their welfare; but the platform of the Republican Party went further than that. It says:

For the protection of the quality of our American citizenship and of the wages of our workingmen against the fatal competition of low-priced labor we demand that the immigration laws be thoroughly enforced and so extended as to exclude from entrance to the United States those who can neither read nor write.

The President said that this mandate, if it is to be heeded, ought to be found in the platform of some political party. It will be seen that it was in the platform of the great Republican Party of 1896, and upon that issue the party went before the country asking for its suffrages. What was the result?

The President evidently wants a referendum on this bill. He says there is no evidence that the people want it. If that be so, the only way to determine that matter directly is to refer it to the people of the United States. But the President of the United States did not contend that there ought to be a referendum on the tariff bill that is now on the statute book—something that affects the welfare of every citizen of the Republic. He did not ask for a referendum on the currency bill or the

trade commission bill, or those other measures which he advocated with so much earnestness and with so much potential force. This bill that he has vetoed was passed through the House of Representatives by a two-thirds vote. That body is made up of men, as we are frequently told, who come fresh from the people. Is it to be supposed that they did not represent the feelings and views of their constituents when they voted? Is it to be suggested that they voted against either their own convictions or the feelings and convictions of the men who sent them to the Congress of the United States?

I do not know any evidence that could be presented to the President of the United States with more force than the fact that that great body of representative men passed the bill by a two-thirds vote; and I hope they will pass it over the veto by a vote equally strong.

The President, as I have said, says that no political party has had this plank in its platform and gone to the country on it and been commissioned to control its legislation, and he says:

> I respectfully submit that no one can quote their mandate to that effect.

The President does not say that the declaration must be in a Democratic platform; but in view of the fact that almost every plank in the last Democratic platform has been repudiated by the Democratic Party, why should great stress have been placed on that suggestion even if the President had made it? But he says it has not been in the platform of any political party and indorsed by the people of the United States. Let us reply to the President's challenge.

Mr. O'GORMAN. Mr. President——

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

Mr. GALLINGER. I yield to the Senator, with pleasure.

Mr. O'GORMAN. My distinguished friend from New Hampshire knows I opposed the literacy test.

Mr. GALLINGER. Yes.

Mr. O'GORMAN. And I am, consequently, more than gratified with the veto of the President; but in connection with the statement made by the Senator that in 1896 the Republican Party declared itself in national convention as favorable to an educational test, and the further statement that the party went to the country on that issue and succeeded, I am prompted to inquire why the party at that time, if it succeeded on that issue, did not enact such a law?

Mr. GALLINGER. Mr. President, I expected that that question would be asked. We might ask the same thing about every law that is on the statute books of the Nation—why, it was not passed offhand, the first day or the first month or the first year that it had been suggested. It takes time to enact laws in this country. There was great opposition in both Houses of Congress to legislation of that kind; and the Senator from New York, able and influential as he is, if the attempt had been made at any time from 1896 to the present time to pass a law of that kind, would have opposed it with the same energy that he opposed the bill the President has vetoed.

Mr. O'GORMAN. But the Senator surely will not claim that the Republican Party, during the past 16 years, has not been in a position to enact into law any policy which it seriously advocated and believed in?

Mr. GALLINGER. The Republican Party has been struggling for nearly 16 years to pass a merchant-marine bill. The party has had it in its platform at every national convention, and the party believes in it, but it has not been able to pass a measure of that kind through both Houses of Congress.

Mr. O'GORMAN. But the Republican Party, during most of that period, was in absolute control of both branches of Congress, and in charge of the Executive.

Mr. GALLINGER. So it was; and the Democratic Party was almost unanimously opposed to the legislation, and a few Republicans were opposed to it. Now, there is no concealment about that matter, but the Republican Party as a whole was for it. The Republican Party put it in its platform every four years, and we have been struggling to enact it into law, and the Democratic Party has not allowed us to do so.

I want to call attention to what happened in 1896. This plank was placed in the Republican platform. Mr. McKinley was nominated by the Republican Party, and Mr. Bryan was nominated by the Democratic Party and the Populist Party, and we went to the polls on that, with other issues, and the record shows that the total vote cast was 13,952,179. Mr. McKinley, Republican, received 7,107,304 votes; Mr. Bryan, nominated by the Democratic Party and the Populist Party, received 6,533,080 votes—a Republican plurality of 554,224. The electoral vote was McKinley 271, Bryan 176—a majority in the electoral college of 95; and yet the President tells us that that matter never has received the indorsement of the American people.

Mr. MARTINE of New Jersey. Mr. President——

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

Mr. GALLINGER. I always yield with trepidation when the Senator from New Jersey rises, but I yield for a question; yes.

Mr. MARTINE of New Jersey. I should like to ask the gentle Senator from New Hampshire how it is that he has gotten off on this tack? This is a shipping bill. How has the Senator gotten off on this tack, instead of devoting his skill and ability to the shipping bill? He seems to have launched out into a general lambasting of the President and the Democratic Party, and he says that we were not approved by the people in the matter of the veto of the President.

Mr. GALLINGER. Where will the question end, I will ask the Senator?

Mr. MARTINE of New Jersey. The question is just this: How is it when you are debating a shipping bill that you have gotten off to a general lambasting of the Democratic Party?

Mr. GALLINGER. There are a great many hours between now and sunrise. Our Democratic friends say they are going to keep us here that long, and I will educate the Senator on merchant-marine matters before I get through.

Mr. MARTINE of New Jersey. There is no more——

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

Mr. GALLINGER. I yield for a question.

Mr. MARTINE of New Jersey. There could be no more agreeable tutor than the Senator from New Hampshire. He says that there has been no evidence that the Democratic Party or the people wanted the veto that has been sent in by the President. I can not see just what connection that subject has with the shipping bill, but still I should like to say to the Senator from New Hampshire that great meetings have been held since that bill, iniquitous as it was in that particular provision, passed the Senate. Meetings have been held all over my Commonwealth and in the city of New York. Monster meetings have been held in protest of the immigration bill, and that particular feature of it—the literacy test—has been denounced most roundly. I feel highly gratified and feel that the President was richly justified in his veto of that particular measure.

Mr. GALLINGER. I believe, Mr. President, they must have been monster meetings—possibly monstrous meetings.

Mr. MARTINE of New Jersey. Yes. I will say further, as to this particular bill—the shipping bill—if a meeting was held in approbation of it it would be a monster meeting in the great metropolis of New York. It is true a meeting might be gathered down at the corner of Broadway and Wall Street, under the shadow of the Holy Trinity Church, that might protest—which with bleared eyes might clog the mind of every man and stifle its reason.

Mr. GALLINGER. Mr. President, I think the allusion to the Holy Trinity Church is unfortunate. It seems to me so. I will try to accommodate the Senator from New Jersey before I get through in discussing the shipping bill. There are a good many angles to it, and I am going to pay attention to some of the angles.

Mr. President, when I was interrupted, much to my regret——

Mr. MARTINE of New Jersey. Well, I am sorry that the Senator regrets it.

Mr. GALLINGER. I do not refer to the interruption of the Senator. The Senator does not understand me. When I was interrupted, much to my regret, on Wednesday evening——

[Laughter on the floor and in the galleries.]

The PRESIDING OFFICER. The Senator from New Hampshire will suspend for a moment. Let there be order in the galleries. Under the rules of the Senate any expression of approval or disapproval of any remark is forbidden by the rules of the Senate.

Mr. GALLINGER. When interrupted at that time I was reading Calendar No. 737 of the Sixty-third Congress, third session, Senate Report No. 841, on a bill for the promotion of foreign commerce of the United States by providing adequate shipping facilities. I had got through that report up to page 30, where a letter from the Secretary of Commerce, dated December 28, 1914, to Senator DUNCAN U. FLETCHER is inserted and made a part of the report. I do not know that I ought to read this letter from the Secretary of Commerce, because he is on the stump advocating this bill. We hear from him every morning, telling the country the great advantages that will result from this legislation, and he is likewise telling the country of the marvelous prosperity that is to come to the com-

mercial and industrial interests of the country because of the tariff law that is on the statute books. If I should take up that subject the Senator from New Jersey would say I was departing from the shipping question, so I will not do it. We will take that up a little later on. I will read the letter of Secretary Redfield:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, December 28, 1914.

MY DEAR SENATOR: I am drafting this letter to you to convey certain ideas respecting the merchant marine which you may or may not care to introduce into your report, but which you are free to use in any way you see fit.

I knew, Mr. President, that that report was a composite production, and I have no doubt the Secretary of Commerce made a valuable contribution to it.

We have gone along for years with all our ocean shipping facilities in the hands of our competitors.

How often I have said that, Mr. President, in debate in this body. How often I have pictured the fact that we were absolutely at the mercy of the shipping combines of foreign countries, and that our ships had been driven from the seas of the world by unfair competition on the part of England, France, Germany, and other European nations.

As some one has well said, we have been like a department store without a delivery system, except such as our competitors were willing to supply us so long as it was to their interest or advantage to do so.

I wish I had a speech at hand that I made a few years ago in which I made that exact statement. The Secretary of Commerce has been cribbing. He took it from my speech, undoubtedly.

While the thing worked it seemed to do fairly well, particularly so long as we did not enter largely as a competitor with the nations which owned the ships in the markets they were themselves striving to secure.

About 20 years ago, the precise date does not matter, we began to sell abroad the products of our factories, and this process grew till in the largest exports we ever had the sales of manufacturers were the largest item. One did not need to be much of a prophet to see that this, if continued, must mean, could not help but mean, that when our competition became too strong our foreign competitors would hardly continue to help in transporting our goods on terms favorable to us, but to their own discomfiture. If anyone doubts this discomfiture, let him look at our displacing Germany from second place in South Africa and taking it ourselves, or at our sales in recent years in iron and steel abroad in competition with England and Germany.

It has been in the nature of things that sooner or later it would no longer be convenient for our competitors to do our transporting on a basis satisfactory to us. It would be promoting their shipping interests at the expense of their industrial interests, and their shipping interests, though large, are smaller than their industries and are the servants of the latter and can not long be put to the work of serving their competitors. In other words, you can not as a matter of economics imagine Germany or England continuing permanently to transport on favorable terms to us American goods on any such scale as to seriously threaten German or English industrial markets. They would put an end to that in self-defense and in so doing would remove or injure our transit facilities, unless we were prepared to supply them ourselves.

Apart from this, however, we have, like an ostrich with its head in the sand, put our money and our merchandise at the risk of European war and quite outside of our own control while under such risks. To illustrate, American capital invested in ships under European flags can be and has been destroyed by the acts of hostile cruisers. Two vessels on their way to be transferred to our flag were thus sunk.

I will venture to suggest that if this bill passes, there will be a good many other vessels transferred to our flag from the fleets of belligerent nations that will be sunk before they ever reach their port of destination.

American capital in goods transported in vessels under foreign flags which were not owned by American capital has been lost or injured when such vessels have been sunk or held up, and American goods for which Americans long since paid are to-day lying in foreign harbors merely because they are in ships under the flag of a belligerent. Our merchandise being carried chiefly in English ships and in ships of the other belligerent nations is to-day dependent for its security upon the control of the sea by the navies of the powers whose merchant vessels carry our goods; a humiliating and expensive situation for Americans. Cruisers hostile to the belligerents whose vessels we utilize find it their duty to sink those vessels, and we stand helplessly on the shore and watch the process go on. We know now, therefore, that our commerce while ocean-borne is subject to war risks not of our making and not under our control, but by which we suffer. The time has been when war risks shut off the movement of American wheat and delayed the movement of American cotton, and it is quite within the range of possibilities that such a time may recur. Both on basic economic grounds and on grounds of self-insurance against war risks not of our making, an American merchant marine is a necessity and can not be had soon enough to relieve us from the jeopardy in which we have stood and in which in some measure we now stand.

Therefore we can not await the long process of evolution, the patient untangling of the conflicting views of rival interests, which interests in the aggregate are infinitely less than the importance of the subject to the free flow of American commerce. The inclosed statement shows what the flow is within recent weeks. We have paid since September 1 our whole floating indebtedness abroad in goods, and it looks as if the month of December alone, even with cotton moving slowly, would show a favorable balance on merchandise transactions of $100,000,000. Indeed, so vital is the present time to America that it seems as if we were in the very transition from being a debtor to a creditor nation, and the possibility opens to our lending that hand of financial fellowship to our fellow Republics in Latin America which they so much need, for which they so eagerly look, and by which we should tie them to ourselves in commercial bands of steel which would endure to the great gain of all our people.

But one thing more than all others which hampers this evolution now is the absence of ships in which to transport the goods we have to sell and which others want to buy to the markets that eagerly wait for them. This is not all. Not only are these goods hampered by absence of shipping, but they are also hampered by the rates which are out of our control but which are now charged on such shipping as takes place. Our competitors who control our ocean terminal facilities (for such and no more are ocean steamship lines as related to our railways) have seen fit for their own profit to advance their rates from one-half to double or more. There are ports in Europe to-day that eagerly seek our cotton, and we all know our brethren in the South anxiously desire to sell their cotton, and the price abroad is such as our producers would be thankful to receive. Between these two stand the excessive rate and the scarcity of ships. The reasons must be mighty and compelling which would lead anyone at this time to interpose between the flood of American commerce seeking to be free and the needs of foreign buyers seeking for our products the interest of any one or two or more groups of our people. It is time to think of the whole and not of a part.

I do not speak, you will see, of a merchant marine as a thing so much to be desired by itself alone, certainly not as a thing upon whose separate profit or loss we in any large degree depend, but as a servant whose presence now we need quite regardless of the compensation that for the hour can be paid. The work this servant should do is what we now want done, and the question of his compensation is a relatively small affair.

Yours, very truly,

WILLIAM C. REDFIELD, *Secretary.*

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

Following that letter is a table of imports, duties collected, and exports for the week ending December 19, 1914, at 13 principal customs districts which I ask to have inserted without reading.

The VICE PRESIDENT. Without objection, it is so ordered. The table referred to is as follows:

DEPARTMENT OF COMMERCE,
Washington, December 22, 1914.

Imports, duties collected, and exports for the week ended Dec. 19, 1914, at 13 principal customs districts.

Districts.	Imports.	Duties collected.	Exports.
Georgia	$538	$304	$2,164,411
Massachusetts (Boston)	1,413,076	224,826	1,532,375
New York	13,955,724	2,525,473	20,092,628
Philadelphia	858,645	158,396	757,302
Maryland (Baltimore)	372,146	42,552	3,938,553
Virginia (Norfolk)	78,749	2,423	1,101,196
New Orleans	1,909,454	27,360	6,593,949
Galveston	161,424	5,372	8,130,528
San Francisco	706,062	63,297	1,517,912
Washington (Seattle)	1,377,838	18,799	784,966
Buffalo	572,729	16,231	1,262,240
Chicago	579,590	176,284	.....
Michigan (Detroit)	426,004	36,151	1,564,182
Total	22,411,979	3,297,468	49,440,242

The above figures are for 13 principal customs districts, the district of Georgia having been added to the 12 formerly reported. The table shows a favorable balance on merchandise transactions for the third week of December in the 13 districts of $27,028,263. The 13 districts cited ordinarily do about 88 per cent of the import business and about 35 per cent of the export business of the country.

The exports of cotton for the week ended December 19 amounted to 286,315 bales.

The table below shows that for the first three weeks of December, in which is included the last day of November, the excess of exports over imports has amounted to $69,870,091 at the principal customs districts of the United States.

Mr. GALLINGER. I do not propose, Mr. President, to weary the Senate or burden myself with reading many additional editorials from the great newspapers of the country against this bill, because I propose to conclude my remarks before the day ends; but my attention has been particularly directed to an editorial in the Daily Press, of Newport News, Va., a very strong and influential Democratic newspaper, which I feel I ought to put in the CONGRESSIONAL RECORD. It is headed "An un-Democratic measure," and is as follows:

Aside from the danger of international complications, aside from the question as to whether or not it would pay, we regret that the Democratic administration and the Democratic Members of Congress should have committed the Democratic Party to the policy of Government ownership and operation of ships of commerce. It is well enough to plead that this is an emergency project and that the ships will be transferred to private interest after the crisis shall have been safely passed. The party has committed itself to a definite policy and has established a precedent from which it will not easily break away hereafter. It is the biggest sop ever thrown to socialism.

We recognize the urgent need of a merchant marine, and it is no new thought with the Daily Press. There has been no session of Congress in 15 years that this newspaper has not urged the Members to take such action as would induce private capital to invest in American ship lines.

But is it possible that Congress can not devise a plan under which private interest would engage in the over-sea traffic, as they have already engaged in the coastwise trade? Is it not a poor confession that the Government must undertake this work on its own account because our laws and our general policy toward the merchant marine are such as to

preclude private investment? And is it possible that private capital, which is already timid, will be induced to enter in competition with the Government?

The Democratic platform upon which Mr. Wilson was elected declared: "We believe in fostering, by constitutional regulation of commerce, the growth of a merchant marine, which shall develop and strengthen the commercial ties which bind us to our sister Republics of the south."

It will be observed, Mr. President, that there is no declaration in that platform for Government ownership. The President vetoed the immigration bill largely on the ground that there has been no declaration in the political platforms in favor of the literacy test, and yet he advocates this bill with great zeal; but we do not find any declaration in the platform or in any platform in favor of Government ownership. The editorial continues:

But what has been done to redeem that pledge? The Underwood law granting discriminating duties in favor of American ships was set aside by the President on the ground that under our treaties with foreign nations the discrimination would be enjoyed equally by foreign ships as well as by domestic ships. But that was not the case with the ships of Great Britain; and if that law has been enforced, there is good reason to believe that large numbers of British ships would have rushed to cover under American registry.

The passage of that bill was in direct line with the declaration of the Baltimore platform. But the platform certainly gave no token that the merchant-marine plank committed the party to Government ownership and operation of ships of commerce.

It is folly to contend that the President's project would build up private ship lines. The best that can be claimed for it is that it would build up Government lines at the expense of the people. But that is not everything it would build up. It would build enormous Government patronage and to increase the power of the centralized Government. That may be all right so long as Wilson and the Democrats are in power, but how would it be with a Roosevelt in the White House?

Opposition to centralization is a Democratic fundamental, and yet the Hearst newspapers, which, strangely enough, are the particular champions of the President's shipping bill, rejoice greatly in the belief and in the bold prediction that this is but the first step toward Government ownership and operation of all the means of transportation, on sea and land—of railroads as well as of ship lines.

How is that for "Democratic simplicity"? Surely the Democratic ship of state has been launched into strange waters, and we believe there are breakers ahead.

A wise prediction.

We denounce this partisan measure as being undemocratic, as a menace to the peace of the Nation, as a bar to private enterprise, and as a measure in conflict with the declaration of "new freedom" which the President has so earnestly invoked in behalf of American business.

We have the highest regard for President Wilson, and we are disappointed that he should have championed a project so inconsistent with the Democracy of Jefferson.

Mr. MARTINE of New Jersey. Mr. President——

Mr. GALLINGER. I yield for a question.

Mr. MARTINE of New Jersey. My question is, how does the Senator reconcile his assertion some days since, that all the great newspapers of the country were condemning this proposition, with a little editorial that appeared on January 27 in the New York World. That certainly is one of the great newspapers of the country. Will the Senator permit me to read it?

Mr. GALLINGER. I can not under the rule, Mr. President.

Mr. MARTINE of New Jersey. May I ask that it go in the RECORD without reading?

Mr. GALLINGER. No; I must object to that.

Mr. MARTINE of New Jersey. I am sorry that my distinguished and universally generous friend seems so cross-grained to-day.

Mr. GALLINGER. Mr. President, there is no more amiable man in the Senate than I am.

Mr. MARTINE of New Jersey. I agree with that.

Mr. GALLINGER. But when I am talking to one lone Democrat I do not want that lone Democrat to give me instructions as to how I shall proceed. [Laughter in the galleries.]

The VICE PRESIDENT. The Chair will have to call the attention of the occupants of the galleries again to the rule of the Senate that they must keep quiet.

Mr. GALLINGER. The Boston Transcript of recent date very pertinently says that we have a bill which hardly anybody but the President wants occupying the attention of Congress to the exclusion of all other business. The peculiarity of the situation is due to two causes—to President Wilson's stubborn conviction that to have a mind of his own he must not consult the minds of others, and to the abdication by Congress of its law-making powers to such an extent that it has become a great registration office for the program of the White House. If Congress would stand up for its constitutional functions, if it would insist that the President as the Executive is primarily to carry out the laws Congress makes, we should be spared such a spectacle as is now presented at the Capitol.

Mr. President, I have read the report of the majority of the Committee on Commerce in favor of this bill. I read it, as I stated the other day, because I felt sure very few of the Senators had read it, and I wanted to acquaint the Senators who were then giving me their attention with the terms of that report. It is a very ably written document and presents the side of the proponents of this bill very vigorously and forcibly. It would be invidious, Mr. President, if I did not read the views of the minority, submitted by a man who is distinguished in public life and who has made a more careful study of matters relating to the rivers and harbors, the commerce of the country, and the shipping interests of the country, than any other man has during the last 25 years—Mr. BURTON, of Ohio. Here it is:

The undersigned present a minority report on Senate bill 6856.

The purpose of the bill, as stated in its title, is to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation, to be organized under the laws of the United States, or of a State thereof, or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes. The following are the essential provisions of the proposed bill:

Section 2 provides that the initial stock of such corporation shall not be over $10,000,000, to be increased as the interests of the corporation may require, of which the United States shall subscribe 51 per cent at par, and the remainder shall be offered for public subscription. In contemplation of a probable failure to obtain subscriptions from the public, it is provided that the United States may further subscribe at par for the remaining 49 per cent. By amendment this section also provides that the vessels owned or used by such corporation may be leased to other corporations or individuals to be used for the purposes contemplated by the act.

Section 3 authorizes the sale of the so-called Panama Canal bonds to a total amount not exceeding $30,000,000, for the purpose of purchasing or constructing such vessels.

Section 4 provides for the transfer of boats by the shipping board to the corporation in exchange for 4 per cent gold bonds, constituting a first lien thereon.

Section 5 authorizes American registry for such vessels and limits their trade to foreign countries, excepting the Philippine Islands, the Hawaiian Islands, and the islands of Guam and Tutuila.

Section 6 provides for the voting of stock by the shipping board, composed of the Secretary of the Treasury, the Postmaster General, and the Secretary of Commerce, and section 7 for the sale of same, with the approval of Congress.

Section 8 provides for the charter, lease, or transfer of naval auxiliaries and military transports not needed for military purposes and also vessels now owned and operated by the Panama Railroad Co. to any corporation now or heretofore organized as in this act provided. This section also contains provisions that vessels purchased or constructed by the United States shall be of a type, as far as the commercial requirements of the foreign trade of the United States may permit, suitable for use as naval auxiliaries in the Naval Establishment of the United States.

Section 9 provides that the President may requisition for use as naval auxiliaries or for other purposes any vessels used by such corporation at a reasonable price or rental.

Section 10 provides that a detailed statement of all expenditures and receipts shall be submitted to Congress at the beginning of each regular session.

Section 11 makes an appropriation of $10,000,000.

The bill may be considered either as an emergency measure required to meet an extraordinary situation, and intended to be operative only so long as the exceptional conditions continue, or it may be considered as the initiation of a radical change in the traditional policy of the Government in relation to one, perhaps to a number, of our great industries.

If the bill is designed as an emergency measure, then it can be justified only on conclusive evidence, first, that a real emergency exists, one that threatens seriously the industrial and shipping interests of this country, and one which can be met successfully and adequately in no other way than by Government intervention, and, secondly, that the remedy proposed will be effective and one that can be withdrawn upon the return of normal conditions without the disruption or serious disturbance of the ordinary instrumentalities of trade.

Perhaps there is no error to which we are more prone than to magnify the evils of a sudden disaster and to exaggerate the weakness of our political, social, and industrial institutions when subjected to some unforeseen and unusual strain.

If the courts have rendered an unpopular decision in some case of general interest, there has always been some one to propose that we pull down about our ears the temple of justice, reared at infinite pains by succeeding generations. We have never passed through a financial depression but there have been those who have proclaimed the failure of our monetary system and advocated the adoption of some wild scheme of banking, currency, or coinage. A time of stress is nearly always a poor time to surrender or revolutionize tried institutions and intrust ourselves to the uncertainties of untried schemes.

The shipping trade is an ancient enterprise. It has developed gradually through the centuries, it has adjusted itself to every wind of fortune and misfortune, it has expanded wondrously to meet the constantly increasing demands of international and domestic trade, it has laid hold of every new facility to increase efficiency and followed with unerring compass every new route of trade, it has developed trade where none existed, and has generally outrun in tonnage the reasonable expectation of freight. While rates have sometimes been unduly raised and competition limited or avoided by conference agreements, they have usually been reasonably satisfactory. The sea is an open highway, and an excessive rate or exceptional profits have always afforded an alluring invitation to enter the field.

Such an unprecedented condition as now exists must inevitably cause serious disturbance. It would be easy, however, to overestimate the difficulties and fly to remedies which would eventually prove more disastrous than our present evils.

The facts in regard to the present situation in relation to shipping seem to be about as follows:

According to a report of Mr. E. T. Chamberlain, Commissioner of Navigation, filed with the Committee on Interoceanic Canals on April 20, 1914, the gross tonnage of merchant vessels of the several countries as recorded in Lloyd's Register for the current year amounted to 46,970,113 tons, being the aggregate of a total of 30,591 vessels, including both steam and sailing craft.

I will ask permission to insert that table without reading.

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

The table referred to is as follows:

Number and net and gross tons of steam and sailing vessels of over 100 tons of the several countries of the world, as recorded in Lloyd's Register for 1913–1914.

[Report of the Commissioner of Navigation (1913).]

Flag.	Steam.			Sail.		Total.	
	Number.	*Net tons.*	*Gross tons.*	*Number.*	*Net tons.*	*Number.*	*Tonnage.*
British:							
United Kingdom	8,514	11,109,560	18,273,944	700	422,293	9,214	18,696,237
Colonies	1,495	915,950	1,575,223	578	160,083	2,073	1,735,306
Total	10,009	12,025,510	19,849,167	1,278	582,376	11,287	20,431,543
American (United States):							
Sea	1,209	1,280,958	1,971,903	1,487	1,026,554	2,696	2,998,457
Northern Lakes	593	1,724,566	2,285,836	34	96,854	627	2,382,690
Philippine Islands	69	27,080	44,555	8	1,934	77	46,489
Total	1,871	3,032,604	4,302,294	1,529	1,125,342	3,400	5,427,636
Argentinian	236	107,172	180,576	72	34,259	308	214,835
Austro-Hungarian	419	629,444	1,010,347	8	1,067	427	1,011,414
Belgian	164	186,581	296,196	8	8,190	172	304,386
Brazilian	402	188,645	313,416	57	16,221	459	329,637
Chilean	95	68,834	108,491	36	31,301	131	139,792
Chinese	66	55,375	86,690			66	86,690
Cuban	55	37,902	60,895	4	641	59	61,536
Danish	552	415,880	711,094	259	50,960	811	762,054
Dutch	662	794,840	1,286,742	97	23,107	759	1,309,849
French	987	1,029,113	1,793,310	565	407,854	1,552	2,201,164
German	2,019	2,877,887	4,743,046	302	339,015	2,321	5,082,061
Greek	365	443,771	705,897	77	16,885	442	722,782
Haitian	5	2,017	3,387			5	3,387
Italian	591	773,848	1,274,127	523	247,815	1,114	1,521,942
Japanese	1,037	956,702	1,500,014			1,037	1,500,014
Mexican	43	22,838	37,920		2,129	52	40,049
Norwegian	1,597	1,122,577	1,870,793	594	587,097	2,191	2,457,890
Peruvian	20	13,352	25,814	40	19,700	60	45,514
Portuguese	105	55,903	92,636	103	27,943	208	120,579
Roumanian	32	25,011	45,123	1	285	33	45,408
Russian	716	463,022	790,075	500	184,103	1,216	974,178
Siamese	12	7,955	12,936			12	12,936
Spanish	547	506,073	826,261	60	14,734	607	840,995
Swedish	1,043	551,964	943,926	393	103,344	1,436	1,047,270
Turkish	135	65,402	111,848	137	45,450	272	157,298
Uruguayan	50	38,360	62,215	15	13,316	65	75,531
Venezuelan	8	2,420	4,232	5	679	13	4,911
Other countries: Bulgaria, Colombia, Costa Rica, Ecuador, Egypt, Honduras, Liberia, Montenegro, Nicaragua, Oman, Panama, Persia, Salvador, Samos, Sarawak, Tunis, Zanzibar, etc.	54	16,027	29,709	22	7,123	76	36,832
Total	23,897	26,517,029	43,079,177	6,694	3,890,936	30,591	46,970,113

Mr. GALLINGER (reading)—

It will be noticed that this report includes all vessels of over 100 tons burden, and that a considerable percentage of it must naturally be engaged in domestic or coastwise trade.

It is difficult to determine what portion of this total has been withdrawn as the result of the war. A circular issued by the Boston Maritime Association under date of December 15, 1914, gives the following estimate:

	Tons.
German and Austrian steam tonnage, 2,438 vessels	3,507,331
British vessels under Government charter, 500 vessels	1,700,000
British vessels seized	265,000
Vessels lost by mines, etc	330,683
Total	5,803,014

The feature of the shipping situation which has attracted the most attention, as indicated in the estimate quoted above, has been the alleged scarcity of tonnage due to the seizure of numerous German and Austro-Hungarian ships and the withdrawal of the remainder from service, also the chartering by the British and French Governments, especially by the British, of a considerable share of the tonnage of those countries for military and naval purposes.

The per cent of loss in the carrying capacity of ocean trade due to these causes has been variously estimated. Any considerable reduction would, of course, naturally produce serious consequences. It should not, however, be forgotten that the normal results are to a large extent offset by other considerations. No doubt the export of certain classes of commodities from the United States to foreign countries has somewhat increased because of the exceptional demands for munitions of war and other materials, of which an increased supply is needed or which were formerly supplied from other sources. There is also an increased demand for food products. Some commodities which were usually carried directly into such countries as Denmark, Holland, France, and Germany are now sent from the United States, as in the case of tea, coffee, or cocoa. Other countries near to the theater of war are seeking to secure a supply of certain articles with a view to providing against such exigencies as may arise.

On the other hand, there is not merely a decrease in the exports and imports from Germany and Austria, but their foreign trade by sea has practically disappeared. This operates as an offset to the shortage of vessel tonnage. Also in other localities, especially in South America, financial conditions and the withdrawal of credits usually extended have limited buying capacity and consequently exports to those countries, which formerly consisted largely of material for railways and public-service improvements have diminished considerably. It is not improbable that on the whole the world's trade has diminished in a ratio commensurate with the loss of ocean tonnage. So far as the United States is concerned this loss is further compensated by the fact that such vessels as are able to continue in the trade naturally seek the more profitable freight of a neutral country. The number of ships which have entered American registry since the outbreak of the war and the domestic shipping which has engaged in the foreign trade are evidences of this fact.

That there has been a very considerable increase in freight rates along some routes and for certain commodities is not to be denied. It would, nowever, be easy to draw the incorrect conclusion that this is wholly due to lack of available tonnage. As a matter of fact, at least until very recently, there has been an abundance of unchartered tonnage available at American ports. The same bulletin of the Boston Maritime Association, already quoted, contains the following paragraph:

"Repeated offers of sail tonnage for coal to South American ports at equitable rates have no results, and there are at present tied up in Boston four steel ships for which payable business can not be obtained. This association has given a list of Boston-owned tonnage to the Secretary of Commerce, representing over 200,000 dead-weight capacity, which could be chartered foreign if rates could be obtained that would pay for round."

The actual reason for the increase in freight rates does not seem to be the result of the lack of tonnage. The existing war furnishes other adequate causes for the present situation. The following are the abnormal or exceptional conditions created by it:

1. The derangement caused by the war, which includes the danger of capture or detention and the scattering of mines near to harbors and along navigable routes. All of these greatly increase the risk of navigation and consequently the cost of carrying freight.

2. The probable delay in the handling of boats engaged in trade with countries involved in the war, due to the fact that the harbors of the belligerents are congested by the presence of large fleets of vessels. It is also difficult to obtain men for loading and unloading and for necessary repairs. There is a further difficulty in obtaining access to wharves and dry docks. As illustrations of the congestion and delay in foreign ports the following specific cases may be mentioned: A ship sailed from Baltimore to Havre, the voyage occupying about 14 days. Under normal conditions she would have discharged her outgoing cargo and be ready to return with whatever cargo was obtainable in 7 to 10 days. The boat arrived at Havre at the end of November and was detained there over 20 days. It is not certain that she has left yet, as she was compelled to go to Cardiff for coal, which caused additional delay.

The ship *Missourian* sailed from New York November 29 for a French port. She carried some 1,500 horses and could have carried 8,000 tons of cargo at $8 a ton. It was ascertained that she would be detained in the discharge of her cargo and there would be no profit for the freight carried, even at the unusual price named. Instances have occurred in which boats have been detained in port for almost 60 days in discharge of general cargo.

3. When a boat sails to a foreign port there is no certainty that she can obtain a cargo or supply of coal for the return voyage. It is desirable to carry coal for a round trip from the port of departure, which, to the same extent, reduces cargo capacity.

4. The additional cost of war-risk insurance, ranging from a minimum of three eighths per cent for the round voyage upon cargo or vessels engaged in trade in the Western Hemisphere to 3 per cent for the round trip to Rotterdam and 5 per cent for the round trip to Bremen, and the limit of the amount to $750,000 which the Government War Risk Bureau will place on both ship and cargo.

5. At the beginning of the war the situation was complicated by the breakdown of exchanges and credits. This condition still exists in some localities. The factor which prevented the carrying of exports abroad was by no means scarcity of boats; the problem was rather a financial one. Indeed, in the early months of the war there was a large amount of shipping in ports of the United States, not only upon

the Atlantic, but even more in Gulf ports. These boats awaited cargoes, chiefly grain and cotton, which under normal conditions would have been sent at that time, but which were withheld for reasons other than lack of tonnage. An important feature of the situation relating to the cotton trade was the determination of the Liverpool Cotton Exchange not to make purchases. It will be particularly noted that none of the causes of increased freight rates will be remedied by an increase in the number of available vessels.

As a matter of fact, except in relation to consignments to ports of belligerents which are regarded as especially dangerous, notably those in the North Sea, and in relation to cargoes of doubtful character—that is, those that might be construed to be contraband—the rates have not increased in as great a degree as seems to be popularly assumed.

A special bulletin regarding the foreign shipping situation issued by R. G. Dun & Co., under date of October 19, 1914, contains the following paragraph:

"Maritime freight rates in general have declined as compared with three weeks ago. To Europe the excess over normal rates does not exceed 25 per cent on the average. To Asia, Africa, Australia, and New Zealand the premium varies from 20 to 25 per cent. * * *"

Special bulletin of R. G. Dun & Co., under date of December 29, 1914, contains the following items:

"The ocean rates to Asia, Africa, Australia, and New Zealand are, as a rule, either no higher or somewhat less than they were last October. To the west coast of South America the rates are very nearly what they were prior to the outbreak of the war.

"Rates of war-risk insurance have, on the whole, declined in the last two months."

Both these bulletins indicate that from all the more important ports of the United States regular sailings have been resumed, and that, generally speaking, there is sufficient tonnage to meet all demands.

The tables at the end of this report indicate in detail changes in freight rates which have occurred for the dates specified. It will be found upon examination of these tables, which display rates between New York and European ports, and between New York and South American ports, that, generally speaking, rates of freight have not increased more than 25 per cent during the war period to any South American port. In many instances the increase is very slight.

While the rates to European ports have, naturally, increased in greater ratio, the increase has not been as exceptional as might have been expected. In fact, the increase has not been disproportionate to increases which have occurred in times of peace. It will be noticed, for example, that the average rates on grain and flour from New York to London for the year 1912 were nearly double those for 1911; also that rates on grain from New York to Liverpool were, at some time during the quarter, quoted as low or lower during the last three months of the year 1914 as the maximum rate for the same period of the year 1912.

In its more important features the above is substantially the situation with respect to which the proposed bill must be considered. In the first place, it is doubtful whether the conditions outlined constitute an emergency calling for a departure from all former policies of the Federal Government in relation to American industries. In the second place, if this be conceded, will the provisions of the proposed measure effect a satisfactory remedy, waiving entirely for the moment all fundamental questions as to the expediency of Government ownership? The advocates of the measure undoubtedly expect to accomplish two main purposes—one to promote the development of trade with Central and South American countries and the other to lower freight rates on American commodities to European ports. It is quite out of the question that the means proposed in this bill will accomplish either. In the first place it would be impossible to build sufficient ships in a short period of time to produce any material effect upon the amount of available tonnage. It is generally agreed that nothing effective could be accomplished by this means in less than 18 months.

To merely transfer ships from private to public ownership would accomplish nothing. The only other course apparently open is to purchase foreign tonnage now interned as the result of the war. It is, of course, open to question whether this could be accomplished without serious complications. Even if we persisted in our right to make such purchase it would be entirely possible for any offended nation to retaliate in a manner which would affect our foreign trade much more seriously than any real or imaginary lack of tonnage. It would therefore seem that the opportunity of materially changing the economic situation by increasing tonnage is quite impracticable. If such an outcome were seriously contemplated by the authors of the bill the initial capitalization proposed is nothing short of absurd. The results that could be produced within the limits contemplated would be insignificant. So far as the difficulty arises from shortage of tonnage, the only really practical suggestion in the bill is to release any unnecessary tonnage now utilized for auxiliary naval purposes. This could be readily accomplished without resorting to the doubtful machinery of the proposed bill. Let any such ships be chartered directly to such private agencies as may require their use.

If the reduction of freight rates is seriously contemplated in the proposed measure this could be much more effectively accomplished by more direct means, two or three of which may be suggested. First, the control of rates might be vested with the Interstate Commerce Commission as proposed in the recent report of the Committee on Interoceanic Canals of the United States Senate and in the majority report on this bill in the House of Representatives. A less mandatory means might be found in chartering public vessels to private concerns with restrictions on freight charges. It has been suggested that if the Government wished to lend financial aid without resorting to direct or indirect subsidies, a provision might be made to loan at a small rate of interest, say 3 to 4 per cent, an amount equal to not more than 50 to 60 per cent of the cost of the ship. This advance would, of course, be adequately secured by first mortgage and suitable insurance. Postal savings funds, it is conceivable, might be used for this purpose. Under present conditions the most serious handicap so far as some of the more important European ports are concerned is the excessive cost of insurance. At any rate much simpler and more direct means can be devised to accomplish the purposes sought than those proposed in this bill.

In so far as it is the purpose of the bill to promote trade in Central and South America, it is again peculiarly ill adapted to the purpose. The history of trade development clearly indicates that it may not be expected to follow the mere opportunities of transportation. A great many other factors enter into its creation. It is a significant fact that quite a number of the more conspicuous transportation companies have developed from trading companies or associations of merchants. For example, one of the more important lines trading with the west coast of South America grew out of a concession by certain South American countries for the production of and exportation of nitrates. Having developed this business and secured a market, it was quite desirable to develop an outgoing traffic, resulting eventually in the establishment of a successful line of merchant vessels. Similarly the United States & Australian Steamship Co. is said to have resulted from a combination of merchants who, having developed certain trade, found it desirable to charter ships for transportation.

No doubt other equally conspicuous examples could be cited to show that merchants' or traders' activities must precede or at least be intimately associated with the development of a successful transportation line. New trade routes are most apt to be built up with countries whose resources are just being developed. Such countries usually lack capital, and not infrequently transportation companies when not the owner of the product must advance capital to those who are developing natural resources and producing merchantable products. It is said that the success of the Germans in developing trade has frequently depended on processes of this sort.

Can it have been contemplated by the proponents of this measure that the United States would embark upon trading enterprises? If so, the details of such a plan should certainly be revealed. It would be interesting to know exactly how this is to be accomplished. If such a course is not contemplated, then the expectation of stimulating our trade relations by the provisions of this bill would prove utterly futile.

Taking up the alternative supposition, namely, that the bill contemplates a permanent policy of the Government, inevitably raises the whole question of the expediency of Government ownership. The general arguments against this policy run with full force against this particular application of it. We may briefly state the principal objections to the general policy of Government ownership as follows:

(a) Subtraction from the field of personal endeavor, (b) destruction of individual initiative and motive for effort, (c) the constant tendency to maximum costs, (d) multiplication of Government employees and officials, (e) increased opportunity for corruption, (f) labor problems, (g) administrative and executive inefficiency, (h) restriction of the motive to invent and improve the facilities of service, etc.; and in general it may be said that industries reach their highest perfection and greatest efficiency when allowed to develop in the free play of economic forces. This is a process of constant change and adaptation calling for high executive ability and the utmost freedom of action, while Government agencies are necessarily sharply limited by absolute law and tend to become stereotyped, cumbersome, and immobile.

It is, however, to the special objections to the scheme of Government ownership proposed in this bill that attention is directed. With the exception of those who favor Government ownership in whatever form because it accords with their belief in a socialistic state, even its most radical advocates have limited its scope to two classes of industries, (a) public-service enterprises which naturally tend to become monopolistic, and (b) certain activities supposed to be closely associated with the moral or social interest of a community. Of the latter class may be mentioned bathhouses and lodging houses in some instances owned by municipalities.

The essence of the argument for public ownership of certain public utilities is that their highest efficiency and minimum costs are attained under monopolistic conditions. With the element of competition removed as a check on charges and deterioration of service the necessity of public control immediately arises. Under such conditions the expediency of public ownership may be argued with considerable plausibility. It is to be noted that such activity is exclusive in the given field and thus eliminates entirely competition with private interests and modifies materially other difficulties, such as labor problems, etc.

The experiment in Government ownership as proposed in this bill can not be justified by any of the arguments which apply to the taking over in its entirety of a naturally monopolistic public enterprise. The field which it invades is as far from naturally monopolistic conditions as could be selected. No public franchises are required, no streets are occupied or torn up or other public property laid under tribute, no special privileges are granted, nor uniformity of service required.

The bill provides merely a plan by which the Government may become a competitor in the shipping business with private shipowners, and at least for a considerable time a comparatively small competitor. Only one of two results could follow: If the Government should go into the business expecting to earn a reasonable profit, such as the minority stockholders, as provided for by the measure, might reasonably anticipate, and should fairly subject itself to all the economic conditions of the trade in buying, maintaining, and operating a fleet of merchant ships, making adequate provision for depreciation and obsolescence and for ordinary and the present extraordinary risks and losses, it would not materially change the existing status.

If, on the other hand, the Government should pursue the policy of operating its boats on a no-profit basis, it would of course have the result of immediately driving private competitors off any route it chose to invade. It would also immediately check or stop the investment of private capital in the shipping trade. In short, instead of increasing tonnage, it would very soon reduce it, eventually doing more harm than good. The testimony of Mr. Huebner before the Committee on Interoceanic Canals of the United States Senate, as recorded in the hearings on H. R. 14385, on pages 100 and 101, indicates that such Government-owned merchant vessels as already exist, in order to promote the general interest of shippers as well as shipping, have been obliged to enter conference agreements or at least tacitly concur in such arrangements.

This by no means exhausts the difficulties to be encountered by the Federal Government in becoming a competitor in the shipping trade. If such vessels were to engage in foreign trade, they would almost surely come in competition with the foreign-owned lines. Should they attempt to establish unprofitable rates in order to promote Amercian trade, it is easy to predict that foreign Governments would devise retaliatory measures, which would more than offset the advantage sought.

One of the provisions contained in the bill for securing ships aggravates the dangers of international complications. Undoubtedly it was one of the inspiring motives for those who framed this bill to release boats which have been interned as a result of the war. Whether such vessels could be purchased without giving offense is a delicate question. One of the policies of the present administration accorded universal approval is that of maintaining the most circumspect neutrality. The President has gone to the almost unprecedented limit of using his utmost endeavor to discourage private loans to belligerents. Is it consistent with so strict an application of the policy to make—at least indirectly—available to one of the belligerents many millions of dollars which had been made unavailable by the incidents of war?

Perhaps a still more perplexing problem would arise out of questions incident to the status of Government-owned merchant vessels.

Determination of questions of this sort would certainly subject international law and international customs to wholly new circumstances. Would such boats have the quality and be subject to the amenities due to war vessels or would they subject the dignity of the United States to the treatment accorded to privately owned merchant craft on the high seas? Undoubtedly the most disturbing element of the present conflict so far as the United States is concerned is the attitude taken by one of the belligerents toward the shipping of neutral nations. This has been the subject of repeated protests and has recently caused the President to file with the Government referred to a note of emphatic disapproval.

It is not necessary to enumerate in detail the difficulties to be encountered. The right of search now maintained would certainly subject a Government-owned vessel to serious embarrassment. Even the fact that such vessels might be expected to maintain exceptional precautions as to their cargo and manifests, yet the constantly changing character of contraband goods, being apparently limited only by the declarations of belligerents, would be a constant source of uncertainty and irritation. In short, every such craft set afloat would add one more risk of our being drawn into the present war, to avoid which is the most united and fervent desire of all American citizens.

Another serious objection to the measure arises from the necessity of experience and expert knowledge in any commercial or industrial enterprise. It is a grave error to suppose that the Government or any other untried agency can enter the shipping business and make a success of it. It is not only necessary that any transportation line should own or control ships, it must own or have the use of necessary wharves; it must also have affiliations with shippers; it must have that familiarity with the course of trade which is acquired by long experience. This includes an acquaintance with shippers and a careful study of the demands of shipping and of the carrying of exports and imports. Established lines have agencies all over the world. Any corporation, such as that contemplated by the bill, would be entering upon a new field and be compelled to act under very great disadvantages, because placed in competition with those who have had long experience and have gained skill in the business contemplated.

In view of the above considerations and other facts and arguments which will no doubt be presented in a more extended discussion of the bill, the undersigned recommend that Senate bill No. 6856 be not enacted into law.

THEODORE E. BURTON.
KNUTE NELSON.
GEORGE C. PERKINS.
WILLIAM ALDEN SMITH.
GEORGE T. OLIVER.

Mr. President, there are certain tables accompanying this report, which I ask to have inserted without reading.

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

The tables referred to are as follows:

APPENDIX I.

Freight rates from New York to Brazil.

[Furnished by Paul F. Gerhard & Co.]

	1892				1912			
	Pernambuco.	Bahia.	Rio de Janeiro.	Santos (landed).	Pernambuco.	Bahia.	Rio de Janiero.	Santos (landed).
Flour, barrel	$1.20	$1.40	$1.30	$1.70	[1] $0.80	$0.80	$0.80	$0.80
Flour, sack (100 pounds)	.60	.70	.65	.85	[1] .40	.40	.40	.40
Gasoline, case					[2] .60	.60	.60	.60
Kerosene, case	.40	.45	.45	.55	[1] .30	.30	.30	.30
Cottonseed oil, per cubic foot	.20	.22½	.22½	.27½	[2] .20	.25	.25	.20
Lubricating oil, barrel	2.50	3.00	3.00	3.50	[2] 1.80	1.80	1.80	1.50
Lubricating oil, cases, per cubic foot	.20	.22½	.22½	.27½	[2] .15	.15	.15	.12
Turpentine, case	.40	.45	.45	.55	[2] .71	.60	.60	.60
Rosin, per 280 pounds	1.10	1.20	1.20	1.50	[1] 1.20	1.20	1.20	1.20
White pine lumber, per M square feet	25.00	25.00	25.00	30.00	[1] 16.00	16.00	16.00	16.00
Codfish, tubs, per 100 pounds (1892 only)	.70	.73	.75	.90	[2] 1.10	1.25	1.25	1.25
Codfish, drums, per 100 pounds (1892 only)	.70	.73	.75	.90	[2] .85	1.00	1.00	1.00
Codfish, ½ drums, per 100 pounds (1892 only)	.70	.73	.75	.90	[2] .42½	.50	.50	.50
Hardware, per cubic foot	.25	.30	.35	.45	.30	.35½	.31½	.27
Cement, per 100 pounds	.75	.90	1.05	1.35	[3] 6.00	6.00	6.00	8.40
Automobiles, per cubic foot	.25	.30	.35	.45	.24	.28½	.24	.24
Barbed wire, per 100 pounds	.75	.90	1.05	1.35	[3] 4.00	4.80	4.00	4.20
Plain wire, per 100 pounds	.75	.90	1.05	1.35	[3] 4.00	4.80	4.00	4.20
Electrical material, per cubic foot	.25	.30	.35	.45	.30	.35½	.30	.30
Tin plates, per 100 pounds	.75	.90	1.05	1.35	[3] 10.80	10.20	8.40	8.40
Machinery (up to 2 tons), per foot	.25	.30	.35	.45	.24	.28½	.25	.25

	June and July, 1914.				December, 1914.			
	Pernambuco.	Bahia.	Rio de Janeiro.	Santos (landed).	Pernambuco.	Bahia.	Rio de Janeiro.	Santos (landed).
Flour, barrel	$0.60	$0.70	$0.70	$0.70	$0.75	$0.75	$0.75	$0.75
Flour, sack (per 100 pounds)	.27½	.30	.30	.30	.35	.35	.35	.35
Gasoline, case	[1] .17	.17	.17	.17	.28	.28	.28	.28
Kerosene, case	.17	.17	.17	.17	.28	.28	.28	.28
Cottonseed oil, per cubic foot	.22	.31	.18	.21	.29½	.38¾	.22½	.26½
Lubricating oil, barrel	2.52	3.96	2.52	2.52	3.15	4.97	3.15	3.15
Lubricating oil, cases, per cubic foot	.21	.33	.21	.21	.26¼	.41¼	.26¼	.26¼
Turpentine, case	.55	.55	.55	.61	.68¾	.68¾	.68¾	.76¼
Rosin, per 280 pounds	.90	.90	.90	.90	1.00	1.00	1.00	1.00
White-pine lumber, per M square feet	22.00	30.00	22.00	18.00	27.50	37.50	27.50	22.50
Codfish, tubs, per 100 pounds (1892 only)	1.26	1.35	1.05	1.05	1.57½	1.68¾	1.31¼	1.31¼
Codfish, drums, per 100 pounds (1892 only)	1.02	1.02	.85	.85	1.27½	1.27½	1.06¼	1.06¼
Codfish, ½ drum, per 100 pounds (1892 only)	.51	.51	.42½	.42½	.63¾	.63¾	.53	.53
Hardware, per cubic foot	.39	.46½	.36	.39	.48¾	.58	.45	.48¾
Cement, per 100 pounds	5.40	5.40	3.60	4.20			6.00	6.70
Automobiles, per cubic foot	.30	.37½	.27	.30	.37½	.47	.33¾	.37½
Barbed wire, per 100 pounds	7.20	6.60	5.40	6.00	9.00	8.25	6.75	7.50
Plain wire, per 100 pounds	7.20	9.00	5.40	6.00	9.00	10.75	6.75	7.50
Electrical material, per cubic foot	.39	.46½	.36	.39	.48¾	.58	.45	.48¾
Tin plates, per 100 pounds	11.40	10.80	7.20	8.40	14.25	13.50	9.00	9.50
Machinery (up to 2 tons), per cubic foot	.33	.43½	.30	.30	.41¼	.54½	.37½	.37½

[1] Ffa. [2] Landed. [3] Per 2,240 pounds ffa.

NOTE.—For year 1914: Bahia, plus 84 cents per ton, weight or measurement, new port tax charge; Rio de Janeiro, plus $1.80 per ton, weight or measurement, landing charge on all landed cargo.

Freight rates from New York to River Plate.

	1901			1912			June and July, 1914.		December, 1914.	
	Montevideo.	Buenos Aires.	Rosario.	Montevideo.	Buenos Aires.	Rosario.	Montevideo and Buenos Aires.	Rosario.	Montevideo and Buenos Aires.	Rosario.
Agricultural implements, per cubic foot	$0.15	$0.15	$0.18	$0.20	$0.22½	$0.26½	$0.20	$0.24	$0.25	$0.30
Canned goods, per cubic foot	.24	.24	.27	.32½	.35	.40	.32½	.36½	.40¾	.45¾
Leather, per cubic foot	.29½	.29½	.35½	.37½	.40	.43	.37½	.41½	.47	.52
Kerosene oil, per case	.21			.21			[1] .17		[1] .21¼	
Naphtha, per case	.27½			.40			[1] .17		[1] .21¼	

[1] Montevideo only.

Freight rates from New York to River Plate—Continued.

	1901			1912			June and July, 1914.		December, 1914.	
	Montevideo.	Buenos Aires.	Rosario.	Montevideo.	Buenos Aires.	Rosario.	Montevideo and Buenos Aires.	Rosario.	Montevideo and Buenos Aires.	Rosario.
Cottonseed oil, per cubic foot	$0.14	$0.14	$0.17	$0.15	$0.15	$0.19	$0.15	$0.19	$0.18¾	$0.21¾
Cereals, per cubic foot	.24	.24	.27	.30	.32½	.36½	.32½	.36½	.40½	.45½
Machinery, per cubic foot	.21	.21	.24	.25	.27½	.31½	.20	.21	.25	.30
Lubricating oil, per cubic foot	.14	.14	.17	.25	.27½	.31½	.15	.19	.18¾	.23¾
Paint, per cubic foot	.25	.25	.28	.20	.22½	.26½	.20	.24	.25	.30
Turpentine, per case	[2] .20	.....	.....	.45	.....	.....	[1] .25	.....	[1] .31¼	.....
Automobiles, per cubic foot	.30	.36	.36	.22½	.22½	.26½	.20	.24	.25	.30
Barbed wire, per 2,240 pounds	2.40	2.40	3.60	7.20	8.20	9.40	4.20	5.04	6.60	7.80
Plain wire, per 2,240 pounds	2.40	2.40	3.60	6.00	7.00	8.20	4.20	5.04	6.60	7.80
Sulphate of copper, per 2,240 pounds	8.40	8.40	9.60	8.00	9.00	11.00	8.00	10.00	10.00	12.50
Cart material, per cubic foot	.15	.15	.18	.25	.27½	.31½	.25	.29	.31¼	.36¼
Hardware, per cubic foot	.21	.21	.24	.32½	.35	.40	.32½	.36½	.40½	.45½
News printing paper, per 2,240 pounds	4.50	4.50	5.70	11.00	13.00	16.00	6.00	8.00	7.00	9.00
Furniture, per cubic foot	.27½	.27½	.31½	.20	.22½	.26½	.20	.24	.25	.30
Drugs, per cubic foot	.29½	.29½	.35½	.37½	.42	.46	.37½	.41½	.47	.52
Cotton bags, per cubic foot	.18	.18	.21	.35	.40	.43	.20	.24	.25	.30
Cotton yarn, per cubic foot	.21	.21	.24	.32½	.35	.40	.20	.24	.25	.30

[1] Montevideo only. [2] Per cubic foot.

APPENDIX II.

Rates of freight, New York-Liverpool and New York-London, for the years 1911, 1912, 1913, and 1914, stated quarterly.

[Furnished by P. A. S. Franklin of the International Mercantile Marine Co.]

NEW YORK-LIVERPOOL.

	Provisions.		Grain.		Flour.		Lumber.	
	High.	Low.	High.	Low.	High.	Low.	High.	Low.
	Cents.	*Cents.*	*Pence.*	*Pence.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1911.								
First quarter	[1] 16.88		2d. and 5 per cent per 60 pounds.		9	6	14	9
Second quarter	[1] 16.88		1½d.		8.44		14	10
Third quarter	[1] 16.88		2¾	1½	8.44		16.88	10
Fourth quarter	[1] 16.88		3½	2¼	12	10	16.88	10
1912.								
First quarter	[1] 19.69		5	2½	13	8½	16.88	10
Second quarter	[1] 19.69		3½	2½	12	10	15	11
Third quarter	[1] 19.69		4¾	4¾	12	12	17	11
Fourth quarter	[1] 19.69		5½	3½	18	12	17	12
1913.								
First quarter	[1] 22.5		4½	2¾	16	16	19	15
Second quarter	[1] 22.5		3¼	3	16	16	20½	17
Third quarter	[1] 22.5		3	2½	16	16	20½	17
Fourth quarter	[1] 22.5		3	2	14	14	20½	15
1914.								
First quarter	[1] 22.5		3	1¼	14	14	22½	18½
Second quarter	[1] 22.5		No grain.		12	10	18½	15
Third quarter	45	22½	2½	1½	20	12	18½	15
Fourth quarter	33¾	28¼	8	5	26	21	29	15½

NEW YORK-LONDON.

	Cents.	*Cents.*	*Pence.*	*Pence.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1911.								
First quarter	[1] 16.88		1⅞	1½	8	8	18	13
Second quarter	[1] 16.88		1¾	1½	8	8	18	13
Third quarter	[1] 16.88		2	1½	10	8	18	13
Fourth quarter	[1] 16.88		3½	1¾	11	8	18	13
1912.								
First quarter	[1] 19.69		5	2½	15	9	20	16
Second quarter	[1] 19.69		4	3	15	14	20	16
Third quarter	[1] 19.69		5	2¼	16	11	20	14½
Fourth quarter	[1] 19.69		5¼	3	20	14	22½	16
1913.								
First quarter	[1] 22.5		5	3¼	20	18	22	17½
Second quarter	[1] 22.5		3½	1¾	18	16	22	17½
Third quarter	[1] 22.5		3½	1¾	18	16	24	17½
Fourth quarter	[1] 22.5		3	2½	18	15	24	17½
1914.								
First quarter	22.5		2½	1¾	18	12	24	19½
Second quarter	22.5		1½	1¼	13	11	24	17½
Third quarter	45	22½	6	1½	21	11	32	17½
Fourth quarter	45	28¼	8½	3	26	13	40	17½

[1] Per 100 pounds.

Mr. GALLINGER. Mr. President, I now propose to turn my attention to a discussion of the merchant-marine question in its larger sense, a question that has engaged the attention of Congress in former years and which is engaging the attention of Congress at the present time. Whether or not what I have to say will interest Senators I do not know, but I feel that it is important that certain facts relating to this great question and to the scheme that is contemplated in the bill now under discussion should be placed in the CONGRESSIONAL RECORD and before the American people.

The proposition that the Government shall purchase or lease vessels and put them in the over-seas trade is, in the first place, a complete reversal of the policy of our Government in matters of that kind. It is a distinct and unqualified recognition of the

principle of Government ownership, and for that reason is, to my mind, utterly objectionable. From my viewpoint there never has been a time when by a reasonable outlay on the part of the Government we might not have had an American merchant marine, the simple method being to somewhat increase the subvention provided for in the ocean-mail act of 1891, for the carrying of our mails to foreign countries, a policy adopted by all maritime nations. Had that policy been adopted, which I have advocated persistently for many years, there would have been no need of legislation such as is now proposed in the bill under consideration. Being opposed in toto to the principle of Government ownership, I oppose the bill on that ground, and on the further ground that I am fully persuaded that if the project is entered into it will prove to be a flat failure financially and may involve us in serious international complications.

In the hearing before the House committee Secretary McAdoo frankly admitted that the ship lines that are in contemplation will probably not be self-sustaining, and it goes without the saying that if the Government engages in business in competition with private enterprise and loses money in the operation the taxpayers of the country will not long submit to a business experiment of that kind.

In every effort that has been made to secure legislation in the interests of the American merchant marine by granting a postal subvention a provision has been inserted in the bills to the effect that the vessels should be constructed according to plans and specifications furnished by the Navy Department, and that they should be so constructed as to be available in time of war. In the present bill no such provisions are made. The proposition is to purchase a fleet of old ships, most of them constructed for transportation purposes, the value of which as auxiliaries in time of war would be, at the best, negligible. It seems to me the part of wisdom for Congress to reject this proposition and to then make adequate appropriations from the Public Treasury, either by increasing the mail subvention or by direct subsidies sufficient to enable private capital to build ships so constructed as to not only serve the purposes of over-seas transportation but to be of real value to the country in time of need. Who can tell the amount of money that will be required to rebuild the ships that it is proposed to purchase, so as to make them available for our purposes? The whole scheme is chimerical, and if this legislation succeeds it will be at best a tremendously expensive and foolish venture.

It should constantly be borne in mind that there is a Government-owned steamship service in existence at the present time, but it is not exactly a favorable precedent for new legislation.

The Panama Railroad steamship service has been operated by the Government in large part as an auxiliary to the work of canal construction. Its vessels have had the preference in the carrying of canal supplies and material, particularly of the cement, of which so many thousands of tons were used in building the locks of the great waterway. This Government line has in every possible way been favored by the Government, and yet it appears from its annual reports that the net result of its operations during the three years 1911, 1912, and 1913 is a deficit for these three years of $12,365.54.

But this deficit does not tell the entire story of Government ownership and management of the New York-Colon line, for this Government line is not run on the ordinary accepted methods of the steamship business. No money is paid out by the Government line for insurance; a commercial company would have to pay about 3 per cent a year. The Government line does not make any allowance for the depreciation of its floating property; a commercial company would make an allowance annually of 5 per cent. Finally, so far as is known, the Government line is not charged up with any interest, but this is a fixed obligation of a commercial company, and the rate paid probably would be 6 per cent.

To be exempt from insurance charges, from depreciation charges, and from interest charges, and yet to show a net deficit for the operations of three years, is not a brilliant record—not a record calculated to encourage the American people to desire to have their Government go into the steamship business on a larger scale. Any commercial company in the place of this Government line and managed in the same way, having to pay insurance and interest, and having to mark off 5 per cent annually for depreciation, would have gone into bankruptcy long ago. But, as a matter of fact, the American steamship companies that have been carrying goods in competition with the Government line between the Atlantic and Pacific coasts via the Isthmus of Panama, or until recently via the Isthmus of Tehuantepec, are supposed to have been doing a reasonably prosperous business, and they have been doing this because commercial steamship companies are in a position to do business very much better than is the Government. There is no suspicion of graft or wrongdoing of any kind in the management of the Government-owned line to Panama. There are trained steamship men at the head of it. But the relative lack of success of this one Government line is believed by those familiar with the shipping trade to be due to causes inherent in Government ownership and management of business enterprises.

A few years ago there were bills before Congress, resulting from the inquiry of the Merchant Marine Commission, that provided for the payment of adequate compensation under the terms of the act of March 3, 1891, in order to create national lines of American-built steamships owned by commercial companies under contract with the Government, from the Atlantic and Pacific coasts of the United States to the principal ports of South America, and across the Pacific to Japan, China, the Philippines, and Australasia. It was the expectation and the estimate of practical merchants, bankers, and shipping men that an expenditure of $2,000,000 a year, in addition to what is now being paid, would suffice to establish and maintain a swift postal service under the American flag to all the countries mentioned, and that this service would require the construction and employment of at least 30 American steamers, ranging in size from 6,000 to 15,000 or 20,000 tons, and costing from $750,000 to $3,000,000 each, or a much larger fleet if the ships were of less tonnage. These ships, it is true, would be owned by commercial companies, but they would be serving the postal and trade needs of the United States and under the terms of the law would be as surely available for naval auxiliary service in time of need as if they had been owned by the Government.

If those bills had been enacted it is probable that Congress would not now be confronted with this proposition to invest $30,000,000 or more of money, to be borrowed by the United States, in order to qualify the Government to embark in the ocean steamship business, and it is conceded that this will be but the beginning of the enterprise.

It is manifestly going to cost a great deal more money now than it would have cost if the other plan had been adopted several years ago. Apparently the Government now is going to buy and own the ships outright. It will be found that $30,000,000 will not go so far in the purchasing of ships as may be imagined. Assuming that the newly acquired vessels will cost each $1,000,000—not an extravagant supposition—it must be remembered that it will not be safe for the Government to put all of the $30,000,000 into ships, as something must be kept in reserve as working capital. Therefore it is probable that no more than 15 or 20 vessels can be added to the merchant marine by this extraordinary expedient of Government ownership, or distinctly fewer than would have resulted from the passage of the ocean mail bill of several years ago.

It was stipulated that those ocean mail ships should be built in American shipyards. They would have provided employment for several years to thousands of skilled American mechanics. But it appears to be contemplated in the present movement to purchase cheap ships of foreign registry—so that American labor will fail to procure any employment in the construction of the proposed fleet for Government ownership. It is quite possible that these vessels may be cheaply bought, but if this is so, it should be borne in mind that it is at the expense primarily of the workers in our shipyards and allied industries, and to the practical destruction of private shipping.

The way will be open for the foreign steamship companies that may sell their ships to the United States to build new, larger, and more economical vessels when the war is ended—vessels with which the older craft of the proposed Government fleet can not compete in international commerce. What would then become of this Government fleet—what use or refuge would there be for it? It has been suggested that the ships could be used as transports, and it is an unfortunate fact that almost any old thing seems to be regarded as good enough for carrying the soldiers of the United States. Thus the old foreign-built transports that were acquired before the outbreak of the Spanish War are still being kept ready for service, though any commercial company compelled to work its way and bear the stress of competition would long since have relegated such old hulks to the scrap heap. Again, what say our Democratic friends to the proposition to buy old ships built in foreign shipyards where the eight-hour day does not prevail, and put them in competition with American ships constructed under the strict terms of the American eight-hour law?

It is stated that the purpose of the bill establishing the Government in the steamship business is to provide facilities for the export of grain, cotton, and other products of the United States to the ports of Europe. Have the champions of the proposed legislation considered the international aspect of that

undertaking? Already it is intimated that the British Government will not look with favor on the purchase of German steamships lying idle in our ports and the operation of them under the American flag in competition with British and French steamers.

Do the promoters of the legislation intend that the Government shall buy the German steamers of the Hamburg-American and North German Lloyd Steamship Cos.? Is it not well known that these two German steamship companies maintain peculiarly close relations with the Imperial Government? Has it not been repeatedly stated that the German Emperor himself is a large stockholder in the Hamburg-American Co.? To whom would the money go if some millions of dollars were taken out of our Treasury and used for the purchase of these German ships? Would not Great Britain and France be in a position to complain that we were replenishing the German war chest and strengthening the resources of their enemy? Would it not be very difficult under these circumstances for us to continue to maintain the correct neutral attitude desired by all Americans?

These Government-owned ships of the United States will have a character before the world entirely unlike that of ordinary merchantmen. They will be regarded as almost a part of the United States Navy—they may perhaps be commanded by naval officers, for the plain warning comes from Europe that if they are brought under our flag they must be officered by Americans and not by the men who now have charge of them.

Assume that these German ships once purchased are loaded at New York with foodstuffs and are sent thus laden to the open ports of the British Isles. Is there not some serious danger of a remonstrance from Germany that we are feeding her enemy, and that the next time the ships should be sent to Bremen, Hamburg, or Trieste? What will the answer of our Government be if a representation of this kind is made to the State Department? It will be a matter of common knowledge all over the world that the United States Government is directing the movements of these ships and is responsible for the service which they may undertake. How can these national vessels be used to feed a nation on one side without great peril of provoking the resentment of all nations on the other side? Is not a Government fleet of steamships a most fruitful source of discord under present conditions between the United States and the belligerents of Europe? The export of some thousands of bales of cotton or bushels of wheat would have been dearly purchased if it involved us in war or risk of war.

The senior Senator from Massachusetts and the senior Senator from New York have discussed the international aspect of the question so ably and unanswerably that nothing further need be said on that ground.

In the Boston Commercial Bulletin of Saturday last, a leading trade journal, was an editorial that will bear reproduction. It is headed: "Shall it be war for us?"

I will say that the editor of that paper has represented the United States Government as an ambassador to one of the present belligerent nations. The editorial reads:

Secretary McAdoo assures the country that there is no ground whatever for the fear that the sovereignty of the United States Government would be involved if one of the ships which are provided for by the shipping bill now before Congress were seized by a belligerent. He admits that if the ships in question were operated outright by the Government, an awkward situation might arise; but where the Government, he declares, is merely a stockholder in a private corporation, no question as to the Government's sovereignty arises in the event of the seizure of the property of the corporation. "The Government," he argues, "would stand in relation to such a corporation exactly as any individual stockholder does to a corporation in which he is interested. A suit against the corporation does not necessarily involve the shareholders."

What arrant nonsense. Does anyone suppose that the seizure by a foreign Government of the Suez Canal, which is owned by a private corporation in which Great Britain has a controlling interest, would not be considered a direct challenge of the sovereignty of England? Would that country calmly consent to have the justice of the seizure thrashed out in some court, or rather would not her answer be a prompt declaration of war?

The Panama Railroad Co. is another private corporation, but its entire capital stock is owned by the United States Government. Is there anyone in this broad land who can demonstrate to his own satisfaction that the forcible acquisition of that property by a foreign country would not be an act of hostility against the American Nation?

The President's shipping bill provides for a corporation to be created by the Government, to be owned by the Government, and to be managed by the Government. Panama Canal bonds, which, of course, are a Government security, are to be issued to the amount of $30,000,000 for the purchase or construction of ships. The affairs of the corporation are to be managed by a shipping board consisting of the Secretary of the Treasury, the Secretary of Commerce, and the Postmaster General. In other words, we are to have nothing less than a Government institution whose every activity will have, and, indeed, must have, the sanction of the Government itself. To aver, therefore, that foreign interference with the affairs of such an enterprise could not possibly involve the sovereignty of the United States Government is worse than fallacy. It is drivel.

The President has declared that those who oppose his shipping bill must answer for the grave economic consequences of the defeat of the bill. But do those who intend to support the bill stop to reflect that they may well have consequences infinitely more appalling to answer for?

That the country's internal and external trade is seriously hampered by the lack of adequate shipping facilities no one will deny. The loss which it spells for the southern cotton grower is especially severe. Yet, viewing the matter broadly, not even the prospect of complete economic relief to all classes in the community would justify the taking of steps which might be calculated sooner or later to plunge us into the hell broth in which European civilization is to-day stewing.

The danger is not exaggerated. Greatly as it is to be deplored, the fact remains that the international peace propaganda of recent years has not appreciably changed human nature. The past 20 years alone have been marked by no fewer than seven wars of the first magnitude, culminating in the bloodiest conflict in human annals. That is to say, nations have sprung at one another's throats on an average of once every three years. When, in addition to this, it is borne in mind that there have been many occasions when other wars have been happily averted by the veriest good luck, it will be seen that for this civilized world of ours the past quarter of a century has been a period of constant war or of danger of war. The world has, indeed, been a veritable powder magazine to which the spark has been applied on more than one occasion while rulers and ministers were still engaged in exchanging with one another assurances of the most pacific intent.

Let us not be too sure, therefore, that we, too, shall not yet be drawn into that circle of fire. Human passions and prejudices and hatreds have been raised to a pitch which renders calm judgment next to impossible. Nations with their backs against the wall, fighting for their very existence and sending the flower of their manhood to inevitable slaughter can not be expected unerringly to discriminate between fancied grievances and real grievances or to have the same finical regard for the proprieties that would characterize them in time of peace. Indeed, under such conditions everything else is subordinated to the requirements of the first law of nature, viz, self-preservation. Let no neutral nation, whether intentionally or otherwise, do aught that collides with that law, for as surely as there is a sun in heaven that neutral will be called upon to choose between a humiliating backdown and the sword.

That, then, is the point toward which this monstrous Wilsonian policy is sweeping us—us who are as pitiably prepared for a death grapple with a first-class power as we were to prevent the collapse of our foreign trade on the outbreak of the present war. That any person who sees the chasm yawning in front of us will be dissuaded from opposing the shipping bill by the violent and wicked maledictions of the President is unbelievable. Now if ever is the time for sound common sense and all the forces of patriotism to assert themselves. If that means to open the floodgates of Mr. Wilson's wrath, so be it. What is either his good will or his ill will when placed on the scales with the country's permanent welfare?

I do not propose to weary the Senate, as I said a moment ago, with making any extended quotations other than I have made from the newspapers of the country; but I have quoted very freely from Republican and from Democratic papers, all of which oppose this bill with great resoluteness. I now feel that I ought to quote at least from one Progressive newspaper. The Boston Evening Record, owned and controlled by Mr. Bird, recently the Progressive candidate for the governorship of Massachusetts, has this to say in an editorial two or three days ago, the caption being the simple but suggestive word "Danger":

Senator ROOT drives home the note of warning—we buy a quarrel with every ship bought under the proposed ship-purchase bill.

While lawmakers are debating the legal points and trying to decide whether one or another party or the independent Member of Congress is the most expert in the technicalities of international law, one fact remains clear as daylight, and as difficult to snuff out or hide. By changing our policy in the midst of the war we shall lay ourselves open to the charge of insincerity and national humbug, and play directly into the hands of anyone who suspects our motives and intentions. Let's keep the country clean. Let's avoid the obvious criticism that we are making a national move for the direct benefit of one of the belligerents.

The point is not that by the passage of the ship-purchase bill we should bring money and relief to Germany, but it is that by passing that bill now we adopt a course which was not considered before the war began, and therefore are, in the midst of the conflict, selecting a new attitude which by no stretch of the powers of logic can be construed as neutral.

President Wilson has been much praised for his attitude in this war. Why? Because it has been the opinion of the country that he has resisted all temptations and dangers of bias and has kept the Nation on an even keel of impartiality and strictest neutrality. Now, what becomes of that attitude? Obsessed by the project of ship purchase, he has abandoned all his groundwork of sane statesmanship and would plunge the United States into a course and undertaking not only practically hazardous but manifestly opposed to our national professions and our national reputation for square dealing.

"We can not," says Senator ROOT, in words that will ring in history, "measure the number of our steps. One unneutral step will lead to further unneutral steps, until we are in the thing."

Every American must heed those words and that thought. Thus far in the grim and portentous history of this bleak year we have walked unscathed and honest. We can not afford to smash that record of sanity and honor. We can not afford to pander to the pocket and sell the soul of this Nation. We can not afford to substitute a plunge into speculative business for the sober investment of the Nation's character in the gold bonds of a people's integrity and good faith.

We have no part in the great quarrel of Europe. Our duty is clear, plain, inevitable. It is to walk straight, mind our own business, protect our incontestable rights, and do no man and no nation injury undeserved. Be honest! Let it be said of this Nation:

His strength was as the strength of ten
Because his heart was pure.

We must keep the faith. We must be neutral not simply in profession but in act, and our acts must be bred in conviction. Our duty is clear. It remains to follow it. Senator ROOT's warning of the consequences of subversion of principle is pertinent and historic.

Very different from the splendid progress of our great coastwise shipping is the story of our overseas shipping in its long and sad decline. As far back as 1810, under the favoring preferential customs duty and tonnage tax laws of Washington, Jefferson, Hamilton, and Madison there were 981,019 tons of American shipping registered for foreign commerce. That fleet gradually increased to 2,496,894 tons in 1861. Now our registered fleet has dwindled to 1,027,776 tons. But that figure, though actually less than the total of our registered tonnage 104 years ago, does not tell the entire story, for it is well known that a large part of our present registered shipping is seldom or never engaged in actual foreign trade. Many vessels plying along the Canadian border sail under registry instead of under coastwise enrollment, from habit or convenience. Many more ships engaged in the longer coastwise voyages, especially in connection with the railroads across the Isthmus of Tehuantepec and the Isthmus of Panama, also sail under registry, because their voyages carry them along the coasts of foreign countries. Other vessels are employed on infrequent voyages in foreign and frequent voyages in coastwise carrying. It is a fair general estimate that the amount of American shipping now actually and constantly engaged in foreign commerce does not far exceed 500,000 tons, or about one-fourteenth of the shipping enrolled and actually employed in our domestic trade; that is, for every ton of shipping engaged in foreign commerce the United States has approximately 14 tons engaged in domestic commerce. In 1861, as has already been said, our overseas shipping and our coastwise shipping were substantially equal in tonnage.

Since 1861, in spite of the wonderful growth of our railroads, the coastwise shipping of the United States has almost trebled in tonnage. Our foreign commerce, our exports and imports, have increased tenfold since 1861. If American shipping in the foreign trade had grown as it ought to have grown in the same proportion we should now have a fleet of 25,000,000 tons, challenging the supremacy of Great Britain on the ocean. Instead, as has been said, our overseas fleet has shrunk to a nominal 1,027,776 and an actual 500,000 tons of shipping engaged in the foreign trade. This is the only great national industry that has declined—the only one that has not grown rapidly and constantly to immense proportions. What are the causes of this economic phenomenon? It is sometimes said that a great cause was the Civil War and the depredations of Anglo-Confederate cruisers. That was a brief, temporary cause. It was ended by the war, and the actual capture and destruction of American ships in that conflict did not exceed 110,000 tons, out of a total registered fleet at the beginning of the war of nearly 2,500,000 tons, though during the war, as an indirect result of the depredations of British-built armed craft under Confederate colors no less than 751,595 tons of American shipping were sold and transferred to foreign flags. Yet when the war ceased American overseas shipping again began to grow, increasing from 1,387,756 tons in 1866 to 1,515,648 in 1867; and then, with some fluctuations, to 1,589,348 tons in 1878. Since that year the decline has been almost constant to the present time.

The Civil War was but a temporary factor; it was not permanent. It is sometimes said that the decline of our ocean shipping and the gradual loss of our carrying trade have been due to a mere change in materials of shipbuilding from wood to iron and steel and in form of propulsion from sail to steam. But American shipowners and builders had begun to launch steamships, both of wood and of iron, before the Civil War, and some of those steamships were among the most efficient and successful in the world. American sailors in the handling of vessels under canvas, be they frigates, merchant ships, or yachts, have always been acknowledged the most capable men of their calling. But the history of mechanics and inventions shows, too, that the American race has a genius for metal working and machinery. The voyage of the American battleship fleet around the world, with a trivial expense for repair to boilers and engines, is well regarded as the most significant triumph of marine engineering in our time—every one of these battleships was built and engined in an American shipyard.

The shipwrights of this country were famous men in the working of oak and pine and hemlock, but their successors are equally famous and successful in the working of steel. For many years the United States has been the world's great steel and iron workshop. The plates, angles, and beams for shipbuilding—the raw material of the completed modern ship—have been, on the whole, for 20 years as cheap and abundant in America as in Europe. Indeed, for a large part of this time American steel for shipbuilding has been quoted at a lower price, and for a quarter of a century this material for ships for the foreign trade has been on the tariff free list, as it is now on the free list for both ocean and coastwise ships.

The explanations sometimes given—very persistently by the attorneys of European steamship companies—that the decline of the American merchant marine in ocean trade has been wholly due to the change from sail to steam and from wood to iron and steel, are superficial explanations. They do not explain at all; they do not reach the real heart of the problem. The advantages of steam over sail were recognized first in the United States as far back as the day of the *Clermont*. In the decade between 1850 and 1860 the swiftest and most popular steamships in the great trans-Atlantic passenger service were American vessels, built and engined in the United States. The records for passages between Europe and America were held then, as they had been held before in the days of the sail packet and clipper ships, under the Stars and Stripes. A high officer of the British Navy, after voyages of observation in both the British and American liners, declared shortly before our Civil War that "there are no ocean steamers in England comparable with the *Baltic* of New York." The historian of British merchant shipping, Lindsay, who had been a sailor as well as a shipowner, and had eulogized the "superior education and more rigorous discipline on board American vessels," frankly acknowledged the superior engineering efficiency of those early American steamers in the trans-Atlantic trade, attributing it to their "effective boilers and ability in their preparation." Dr. David A. Wells says of this critical period in "Our Merchant Marine":

> During the single year 1849–50 we increased our ocean steam tonnage 113 per cent, and the seagoing qualities and performances of our vessels were so admirable that the Cunard Co., which had then been in operation 10 years, was obliged to bring out new ships to compete with them.

In 1849 our deep-sea steam fleet amounted to 20,870 tons. By 1855 it had increased to 115,045, practically equaling the deep-sea steam fleet of Great Britain. Our ship owners and builders were beating their British rivals in steam shipping at that time exactly as they had beaten them in sail shipping. Later on, after the Civil War, American iron for shipbuilding purposes was acknowledged here and abroad to be superior to British iron. The American iron at first bore a higher price, but later, as the records show, American iron and steel for shipbuilding purposes were little, if any, dearer and finally cheaper than the British material.

The pleas so often heard, so often sounded in this Chamber, that the decline of American shipping in foreign trade has been due to "natural causes," the change from sail to steam and from wood to iron and steel, are without historic foundation. The coastwise trade, protected by our national laws, adapted itself to the new conditions. First iron steamships and then steel steamships were constructed in great numbers for the coastwise lines, and in these steamers, as had been done in the sail ships before them, a distinct American type and model were developed, combining good carrying capacity, steadiness, and stanchness with a power and speed marking them superior to foreign vessels of the same period and of similar service.

These American merchant steamships were created in the same shipyards, by the same race of men who built the *Oregon*, the *Olympia*, the *Kearsarge*, and the *Kentucky* for the Navy of the United States. It was the coastwise trade that had kept the art of shipbuilding alive and that had made the building of our first steel battle line possible. The delusion sometimes appearing in our newspapers and sometimes heard in the Halls of Congress that the American flag has vanished from the high seas because American workmen could not build ships of iron and steel with boilers and engines is a myth too flimsy to stand serious examination. It may be an easy and plausible theory, very comforting to advocates of a drifting, do-nothing policy and to the foreign steamship companies who carry 92 per cent of our imports and exports and derive from this a revenue of $200,000,000 to $300,000,000 a year. But this theory is pure theory without foundation in fact, and the time has come when it must be abandoned.

And with this must go that other plausible theory that the ocean carrying business is not profitable and not worth the time and labor of Americans. This is another delusion which the foreign steamship corporations and their friends and allies in this country are very solicitous that the American people should accept. It is not true, and no one knows better that it is not true than these foreign steamship corporations themselves. Not only is the ocean shipping business profitable to foreigners who are engaged in it, but there is every reason to believe that it is profitable to some American steamship companies engaged in our West Indian trade, and that it can readily be made profitable to others also.

The Hamburg-American Steamship Co., of Germany, enjoying the favor of the Imperial Government and with the loyal sup-

port of the German people behind it, declared last year a dividend of 10 per cent. The North German Lloyd, another great German corporation, paid 8 per cent. The Peninsular & Oriental, British, paid 15 per cent. The Holland-America Line paid 15 per cent. The Japanese Nippon Yusen Kaisha paid 10 per cent, and like earnings are credited to other great steamship companies of the world. There is reason to believe that in the last two or three years before the war the dividends of most of the prosperous foreign steamship lines have exceeded the dividends of the most prosperous American manufacturing industries. If the ocean shipping business as conducted by our rivals in trade were not profitable to those people the business would not be continued, new ships would not be built, and new steamship lines would not be constantly extended to all quarters of the world. An Englishman or Frenchman or German or Japanese will no more carry on a losing trade than will an American. The notion that the ocean shipping business is not profitable is a delusion equal with that other myth that Americans can not build steel steamships and operate them. These theories are fiction pure and simple, exploited by foreign shipowners or by persons acting in the interests of foreign shipowners to discourage even the making of an effort to build up ocean shipping on the part of the United States.

How hopeless, how absurd, this theory is that Americans can not afford to go into ocean shipping is strikingly demonstrated by the fact that a huge sum, estimated at $200,000,000 of American money, is now and long has been invested in shipping under foreign flags. One company, in which American capital is a large if not a dominant factor, controls a hundred ships in the north Atlantic trade. Another operates 50 ships between our ports and the West Indies and Central and South America. If there is no money to be made in ocean commerce, why do these Americans put their money into it and increase their investments from year to year—in foreign ships, under foreign colors? All we need is sufficient encouragement from the Government to equalize conditions. That is all.

Right at this point it may be well to say that the Merchant Marine Commission asked the principal American shipowners operating vessels under foreign flags, and also leading capitalists in New York and Boston, whether they would bring their ships under the American flag and continue to engage in the foreign trade if we should recommend to Congress a free-ship law that would give them an opportunity. Every one of these shipowners and capitalists in reply to our definite question answered squarely in the negative. That is why the Merchant Marine Commission of 1904–5 did not recommend free ships. Absolute confirmation of our judgment and of the honesty of the replies of these steamship managers is to be found in the fact that, though Congress in the Panama Canal act of August 24, 1912, did pass a free-ship law offering American registry for the foreign trade to modern vessels built or owned by American citizens, little benefit has come from that legislation. The free-ship policy, tested by a year and a half of experience, has proved a failure as an expedient for the restoration of our merchant marine, just as the Merchant Marine Commission of Senators and Representatives predicted, and yet it was confidently asserted by the Democratic side of this Chamber when merchant-marine bills have been under consideration that if our navigation laws were amended and the purchase of ships from abroad permitted the whole problem would be solved. It is well that that Democratic fallacy has been exploded.

This brings us right to the real heart of the problem. American shipowners operating vessels under foreign colors in time of peace would not give up the foreign subsidies which they happened to enjoy—the privileges, favor, and encouragement of foreign Governments. These subsidies are not given to all foreign ships, but all foreign ships, without exception, do possess another important advantage over our American merchant marine; first, in the cheap wage scale on which they are constructed and, second, in the cheap wage scale and maintenance cost on which they are navigated. The recent Tariff Commission, in its careful examination of the woolen manufacture in the United States, disclosed by actual estimates secured in England and in this country that the cost of building a woolen mill and equipping it with the requisite machinery is from 43 to 50 per cent greater in America. The Merchant Marine Commission in 1904–5 learned that the cost of building an ocean ship in the United States was from 40 to 50 per cent greater, on the average, than in the United Kingdom, a difference due almost wholly to labor, for the steel materials were then and are now as cheap here as abroad. At the present time it is estimated that the cost of ship construction in the United States has been so lessened that the difference may range from 25 to 40 per cent, though greater, doubtless, in some special types of vessels.

But even if "free ships" put American and foreign shipowners on an equality, so far as the first cost of their vessels is concerned, our actual experience under the free-ship policy proves that this is not of itself an adequate solution of the problem. A foreign-built steamer naturalized beneath the American flag comes under American laws for officering, manning, and maintenance. Unless the steamer is a high-class craft for service on the national mail lines, under the law of 1891, not one man of her crew below the higher officers need be an American citizen. Our Government requires only that the captain, his mates, the chief engineer, and the assistant engineers in charge of a watch be Americans, and this is in accord with the general practice of the maritime world. Laws recently enacted by Congress and regulations of the Steamboat-Inspection Service under them do, however, require that American vessels, whether native built or foreign built, shall carry more officers than foreign ships. If this is a burden it is one of deliberate making by Congress. A shipowner of New York, Mr. Ernest M. Bull, of the A. H. Bull Co., gives an interesting example of the effect of our American legislation:

> We have eight ships in the Atlantic coast trade. Frequently on one side of a dock in Brooklyn is one of our ships loading an American cargo for Cuba. On the other side is a British ship of the same tonnage and practically the same type also taking on a cargo of American-made goods for the same port. We are forced to carry three more men in the engine room, more seamen, and a third mate than the British vessel is required to ship.

Capt. Robert Dollar, of San Francisco, a shipowner of wide experience, owning and operating vessels both under the American and under the British flag, makes this comparison of the required crew of a 10,000-ton cargo steamer:

	American.	British.
Water tenders	3	.....
Engineers	4	3
Oilers	3	[1] 2
Firemen, white crew and coal passers	12	9
Storekeepers	1	1
Donkey men	1	1
Total	24	16

[1] Who are shipped as firemen.

In the old days of the sail ships before the Civil War American vessels, as a rule, carried fewer men than their foreign competitors. The laws of the United States then permitted it. Now American laws and regulations require American vessels to carry more officers and men than their foreign competitors. These laws have been enacted under the plea of providing increased safety and efficiency in navigation. Only a few months ago the Senate passed a bill demanded by the sailors' unions which would add still further to the cost of operating American ships and place further burdens on American shipowners.

A large part, therefore, of the responsibility for driving the American flag from the high seas rests upon the Congress of the United States. It has deliberately handicapped American shipping in competition with the fleets of foreign Governments.

Foreign shipowners, who now convey 92 per cent of our imports and exports, have secured this monopoly of our ocean trade in large part through the employment of Lascars and Chinese as sailors and firemen. The wages of these Asiatics are not far from $8 a month, or one-fourth or one-fifth of the wages of white seamen in the ports of the United States. Capt. Dollar, who gave valuable testimony before the Merchant Marine Commission, stated recently that the cost of a Chinese crew of 42 men carried on an 8,000-ton cargo steamer would be about $500 a month, and out of this the Chinamen would board themselves, while an American or white crew would cost $2,630 a month on the Pacific coast and their food would be provided by the ship, making an annual difference in the operating costs of an 8,000-ton steamer of about $25,512. Indeed, Capt. Dollar declares, the difference would be greater than this, for his estimate does not include the extra men required by American regulations.

Now, the question of the merchant marine is intimately involved with the question of how this difference in wages between the Asiatic and the white man is to be met. We exclude Asiatic labor from the United States in order to preserve the standards of our own labor, but we allow foreign ships owned in Europe or Japan to come freely into the ports of the United States manned with this same Asiatic labor and steal the carrying trade of the United States away from American citizens.

But it is not only the Asiatics whose labor on shipboard underbids American labor. The seamen of the maritime coun-

tries of Europe receive wages which compare with the wages of seamen on American ships exactly as the wages of workers in European factories compare with the wages of workers in American factories. This is true of the great, luxurious passenger liners running to and fro across the North Atlantic. It is true also of the typical cargo steamships plying in and out of our North Atlantic ports. A well-known firm of New York shipowners, operating freight vessels under both the American and foreign flags, furnishes the following precise comparison of the wages of the crew of an American and of a British steamer—ships of the same type and of equal dead-weight capacity of about 4,900 tons:

	American—wages per month.	British—wages per month.
Master	$175.00	$100.00
First officer	90.00	63.18
Second officer	70.00	43.74
Third officer	60.00	.....
Carpenter	40.00	31.59
Boatswain	35.00	29.16
Quartermasters (2)	35.00	.....
Sailors (5)	30.00	(9) 24.30
Chief engineer	150.00	97.20
First assistant engineer	100.00	68.04
Second assistant engineer	90.00	48.60
Third assistant engineer	80.00	.....
Oilers (3)	40.00	.....
Donkey men (2)	40.00	(1) 31.59
Firemen (4)	35.00	(6) 29.16
Coal passers (2)	30.00	.....
Steward	60.00	38.88
Cook	45.00	34.02
Mess man	20.00	15.00
Cabin boy	20.00	.....

Total American crew, 32 men.
Total American pay roll per month, $1,655.
Total British crew, 27 men.
Total British pay roll per month, $994.66.

It will be observed that the American steamer carries a total crew of 32 men while the British steamer carries 27. American law and the regulations of our Steamboat-Inspection Service require the American ship to carry a third officer, which the British ship is not compelled to have, and a third assistant engineer, and three oilers, which the British steamer does not carry. To this extent the American ship is deliberately handicapped by the American Government in competition with the foreign vessel. In other words, our Government itself to this extent discriminates against the American flag in overseas competitive trade.

But even if our laws and regulations were so changed as to allow an American steamer to be navigated with the same number of officers and men as a British steamer of like character and tonnage, the American ship would still be handicapped by the far higher rate of wages which prevails in the United States—wages fixed by our American standards of living and by the earnings of other occupations on shore. It will be noted that the master of the American ship is paid $175 a month, as compared with the $100 salary of the British master; that the American chief engineer is paid $150 a month, as compared with the $97.20 of the British chief engineer; and so on in proportion. Remember that these wages are given to ships of exactly the same capacity and character, running side by side in the same competitive trade from New York to the West Indies. The American steamship is handicapped in the wages of her crew alone to the amount of about $660 a month.

It is manifest that the same wage difference exists between the American and the British steamship as exists between American and British factories. But the difference is made up to American factories, or has been in the past, by the American protective tariff, which equalizes conditions and gives fair play to American manufacturers and their employees. There is no such compensation to the American shipowner, who is compelled to carry on his business, if it is over-seas business, on conditions of free trade, or of worse than free trade if his British or other foreign competitor is in receipt of a subsidy from his Government. In this particular case no subsidy is enjoyed by the British steamer, but the advantage of a lower wage rate is decisive and indeed overwhelming.

In the early years of the Republic, when our merchant marine carried 90 per cent or more of our imports and exports and our merchant tonnage was most rapidly increasing, the higher wages of American officers and sailors—not so much higher as they are now, but higher even then than the wages of their foreign competitors—were offset by the 10 per cent preferential customs duty on imports in vessels of American registry. This 10 per cent preferential duty encouraged or required our merchants to employ American ships for their inward cargoes, and thus made it advantageous for them to employ American ships for their outward cargoes also. In other words, the American merchant marine in those days, when its white sails were set on every sea, was a protected industry. Being protected it prospered then, and if protected it will prosper again.

The American merchant marine alone of all our great industries has declined, for the simple reason that alone it has for many years been left unprotected by our Government. Let us remember that the preferential duty, with its beneficent effect upon American shipping, was not wholly abandoned against Great Britain, our chief competitor, until the year 1849. Up to that time American shipping in the grandest branch of our ocean carrying, the East India trade, was protected by preferential customs and tonnage rates which made British competition impossible. In the year 1849 there began the great clipper trade to the gold fields of California, which gave our shipping a temporary stimulus. But the zenith of our ocean trade was really attained in the year 1855. When the California gold trade and the Crimean War that followed had ceased to stimulate American shipbuilding, the total tonnage launched in our ports fell off significantly from its maximum of 583,450 tons in 1855 to 156,602 tons in 1859—the sharpest and most disastrous decline in our maritime history—and this, it is to be marked, under a Democratic administration and through the years of probably the lowest, least protective tariffs in our national existence.

These facts are recalled because in this Chamber and elsewhere we have too often heard the misleading assertion that the decline of the American merchant marine was due to the Civil War or to the Republican protective tariff policy. Neither one nor the other of these familiar assertions has any foundation in historic fact. They are iterated and reiterated either recklessly for political effect or through design by the agents, attorneys, and sympathizers of the European steamship combinations that now control more than nine-tenths of our ocean-carrying trade—a rich prize not to be regained by the American flag without a struggle.

The maritime Governments of Europe and Japan, as reports of our Bureau of Navigation and the British Board of Trade show from year to year, are now paying in mail and other subsidies, bounties, and subventions a total sum of from $45,000,000 to $50,000,000 annually, of which the British expenditure is nearly $10,000,000. These payments, whether ostensibly for mail or admiralty purposes, or for bounties outright, are given to encourage and develop shipbuilding and navigation, exactly as our protective tariff duties have been intended to encourage and develop manufacturing and agriculture in the United States. What is more, these foreign subsidies, bounties, and subventions are year after year achieving their object of giving the nations that bestow them command of the ocean commerce of the world. All the maritime governments of the world without exception now subsidize either their principal national lines of steamships or all their steamships. All alike regard the policy as wise, necessary, and profitable. Away from the shores of the United States there is no more questioning of the value of a policy of steamship subsidies properly bestowed than there is a questioning of the soundness of the gold standard of value.

It is the three factors of foreign subsidies, foreign low wages in shipbuilding, and foreign low wages in ship navigation that have driven the American flag almost wholly off the high seas, and which keep it off the high seas except as borne by our ships of war and the ships of our few national mail lines.

There is in the United States the capital requisite to restore our mercantile marine, the nautical skill and aptitude requisite to restore it, meeting the need of our commerce and the need of auxiliary national defense. But there must one thing more, and that is broad, brave, positive national legislation. We must make up our minds to protect and encourage the national maritime industry exactly as other national industries have been protected and encouraged. The men in American shipyards, the men on the docks and in the engine and fire rooms of American ships are equally deserving of national consideration with the manufacturers of the country, or the men on the farms, who are entitled to adequate protection, whether they are getting it now or not. The restoration of our merchant marine is not a question for the people of the seacoast and the maritime States, though within these maritime States there live more than half of the total population of this Union. This question of American shipping is a national question of as much importance to the Mississippi as to the Hudson, the Delaware, or the Columbia. A subsidy or subvention in some form to ships is as

justifiable and even more necessary than any of the millions given as a subsidy, direct or indirect, to any other industry in the United States.

I commend to the attention of the Senate the brief, specific bill which I have again introduced for national encouragement of national steamship lines carrying the United States mails and constituting a United States naval reserve to South America, Australasia, and the Orient. This bill, which has more than once received the sanction of the Senate, does not wholly solve the problem of an American merchant marine, but it is a long step in that direction and a step in a field where our national needs are first and most urgent.

As already suggested, the bill under consideration embodies an effort to embark the Government of the United States in a commercial business—the carrying of merchandise or of merchandise and passengers overseas—which, in other great mercantile countries and thus far in our own country, has always been left to private capital and personal initiative. The ownership and operation of the Panama Railroad Steamship Co. between New York and Colon has been cited as a precedent, but it is not a precedent. This steamship company was acquired as a part of the property of the old French canal company in 1903. It has been operated as an incident to the construction of the canal, and the bulk of its business has been distinctively Government business—the transportation of machinery, materials, and supplies for the canal and of United States officials and employees connected with the undertaking. No insurance has been paid on these canal ships; there has been no allowance for depreciation, and no charge for interest on capital. From these imperative obligations of commercial shipowning this one Government line has been exempt, and yet its experience, as will be shown further on, has not been such as to encourage a more extended investment in the ocean-steamship business by the United States.

Thus far no political party in America has declared for or favored Government ownership of steamship services. This present proposal has sprung up suddenly in the excitement attending the great European war.

I want renewedly to call attention to the fact that the point the President of the United States made in his veto of the immigration bill—that it never appeared in a party platform and never received the indorsement of the people of the United States—is equally applicable to the bill now under consideration. The fact is that the clause upon which the President vetoed the immigration bill, as I showed a little while ago, did appear in the Republican platform of 1896, and was indorsed by the people of the United States. But the question of Government ownership has neither been in any political platform I have any knowledge of, nor has it ever been submitted to the people of the United States for their consideration.

This bill is described as an emergency measure, but the policy which it outlines is apparently permanent. Once in the steamship business, the Government is committed to that business. There is no probable way in which it can possibly draw out, notwithstanding the suggestion is made that it may do so. Indeed, it is unquestionably the purpose of many of the proponents of this measure to put the Government into the ocean transportation business as a preliminary to general Government ownership of railroads and other public utilities. The question will inevitably be asked: If the Government operates or controls transportation facilities by sea, why should it not control transportation by land also?

This Government-ownership plan is unmistakably a step toward the goal of which some ardent minds have long been dreaming—Government ownership and monopoly of all transportation, both by sea and by land. It involves in its ultimate form a tremendous magnifying of Federal authority. Time was when the Democratic Party was supposed to cherish a fine balancing of the powers of the Nation and the powers of the States as the very palladium of our liberties, but this proposal of Democratic leaders in Congress, sustained by the national administration, would throw that older Democratic dogma to the winds. There are now 1,700,000 employees on the railroad systems of the United States. Put this army on the Federal pay roll, and add under this proposed bill another army of employees on Government steamships, and no administration, once in power, need ever dread a loss of power in this country. With this immense voting force behind it, drilled and led by astute politicians, a Federal Government of either political party would be far more securely intrenched than any Roman absolutism upheld by the spears of the Pretorian Guard.

The one justification urged for this scheme for Government ownership and operation of steamship services is the alleged justification of necessity. We are told that we need ships to convey our cotton, corn, and wheat overseas to foreign customers, that such ships owned under our own flag are not forthcoming, and that foreign ships are insufficient or absent because of the demands or hazards of the European war. Granted that the necessity does exist, who are responsible? Is it not a matter of official record, in the annals of Congress, that the earnest recommendations of three successive Republican Presidents—McKinley, Roosevelt, and Taft—that sane and vigorous steps be taken by patriotic legislation in this and the other House of Congress to create an adequate American merchant marine have been defeated year after year by the lukewarmness or downright opposition of the Democratic Party aided by a few Republicans? On one occasion a bill that in the judgment of the best-informed men in America would have established swift lines of capacious American steamships to the principal South American countries and to the Orient was passed in this Chamber without a dissenting vote, only to meet obstruction and defeat in the House of Representatives.

On another occasion a similar bill had successfully run the gauntlet of opposition and had passed the House, only to be killed by a persistent Democratic filibuster in the Senate in the closing hours of Congress. There are Senators now in this Chamber who remember that event. There are Senators whose faces were wreathed with smiles of satisfaction when the object of the filibuster was accomplished and the ocean mail bill was defeated.

What is their judgment now in the unfolding of subsequent events, in the light of history? What would not the American people now give for the great fleet of American ocean steamships—built, owned, officered, and manned by American citizens—which that measure, filibustered to death, would have constructed? And that bill would have done all this for a fraction of the cost of the radical proposal which we are now expected to approve here—a proposal repugnant to Democratic and Republican traditions alike. In those great debates the very condition that exists now was pointed out, but the warning went unheeded.

Admitting, for sake of argument, that a necessity exists—that we have not enough American ships and that we must have ships to convey our cargoes and extend our trade—is there no other way in which the emergency can be met but by this revolutionary proposal of Government control and operation of steamship services? Let us recall that only a few months ago, at the outbreak of the present war in Europe, an emergency law was passed here greatly broadening the "free-ship" privilege originally extended in the Panama Canal act of 1912, and admitting freely to American registry for participation in the foreign trade all foreign-built ships, regardless of age, owned by American citizens or corporations. This emergency law also empowered the President to suspend the requirement that foreign-built ships thus admitted to registry should be officered by American citizens and be navigated in compliance with the inspection, survey, and measurement laws rigidly enforced upon American-built vessels.

Many Senators viewed that measure with serious misgivings, of which I was one, but refrained from opposing its enactment, resisting only an unnecessary and dangerous effort to extend its provisions to the coastwise trade, unaffected by the war, where American shipping was known to be sufficient. That effort to invade the coastwise trade was decisively beaten in this body by a vote of two to one, and there was then no objection to the passage of the original measure recommended by the President.

That free-ship law has now been several months in operation, and some foreign-built steamships owned by American citizens or corporations have sought the shelter of our flag. Has the time yet come to assume that this legislation has exhausted its anticipated benefits? Has a most liberal free-ship policy applied under most favoring conditions so quickly proved a failure? Are the ardent advocates of that policy in this body prepared so soon to acknowledge that free ships are powerless to solve the problem of rehabilitating our mercantile marine?

Those of us on this side of the Chamber who long ago sounded a note of warning that the free-ship policy would prove a failure, if it should ever be tried, are not disappointed in the result, but I should hope that the advocates of that policy who at any time when an attempt was made to pass a bill which some of us believed would tend to rehabilitate the American merchant marine have met us with the cry that the only reasonable and rational solution of the problem was to give Americans an opportunity to buy ships abroad would now see their error. We have given them that opportunity. In our legislation we have gone further than that, and we have actually discriminated against our own merchant marine by granting them the right of putting those ships into the trade without the restrictions that our laws impose upon American ships, and yet that policy is a failure.

It is true that applications for American registry for foreign-built vessels have become fewer and fewer in recent weeks, but it is significant that this decrease of applications has been contemporaneous with renewed official advocacy of this proposal for Government ownership. What sagacious merchant or capitalist would care to have the Federal administration and its vast powers and resources as a competitor? The prospect of having to face such competition has dismayed prospective shipowners, and will continue to dismay them. If the agitation of this subject is continued in Congress, there can be no doubt that one result will be the virtual nullification of the free-registry law and the complete cessation of efforts to bring more foreign-built ships beneath the American flag. Yet, it was only a few months ago that the Federal administration was urging this free-registry measure as the surest and most effective expedient to provide the country with a great merchant shipping. The President was given the legislation for which he asked; many Senators who questioned the soundness and efficacy of it nevertheless were unwilling to oppose it in the face of an emergency. The law was passed; it ought to have a fair chance to justify itself before being superseded by a new and untried plan, for which there is no demand and no precedent in the experience of nations.

It has always been a maxim of American statesmanship that the Government should do nothing that could be done by private enterprise. There is essentially no more reason why the Federal administration should buy, build, and operate commercial steamships than that it should undertake to grow the wheat of the country or grow and manufacture cotton. Do Senators from the States of the Middle West and Northwest wish to have the United States Government embark on a large scale in the farming business as a competitor of their constituents? Do Senators from the South desire to have the Government undertake to raise next year five or ten million bales of cotton? Is any Senator from any State in favor of authorizing the Federal administration to take over a part or all of any great business in which the labor and capital of his own people are invested?

Why, then, single out the merchant marine in over-seas trade, the industry of all industries that has received the least consideration and encouragement from the Congress of the United States? Of all our great industries exposed to foreign competition this one of ocean shipowning has alone been left unprotected—unprotected alike against the cheap wages, the subsidies, and the bounties of other lands. It is no fault of our shipowners that there are not enough over-seas ships to-day to carry American commerce. It is no fault of our shipbuilders or our seamen. They have appealed in vain for legislation that would put them on an equality with their foreign rivals and give them a fair and even chance to carry the ocean mails, passengers, and freight of the American people. They have given the country an ample warning of the inevitable result of a war like that in which the chief European nations are now engaged—the very nations upon whom we have foolishly depended for our ocean carrying. The shipowners, the shipbuilders, and the seamen of this country can not be blamed—the responsibility for any loss to American farmers, manufacturers, and merchants that may now ensue from the lack of American shipping rests squarely upon the American Congress, upon those Senators and Representatives who have obstructed legislation that was urged by men who knew the shipping business and was sanctioned by the successful experience of all other maritime Governments of the world.

It is significant that there is no complaint of any shortage of American vessels to convey the coastwise commerce of the United States; yet, Mr. President, on this very bill there is a provision which, if it becomes a law, will open the coastwise shipping of the United States to foreign-built ships. It is a vicious provision, so vicious that of itself it ought to be enough to defeat this proposed legislation. That coastwise commerce has been greatly increased by the opening of the Panama Canal, but the American vessels to convey this new coast-to-coast trade have been forthcoming. Five or six separate, competing American lines of freight steamers are now being operated on regular schedules through the canal between American ports on our Atlantic and Gulf coasts and American ports on our Pacific coast and Hawaii. Lumber, grain, fruits, sugar, wines, and other Pacific products are coming eastward and manufactured goods and coal are going westward—an all-American commerce under the American flag. Sailings are so frequent that there are enough American steamers to leave the Atlantic for the Pacific or the Pacific for the Atlantic on every business day. This coastwise traffic has been reserved for American shipowners, and they are "making good" in the carrying of this commerce, furnishing ships enough, and more.

Some of these Atlantic-Pacific coastwise companies have not only taken care of their own trade, but have supplied spare ships to carry cotton, grain, provisions, or animals to Europe. Other coastwise companies on the Atlantic have put into the European or South American export trade all tonnage that was not absolutely required to maintain the regular service—that is their first and imperative obligation. The American people in this European war have had new and convincing proof of the wisdom of the policy initiated by Washington, Jefferson, and Madison of reserving American domestic trade to American ships, on river, lake, and ocean. Unlike the unprotected branch of our merchant marine—that branch engaged in foreign trade—our coastwise shipping has grown steadily since, as before, the Civil War, from 2,752,938 tons in 1860 to 6,726,340 in 1913—an increase all the more notable because the steam vessels of which the present coastwise fleet is chiefly composed mean an even greater advance in carrying power and efficiency.

Week after week coastwise steamers not needed on their regular routes because of the serious depression in domestic business have been chartered for foreign voyages with cargoes of American products. As neutral vessels, least subject to arrest and detention by belligerents, these American ships have commanded the lowest war insurance rates, a preference which in the present emergency has been equivalent to a subsidy, and thus has offset the high wages of officers and crew and the higher cost of maintenance.

If American ships registered for foreign commerce had increased in the same proportion as American ships engaged in coastwise commerce, there would now be no interruption in our export trade; there would be enough American ships to handle all cotton and grain and provisions offering for foreign markets. The entire country, all the American people, have now learned, though at a heavy cost, that an American merchant marine is not of benefit only to New England, New York, Pennsylvania, California—not to the seaboard only, but to the cotton States and the wheat States and the corn States also—to all of the people in all trades and industries throughout the Union.

The magnificent development of American coastwise shipping, which is five times the coastwise shipping of any other nation and larger than the whole merchant fleet of Germany or any other nation except Great Britain, shows of what American shipowners, builders, and seamen are capable when given a fair and equal opportunity. There have been fair and equal conditions in this coastwise trade. American shipowners have been able to construct their ships and employ their crews on an even basis, without the handicap of competition with the low wage scale and meaner living conditions of Europe and Japan. And there has been no further and overwhelming handicap from European and Japanese subsidies and bounties.

American shipowners in the over-seas trade have been confronted by these cheap wages and these bounties and subsidies and have been almost driven from the ocean. Until the present war the only American ocean steamship services that survived were either those in receipt of moderate mail subventions under the ocean mail law of 1891—the one American line to Europe, several lines to the West Indies or Venezuela, and a line to Australia—or the two trans-Pacific lines sustained by the pride or interest of great transcontinental railroads. Other American shipowners, unaided, though the most enterprising men of their vocation in the world, had been forced off the seas and out of business.

This was no fault of theirs; it was the fault of their Government. And if that Government under the pending bill should now embark in the over-seas shipping business, it will find confronting it the same economic conditions that have made private American competition impossible. These Government lines, face to face with cheap-wage foreign lines, or foreign lines with both cheap wages and subsidies, will be forced to conduct their business at a tremendous loss. But there will be this difference, that while the private-owned American lines have pocketed their losses and withdrawn, the losses of the Government lines will be made up out of the Federal Treasury. In other words, the enhanced cost of operation of the Government-owned American ships will be provided by congressional appropriations, to be paid for by the taxpayers of the country.

It will be readily recalled that when an ocean mail bill was under consideration in this Chamber only a few years ago there was violent objection from some Senators to the proposed subventions on the ground that they involved the use of Government funds to make up the cost of a losing business. If that objection was valid then it is valid now, and no Senator who opposed that ocean mail measure as a "subsidy" can con-

sistently support the present proposal, though its foremost sponsor is the President of the United States.

If that ocean mail plan was a "subsidy," then this new plan is even more so. That earlier measure was in form an amendment of existing and well-tried legislation, involving no departure whatever from established national policy. It provided a moderate increase of compensation for the carrying of the United States mails on routes to South America, Australasia, and the Orient, where the existing rate had not sufficed to establish and maintain a service. The ships receiving this postal payment were required to be built by American labor in the United States on designs approved by the Navy Department with reference to their prompt and economical conversion into auxiliary cruisers, transports, or supply ships in time of war. All their officers and an increasing proportion of their crews were to be American citizens, who could be relied on to serve their country's flag in such an emergency. The ships were to be operated by practical shipping merchants under rigid contracts to be awarded to the lowest responsible bidder after due public advertisement. All were to be steamers of more than the usual commercial speed.

That was a carefully guarded, conservative measure, protecting the public interest. The bill now proposed is, by comparison, indefensibly loose and dangerous. It does not stipulate any speed. It does not require that the ships shall be constructed on designs approved by the Navy Department and thus be sure to be of value to the national defense in war. It does not require that the ships shall even be of American construction, so that skilled American labor may derive some advantage from the legislation. As a matter of fact, under the policy of the free-registry law, the ships would certainly be built or bought abroad, and under that law all their officers and crews might be, and presumably would be, foreigners, owning allegiance to belligerent and other foreign Governments. But though foreigners, these men—judging by experience thus far under the free-registry law—would demand the full American wage rate or refuse to sail; so that these ships, though there was not one American citizen on board, would cost as much to maintain or operate as a real, thorough-going American vessel, and, of course, would be under the same handicap against a cheap wage or subsidized vessel of foreign registry.

Therefore, if this bill should become a law, the Government of the United States would be called on to provide just as much money to cover the loss in operation as if the vessel were in receipt of subsidy under private ownership. In fact, there can not be the slightest question that the loss would be greater and the requisite subsidy or compensation greater—much greater—under Government than under private ownership, for all history proves that no Government can run a sharply competitive business as economically as a trained business man or corporation familiar with the business and entirely dependent on it for livelihood or dividends.

An experienced steamship manager of New York, Mr. Daniel Bacon, has lately published—in the Journal of Commerce of November 7, 1914—an analysis of the operation of the one steamship service owned and managed by the United States Government—the Panama Railroad Line from New York to Colon, already mentioned. This Government service, as has been said, was acquired as a part of the assets of the old French Canal Co., and it has been under the control of the War Department. It has been in competition, between New York and Colon, in part with foreign steamers, carrying freight and passengers to and from Central and South America, and in part with American coastwise steamers, carrying freight between Atlantic and Pacific ports of the United States, transshipped across the Isthmus of Tehuantepec or sent through the Straits of Magellan, before the opening of the Panama Canal.

This Government steamship line did not insure its ships, which would have been an annual charge of 4 per cent. It did not make any allowance for depreciation, which would have been 5 per cent. It did not have to pay any interest on capital, which would have been 5 or 6 per cent additional. This Government line was given the carrying of as much as possible of the machinery, supplies, and materials for the canal, and the carrying also of officials and employees of the Canal Commission.

In other words, the Government line was favored in every possible way, and yet Mr. Bacon, in his analysis of its workings, shows that its entire profits from the year 1905 to and including the 11 months of 1914 were $735,723, a fraction over 20 per cent in a period of nearly 10 years on the book value of the fleet—$3,574,713—or a profit of a little over 2 per cent a year. If the Government line had had to bear the charges of 4 per cent for insurance, 5 per cent for depreciation, and 5 or 6 per cent for interest, which would have to be borne by a commercial line, of course there would have been in these 10 years no profit even of 2 per cent, but a great and crushing deficit, which would inevitably have meant bankruptcy and dissolution.

It has been asserted that this accidental Government line to the Isthmus of Panama served to regulate competition and reduce freight rates on cement particularly. But Mr. Bacon, a practical ship manager, citing the figures reported by the Government line itself, declares that the cost of transporting cement was greater instead of less after the Government line steamers undertook it. Mr. Bacon quotes further the testimony of the manager of the Government line, given in the Federal court, that—

> A steamship line has to earn from 12 to 20 per cent to make it equivalent to 6 per cent earned by a railroad.

Not one of the great maritime nations of the world, solicitous for the promotion of the ocean-carrying trade, has chosen the method of Government ownership.

On a former occasion I called attention to the complete failure in Europe of the operation by the Government of the telephone lines, and also in certain parts of our own country of public utilities by municipal ownership. Now, I propose to give an illustration of the failure of a steamship line which was fostered by the Government of Australia.

Mr. OVERMAN. Mr. President, will the Senator yield to me for a moment?

Mr. GALLINGER. With pleasure.

Mr. OVERMAN. My attention has been called to the fact that while I was out of the Chamber the Senator used certain words in his speech, as follows:

> One of the leading generals of Washington's army, a man who distinguished himself on all the battle fields of the Revolution, a man whose name has gone down in history as one of the greatest heroes this country ever produced, is to have a monument erected to his memory at Guilford Court House, N. C., and the President of the United States will not attend the dedication because he is afraid it will be an unneutral act. Unneutral to whom? To England, of course. What other country could find fault?
>
> If that is a proper attitude for the President of the United States to take, we will have the flags on the White House and on this Capitol hauled down on the 4th day of July. They ought to be hauled down.
>
> I shall await with a great deal of interest a denial of this dispatch from Raleigh. It is very specific. The dispatch says that the President's decision, together with the reason he gave, caused surprise and disappointment in North Carolina. I should think it would.

I suppose the Senator did make those remarks; and I want to say, Mr. President, that I do not know how that dispatch happened to come from Raleigh, N. C. I was present, however, when the delegation visited the White House and extended an invitation to the President to attend the exercises in connection with the dedication of the monument to Gen. Nathanael Greene at Guilford Court House and know what was said and the manner in which it was said. What was said in regard to being unneutral was said purely as a joke, in this way: When the invitation was extended the President asked if we would guarantee that the war would be over at that time. He said, "I might go down there and say something unneutral," and he laughed, and we all laughed. It was said in a perfectly joking way. There was nothing serious about it.

I know the Senator would not want to criticize the President unjustly, and yet I think what he said was merited by the dispatch that came from Raleigh. I do not criticize the Senator, but I want to set the matter right, because I was present.

Mr. GALLINGER. I am very happy, indeed, to have the statement of the Senator from North Carolina made. I simply took it from this newspaper dispatch, and inasmuch as one of the gentlemen or perhaps two of the gentlemen who are said to have visited the President are residents of North Carolina—President Graham, of the University of North Carolina, and Prof. George Howe—I assumed that they carried the news back to Raleigh.

Mr. OVERMAN. I do not see how they could have possibly gotten back to Raleigh in time to have given out that dispatch, because it occurred, as I remember, yesterday. How those things are carried I do not know. They may have gotten back to Raleigh, but I do not see how they could.

Mr. GALLINGER. Mr. President, I certainly had no intention——

Mr. OVERMAN. Oh, I do not blame the Senator, because the article in the paper probably justified such criticism; but I want to set the matter straight in the RECORD, and I know the Senator does not want to do an injustice to the President.

Mr. GALLINGER. I have several times said in the discussion of this question—in fact, I said it to-day—that I took newspaper articles *cum grano salis*, that I did not think they ought to be relied upon without confirmation; and yet this dispatch was so specific that I assumed that it was correct. I am very glad to have the Senator state in my time that it was a joke

rather than a serious observation on the part of the President, and I am glad that the disclaimer will go in the RECORD.

I will return to the paragraph I was reading and read it again.

Not one of the great maritime nations of the world, solicitous for the promotion of the ocean carrying freight trade, has chosen the method of Government ownership. Germany and France own railroads, but not commercial ships. They have not found such a radical departure wise or necessary. Only in western Australia has the experiment been attempted, and there the results have proved disastrous. This is a record of that Government-owned steamship line, as described a few months ago in the Liverpool Journal of Commerce:

The Government of western Australia, rudely awakened to a realization of its limitations, is evidently summoning grace and courage to abandon the rôle of shipowner. It dabbled pretty heavily in the State-owned steamer experiment, and that the outcome was disastrous is made clear beyond hope of disproof by the auditor general's financial statement. In 1912–13, according to the official figures, the steamers were run at a loss of $114,065, and it has been admitted that during 1913–14 the receipts were $387,805 and the expenditures $484,085—a deficiency for the 12 months of $96,280.

Mr. MARTINE of New Jersey. Mr. President——

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

Mr. GALLINGER. I yield for a question.

Mr. MARTINE of New Jersey. I would like simply to ask the Senator whether the rates were lower? Has he any knowledge on that point?

Mr. GALLINGER. Not the least in the world. I know that the taxpayers of Australia had to put up $96,280 to make up the deficit of that steamship line.

Mr. MARTINE of New Jersey. True; but in a thousand ways blessings might have accrued that would have been more than equivalent to that.

Mr. GALLINGER. Yes, Mr. President, they might; but they probably did not. The article continues:

Clearly the unfortunate experience of 1912–13 has had no salutary effect in 1913–14, in spite of the fact that the Government of Western Australia, for the sake of its own credit, must have put forth a very strenuous effort considerably to reduce its losses, even if it could not make a profit. As some sort of reply to unceasing hostile criticism, the Government, it is presumable, made attempts at reorganization and retrenchment, but the now too patent futility of this course of action points to the conclusion that the State-owned steamship plan was excessively ambitious and ill considered in conception and woefully managed in operation.

Even if the Government merits the charitable supposition that it tried to put things on a better basis, the force of the moral is not one whit lessened, and the moral is that Western Australia, at any rate, can not hope to run steamships. In two years the undertaking has involved a loss of at least $210,000, which is nearly half the value of the vessels, and a Perth contemporary puts it on record that the premier airily admitted that the good ship *Western Australia*, "the pride of the unfinancial fleet," was continuing to cost more than she was bringing in, a process which will doubtless last until a new government comes along or someone buys her—the vessel is for sale—at a considerable sacrifice for cash.

Mr. President, I said yesterday, or at some time during this debate, that we probably will have a bargain-counter sale of the steamships that we propose to buy or build under this bill, if we ever buy or build any. I have no doubt they will be run at a loss, and they will be for sale to the highest bidder; and the taxpayers of the country will make up the deficit, as they are making up this $100,000,000 war tax that was levied upon them under the pretext that the war made it necessary, when the fact was that it was our tariff laws that made it necessary. In addition, the $80,000,000 deficit that has already accumulated, and which will probably be three times that amount before the fiscal year ends, will have to be paid by the taxpayers. The taxpayers will foot the bills, and the Government will have the glory of running a steamship line.

The Australian experiment has been even less encouraging and successful than the experience of the Panama Railroad steamship line in the United States. That Panama line has probably done as well as could be expected under the conditions of Government ownership. Col. Goethals is the president of the steamship company, and there is every reason to believe that his associates have been upright and industrious men. Yet the fact remains that the company, though favored to an extraordinary degree by the Government that controlled it, has not been profitable in its 10 years of operation and would have had to be abandoned if it had been an independent commercial enterprise. A part of the trade which this Government line served was the coastwise trade between the Atlantic and Pacific seaboards of the United States, where it had no subsidized or cheap-wage foreign competition. Is there any reason to believe that a Government line would be any more successful if extended to foreign ports on the west coast of South America, where it would have to meet the ships of an old-established British steamship line, the Pacific steam navigation service of the Royal Mail, which has been subsidized since 1840, and also the ships of Chile and Peru, both State-aided but not State-owned undertakings?

If we are going to have steam lines of our own to South America, why not adopt a policy that has been tested and approved by all the great maritime nations of the world, instead of a policy that in the two instances where it has been tried has been an acknowledged failure?

Lines of swift mail, passenger, and freight ships from the United States to Brazil, Argentina, Chile, and Peru, comparable with the ships that have long been going out to those countries from Europe, could not be established and maintained without a considerable deficit. Even the ablest practical steamship managers will not undertake it. This is sufficiently demonstrated (first) by the fact that the United States of America, with abundant capital, great shipyards, a vast coastwise and West India fleet, and the most enterprising merchants and manufacturers in the world, has gone for 50 years without such a service to South American ports, and (second) by the fact that those European nations, our competitors in trade, that have enjoyed such a South American service have created it by mail or other subsidies or their equivalent.

Why should not we do the same? There are Senators who have said that they objected to subsidy on principle; that they were opposed to it as a form of protectionism. But can a mail subvention, paid under rigid contract to the lowest responsible bidder, for a service in ships of far more than the usual commercial speed—ships designed and built and held ready, with American officers and crews, for the naval reserve—can such a subvention be rightfully regarded as a subsidy in any obnoxious sense of that term? If it is protectionism, and so to be resisted, why have $400,000,000 in mail subventions been paid by the outright free-trade Government of Great Britain to steamship services to all quarters of the globe? Are there Senators who will confess that in matters of protection and free trade they are more strict constructionists than members of the British ministry or the British Parliament?

This has not always been so with the responsible leaders of the Democratic Party in the United States. When Great Britain in 1840 and afterwards began to create her great mail-subsidized steam lines and to extend them to the West Indies, the East Indies, and South America, it was southern Democratic Senators—Thomas Butler King, of Georgia, and Thomas J. Rusk, of Texas—who were the pioneers in all this country in urging the adoption of a similar policy by the American Government. It was a Democratic President, James Knox Polk, who in a message to Congress declared that "the enlightened policy by which a rapid communication with the various distant parts of the world is established, by means of American-built steamers, would find an ample reward in the increase of our commerce and in making our country and its resources more favorably known abroad"; but another advantage of great importance was "the privilege of taking the ships already equipped for immediate service at a moment's notice, which will be cheaply purchased by the compensation to be paid for the transportation of the mail, over and above the postage received. A just national pride, no less than our commercial interests, would seem to favor the policy of augmenting the number of this description of vessels," said President Polk.

A Democratic Congress granted the compensation, and lines of "American-built steamers" were established to Europe, to the West Indies, and to South America, at the Isthmus of Panama. Our deep-sea steam fleet grew more rapidly than Britain's. As Dr. David A. Wells says of this period in his study of our merchant marine:

During the single year 1849–50 we increased our ocean steam tonnage 113 per cent, and the seagoing qualities and performances of our vessels were so admirable that the Cunard Co., which had then been in operation 10 years, was obliged to bring out new ships to compete with them. The prospect, therefore, at one time was that the United States, although late in the start in this new department of foreign shipping, would soon equal, if not overtake, her great commercial competitor.

Later on, in the unfortunate struggle in Congress over slavery that preceded the Civil War, the policy which Polk had advocated and established was overturned, just as the historic policy of strengthening the Navy was abandoned. But in these years of peace and reunion there is no longer any sectional or partisan quarrel over the Navy, and there should be none over the merchant marine. A policy championed by a Democratic President, established by a Democratic Congress, of mail and naval reserve subventions adequate to create swift lines of American steamships, that was orthodoxy in 1847 ought not to be heterodoxy in 1914, and it ought to be preferred a hundred times to a wild scheme of Government ownership that in all the past has been utterly repugnant to all Democratic principles.

It has been pleaded by those who are advocating this new and strange doctrine that Government steamship lines to South America can not put the Federal power into competition with private American shipowners, because there are no American ships in those distant waters. That was true a few years ago, so far as concerns Brazil, Argentina, Chile, and Peru. It is true to-day in the sense that no swift, regular line of passenger, mail, and freight carrying steamers runs southward of Venezuela on the Atlantic and Panama on the Pacific. But a year or two ago an American freight service, in good though not fast cargo-carrying ships, was established to Rio de Janeiro and Santos—the United States and Brazil line. Later, after the outbreak of the European war and because of that war, freight steamers of American registry were put on the routes, not only to Argentina and Uruguay but to Chile and Peru, by several New York shipping houses. These vessels do not meet the need of a swift postal and passenger service, such as is possessed by the great nations of Europe, but they may be the nucleus of such a service, and they would assuredly be very seriously embarrassed and injured by Government lines operated without regard to expense and without hope of profit by the Government of the United States.

Which is the better way, the fairer way, the more thoroughly effective and American way—to put the Government into this steamship business, and thus make it a Government monopoly by driving all American citizens out of it, or to offer a reasonable compensation, after the example of other nations and the earlier policy of this Nation, for the building of steamships suitable for the naval reserve and the transportation of the United States mails in such steamships to the chief ports of the Southern Hemisphere, to Japan, China, Australasia, and the Philippines? This would recognize the enterprise and enlist the cooperation of the practical merchants who have already ventured into these difficult trades. It would be no dangerous new departure, but an application of sound, approved principles of statesmanship, in harmony with American traditions, without risk to the honor or the solvency of the United States.

This proposed bill authorizes an expenditure of $30,000,000 for the purchase or construction of steamers and of $10,000,000 for working capital—$40,000,000 in all—for an experiment of a kind that has had and can have no ultimate result but disappointment and disaster. The other plan would leave to experienced merchants the providing of all the capital and the building of the ships, and the cost to the United States would be simply an annual compensation for carrying the mails and for the obligation to maintain ships, officers, and men available for the Naval Reserve—a genuine national benefit that, as President Polk well said, would be "cheaply purchased" by the amount of the subvention. This compensation must be paid in any event to a Government steamship service, whose stock individual capitalists are to be permitted to hold to the extent of 49 per cent. Indeed, considering the waste and extravagance that seem inseparable from Government management of business undertakings, it is certain that, aside from the capital of $10,000,000 and the $30,000,000 for ships, the annual cost to the National Treasury of the inevitable deficits would be several times as large as any mail compensation that would have to be paid to experienced and capable steamship men whose life work had been the development of ocean commerce.

This is one of the most complex and absorbing vocations in the world and one of the most difficult and costly for the amateur experiments of a political government. Is the Federal income so redundant, the Federal Treasury so overflowing, that there are $40,000,000 to spend at once and millions more every year, while already overburdened members of the Cabinet, who may change every four years or oftener, are laboriously trying to master the ocean steamship business?

An amendment to the bill gives the President authority to charter, lease, or transfer vessels purchased or constructed, and such naval auxiliaries as are not needed, to shipping corporations for use in the foreign trade. Such ships would still be of Government ownership, but they would be operated by private persons or companies. This provision represents an effort to modify the radical character of the original proposal, but there is every reason to believe that the plan proposed—of leasing or chartering Government-owned ships—will prove impracticable unless, indeed, the ships are taken at a nominal price.

In the first place, no steamship company will charter a Government ship in order to run it on any route in competition with the Government. That would be manifestly hopeless from the outset. In the second place, a company chartering a Government-owned ship will have to operate that ship in a way that will return a reasonable dividend. But it is perfectly well known, from the experience of many years, that an American ship subject to American laws must pay higher wages to its officers and crew and offer a more liberal maintenance than foreign ships, to say nothing of the subsidies or subventions paid by the foreign Governments.

These factors in the situation are not altered by the terms of this Government-ownership proposal. Let us assume that the Government purchases a foreign ship, brings her under the American flag, and offers her for lease or charter to private steamship companies for employment in the foreign trade. That ship will have cost the Government as much as a similar ship would cost a foreign steamship company. But the American naturalized ship will cost an American company a great deal more to operate, and it will receive no subsidy or subvention, which may be, and in many cases is, afforded to the ship of foreign registry.

Therefore a private American company seeking to charter a Government-owned ship must overcome in some way the handicaps of cheap foreign wages and cost of maintenance and liberal foreign subsidies. These double handicaps are so severe that no American steamship company will seek a Government-owned ship on lease or charter unless it can get such a ship for a nominal price. In that case the Government will in effect be paying a subsidy or subvention for the two purposes for which such a subsidy or subvention has always been sought—first, to offset lower foreign wages and cost of maintenance, and, second, to offset foreign subsidies.

If a subsidy or subvention is to be given by our Government, why not pay it outright and be frank about it? Why should the Congress of the United States resort to any such subterfuge as is embodied in this Government-ownership proposal?

The President signally acknowledges the truth of the contention of those of us in Congress who have sought subventions for the encouragement of the American merchant marine when he brings forward this Government-ownership measure. He acknowledges that free ships alone will not suffice; that the favorite expedient of the Democratic Party has been tried and has not proved successful.

But though the President confesses the logic of the situation he will not travel our road; he insists on blazing out another path, untried, difficult, dangerous, and expensive. A well-considered policy of mail subventions would cost the Treasury something, but it will not begin to cost the Treasury so much as a scheme of subsidy or subvention by Government ownership, for the Government of the United States can never manage the steamship business with the enterprise, the efficiency, and the economy of men who have been brought up from youth in the shipowner's calling, and are dependent upon that calling for their livelihood.

Mr. President, in a recent issue of the Washington Star the following practical questions were propounded. I presume some Senators have read them, and I hope all Senators have read them, because they are pertinent to this discussion, and I shall try to answer them in all fairness.

The Star inquires:

(1) When was the United States at the maximum of its sea carrying power?

(2) What caused the decline to the present status, when the American is a stranger to merchant ships except of coastwise tonnage?

(3) What is the difference between that older time of pride for the country and the present time of helplessness and depression as respects sea routes, sea inducements, and sea advantages?

(4) What advantages are there to a country in a large and well-appointed merchant marine in addition to those bearing upon trade?

(5) Which are the greatest of the sea carrying powers, what the extent of their business, and by what means did they establish themselves, and do now maintain themselves, on the water?

(6) And if we are to build ourselves up into their class and maintain ourselves in their company—compete with them for sea traffic—what means should we, will we be obliged to, employ?

The Star continues:

We want and should have a merchant marine. It is a reflection on the country that it pays $300,000,000 a year in freight rates on goods carried in foreign bottoms, when every dollar of the huge sum might be saved and other dollars earned by making ourselves independent on the water. The Stars and Stripes flying over merchandise should be seen in every foreign port where business is a feature of life and other great nations are doing business. This should be achieved as a commercial advantage, aside from the value a merchant fleet is to a nation in time of a war in which that nation is involved.

In the preliminary skirmishes in the Senate Mr. GALLINGER, Mr. LODGE, and Mr. ROOT have shown a lively interest in this subject. All three understand it, and are among the Senate's ablest Members. If, therefore, when they come to speak at length, they give us the information the Star suggests and extended comment on it, they will instruct the public and advance their contentions. The war has made some action on our part imperative; and, of course, the action taken should be without partisan or sectional bias or influence. What is in mind relates to the benefit of all.

Mr. President, these are honest questions, dealing directly with the propositions contained in the bill now under consideration, as well as the broader question relating to the rehabilitation of the American merchant marine.

I will undertake to answer them, going back to the time before the Civil War and tracing the decline of the American merchant marine from that time to the present, treating the matter as briefly as possible.

A reply to these questions will necessitate some repetition of what has been already said, but the importance of the subject warrants it.

The United States was at the maximum of its sea carrying power in the year 1855, six years before the outbreak of the Civil War. In that year our country possessed 2,348,358 tons of shipping registered for over-seas commerce, and carried in its own ships nearly 76 per cent of its combined imports and exports.

In 1855 a huge fleet of 381 ships and barks, adapted especially for foreign commerce, was launched from American shipyards, and the total output of our yards that year was 583,450 tons, the largest in our national history up to that time.

It is true that in earlier years, notably in 1825 and 1826, 92 per cent of our imports and exports were carried in American vessels. But our total commerce was much smaller then. It had grown with the growth of the Republic, and American ships in 1855 were carrying not only 76 per cent of our own trade but a considerable share of the trade of less vigorous *maritime* nations.

In the year 1855 a series of fortuitous circumstances, beginning with the Irish famine of 1847 and an unusual European demand for our foodstuffs, then the discovery of gold in 1848 in California and the development of a great new carrying trade around Cape Horn, and later the Crimean War of 1854, had given a vast impetus to our shipbuilding and navigation. Another powerful influence was the ocean mail subsidies, first granted in 1845 on the recommendation of a southern Democratic President, Polk, and under the leadership of southern Democratic Senators and Representatives. These ocean mail subsidies, following the British example, rapidly created one line of American-built ocean steamships after another to Europe, to the West Indies, and to the Isthmus of Panama.

In 1847, before our new ocean mail lines were started, at the urging of a Democratic President, by a vote of a Democratic Congress, the United States possessed only 5,631 tons of steamships registered for over-seas carrying. In 1849 our ocean steam shipping had grown to 20,870 tons, and from that point for some years its increase was great and constant, to 95,036 tons in 1854 and to 115,045 tons in 1855. Great Britain had been the pioneer in shipping subsidies, but the United States had made far more effective use of them, and in 1855 was practically equal with her great competitor. American ocean steamships then, like the famous American clipper ships, were the fastest, the most efficient, and the most profitable in the world. A captain of the British Navy, appointed to observe the British Cunard and American Collins liners on the North Atlantic, declared, as a result of his investigation, that "there are no ocean steamers in England comparable with those of the American line."

These great, powerful ocean steamships were all of them built and owned in the Northern States. They sailed out of northern seaports and were manned by northern officers and crews. They were faster than the regular warships of that period. They were a formidable reserve of a fighting Navy. Unfortunately the slavery quarrel had begun to estrange the Southern from the Northern States. The South in Congress looked with concern on the increase of the maritime strength of New England, New York, and Pennsylvania. The Middle West and Southwest demanded more and more Federal money for internal improvements. These sections, uniting, influenced Congress in 1856 to reduce the mail subsidies to our ocean lines, which were then fighting strongly and successfully the competition of the State-aided steam lines of Great Britain.

In other words, the Congress of the United States, under the short-sighted urging of the South and West, took protection away from American steam shipping in the very height of its struggle with British shipping. The result that followed was precisely like the result of the radical tariff reductions of 1894 and 1913. American industry was dismayed and crippled and foreign industry was encouraged and strengthened. The American Government was paying to the Collins Line of steamers a mail subsidy of $858,000 a year. The British Government was paying to the Cunard Line of British steamers $856,871 for a slower service in smaller and weaker steamships. The Collins subsidy amounted to $4.82 a ton of the American steam fleet; the Cunard subsidy to $5.75 a ton. In 1856, when Congress cut down the Collins subsidy by $473,000, it left a sum of $385,000, while the British Cunard Line was receiving, and continued to receive, $856,871.

That is, the British steamship service was adequately protected by its Government; the competing American steamship service was not. Great Britain stood by her shipowners; we deserted ours in that very crisis of the combat; and though the American steamship managers were far more enterprising, far more progressive, and on even terms far more successful, with the better ships and the better educated officers and sailors, our flag was driven from the steam routes of the world by the treasury of the British Government.

A great New York merchant and shipowner of that time—A. A. Low, father of Hon. Seth Low—gave this impressive testimony to a special committee of Congress:

> My own belief is that the policy of England, in subsidizing lines of steamers to the various ports of the world, has given her a prestige which is almost insuperable. * * * My own impression is that large subsidies should be given as an inducement, and that these subsidies, while they would cost the Government something in the beginning, would cost the Government nothing in the end.
>
> I only know the English have always, in peace and war, manifested a determination to hold the supremacy on the ocean, and the supremacy which they acquired by arms in war they have in peace acquired by subsidies. They have deliberately and intentionally driven the Americans from the ocean by paying subsidies which they knew our Congress would not pay. I believe it has been the deliberate purpose on the part of England to maintain her supremacy upon the ocean by paying larger subsidies than any other nation as long as subsidies were necessary to preserve their control.
>
> I believe that when the Collins Line was running the subsidy to the Cunard Line was renewed for the express purpose to enable it to run off the Collins Line. It was renewed several years before the expiration of the subsidy granted, so that the Cunard Line might enter upon contracts for new ships; and a committee of the English Parliament, similar to this committee, was employed to make the most minute investigation into the matter. It was after the most careful inquiry by that committee that the contract with the Cunard was renewed for the express purpose of enabling that line to run the American steamers from the ocean; and they have driven us from the ocean by that policy just as effectually as they ever did drive an enemy from the ocean by their guns.

That was an era when the sail ship in which we had excelled was going out, and when the steamship, in which we were equally excelling, was coming in. The British Government and people were exerting every effort to develop steam shipyards and engine works, and for this purpose large subsidies, ostensibly for the carrying of the mails, but actually for the encouragement of shipbuilding and navigation, were being paid year after year. The result of the sectional overthrow of our ocean mail system was written unmistakably in the records of American shipbuilding in the years from 1855 to 1860.

In 1855, as has been said, 583,450 tons of shipping, sail and steam, were launched. But in 1859 the output of our yards had fallen off to 156,602 tons, and it stood at only 214,791 tons in 1860—as has well been said, the swiftest and most alarming shrinkage in our maritime history.

Those were years of complete Democratic ascendancy in the National Government of the United States. They were years of a low tariff for revenue only. This unprecedented decline in American shipbuilding and navigation occurred before the enactment of the first Morrill tariff law, before the election of President Lincoln. The United States as a maritime power was on the decline before the Civil War. That war and the depredations of the Anglo-Confederate cruisers simply accelerated the tendency that had already begun. When the Civil War broke out, our trans-Atlantic steamship services, deprived of their subsidies while their British competitors retained theirs, wholly disappeared. There was in 1861 not one line of American steamships running regularly throughout the year between our ports and the ports of Europe. In 1855 American ships had carried, as has been said, 76 per cent of our imports and exports. In 1860 they were carrying only 66 per cent, though there was a slight nominal increase in American registered tonnage. Ships were still being built in 1860, but they were chiefly for the coastwise trade of the Atlantic and the Gulf of Mexico, and for the great new trade from the Atlantic coast to California around the Horn or by connection cross the Isthmus of Panama—a trade which Congress had insisted on reserving as coastwise commerce, in which none but American vessels could participate. Many of these vessels in the coast-to-coast trade sailed for convenience as registered ships of the United States, or our tonnage nominally registered for foreign commerce would have been a great deal less than it actually was in 1860.

As already suggested, the decline of our merchant marine in over-seas trade is often attributed to the mere mechanical change from sail to steam, from wood to iron. There is no truth in this assumption. A respectable iron manufacturing industry had been developed in the United States, though it suffered severely under the low tariff for revenue only of 1846–1861. Our builders appreciated the use of iron and had begun to build iron steamships with screw propellers long before 1860. Some of these ships were the best of their type in the world. American

iron was found to be especially adaptable to the hulls of ocean ships; our naval architects pronounced it better than English iron. American mechanical genius devised efficient marine engines and boilers. Lindsay, the historian of the British mercantile marine, attributes the superiority of American ocean steamships in speed to their "effective boilers and ability in their preparation." The spirit of our people was alert and progressive—the same spirit and the same people that had created the packet lines and clipper fleet of the years before.

But the withdrawal of national encouragement by the repeal of the ocean mail subsidies had dealt a mortal blow to American maritime achievement. Our Government, in the years from 1856 to 1861, deserted its shipbuilders, shipowners, and seamen; abandoned American competition in steamship building and iron-ship building; and gave up the ocean to the British, and later to the German, French, and Japanese, who all made persistent and successful use of subsidies to develop their shipyards and maintain their shipping lines. The purpose of British subsidies, as of other subsidies, was frankly protectionist. As the British parliamentary committee on ocean mail contracts, in 1853, declared:

> The objects which have led to the formation of these contracts, and to the large expenditures involved, were to afford us rapid, frequent, and punctual communication with distant ports, which feed the main arteries of British commerce, and with the most important of our foreign possessions, to foster maritime enterprise, and to encourage the production of a superior class of vessels, which would promote the commerce and wealth of the nation in time of peace, and assist in defending its shores against hostile aggression.

From the American standpoint, the British policy is most admirably stated in the celebrated reply of Mr. Blaine to Mr. Gladstone. Mr. Blaine said:

> It will not escape Mr. Gladstone's keen observation that British interests in navigation flourish with less rivalry and have increased in greater proportion than any other of the great interests of the United Kingdom. I ask his candid admission that it is the one interest which England has protected steadily and determinedly, regardless of consistency and regardless of expense. Nor will Mr. Gladstone fail to note that navigation is the weakest of the great interests in the United States, because it is the one which the National Government has consistently refused to protect.

These British subsidies, which amount to not much less than $400,000,000 in the last 60 years, have been given nominally only to 30 or more British lines of mail steamers to all quarters of the globe. As a matter of fact, these subsidies have stimulated the whole body of British shipbuilding and navigation. As the report of the British Tariff Commission for 1909, in volume 4, "The Engineering Industries," says:

> The evidence shows the great stimulus given to the British engineering and shipbuilding industry generally by the system of admiralty contracts. In effect these constitute a rigid system of protection, since builders for the admiralty are expressly excluded from buying any materials except from British firms on the admiralty list. * * * Moreover, engineering and shipbuilding derive other considerable advantages from Government subsidies and Government mail transport and other contracts given to various shipping lines. During the past 10 years the Government money which has passed into the hands of the British steamship services in respect of these and similar services has amounted to nearly £2,000,000—or, in round numbers, $10,000,000—per annum.

Here is an official British acknowledgment confirming Mr. Blaine's famous declaration that on the ocean in maritime industry Great Britain has been the protectionist nation, while the United States, outside of its protected, great, and prosperous coastwise trade, has been a free trader—has practically denied protection to ocean shipbuilding and over-seas enterprise.

The effect of the Civil War upon American ocean shipping was severe, but has been exaggerated. The Anglo-Confederate cruisers from 1861 to 1865 destroyed 110,000 tons of American shipping and drove a much larger amount of shipping under foreign flags. But when the war ended other industries grew. Manufacturing and agriculture flourished, and the American merchant marine for a time advanced. In 1865 it carried only 28 per cent of our exports and imports, but in 1866 it carried 32 per cent; in 1867, 34 per cent; and in 1868, 35 per cent. In the year 1866 no less than 336,146 tons of shipping were built in American yards, and in 1867, 303,521 tons. Our foreign commerce steadily grew, and American shipping would have grown with it and beyond it if it had not been left unprotected, either by subsidy or in any other way—the one great unprotected industry in the United States and the one most sharply exposed to the keen and subsidized competition of foreign Governments.

It is a melancholy story, but there is no mystery about it. After the war, as before the war, the commercial and maritime States of the North strove for a fair recognition of their great industry. They asked Congress to establish a subsidy system after the example of Great Britain—after our own successful subsidy system of 1845–1856. But the South and a part of the Middle West and Southwest resisted this effort after the Civil War, as they had opposed it before. Great sums were spent for the development of transportation facilities, chiefly in the Middle West, for the deepening of the rivers and harbors of all sections of the country. But nothing was done to protect and encourage the American merchant marine in over-seas trade. Every Republican President urged that this should be done, but the South and a part of the inland States interposed a hostile majority.

From 1865 to the present year, 1915, the only important measure for the encouragement of American shipping in the foreign trade was the passage in 1891 of an ocean mail law providing modest compensation for American lines of steamships. Even this tardy and inadequate measure of justice was secured with serious difficulty. The proposed rates of compensation for the carrying of the mails in ships of various speeds, which had been originally set at a rate no more than was deemed necessary for the purpose, were cut down because of opposition in the House of Representatives before the bill became a law. That had all the effect of reducing a proposed protective tariff duty to an inadequate revenue basis. The rate originally proposed for the steamers of 20 knots speed and upward on routes to Europe was $6 a mile outward. This was cut by the House to $4 a mile, utterly crippling the measure in this respect. The rate proposed for second-class steamships of 16 knots and upward, suitable for the routes to South America and the Orient, was cut in the House from $3 to $2 a mile. That is the reason why we have no national lines of mail steamships to the principal countries of South America and no national lines under contract with the Government to Japan, China, and the Philippines. The same short-sighted sectional prejudice that crippled our ocean mail lines and destroyed our maritime supremacy in 1855–1861 was effective in 1891 in almost ruining the one important measure for the relief of the American merchant marine which the American Congress has passed in the past 50 years.

Now, after all these years the Middle West, with its corn and wheat and provisions, and the South, with its raw cotton, are the principal sufferers, sustaining the heaviest losses, because the great war in Europe finds us without an adequate American merchant marine—without the means of delivering our own goods under our own flag to foreign purchasers. This is indeed the irony of fate—a fitting example of long-delayed but inexorable justice.

It has sometimes been said that the progressive loss of our ocean shipping from 1855 onward and after the Civil War was due to the great development of the agricultural Middle West. But this is a fanciful, wholly erroneous assumption. The shipbuilders, shipowners, seamen, and fishermen of New England, New York, and Pennsylvania did not leave their trade for western farms. If they turned westward at all it was to reestablish themselves by the sea again on the shores of the Pacific.

There was money enough and there were men enough to maintain and increase our ocean fleet if conditions had been made propitious instead of adverse.

As a matter of fact, the shipbuilders, shipowners, and seamen made a strong, heroic fight after the Civil War in which they had done a manly part to save the Union. No sooner had peace returned than they tried to start new steamship lines to Europe, to South America, to China. American enterprise failed on most of these great ocean routes because on these routes it found itself confronted by the subsidies of European Governments, while sail ships and "tramp" steamships of American construction found employed against them the tremendous discriminating power of the British Lloyd's. The British Government and people were determined to rule the seas. That was the purpose of their subsidies; that was the motive of Lloyd's warfare, as described by Capt. William W. Bates, once former United States Commissioner of Navigation, in his work, "The American Marine." Capt. Bates has pointed out that in the years from 1882 to 1886 American ships, some of them wood, some of them iron, made their passage in the California grain trade around Cape Horn to Europe in time averaging five days less than that of British vessels, and, moreover, that the American ships met with fewer accidents and landed their cargoes in better order. But because Great Britain controlled the marine insurance of the world it was enabled to make discriminating rates against these American vessels in spite of their safer and superior performance. The result was that, while between 1881 and 1885 an average fleet of 100 American ships had sailed from San Francisco in the grain trade to Europe, in 1889 only 30 American ships remained, as compared with 167 British.

These American ships, because of the merciless power of the British Lloyd's, were forced to receive 15 per cent lower freight rates than European ships, although the American vessels made their passage to Europe in an average of 113 days, as compared with the 131 of their British competitors. As has already

been said, the American ships were the more skillfully and safely navigated, met with fewer accidents, and incurred less damage to their cargoes. In the year 1880 the British Government was paying nearly $4,000,000 annually in subsidies to its steamship lines. The United States was paying less than $200,000 for carrying its ocean mails, and four-fifths of this sum went into the pockets of foreign shipowners.

In 1855 American ships, as has been said, were carrying 76 per cent of our imports and exports; in 1860, 66 per cent; in 1880, 18 per cent. This proportion in 1914 was 9 per cent.

It is now being urged by the advocates of the proposed bill for Government ownership and operation of steamships in the foreign trade that this radical expedient must be resorted to because American capital and enterprise have failed to provide ships for the carrying of our commerce. American capital and enterprise have not failed; they have not for 50 years been given anything like a fair and equal opportunity. Our Government has protected and encouraged manufacturing; it has protected and encouraged agriculture. The Federal power and the Federal funds have been liberally invoked for every industry and every interest within our borders, but all this aid has stopped at the water's edge. Beyond the small sum paid for mail subventions under the act of 1891—a sum of not much more than $1,000,000 annually—the American merchant marine in over-seas trade has been left unaided to fight the cheap wages of foreign lands and the subsidies of foreign Governments. Need any man wonder why the Stars and Stripes have been almost driven from the seas?

The responsibility for the wrecking of the American merchant marine and for the fact that we lack ships to-day to convey our wheat and corn and cotton to Europe rests wholly and absolutely with the American Congress, and directly with those Senators and Representatives who have fought and blocked the constant effort of the maritime States to protect and encourage American ocean shipping as all our other great industries have been protected and encouraged, and thereby to maintain an ocean fleet adequate to carry our trade in peace and to help our fighting Navy to defend our coasts in war.

A merchant marine in over-seas trade, as all the world knows, is an instrumentality of self-protection as well as an agency of commerce. A nation which lacks ships must lack shipyards also, and shipyards in which battleships, cruisers, destroyers, and submarines may be constructed are as essential to the national security as arsenals, gun works, and fortifications. No Government in the world maintains its fighting navy all the time on a war footing. The cost would be impossible. Every Government maintains a certain part of its ships in full commission, with a full complement of officers and men, and others in reserve with a partial complement.

This means that in time of war, to make the full fleet efficient, more officers and men, thousands more than those borne on the regular naval lists, must be forthcoming. But where are they to come from in a nation which has few or no ocean steamships, and therefore few or no ocean officers and sailors of its own, because it has allowed its trade to be conveyed by the ships and men of foreign Governments?

Great Britain, Germany, France, Russia, Austria, Japan—the powers engaged in this great European conflict—all understand the value of a merchant shipping as a means of national defense. Great Britain, Germany, and France particularly have fostered their mercantile marine as solicitously as their regular navy. Each of these nations has hundreds of naval reserve steamships and thousands of naval reserve officers and sailors. Many of these officers and men, because of our own lack of an over-seas marine, have been engaged in carrying American trade. That is, we ourselves, the American people, have been in part maintaining the cost and paying the expense of the naval reserves of Great Britain, France, and Germany, our ocean carriers. British, French, and German ships and the ships of other foreign nations have been receiving every year from $200,000,000 to $300,000,000 for the carrying of our over-seas mails, freight, and passengers. We have been maintaining a naval reserve for these foreign Governments, while, except for our coastwise shipping, we have had almost no naval reserve of our own. Now that the war has come, these foreign carriers—ships, officers, and men—are recalled to their first allegiance, to their own flag and their own country. Many of them have left our waters and our trade altogether, and are no longer available for delivering our goods.

Said the Republican national platform in 1900:

> Our present dependence upon foreign shipping for nine-tenths of our foreign carrying is a great loss to the industry of this country. It is also a serious danger to our trade, for its sudden withdrawal in the event of European war would seriously cripple our expanding foreign commerce. The national defense and naval efficiency of this country, moreover, supply a compelling reason for legislation which will enable us to recover our former place among the trade-carrying fleets of the world.

The war that was foretold has come, and the results are what were then predicted. Of all the great sea carrying powers the United Kingdom is the first. The methods by which it has attained its strength are outlined in what has been said already about the vast, persistent expenditure for steamship subsidies on all the great routes of the world, stimulating shipbuilding and navigation and indirectly encouraging the increase of the slower "tramp" steamers. These subsidies and the vast power of the British insurance agency of Lloyd's, with its historic discrimination in favor of British ships and British yards, explain the predominance to-day of the British flag in over-seas carrying. In natural ability British shipbuilders and seamen are not the superiors of American shipbuilders and seamen. British merchants and manufacturers are no more enterprising than our own. Wherever and whenever conditions have been equal, as in the years before the Civil War, when the United States as well as Great Britain subsidized its ocean mail lines across the Atlantic and elsewhere, it was American ships that ruled the ocean. It is historically true, as the New York Herald said in the height of the struggle for sea mastery before the Civil War, that—

> It must be a matter of sincere satisfaction to every American to know that in both sailing vessels and steam vessels we have surpassed the whole world.

A few years earlier De Tocqueville, struck by the vigor and enterprise of American sea commerce, had said:

> I can not keep from believing that the Americans will one day become the first maritime power on the globe. They are pushed on to master the seas as the Romans were to acquire the world.

Just as after a long period of neglect within a relatively few years we have developed a modern Navy which until lately was the second in size and power in the world and the first, we have a right to believe, in the efficiency of its ships, its officers, and its crews, so we can again develop, if we will, the best and greatest merchant shipping in existence. What Americans can accomplish when they are not harassed by foreign subsidies or the competition of cheap foreign "tramps" with Lascar and Chinese crews is demonstrated in the growth of the protected branch of our mercantile marine, the coastwise shipping of this country, which has advanced steadily, in spite of the formidable competition of our railroad systems, from 2,752,000 tons in 1860 to 6,718,974 in 1914.

The total domestic tonnage of Great Britain employed entirely in the coastwise or home trade, including ports on the Continent of Europe between the Rivers Elbe and Brest, or partly in the home and partly in the foreign trade, is 1,298,972. But in the matter of shipping employed in foreign commerce the advantage is overwhelmingly in favor of the United Kingdom against the United States. Lloyd's credits the United Kingdom in 1914 with a tonnage of 19,256,766, nearly all of it employed in over-seas carrying. Our tonnage registered for foreign commerce in the same year was only 1,076,152 tons, of which probably not more than 500,000 tons was actually employed all the year in foreign voyages.

The German Empire in 1914 had 5,459,296 tons of shipping, most of it employed in foreign voyages. France had a total merchant marine of 2,319,438 tons; Norway, 1,824,762 tons; Japan, 1,708,386 tons; and Italy, 1,549,887 tons.

These six nations are the world's greatest carriers. In every one of these nations the merchant marine for over-seas trade, instead of being almost totally neglected, as in the United States, has been a prime object of national solicitude. The lavish and persistent subsidies by which in large degree British shipbuilding and navigation have been developed have already been referred to. Germany also has made use of subsidies wherever necessary, notably to create her Imperial mail lines to the East Indies and Australia, to the Levant, and on the east coast of Africa. But Germany, through the powerful influence of the Imperial Government, has strengthened the credit of her two great steamship companies and encouraged their progress in many ways not publicly recorded, and has given a most important impetus to her merchant shipping and her over-seas trade by allowing rebates that left only a nominal freight charge on goods produced in Germany and shipped to German ports over the Government railways. The cash value of this encouragement to German shipping and commerce has been estimated from $8,000,000 to $10,000,000 a year.

France long trusted to a free-ship policy and that alone, only to see her shipping dwindle from 1,072,000 in 1870 to 914,000 in 1881. Then, thoroughly discouraged with this expedient, the French Government adopted a liberal bounty and subsidy system under which French mercantile tonnage has more than

doubled, outstripping even the vigorous merchant marine of Norway.

The Norwegian Government, long content to see its shipping built in foreign yards, now grants bounties to encourage native shipbuilding, and out of a slender treasury subsidizes steamship services to New York, to the Gulf of Mexico, and to South America.

Japan as late as 1894 had only 200,000 tons of shipping and almost no shipyards. After the war with China the Japanese Government, realizing its maritime weakness, entered upon a system of bounties to encourage shipbuilding and subsidies to develop steamship lines, so that Japan now ranks among the great maritime nations with a considerably larger tonnage engaged in foreign commerce than that of the United States.

Italy had only 860,000 tons of shipping all told in 1894, but Italy, like other successful maritime Governments, has given generous national aid to her merchant marine, so that her over-seas fleet has steadily grown to a total not far below that of Japan.

All of these foreign Governments permit the registry of foreign-built vessels for foreign trade, as now does the United States. But it is a most significant fact that not one of these successful maritime Governments stops short with a free-ship policy. Every one grants subsidies besides, or encourages its merchant fleet with some equivalent assistance. Even the Dominion of Canada, which has a small fleet of its own, has been expending upward of $2,000,000 for several years in subsidies and bounties to British shipping, about twice the expenditure of the United States under the ocean mail law of 1891.

To sum up the situation, every maritime Government in the world, even though, as in the case of Great Britain, it is nominally a free-trade Government, applies a protective policy to the merchant shipping that serves its trade in peace and helps to protect its coasts in war. The United States, the greatest protectionist Nation of the world, strangely stands alone in this respect. It has protected its land industries—its manufacturing and its agriculture—and has seen them grow with a growth unexampled elsewhere. But the United States has left its ocean shipping, save for the inadequate law of 1891, unprotected and neglected. In these few words can be summed up the main cause why American ships carried 76 per cent of our imports and exports in 1855 and 9 per cent or less in 1914.

If the American people of to-day are to have an ocean fleet commensurate with the magnitude of their Nation and its interests, there is only one way in which they can secure that fleet—they must protect and encourage it as other nations have and as the United States has protected and encouraged all other industries. In the early years of the Republic protection was given to our ocean shipping by preferential customs duties and tonnage taxes. Our merchant marine was the strongest and most prosperous industry which we possessed from 1789 to 1855, and during a large part of that period it was the most highly and faithfully protected. The preferential duties were not given up by commercial agreements against our principal competitor, Great Britain, until the year 1850.

In the present tariff law there is a half-hearted effort to reestablish "the policy of the fathers" toward our mercantile marine. A reduction of 5 per cent of the customs duties is provided on goods imported in American ships. But, as Senators know, this provision has never gone into effect. It was suspended and referred to the Federal courts for decision whether, in view of our treaties with foreign Governments, this encouragement could be given to American ships.

In a speech at Chicago the other day the honorable Secretary of the Treasury declared, doubtless by authority, that a preferential duty system was now "unworkable." This may be interpreted as forecasting the probable decision of the courts, or what the executive department of the Government expects will be the decision.

By the emergency shipping law of August 18, 1914, a very liberal free ship policy was established in the foreign trade of the United States. Previous legislation in the Panama Canal act of August 24, 1912, granting free registry to foreign-built vessels owned by American citizens, had failed to bring so much as one ship beneath the flag. In this emergency legislation additional encouragement was given to the naturalization of foreign-built shipping by a proviso that such vessels, if owned by American citizens and granted American registry for the foreign trade, could be navigated without American officers and without compliance with our inspection and measurement laws. Under this authority and with the war and the value of our neutral flag as a powerful motive somewhat more than 100 foreign-built vessels, of a total tonnage of about 400,000 tons, have received American registry and hoisted the Stars and Stripes.

Nearly all of these ships were owned by American citizens before the war opened, notably by the United Fruit Co., the Standard Oil Co., and the United States Steel Corporation. The result of the free ship legislation of 1914, therefore, means simply a change of flag and not a net addition to the shipping resources of America, for these ships were employed in our commerce before the war began.

The very highest Democratic authorities—the President and the Secretary of the Treasury—regard the fruits of their free ship experiment as wholly disappointing. The Democratic panacea, urged for so many years as the sure remedy for our lack of an ocean shipping, has failed to effect the restoration expected. This fact is given by the President and the Secretary of the Treasury as justifying the heroic expedient of Government ownership.

But Government ownership, if it ever should be adopted, would fail, just as preferential duties have proved futile and free ships inadequate. The American merchant marine in overseas trade will grow only and when it is a protected industry, as it was under Washington and Adams and Jefferson and Madison and Monroe and Jackson. American mechanics in our shipyards will not work for the same wage rate as mechanics in the yards of Europe and Japan. Nor will American seamen work for the same wages on the decks of the ships and in their boiler and engine rooms.

Moreover, American maritime enterprise unaided, as 70 years of history prove, can not withstand the potent weapon of foreign subsidies and subventions. American shipowners, officers, and seamen of this generation, like their fathers before them, are the most enterprising and efficient men of their calling in the world, but they can not be expected, and they ought not to be expected, to fight the treasuries of foreign Governments. As Senator Bayard, of Delaware, 60 years ago declared in this body, debating the mail subvention to the American Line to Europe:

> I am willing to trust American skill and industry in competition with any people on the globe when they stand nation to nation without government interference. But if the treasury of a foreign nation is poured into the lap of individuals for the purpose of destroying the interests of my country, or for building up a commercial marine at the expense of the commerce and prosperity of the United States, I, for one, will count no cost in countervailing such governmental action on the part of Great Britain or any foreign power.

In this same body during that same discussion another great Democrat, Senator Lewis Cass, of Michigan, declared:

> Well, sir, it is a question of protection—of high and important and holy protection—in the best sense of the term; the protection of our country, of our expatriated seamen, of our commerce, of our interests, of our honor, of our soil, of all that gives dignity and character to nations; protection against defeat, disgrace, and dishonor.

That was when the upholding of the American merchant marine had not yet become a party or a sectional issue in this Republic. If it had not become a party or sectional issue in the unhappy congressional quarrel over slavery that preceded the Civil War, we should be now, as we were then, the foremost maritime power on this planet—first in the progressive spirit of our shipowners and sailors, first in efficiency and success of the great trade of ocean carrying.

If we are to regain our old historic strength and glory on the ocean, we must put party behind us and section behind us and join in the spirit of these great Senators of an earlier time for "the protection of our country, of our expatriated seamen, of our commerce, of our interests, of our honor, of our soil, of all that gives dignity and character to nations." We must protect our merchant marine by subventions if need be, by some better method if it can be found. We must countervail the action of foreign Governments which have driven our flag from the seas, and, then, falling to war with each other, have withdrawn many of their ships and left us to our own devices.

This now proposed plan of Government purchase, ownership, and operation of merchant vessels is not opposed on this side of the Chamber because it is a Democratic plan, for it is not Democratic—there is no precedent whatever for it in Democratic history—it is opposed because it is contrary to all precedent, unsound, impracticable, ineffective—because it would fail to solve the problem though involving an enormous expenditure, and because, after the war is ended, we should be left exactly where we were before.

This side of the Chamber would be willing to have a fair test made of the preferential-duty policy, a fair test of the policy of free ships, as established by Democratic legislation. In doing this we are ready to forget all partisanship for the possible welfare of the Nation. But the proposition of Government ownership, unitedly opposed by the sagacious business men of the country, without an example in the history of other nations, is

a step into the dark which no prudent man, no patriotic man, can take.

Why not frankly abandon this expedient, so untried, so dangerous, and go with us back to the policy of 1845, of 1847, to the policy of a Democratic President, a Democratic Congress, and granting reasonable mail subventions on the long routes where no swift and regular service exists, where no ships but freighters, chiefly foreign, slow and cumbersome, run; establish a fleet of American steamers of the naval reserve to the far great countries of South America and increase the number of American ships plying across the Atlantic to Europe and across the Pacific to Australasia and the Orient? Every consideration urged by President Polk and his comrades in favor of such a national policy is as true to-day as when it was proclaimed; and, more than that, we are now in the midst of a great world-wide war, in which all of the great nations that are our principal carriers are participants.

As President Polk said in an annual message to Congress:

The enlightened policy by which a rapid communication with the various distant parts of the world is established by means of American-built steamers would find an ample reward in the increase of our commerce and in making our country and its resources more favorably known abroad.

President Polk spoke further of the value of "having the privilege of taking the ships already equipped for immediate service at a moment's notice," an advantage which, he urged, "will be cheaply purchased by the compensation to be paid for the transportation of the mail over and above the postage received. A just national pride no less than our commercial interests would seem to favor the policy of augmenting the number of this description of vessels."

A message of this kind coming from the White House to this Congress, sounding the same note of far-seeing patriotism, would win an instant response. Party feeling and sectional feeling would dissolve before it, and once more the Congress of the United States could vote as it voted nearly 70 years ago for legislation that at the minimum cost would give our country a great, efficient, powerful merchant marine.

Mr. President, after reviewing the entire subject, I am fully persuaded that the most effective legislation is embodied in a brief bill introduced by me, and which is now before the Committee on Commerce, as follows:

Be it enacted, etc., That the Postmaster General is hereby authorized to pay for ocean mail service, under the act of March 3, 1891, in vessels of the second class on routes to South America south of the Equator, to the Philippines, to Japan, to China, and to Australasia at a rate not exceeding $4 per mile on the outward voyage by the shortest practicable routes, and in vessels of the third class on said routes at a rate not exceeding $2 per mile on the outward voyage by the shortest practicable routes: *Provided*, That, subject to the foregoing provisions, every contract hereunder shall be awarded to that responsible bidder who will contract, under penalties prescribed by the Postmaster General, for the highest running speed between the points named in the contract.

Mr. President, that is an amendment to the ocean mail act of March 3, 1891. As I fear Senators generally are not as familiar as they might be with that act, I ask permission, without reading, to insert it in my remarks.

The PRESIDING OFFICER (Mr. SWANSON in the chair). Without objection, the request will be granted.

The matter referred to is as follows:

An act to provide for ocean mail service between the United States and foreign ports and to promote commerce.

Be it enacted, etc., That the Postmaster General is hereby authorized and empowered to enter into contracts for a term not less than 5 nor more than 10 years in duration, with American citizens, for the carrying of mails on American steamships, between ports of the United States and such ports in foreign countries, the Dominion of Canada excepted, as in his judgment will best subserve and promote the postal and commercial interests of the United States, the mail service on such lines to be equitably distributed among the Atlantic, Mexican Gulf, and Pacific ports. Said contracts shall be made with the lowest responsible bidder for the performance of said service on each route, and the Postmaster General shall have the right to reject all bids not in his opinion reasonable for the attaining of the purposes named.

SEC. 2. That before making any contract for carrying ocean mails in accordance with this act the Postmaster General shall give public notice by advertising once a week, for three months, in such daily papers as he shall select in each of the cities of Boston, New York, Philadelphia, Baltimore, New Orleans, St. Louis, Charleston, Norfolk, Savannah, Galveston, and Mobile, and when the proposed service is to be on the Pacific Ocean, then in San Francisco, Tacoma, and Portland. Such notice shall describe the route, the time when such contract will be made, the duration of same, the size of the steamers to be used, the number of trips a year, the times of sailing, and the time when the service shall commence, which shall not be more than three years after the contract shall be let. The details of the mode of advertising and letting such contracts shall be conducted in the manner prescribed in chapter 8 of title 46 of the Revised Statutes for the letting of inland mail contracts, so far as the same shall be applicable to the ocean mail service.

SEC. 3. That the vessels employed in the mail service under the provisions of this act shall be American-built steamships, owned and officered by American citizens, in conformity with the existing laws, or so owned and officered and registered according to law, and upon each departure from the United States the following proportion of the crew shall be citizens of the United States, to wit: During the first two years of such contract for carrying the mails, one-fourth thereof; during the next three succeeding years, one-third thereof; and during the remaining time of the continuance of such contract at least one-half thereof; and shall be constructed after the latest and most approved types, with all the modern improvements and appliances for ocean steamers. They shall be divided into four classes. The first class shall be iron or steel screw steamships, capable of maintaining a speed of 20 knots an hour at sea in ordinary weather, and of a gross registered tonnage of not less than 8,000 tons. No vessel except of said first class shall be accepted for said mail service under the provisions of this act between the United States and Great Britain. The second class shall be iron or steel steamships, capable of maintaining a speed of 16 knots an hour at sea in ordinary weather, and of a gross registered tonnage of not less than 5,000 tons. The third class shall be iron or steel steamships, capable of maintaining a speed of 14 knots an hour at sea in ordinary weather, and of a gross registered tonnage of not less than 2,500 tons. The fourth class shall be iron or steel or wooden steamships, capable of maintaining a speed of 12 knots an hour at sea in ordinary weather, and of a gross registered tonnage of not less than 1,500 tons. It shall be stipulated in the contract or contracts to be entered into for the said mail service that the said vessels may carry passengers with their baggage in addition to said mails and may do all ordinary business done by steamships.

SEC. 4. That all steamships of the first, second, and third classes employed as above and hereafter built shall be constructed with particular reference to prompt and economical conversion into auxiliary naval cruisers, and according to plans and specifications to be agreed upon by and between the owners and the Secretary of the Navy, and they shall be of sufficient strength and stability to carry and sustain the working and operation of at least four effective rifled cannon of a caliber of not less than 6 inches, and shall be of the highest rating known to maritime commerce. And all vessels of said three classes heretofore built and so employed shall, before they are accepted for the mail service herein provided for, be thoroughly inspected by a competent naval officer or constructor detailed for that service by the Secretary of the Navy; and such officer shall report, in writing to the Secretary of the Navy, who shall transmit said report to the Postmaster General; and no such vessel not approved by the Secretary of the Navy as suitable for the service required shall be employed by the Postmaster General as provided for in this act.

SEC. 5. That the rate of compensation to be paid for such ocean mail service of the said first-class ships shall not exceed the sum of $4 a mile, and for the second-class ships $2 a mile, by the shortest practicable route, for each outward voyage; for the third-class ships shall not exceed $1 a mile and for the fourth-class ships two-thirds of a dollar a mile for the actual number of miles required by the Post Office Department to be traveled on each outward-bound voyage: *Provided*, That in the case of failure from any cause to perform the regular voyages stipulated for in said contracts or any of them, a pro rata deduction should be made from compensation on account of such omitted voyage or voyages; and that suitable fines and penalties may be imposed for delays or irregularities in the due performance of service according to the contract, to be determined by the Postmaster General: *Provided further*, That no steamship so employed and so paid for carrying the United States mails shall receive any other bounty or subsidy from the Treasury of the United States.

SEC. 6. That upon each of said vessels the United States shall be entitled to have transported, free of charge, a mail messenger, whose duty it shall be to receive, sort, take in charge and deliver the mails to and from the United States, and who shall be provided with suitable room for the accommodation of himself and mails.

SEC. 7. That officers of the United States Navy may volunteer for service on said mail vessels, and when accepted by the contractor or contractors may be assigned to such duty by the Secretary of the Navy whenever in his opinion such assignment can be made without detriment to the service, and while in said employment they shall receive furlough pay from the Government, and such other compensation from contractor or contractors as may be agreed upon by the parties: *Provided*, That they shall only be required to perform such duties as appertain to the merchant service.

SEC. 8. That said vessels shall take, as cadets or apprentices, one American-born boy under 21 years for each 1,000 tons gross register, and one for each majority fraction thereof, who shall be educated in the duties of seamanship, rank as petty officers, and receive such pay for their services as may be reasonable.

SEC. 9. That such steamers may be taken and used by the United States as transports or cruisers, upon payment to the owners of the fair actual value of the same at the time of the taking, and if there shall be a disagreement as to the fair actual value of the same at the time of the taking, between the United States and the owners, then the same shall be determined by two impartial appraisers, one to be appointed by each of said parties, they at the same time selecting a third, who shall act in said appraisement in case the two shall fail to agree.

Approved, March 3, 1891.

Mr. GALLINGER. The bill I have offered simply proposes to enlarge the payment for mail service beyond that now allowed in the ocean mail act of March 3, 1891. I have already stated that when the original bill passed the Senate the rates of compensation were the same as those contained in the bill which I have just read, but, unfortunately, when the bill went to the other House a large reduction was made, which resulted in preventing the legislation fully accomplishing what was intended. The bill follows the line that all other maritime nations have adopted. Great Britain has been paying about $10,000,000 a year in subventions and subsidies of various kinds, largely for the carrying of the mail. This bill would probably not cost the Government much in excess of $2,000,000 per year for 10 years, and those most familiar with the subject believe that the service would then become self-sustaining. It is a simple, feasible, business proposition containing nothing new beyond the fact that it enlarges an existing statute. It is free from all the dangers of Government ownership, free from the possibility of trouble with foreign nations, and, as a matter of fact, would

prove to be infinitely less expensive to the people of the United States than the legislation now under consideration.

Mr. President, it seems to me that there is but one sane and sensible thing for this body to do under existing conditions. There are 16 appropriation bills, all told, which ought to receive consideration before the 4th day of March. They are the supply bills, which provide for the needs of the Government in all its branches. One small bill, the urgent deficiency bill, has been agreed to, but all the rest are now either in one branch of the Congress or the other under consideration, at least two of them being ready for report. In addition to these bills it is urged that the rural credit bill and the conservation measures ought to have consideration during this session. It is a most extraordinary thing for bills such as the one under consideration to be pressed upon Congress during a short session, and I hope sincerely that those who are in the majority will see the futility of pressing the bill much further, and in that way endanger the passage of the appropriation bills and other needed legislation which could be passed without unusual delay. The country is taking note of what is going on, and the country will not sympathize with an effort such as is now being made to pass a bill that does not receive the support of a majority of the American people to the certain defeat of the great supply bills of the Government, which bills ought to take precedence over other less important subjects of legislation.

Mr. President, it is undeniable that many Senators on the other side of this Chamber do not look favorably upon the bill under consideration. The original bill has been changed three times, and possibly it is to undergo still further modification before it is ready to be acted on. I have reason to believe that not one-half of the Democratic Senators at heart believe in the measure. That most of them will vote for it is probably correct, but they will vote for it with serious misgivings and profound mental reservation. I will not stop to suggest the reason why they will give their assent to a measure that they regard as of doubtful advantage to the best interests of the country.

They know, as well as we, that if foreign ships are purchased from any one of the belligerent nations, and it is conceded that there are comparatively few ships to be bought elsewhere, that serious international complications will probably result. Already things are happening that ought to awaken the keenest possible interest along that line. If that program is carried out we are taking the first step toward a possible involvement of our country in the war that is now devastating Europe. Why should we take any risk of that kind?

I assume that the interview with the junior Senator from Georgia [Mr. HARDWICK] published in the Washington Post of the 22d expresses the honest views of that militant Democrat, and it ought to be a warning not only to his own party but to the country of the dangers that confront us. Senator HARDWICK is quoted as saying:

The objections to the pending ship-purchase bill continue to multiply and grow in strength day by day. In the first place, where and how will we get the ships if the bill should pass? By purchase? If so, from whom? Certainly not to any considerable amount or at anything like a reasonable figure from Great Britain, whose merchant marine must serve her own great commerce, and is besides now subject to demands made upon it for aid to the military and naval operations as well as an increased demand from the world's carrying trade growing out of the elimination of German competition.

From Germany? If this be the purpose, or one of the purposes, of the bill, it seems certain that it will involve us in serious complications with Great Britain. It is not probable that the Government of that country will permit us to purchase and transfer to our registry the interned ships of Germany that could probably be bought at a most reasonable figure, and then operate them on the high seas.

It seems certain that Great Britain will insist that if the transfer of the ship under the registry of one of her enemies is made to a neutral registry after the declaration of war, that Great Britain is neither bound to recognize nor respect such transfer and does not propose to do so.

Besides, the transfer of these German vessels to a corporation, of which the United States is the principal, if not the sole, stockholder, will greatly add to the gravity of the situation by making this Government a direct party with an immediate interest of its own in the controversy, and will seriously endanger our continued peace.

Therefore this step ought not to be taken lightly, and not at all unless we are prepared for any eventuality. If we can not safely buy these German vessels, then what ships are we to purchase under this bill, and from whom? From other neutral nations or their citizens? We can certainly hope to secure no considerable supply from that source.

Nor can we hope to purchase these ships either from our own citizens or from the citizens of other countries, if it be true, as asserted and urged by the proponents of this measure, that the rates have risen so enormously and the profits of these ships increased so largely since this war began. If that be true, what inducement would be held out to private capital invested in this business to sell its ships just when they are reaping the richest harvest?

Where, then, are we to get the necessary ships? Obviously by construction. And yet this measure is urged as a temporary one—a war measure, as it were, to be promptly abandoned when the war is over and the present emergency past—certainly as soon as it becomes a "profitable" enterprise again, and therefore becomes attractive to capital.

The Congress of the United States in the recent tariff bill adopted a plan that in the past has proved most efficacious and practicable in building up and maintaining an American merchant marine, namely, a discriminating duty in favor of goods carried in American bottoms. The discriminatory rate may not be large enough to accomplish the purpose sought. If not, let us raise it. Certain treaties with foreign powers forbid its enforcement, the Attorney General held. If so, let us give the necessary notice to the powers in question to modify these treaties in this respect, and then proceed to enforce the law we have enacted and so restore our merchant marine.

Long have we Democrats insisted that business and government should be divorced; that the Government should keep out of business and business should keep out of the Government. Were our protestations insincere? Were our principles unsound? I believe not.

Such a warning should not go unheeded, and it would be to the credit of other members of the majority party who hold substantially the same views if they should give unmistakable declarations of their real attitude on the question now under consideration.

Mr. President, I have honestly endeavored to point out the dangers of Government ownership and the perils that will visit us if this bill shall become a law. The country is not indifferent to what is going on here, and those who are pressing this legislation will not escape the responsibilities attaching to it. It is bad legislation, fraught with grave dangers to the peace of our country, and from an economic point of view it is calculated to do immense harm to the industrial interests of our people. I am not without hope that the measure will be defeated, and if that desirable result is attained the rejoicing will not be entirely on the part of those of us who are resisting the passage of the bill. Democrats will rejoice with Republicans, and the country will not fail to give credit to those who are so valiantly fighting to defeat the measure.

For the present, Mr. President, I am done; but later in the discussion I shall take occasion to present other views in opposition to what I regard as unnecessary and exceedingly dangerous legislation.

The PRESIDING OFFICER (Mr. SWANSON in the chair). The pending question is on the amendment offered by the Senator from Massachusetts [Mr. LODGE].

Mr. BRANDEGEE (at 6 o'clock p. m.). Mr. President, I move that the Senate do now adjourn.

Mr. KERN. On that motion I ask for the yeas and nays.

The yeas and nays were ordered and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Announcing my pair with the Senator from New Mexico [Mr. FALL], which I transfer to the Senator from South Carolina [Mr. SMITH], I vote "nay."

Mr. JAMES (when his name was called). I transfer the general pair I have with the junior Senator from Massachusetts [Mr. WEEKS] to the senior Senator from Nevada [Mr. NEWLANDS] and vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the senior Senator from Virginia [Mr. MARTIN] and vote "nay."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Georgia [Mr. HARDWICK] and vote. I vote "nay."

Mr. SMITH of Maryland (when his name was called). I transfer my pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the junior Senator from Kentucky [Mr. CAMDEN] and vote "nay."

The roll call was concluded.

Mr. MYERS. Has the Senator from Connecticut [Mr. McLEAN] voted?

The PRESIDING OFFICER. He has not.

Mr. MYERS. I transfer my pair with that Senator to the Senator from Arizona [Mr. ASHURST] and vote "nay."

Mr. HOLLIS. I have a general pair with the junior Senator from Maine [Mr. BURLEIGH], but under the terms of the pair I may vote if my vote is needed to make a quorum. I withhold my vote for the present.

Mr. JAMES. I wish to announce the unavoidable absence of the Senator from New Jersey [Mr. HUGHES], and will state that he is paired with the junior Senator from Illinois [Mr. SHERMAN].

Mr. JOHNSON. I have a pair with the junior Senator from North Dakota [Mr. GRONNA]. Has he voted?

The PRESIDING OFFICER. He has not voted.

Mr. JOHNSON. I withhold my vote.

Mr. STONE (after having voted in the negative). I am informed that the Senator from Wyoming [Mr. CLARK] did not

vote. Having a general pair with that Senator, I withdraw my vote.

Mr. OVERMAN (after having voted in the negative). I observe that my pair, the Senator from California [Mr. PERKINS], is absent. I therefore transfer my pair to the Senator from Tennessee [Mr. SHIELDS] and let my vote stand.

Mr. CRAWFORD. I will transfer my general pair with the senior Senator from Tennessee [Mr. LEA] to my colleague [Mr. STERLING] and vote. I vote "yea."

Mr. HOLLIS. Understanding that a quorum has not voted, I vote "nay."

Mr. JOHNSON. I have a right to vote to make a quorum, and I vote "nay."

Mr. STONE. I transfer the pair which I before announced to the Senator from Indiana [Mr. SHIVELY] and allow my vote in the negative to stand.

The result was announced—yeas 16, nays 38, as follows:

YEAS—16.

Brandegee	Gallinger	Norris	Smoot
Clapp	Kenyon	Oliver	Townsend
Crawford	Lippitt	Page	Warren
Cummins	McCumber	Root	Works

NAYS—38.

Bryan	Lane	Reed	Swanson
Chamberlain	Lee, Md.	Robinson	Thomas
Chilton	Martine, N. J.	Saulsbury	Thompson
Fletcher	Myers	Shafroth	Thornton
Hitchcock	O'Gorman	Sheppard	Vardaman
Hollis	Overman	Simmons	Walsh
James	Owen	Smith, Ariz.	White
Johnson	Pittman	Smith, Ga.	Williams
Kern	Pomerene	Smith, Md.	
La Follette	Ransdell	Stone	

NOT VOTING—42.

Ashurst	Colt	Lea, Tenn.	Shields
Bankhead	Culberson	Lewis	Shively
Borah	Dillingham	Lodge	Smith, Mich.
Brady	du Pont	McLean	Smith, S. C.
Bristow	Fall	Martin, Va.	Stephenson
Burleigh	Goff	Nelson	Sterling
Burton	Gore	Newlands	Sutherland
Camden	Gronna	Penrose	Tillman
Catron	Hardwick	Perkins	Weeks
Clark, Wyo.	Hughes	Poindexter	
Clarke, Ark.	Jones	Sherman	

So the Senate refused to adjourn.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Massachusetts [Mr. LODGE].

Mr. TOWNSEND. Mr. President, inasmuch as there has been so little interest manifested in the matter before the Senate, and it is getting somewhat late, I propose to call the attention of the Senate to another matter and ask for the consideration of another bill. I feel so confident that this bill has the approval of a majority of the Senate, and that its proper discussion would command the attention of the Senate, that I propose to ask for its consideration at this time. In order that there may be no misunderstanding, because it seems to me in my efforts to call this matter up in the past and secure its consideration it must have been because it is not yet properly understood, I desire to read to the Senate the bill.

Mr. STONE. I should like to ask the Senator if he is discussing the unfinished business. I understood him to announce that he did not rise for that purpose.

Mr. TOWNSEND. I am not discussing the unfinished business now; I am making a motion.

Mr. STONE. Then let the motion be made. Nothing else is in order except the unfinished business.

The PRESIDING OFFICER. The Senator from Michigan has a right to make his motion to take up for consideration such measure as he sees proper, and when his motion has been made after 2 o'clock such motions are debatable.

Mr. STONE. But it has not been made. What is it?

The PRESIDING OFFICER. The point is well taken. The motion should be made before it can be debated if the Senator is going to discuss the question which is proposed to displace the unfinished business.

Mr. TOWNSEND. I realize the rule of the Senate. I desire to state what the bill is, in order that the Senate may understand what bill it is that I am asking to take up.

Mr. STONE. I make a point of order. I insist that debate is not in order on another bill until the Senate takes it up.

The PRESIDING OFFICER. The point of order of the Senator from Missouri is well taken. After the motion has been submitted to the Senate to take up for consideration a bill indicated by the Senator from Michigan he will then be in order to discuss the bill.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Until the motion is made it is not in order.

Mr. TOWNSEND. I move to take up for present consideration Senate bill 392——

Mr. STONE. What bill is that?

Mr. TOWNSEND. Being Calendar No. 209.

Mr. STONE. What is it about?

Mr. TOWNSEND. It is the bill which I sought to inform the Senator about before I made the motion. It is known as the Volunteer officers' retirement bill.

Mr. STONE. I move to lay on the table that motion.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. The Chair will first state the proposition. The Senator from Michigan moves to take up Senate bill 392; which motion is now before the Senate. The Secretary will read the bill, for the information of the Senate.

The Secretary read as follows:

A bill (S. 392) to create in the War Department and Navy Department, respectively, a roll designated as "the Civil War Volunteer officers' retired list," to authorize placing thereon with retired pay certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War, and for other purposes.

Mr. STONE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Missouri will state his point of order.

Mr. STONE. The Senator from Michigan made a motion to take up a bill by the number of the bill and the number on the calendar, and I move to lay that motion on the table.

The PRESIDING OFFICER. The Senator from Missouri will be recognized as soon as the bill is read for the information of the Senate. The Chair will then recognize the Senator from Missouri.

Mr. STONE. No one has asked for the reading of the bill. Under what rule is it to be read?

Mr. GALLINGER. I ask for the reading of the bill.

Mr. TOWNSEND. I ask that it be read.

Mr. STONE. I make the point of order that the reading of the bill is in the nature of debate, and I move to lay on the table the motion to take it up.

The PRESIDING OFFICER. It has been the custom of the Senate to read a bill if desired for the information of the Senate. As soon as the reading is concluded the Senator from Missouri will be recognized.

Mr. BRYAN. Mr. President, a parliamentary inquiry. Has not the bill been read?

The PRESIDING OFFICER. The bill has been read twice and referred to the Committee on Military Affairs. It is not now in order, no motion being made for its third reading. Consequently, if there is objection to it, the reading of the bill is not in order. It has been read twice.

Mr. STONE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. TOWNSEND. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. TOWNSEND. Mr. President, I have not yielded the floor. I make the point of order that I have the floor; and I rose to move the consideration of a bill. The Chair made a statement. I first addressed the Chair and was recognized, and I claim I have the floor by having taken it and presented this motion.

The PRESIDING OFFICER. The Chair rules that when a motion is stated by the Chair to the Senate, then it is the province of the Chair to recognize a Senator. If the Senate desires to hear the Senator, it can refuse to vote to lay the motion on the table. The Senator from Missouri was recognized.

Mr. SMOOT. I rise to a point of order.

Mr. GALLINGER. I take an appeal from the decision of the Chair.

Mr. JAMES. I move to lay the appeal on the table.

Mr. SMOOT. Mr. President——

Mr. GALLINGER. I call for the yeas and nays on the appeal.

Mr. SMOOT. I should like to call the attention of the Chair, before the ruling is announced——

Mr. REED. I make the point that the question is not debatable. This is plainly a filibuster, and the Chair ought not to tolerate it.

The PRESIDING OFFICER. The point is well taken—that questions of order to be decided by the Chair are not debatable.

Mr. SMOOT. I have not denied that fact. I have simply tried to ask the Chair——

Mr. ROBINSON and others. Regular order!

Mr. SMOOT. If he would permit——

Mr. STONE. I rise to a point of order.

Mr. SMOOT. Senators will not gain anything by calling for the regular order.

Mr. STONE. I rise to a point of order. The Senator from Kentucky moved to lay the appeal on the table. That is not debatable, even by consent of the Chair.

The PRESIDING OFFICER. The Chair will state that the point of order is not debatable, as the motion of the Senator from Missouri is to lay the matter on the table. A point of order on an appeal is not debatable if the original motion is not debatable.

Mr. SMOOT. Mr. President, I have not asked anyone but the Chair, and if the Chair refuses to hear me, then I have no other recourse.

The PRESIDING OFFICER. The Chair has no authority to permit debate on questions of order to be determined by the Chair, if the regular order is called for because the Chair is obliged to carry out the rules of the Senate, which say that these matters must not be debated.

Mr. SMOOT. I have seen that done by the Chair here not once, but a hundred times.

Mr. ROBINSON. Regular order!

The PRESIDING OFFICER. The Chair will state that when he has not made up his mind as to a question and desires to receive debate to enlighten him, he will permit debate; but where it is proper and just, as in this case, the Chair will exercise his right and recognize the Senator from Missouri. The Senator from Missouri has been recognized, and has moved to lay on the table the motion of the Senator from Michigan [Mr. TOWNSEND].

Mr. SMOOT. Upon that, Mr. President, I rise to a point of order.

Mr. JAMES. Mr. President——

Mr. SMOOT. I say that under the rules that motion is out of order, and I want the Chair to listen to the precedents and also to the rules of the Senate.

Mr. JAMES. Mr. President, I rise to a point of order. I make the point of order that the Senator from New Hampshire [Mr. GALLINGER] appealed from the decision of the Chair, and I moved to lay the appeal on the table, which is nondebatable, even with the consent of the Chair.

Mr. GALLINGER. The Senator moved to lay the appeal on the table when sitting in his seat. He did not have recognition.

Mr. JAMES. I rose to my feet.

Mr. GALLINGER. The Senator did not.

Mr. JAMES. I rose to my feet.

The PRESIDING OFFICER. The Senator from Kentucky has moved to lay the appeal on the table.

Mr. LIPPITT. I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LIPPITT. My point of order is that when the Senator from Kentucky [Mr. JAMES] made his appeal he did not address the Chair, and I ask for the reading of the record. My point is that the Senator from Kentucky did not say "Mr. President," and did not address the Chair at all.

The PRESIDING OFFICER. If that is true——

Mr. LIPPITT. I ask for the reading of the record.

The PRESIDING OFFICER. The Senate will be in order. If that is true, since the Senator from Kentucky has addressed the Chair, the motion is in order to lay the appeal on the table.

Mr. LIPPITT. When the Senator from Kentucky addressed the Chair the second time he did not make the motion. He said that he had previously made it. At the time that the motion was made it was not in order, and I ask for the reading of the record to prove what I say.

Mr. MYERS. Regular order!

The PRESIDING OFFICER. The regular order is demanded.

Mr. LIPPITT. I rise to a point of order, Mr. President.

The PRESIDING OFFICER. The Chair has control of recognition, and the Chair has recognized the Senator from Kentucky.

Mr. LIPPITT. I have made a point of order, and the Chair recognized me.

The PRESIDING OFFICER. There is no appeal from the decision of the Chair as to recognition.

Mr. LIPPITT. Does the Chair refuse to have the record read?

The PRESIDING OFFICER. If the Senator will permit the Chair, the pending question is the appeal from the decision of the Chair, which the Senator from Kentucky [Mr. JAMES] has moved to lay on the table.

Mr. ROOT. Mr. President——

Mr. LIPPITT. I made the point of order on that ruling.

Mr. ROOT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. ROOT. May I ask what was the ruling of the Chair on the point of order made by the Senator from Rhode Island?

The PRESIDING OFFICER. The point of order made by the Senator from Rhode Island was that the Chair had not recognized the Senator from Kentucky.

Mr. ROOT. I ask for the ruling of the Chair upon that.

The PRESIDING OFFICER. It was the ruling of the Chair that he had recognized the Senator from Kentucky.

Mr. ROOT. I appeal from that decision.

Mr. JAMES. I make the point of order that that is not in order.

Mr. SMITH of Georgia. A second appeal can not be added to a pending appeal.

The PRESIDING OFFICER. An appeal from the decision of the Chair as to recognition is not permissible. The Chair desires to be shown any authority holding that such an appeal is permissible by the rules. If that can be done, the Chair will recognize the admissibility of the appeal.

Mr. ROOT. Mr. President, it is not a question of recognition. The Senator from Rhode Island——

Mr. REED. I make the point of order that this question is not debatable.

Mr. ROOT. If the Chair is unwilling to hear me, I will take my seat; but do not let us get our record tangled up and make trouble for ourselves in the future.

The Senator from Rhode Island [Mr. LIPPITT] raised the point that the Senator from Kentucky [Mr. JAMES] had not risen in his place, addressed the Chair, and secured recognition, and the Senator from Rhode Island asked for a reading of the record as an evidence of that fact. I ask the Chair to state what the ruling of the Chair has been? I understood the Chair to say that the point of order had been overruled.

Mr. KERN. It had not been entertained.

Mr. ROOT. Now, I appeal from the decision of the Chair overruling that point of order.

The PRESIDING OFFICER. The Chair will state to the Senator from New York that recognition in the Senate, as the Chair understands, is left entirely within the province of the Chair, and an appeal from the recognition by the Chair of a Senator making a motion or rising to speak is not in order and can not be entertained.

Mr. JAMES. Regular order!

The PRESIDING OFFICER. The regular order is——

Mr. SMOOT. For information, I ask if the Chair is sustained in the appeal, then will not the question revert to the motion made by the Senator from Missouri [Mr. STONE]?

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky [Mr. JAMES] to lay on the table the appeal made by the Senator from New Hampshire [Mr. GALLINGER]. If that motion carries, then the question will again come up on the motion of the Senator from Missouri [Mr. STONE] to lay on the table the motion of the Senator form Michigan [Mr. TOWNSEND].

Mr. LIPPITT. Mr. President——

Mr. JAMES. Regular order!

Mr. STONE. The Chair ought not to permit this kind of cheap nonsense to go on.

Mr. LIPPITT. If the Chair is going to be dictated to by the Senator from Missouri——

Mr. GALLINGER. The Chair ought to suppress the Senator from Missouri.

Mr. LIPPITT. Who is the Chair—the Senator from Missouri or the gentleman occupying the chair?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STONE. I have no time to waste——

Mr. LIPPITT. Mr. President——

Mr. ROBINSON. Regular order!

The PRESIDING OFFICER. For what purpose does the Senator from Rhode Island rise?

Mr. LIPPITT. I rise, Mr. President, to ask if the gentleman in the chair will permit me to read from the CONGRESSIONAL RECORD of August 4, last——

Mr. KERN. Regular order!

Mr. LIPPITT. A ruling of the Chair on precisely the same question as to which the present occupant of the chair has just ruled?

Mr. KERN. The regular order has been demanded, and until that is disposed of no debate is in order.

Mr. LIPPITT. I can only protest, Mr. President, against these rulings by the Chair.

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

The PRESIDING OFFICER. The Senator from Utah asks for the yeas and nays. Is the request seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRANDEGEE (when his name was called). Mr. President, I decline to vote.

Mr. WALSH (when Mr. CHAMBERLAIN's name was called). The Senator from Oregon [Mr. CHAMBERLAIN] has been called from the Chamber on official business.

Mr. CHILTON (when has name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. JAMES (when his name was called). Making the same transfer as upon the former roll call, I vote "yea."

Mr. JOHNSON (when his name was called). I transfer my pair with the Senator from North Dakota [Mr. GRONNA] to the Senator from Alabama [Mr. BANKHEAD], and vote "yea."

Mr. MYERS (when his name was called). Transferring my pair with the Senator from Connecticut [Mr. McLEAN] to the Senator from Arizona [Mr. ASHURST], I vote "yea."

Mr. OLIVER (when his name was called). Mr. President, I decline to vote.

Mr. OVERMAN (when his name was called). Making the same transfer of my pair as previously, I vote "yea."

Mr. SAULSBURY (when his name was called). I make the same transfer of my pair as previously, which I desire to stand until I change it, and vote "yea."

Mr. SMITH of Maryland (when his name was called). I make the same transfer as on the last vote, and vote "yea."

Mr. WILLIAMS (when his name was called). Repeating the statement made by me upon the last roll call with regard to my pair and its transfer, and asking that that statement may stand for the balance of the day, I vote "yea."

The roll call was concluded.

Mr. LIPPITT. Mr. President, I am present, but I ask that I may be excused from voting on this question, with the consent of the Senate.

Mr. REED. I object.

Mr. LIPPITT. Mr. President, I should like to state the reason why I make this request.

Mr. JAMES. Regular order!

The PRESIDING OFFICER. The rule provides that the matter must be decided without debate.

Mr. LIPPITT. The reason is this, that a few moments ago, in the course of the debate——

Mr. REED. I make the point of order that the Senator is out of order.

Mr. LIPPITT. As I understand, the Senator from Kentucky, sitting in his chair, without addressing the Presiding Officer, made a motion——

Mr. REED. I rise to a point of order.

Mr. LIPPITT. Which subsequently was put——

The PRESIDING OFFICER. The point of order is well taken. This matter must be decided without debate. The Senator from Rhode Island is proceeding out of order.

Mr. LIPPITT. Where is the rule under which I am not allowed to make a statement of the reasons why I ask to be excused from voting?

Mr. OWEN. The Senator has no right to make an explanation in the midst of a roll call.

Mr. LIPPITT. I have a right to ask to be excused from voting.

The PRESIDING OFFICER. If the Senator from Rhode Island will listen, the Chair will read Rule XII, which provides:

> The presiding officer shall submit the question to the Senate: "Shall the Senator, for the reasons assigned by him, be excused from voting?" which shall be decided without debate.

Mr. LIPPITT. I was stating my reasons. That is not debate. The rule distinctly says that I can assign my reasons, and I ask the privilege of assigning those reasons.

Mr. JAMES. I object.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry. Has the roll call been completed?

The PRESIDING OFFICER. The roll call has been completed.

Mr. GALLINGER. The result has not been announced.

Mr. BRANDEGEE. I want, if I may be indulged, to call the attention of the Chair to the rule——

Mr. STONE. Mr. President——

Mr. BRANDEGEE. Which says——

Mr. STONE. Until the result of the roll call is announced I make the point of order that debate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BRANDEGEE. I believe I have the floor to make a point of order, which is what I have risen to do, and I am calling attention to a part of the rule for the information of the Chair, which the Chair has not read, with a view of showing that the Senator from Rhode Island has the right, until the result of the roll call has been announced, to assign his reasons.

The PRESIDING OFFICER. The rule provides that the matter must be decided without debate, and the decision has been announced.

Mr. SAULSBURY. Mr. President——

Mr. LIPPITT. I did not understand the statement of the Chair.

The PRESIDING OFFICER. The Chair was under the impression that the roll call had been completed, but he is informed by the Secretary that it has not been.

Mr. POMERENE entered the Chamber and voted in the affirmative.

Mr. LIPPITT. Have I not the floor?

The PRESIDING OFFICER. The Senator has not the floor; the roll call has not been completed.

Mr. SAULSBURY (after having voted in the affirmative). I transferred my pair with the junior Senator from Rhode Island [Mr. COLT] to the senior Senator from Virginia [Mr. MARTIN]. The Senator from Virginia has since entered the Chamber and voted. The understanding I have with my pair is that I may vote for the purpose of making a quorum. As it is manifest that my vote is necessary for such purpose, I allow it to stand.

The Secretary proceeded to recapitulate the vote, and said:

> Senators voting in the affirmative are——

Mr. LIPPITT. Mr. President, I ask to be excused from voting on this question for reasons which I should like to explain to the Senate. In doing so I want, first, to call attention to paragraph 2 of Rule XII, found on page 13 of the Standing Rules of the Senate, which says that:

> When a Senator——

Mr. REED. Mr. President, I make the point of order——

Mr. LIPPITT (continuing reading)—

> declines to vote on call of his name he shall be required to assign his reasons therefor——

Mr. REED. I desire to make a point of order——

Mr. LIPPITT (continuing reading)—

> and having assigned them, the Presiding Officer shall submit the question to the Senate: "Shall the Senator, for the reasons assigned by him, be excused from voting?" which shall be decided without debate; and these proceedings shall be had after the roll call and before the result is announced; and any further proceedings in reference thereto shall be after such announcement.

Now, the reasons which I want to assign—

Mr. REED. I rise to a point of order.

The PRESIDING OFFICER. The Senator from Missouri will state his point of order.

Mr. REED. The point of order is that the Senator is out of order in discussing this question in the midst of a roll call, and further that the Chair has already ruled that the Senator from Rhode Island is out of order, and it is now the duty of the Chair to compel the Senator to take his seat.

The PRESIDING OFFICER. In order that this question may be determined definitely and for the rest of this session the Chair submits the point of order to the Senate. Is it in order for the Senator from Rhode Island to proceed and make the statement he desires?

Mr. SMOOT. Mr. President——

Mr. GALLINGER and Mr. OLIVER. Let us have the yeas and nays.

Mr. SMOOT. It is not possible——

Mr. BRYAN. I rise to a parliamentary inquiry.

Mr. LIPPITT. Mr. President——

Mr. BRYAN. I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. BRYAN. Mr. President, the call of the roll has been completed, has it not?

The PRESIDING OFFICER. It has been completed.

Mr. BRYAN. If the Chair desires to submit it to the Senate, I presume the question is whether the Senator from Rhode Island shall be allowed to state his reasons for asking the Senate to excuse him from voting. The Senator from Rhode Island has the right to state his reasons, but he has no right to proceed to argue the question or to read the rule or to make a statement.

Mr. GALLINGER. The rule says that he shall be required to assign his reasons.

Mr. BRYAN. That is not assigning his reasons.

Mr. JAMES. That does not mean an argument, Mr. President.

Mr. SMITH of Georgia. Mr. President, undoubtedly the rule makes it his right and his duty, if he desires to be excused, to state his reasons; but that is a matter of personal privilege, and it rests with the Senator certainly not to abuse it by en-

deavoring to make an argument. He states the personal matter that he feels should appeal to the Senate to relieve him from voting, and that is the extent of his right of expression, and that right is an absolute one under the rule.

Mr. LIPPITT. Mr. President, the reason——

The PRESIDING OFFICER. The Chair will state that the Senator from Missouri [Mr. REED] made the point of order that the Senator from Rhode Island was not entitled to proceed, as the Chair understands. Of course, it is for the Senate to determine as to whether or not the Senator from Rhode Island is abusing the privilege extended to him under the rule.

Mr. GALLINGER. The idea of submitting to the Senate the question of whether or not a Senator is abusing a privilege! The rule is obligatory that the Chair shall compel the Senator to assign his reasons. No great progress will be made if the Chair is going to rule in that way.

Mr. WARREN. Mr. President, a point of order. If we are to do away with——

The PRESIDING OFFICER. The Chair rules that the Senator from Rhode Island has a right to state his reasons for not voting. After they have been properly stated, it is for the Senate to decide whether he is abusing or exercising fairly the privilege given under that rule. The Senator from Missouri made a point of order that he was abusing the privilege. The Chair stated that if the point of order was made he would submit it to the Senate for decision. The Senator from Rhode Island evidently has a right to state his reasons.

Mr. OLIVER. Mr. President, the Chair states that the Senator from Rhode Island has a right to state his reasons. It seems to me that the Chair is a little short of the language of the rule, which says that he shall be required to state his reasons.

The PRESIDING OFFICER. The Chair sees no occasion to require him to do so when he is doing so very fully and completely, and requires no compulsion.

Mr. LIPPITT. Mr. President, if I may now be allowed to begin over again and find the starting point from which I was diverted a little bit by the storm that seems to have arisen on the calm seas of our deliberations, I was proceeding to say that the Senator from Kentucky [Mr. JAMES], without addressing the Chair, made a motion to lay on the table a certain motion that was pending before the Senate. I took occasion to call to the attention of the Chair the fact that the Senator from Kentucky had not addressed the Chair, and I asked that the record be read which would demonstrate or disprove the correctness of my position. The Chair declined to have that record read, and a few minutes subsequently, on a new demand on my part that it should be read, said that it was within the power of the Chair to decide whether or not a Senator had asked to be recognized.

Mr. JAMES. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Kentucky will state his point of order.

Mr. JAMES. I make the point of order that the Senator is abusing the right of explanation of his vote and making an argument, which the rules do not contemplate, and which is in violation of the very spirit and letter of the rule.

Mr. SMITH of Arizona. And in contempt of the rule.

The PRESIDING OFFICER. The Chair will submit this question for the decision of the Senate. The Senator will read what he has there.

Mr. LIPPITT. Mr. President——

Mr. MARTIN of Virginia. Mr. President, I should like to have the Chair show to the Senate the rule under which he submits this question to the Senate instead of disposing of it himself.

The PRESIDING OFFICER. It is a question of order.

Mr. MARTIN of Virginia. The Presiding Officer is put in the chair, as I understand, to dispose of these questions, and I should like to know the rule by which he can relegate that ruling to the Senate.

The PRESIDING OFFICER. The only thing that causes the Chair to feel a delicacy about it is the fact that the excuse is in connection with the Chair and a criticism of the Chair.

Mr. MARTIN of Virginia. The Chair is expected to stand criticism.

Mr. WARREN. Mr. President, if the Senator will allow me a moment, I entirely agree with that proposition. The Chair has its duty as well as the Senate. The Senate is not the forum to which to submit the question whether or not a man is transgressing the privileges of the floor. It should be decided by the Chair; but it seems to me now most inopportune, because we are in the midst of a roll call, and the result of the roll call has not yet been announced.

The PRESIDING OFFICER. The rule says that it is before the announcement that the excuses must be made. It is after the roll call and before the announcement. The Chair rules that the Senator must give a legitimate and fair excuse to the Senate for asking to be excused from voting. If the point of order is made that the Senator at this time is transgressing that privilege and making a speech, which is not a fair excuse for not voting on this proposition, the Chair will state that the Senator is not proceeding in order, and he must proceed in order.

Mr. LIPPITT. Mr. President, I think, in all fairness, I would have concluded what I had to say 15 minutes ago if I had not been interrupted by the filibusterers on the Democratic side of the Chamber. I am trying to call the attention of the Chair and of this body to an occasion upon which I was turned down in the Senate for doing the very thing that the Senator from Kentucky is being allowed to do. I was simply stating the proposition.

Mr. JAMES. Mr. President, I make the point of order that the Senator shows by his own statement that he is not proceeding in order. Therefore it is the duty of the Chair to rule that he is out of order and to let the result of the roll call be announced.

Mr. WORKS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island must proceed in order. He must give his excuses for not voting.

Mr. LIPPITT. Mr. President, I was trying to state the premises on which I wanted to be excused. I can not give the excuse without first stating what it is. Of course I am delighted to listen to the Senators on the other side, who are so anxious to consume time. I spent a whole week here in the Senate when they were not here at all——

Mr. SMITH of Arizona. Mr. President, a point of order.

Mr. MARTIN of Virginia. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MARTIN of Virginia. Such remarks as that are not an excuse for not voting. I insist that the Senator be required to give his excuse for not voting, and confine himself to that. Our rules ought to be respected.

Mr. LIPPITT. I think so, too.

Mr. MARTIN of Virginia. And they ought to be enforced by the Chair. The Senator knows that that is not a reason why he should be excused from voting.

Mr. LIPPITT. Did the Senator from Virginia address the Chair when he rose?

Mr. MARTIN of Virginia. I did.

The PRESIDING OFFICER. Has the Senator stated his reasons for desiring to be excused from voting?

Mr. LIPPITT. No, Mr. President.

The PRESIDING OFFICER. The Senator must proceed in order and give the reasons why he desires to be excused from voting.

Mr. LIPPITT. Then, may I ask the Chair that in doing so I may be protected from interruption?

Mr. WORKS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will not be interrupted; but the Chair must enforce the rule.

Mr. LIPPITT. I quite agree with the Chair.

The PRESIDING OFFICER. The Senator from California submits a parliamentary inquiry; but the Senator from Rhode Island desires not to be interrupted until he concludes his remarks. The Chair can not permit him to be interrupted.

Mr. WORKS. Not to make a parliamentary inquiry?

The PRESIDING OFFICER. The Senator from California may address a parliamentary inquiry to the Chair, if the Senator so desires.

Mr. WORKS. The question, as I understand, is not whether the Senator shall be excused from voting, but whether he is abusing his privilege. My inquiry is whether that question is not debatable?

The PRESIDING OFFICER. The Chair will submit to the Senate the question whether he shall or shall not be excused when the Senator has made his excuses. The question is, Shall the Senator be excused from voting?

Mr. LIPPITT. Mr. President, I have not finished.

The PRESIDING OFFICER. The Senator will proceed in order.

Mr. LIPPITT. Mr. President, when I was interrupted by the Senators on the other side of the Chamber I had advanced to the point at which, as I recollect, I had stated what had occurred this evening on the part of the Senator from Kentucky [Mr. JAMES], the substance of which was that I had made the claim that the Senator from Kentucky had not addressed the Chair in making a motion, and the Chair had subsequently said that it was within his right to decide whether or not a Senator

took the floor without addressing the Chair. On the 14th of last August a controversy arose on account of my having risen and called for a quorum when the Senator from Iowa [Mr. CUMMINS] was occupying the floor. The Presiding Officer——

Mr. REED. Mr. President, I must renew the point of order that the Senator is not stating his excuse. He is plainly abusing the privilege the Chair extended to him. If he can persist in this way, he can persist indefinitely, and I make the point of order that the Senator is out of order.

The PRESIDING OFFICER. The point of order is sustained. The Senator is not proceeding in order. He will proceed in order to give his excuses.

Mr. LIPPITT. Why, Mr. President, I am trying to state this question. I started to do so at 25 minutes past 6. I could have stated——

Mr. REED. Mr. President, when a point of order is sustained a Senator must take his seat and yield the floor.

Mr. LIPPITT. Now, Mr. President, as I was saying——

Mr. REED. Mr. President——

The PRESIDING OFFICER. Undoubtedly the Senator is not proceeding in order. It is in order for the Senator to give a reasonable excuse for desiring the Senate to excuse him from voting.

Mr. GALLINGER. How will the Chair know whether or not it is reasonable until he states it?

The PRESIDING OFFICER. The Chair can rule, from hearing what a speaker is saying, that it is not relevant to the question that is before the Senate. It must be relevant.

Mr. LIPPITT. Mr. President, if I may now go on——

Mr. THOMPSON. Mr. President, I raise the point of order that the Senator is not proceeding in order. Under the rule he must take his seat and can not proceed without the consent of the Senate.

The PRESIDING OFFICER. The Chair has ruled that the Senator is not proceeding in order. His remarks are not in accordance with the spirit or purpose of the rule.

Mr. STONE. Well, then, let us have the announcement of the vote.

Mr. BRANDEGEE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. BRANDEGEE. I object to Senators rising, as the Senator from Missouri just did, and occupying the floor without being recognized by the Chair.

The PRESIDING OFFICER. The rule requires them to address the Chair.

Mr. REED. Mr. President, the Senator well knows that I did address the Chair——

Mr. OLIVER. Mr. President, I rise to a point of order.

Mr. REED. And the Senator well knows that I was recognized by the Chair.

Mr. BRANDEGEE. I did not refer to the junior Senator from Missouri.

The PRESIDING OFFICER. The Senate will be in order. The Chair has declared that the Senator from Rhode Island is not proceeding in order.

Mr. OLIVER. Mr. President, I appeal from that decision.

Mr. LIPPITT. I will then try to proceed in order.

Mr. WALSH. Mr. President, I move to lay the appeal on the table.

Mr. LIPPITT. What is the appeal?

Mr. GALLINGER. Let us have the yeas and nays on that.

Mr. LIPPITT. Mr. President——

Mr. THOMPSON. Mr. President, I should like to have a ruling on the point of order.

Mr. LIPPITT. I will now, Mr. President, to the best of my ability, try to proceed in order.

Mr. THOMPSON. Mr. President, I rise to a point of order. Under the express rule of the Senate, when a Senator has been declared out of order it is his duty to take his seat, and he can not proceed without the consent of the Senate.

Mr. OVERMAN. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Chair is getting the rule to read to the Senate.

Mr. THOMPSON. I should like to have a ruling upon the point of order.

The PRESIDING OFFICER. Rule XIX, section 4, reads as follows:

> If any Senator, in speaking or otherwise, transgress the rules of the Senate, the presiding officer shall, or any Senator may, call him to order; and when a Senator shall be called to order he shall sit down and not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

Mr. BRYAN. Mr. President, I move that the Senator be allowed to proceed in order.

Mr. BRANDEGEE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Florida has been recognized.

Mr. BRANDEGEE. I thought he had finished. I should like to know whether I am recognized or not.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BRANDEGEE. Mr. President, the Senator from Pennsylvania [Mr. OLIVER] appealed from the ruling of the Chair, and the Senator from Montana [Mr. WALSH] moved to lay the appeal on the table. The question of order is that the motion of the Senator from Montana should now be put to the Senate.

Mr. ROOT. Upon that I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator is mistaken. The Senator will permit the Chair again to read the rule:

> If any Senator, in speaking or otherwise, transgress the rules of the Senate, the presiding officer shall, or any Senator may, call him to order; and when a Senator shall be called to order he shall sit down and not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

Mr. LIPPITT. Mr. President——

The PRESIDING OFFICER. The Chair understands that the Senator from Florida has made a motion that the Senator from Rhode Island be permitted to proceed in order. That motion is the question now before the Senate.

Mr. SMOOT. Upon that I ask for the yeas and nays.

Mr. BRYAN. I hope the Senator will not do that.

Mr. GALLINGER. Why, of course we will.

Mr. BRYAN. I hardly think that is fair. I did it to carry out the rules of the Senate, and as a courtesy to the Senator from Rhode Island. I did not do it to aid a filibuster.

Mr. JAMES. That is what the Senator did, though, when he made the motion.

Mr. BRYAN. I hope the Senator will not do that.

Mr. SMOOT. I ask unanimous consent to withdraw the motion, because I really did not think that was the object of the Senator.

Mr. BRYAN. I think the Senator ought to be allowed to proceed in order; but a call for the yeas and nays is manifestly a filibuster, and I hope that will not be done.

Mr. SMOOT. I ask unanimous consent to withdraw the request. I simply said to the Senator that I had no idea that it was the object of the Senator to engage in a filibuster at all.

Mr. BRYAN. The Chair ruled that the Senator from Rhode Island was out of order.

The PRESIDING OFFICER. The question is upon the motion of the Senator from Florida. [Putting the question.] By the sound the "noes" appear to have it.

Mr. ROOT. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRANDEGEE (when his name was called). Mr. President, I decline to vote.

Mr. CHILTON (when his name was called). Making the same announcement that I made before, I vote "nay."

Mr. GALLINGER (when his name was called). Mr. President, I decline to vote on this question.

Mr. JAMES (when his name was called). Making the same transfer as on the former roll call, I vote "nay."

Mr. LIPPITT (when his name was called). I do not know whether under the rules of the Senate I can vote, and I wish to make a parliamentary inquiry. I should like to ask whether under the rules of the Senate I am permitted to vote on the question?

The PRESIDING OFFICER. The roll call can not be interrupted. The Secretary will proceed with the roll call.

Mr. OVERMAN (when his name was called). Making the same transfer that I made before, I vote "nay."

Mr. SAULSBURY (when his name was called). My vote evidently will be needed for a quorum, and therefore I vote. I vote "yea."

Mr. SIMMONS (when his name was called). I desire to inquire whether the Senator from Minnesota [Mr. CLAPP] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. SIMMONS. I transfer my pair with that Senator to the Senator from Indiana [Mr. SHIVELY] and vote "nay."

Mr. SMITH of Maryland (when his name was called). Making the same transfer as before, I vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Nebraska [Mr. HITCHCOCK], and vote "nay."

The roll call was concluded.

Mr. HOLLIS. As my vote is needed to make a quorum, I vote "nay."

Mr. MYERS. Under the terms of my pair with the Senator from Connecticut [Mr. McLEAN] I am at liberty to vote when my vote is needed to make a quorum. I understand my vote is needed to make a quorum, and I vote "nay."

Mr. GALLINGER. Mr. President, I decline to vote, and I desire to state my reasons for declining.

Mr. REED. Mr. President, I make a point of order.

The PRESIDING OFFICER. The vote has not been recapitulated.

The Secretary recapitulated the vote, as follows:

YEAS—15.

Bristow	Gallinger	Oliver	Smith, Ariz.
Bryan	Gore	Page	Smoot
Catron	Lane	Root	Warren
Fletcher	O'Gorman	Saulsbury	

NAYS—28.

Ashurst	Lee, Md.	Ransdell	Stone
Chamberlain	Martin, Va.	Reed	Swanson
Chilton	Martine, N. J.	Robinson	Thomas
Hollis	Myers	Shafroth	Thompson
James	Overman	Sheppard	Thornton
Johnson	Owen	Simmons	Walsh
Kern	Pittman	Smith, Md.	White

Mr. JOHNSON. Has the junior Senator from North Dakota [Mr. GRONNA] voted?

The PRESIDING OFFICER. He has not.

Mr. JOHNSON. I am paired with that Senator. I transfer my pair to the senior Senator from Alabama [Mr. BANKHEAD] and vote. I vote "nay."

Mr. OLIVER. Mr. President, I rise to a point of order.

Mr. GALLINGER. If the roll call has been completed, I desire to now state my reasons for not voting.

Mr. ROOT. Will the Senator excuse me a minute?

Mr. REED. I make the point of order that the Senator can not voluntarily give his reasons; that that is a matter which rests with the Chair.

Mr. GALLINGER. It does not rest in the Chair.

Mr. ROOT. Mr. President, I desire to vote. I vote "yea."

Mr. OLIVER. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator from Pennsylvania will state his point of order.

Mr. OLIVER. I call attention to rule——

Mr. GALLINGER. Mr. President, I have been recognized. I have declined to vote, and, under Rule XII, I desire to state my reasons for not voting.

The PRESIDING OFFICER. There has been a question of order raised which might affect the request of the Senator, and until it is stated it is impossible for the Chair to determine whether it does or not. The Senator will state his question of order.

Mr. OLIVER. My question of order is that the rule is imperative that when a Senator declines to vote he shall be permitted to assign his reasons therefor.

Mr. GALLINGER. Certainly. It is for that purpose that I am on my feet.

The PRESIDING OFFICER. The Senator from New Hampshire has been recognized.

Mr. GALLINGER. Mr. President, a little time ago the Chair announced that under the rules of the Senate he was entitled to recognize any Senator he saw fit. I wish to read a rule on that subject, Rule XIX:

> When a Senator desires to speak he shall rise and address the presiding officer, and shall not proceed until he is recognized, and the presiding officer shall recognize the Senator who shall first address him.

Now, Mr. President, if the Chair is to claim that it is within his power to recognize any Senator he pleases, whether it is the Senator first addressing him or not, I decline to vote, and I shall continue to decline to vote until that decision is reversed.

The PRESIDING OFFICER. The Chair stated that the power of recognition is within the Chair, without the right of appeal.

Mr. GALLINGER. But the Chair is wrong.

The PRESIDING OFFICER. The right of the Chair was exercised under that rule.

Mr. GALLINGER. It was wrong, when the rule says the Chair must recognize the Senator who first addressed the Chair.

The PRESIDING OFFICER. The rule is recognized by the Chair. The Senator from Kentucky [Mr. JAMES] was the only Senator who addressed the Chair.

Mr. REED. Mr. President, I make the point of order that the discussion which is going on here is entirely out of order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. OLIVER. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The question is on excusing the Senator from New Hampshire from voting. Those in favor of excusing him will say "aye"; those opposed, "no."

Mr. BRANDEGEE. On that I ask for the yeas and nays.

Mr. OLIVER. I rise to a point of order first. There are other Senators who have declined to vote.

The PRESIDING OFFICER. The Senate can dispose of only one at a time.

Mr. OLIVER. If the Chair will allow me, I rather think the Chair is in error in that, because it says proceedings shall be had as to excusing a Senator after the roll call. If there is more than one Senator, the separate excuses must be received after the roll call is completed.

Mr. MARTIN of Virginia. Mr. President, I rise to a point of order. The Senator from Pennsylvania is absolutely out of order, and he ought to be required to take his seat.

The PRESIDING OFFICER. The point of order is well taken. The question is, Shall the Senator from New Hampshire be excused?

Mr. GALLINGER. I ask for the yeas and nays on that question.

The yeas and nays were ordered.

Mr. BRYAN. Mr. President, a parliamentary inquiry. Has not the Chair announced the result after putting the question?

Mr. GALLINGER. It is most extraordinary if we can not demand the yeas and nays.

The PRESIDING OFFICER. The Constitution permits one-fifth of the Senators present to make the demand.

Mr. JAMES. Mr. President, I make the point of order that the Senator from New Hampshire himself rose and made a very urgent and sympathetic appeal to the Senate to excuse him from voting, and after this side voted that that might be done he turns and takes the other side of the fight and tries to force a yea-and-nay vote.

Mr. GALLINGER. The Senator is out of order.

Mr. JAMES. I am not as much out of order as is the Senator in his present filibuster.

Mr. GALLINGER. If the Senator wants a personal controversy, he is perfectly welcome. He is out of order.

Mr. JAMES. I do not fear a personal controversy. I will say that.

Mr. BRYAN. How is the Senate going to order another roll call when this one has not yet been determined? We were in the midst of a roll call and nothing is in order except for the Senator from New Hampshire to state his reasons for not voting and for the Senate without debate to excuse him or not excuse him after the call of the roll is completed. How can the Senate break in in the midst of a yea-and-nay vote and order another roll call?

Mr. GALLINGER. Certainly. That is what the rule says.

Mr. BRYAN. We can not have two roll calls going on at the same time.

Mr. GALLINGER. The yeas and nays have been ordered.

Mr. ROOT. Mr. President——

Mr. BRYAN. Nothing is in order but to announce the result of the previous vote.

The PRESIDING OFFICER. The Seantor from Florida has the floor.

Mr. BRYAN. The Chair should state the result of the vote on the roll call now pending.

Mr. ROOT. Will the Senator from Florida allow me to make a suggestion? I think the proposition of the Senator from Florida would be perfectly sound if it were the fact that we were in the midst of the roll call, but I understand the fact to be that the roll call——

Mr. REED. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Missouri will state it.

Mr. REED. The question is not debatable.

The PRESIDING OFFICER. The Chair is hearing the Senator from New York on the point of order raised by the Senator from Florida as to whether the announcement of the vote must be made before the various votes can be taken on excusing Senators. The Chair would like to hear the Senator from Florida and the Senator from New York on that point of order.

Mr. ROOT. I am speaking in all sincerity with reference to the suggestion of the Senator from Florida. As I was saying, I think the suggestion would be perfectly sound were there not misapprehension in the mind of the Senator from Florida regarding the facts. As I understand it, the roll call had been completed but not announced, and that is the precise situation postulated by the rule. The second paragraph of Rule XII, after saying the President shall submit the question to the Senate, "Shall the Senator, for the reasons assigned by him,

be excused from voting?"—I follow the words—"which shall be decided without debate; and these proceedngs shall be had after the roll call and before the result is announced."

I may be wrong, but I supposed that was the precise situation we have here. It seems to me the ruling of the Chair is clearly right.

Mr. SMOOT. It is perfectly right.

Mr. GALLINGER. I venture to submit to the Chair, if the Chair will allow me——

Mr. BRYAN. I make the point of order——

The PRESIDING OFFICER. The Senator from Florida had been recognized and still has the floor.

Mr. BRYAN. The point of order is that we can not have two roll calls going on at the same time.

Mr. JAMES. I make the point of order that the Senator from New Hampshire made this personal explanation to the Senate for filibustering purposes, for the purpose of delay, and not in good faith, as shown by his own action. He asked the Senate to excuse him, and after the Democratic side had voted to excuse him, and the ayes predominated, then he had sufficient of his own colleagues here to call for the yeas and nays and deny to himself the right to do what he had requested the Senate to allow him to do.

Mr. GALLINGER. I call the Senator to order under the rule.

Mr. JAMES. Therefore the point of order I make is that it is within the discretion of the Chair to decide when a Senator rises for the purpose of making an explanation of his reasons for refusing to vote. If the Chair believes that it is in good faith, it is the duty of the Chair to hear the Senator, but if the Chair believes it is in bad faith and that it is for the purpose of delay and filibuster, the Chair at least must know whenever this is done it is the duty of the Chair to refuse to recognize the Senator for the purpose of trifling with the Senate in such a fashion.

Mr. BRANDEGEE. Mr. President, I rise to a point of order——

Mr. GALLINGER. The Senator is bringing the rules of the House over here.

Mr. JAMES. I am bringing the rules of the Senate here.

The PRESIDING OFFICER. The Chair is ready to rule on this question.

Mr. BRANDEGEE. I rise to a question of privilege, and it is this——

The PRESIDING OFFICER. The Senator will state the question of privilege.

Mr. BRANDEGEE. It is that under the rule of the Senate no Senator has a right to impugn the motives of a fellow Senator, and the Senator from Kentucky [Mr. JAMES] has just violated that rule and ascribed improper and unworthy motives to the Senator from New Hampshire. He has done it claiming to state a question of order when he himself was out of order under the rules of the Senate.

The PRESIDING OFFICER. The question before the Senate——

Mr. SMOOT. I simply want to refer to paragraph 2 of Rule XII in answer to what the Senator from Florida [Mr. BRYAN] said. There are not two roll calls at the same time. One roll call had been completed according to the rules of the Senate, and the Chair, very clearly within his rights, ruled correctly when he stated that the first roll call had been completed and that the next roll call that had been asked for had been granted by one-fifth of the Senators present.

The PRESIDING OFFICER. The Chair will read for the information of the Senate the rule under which we are now operating:

> When a Senator declines to vote on call of his name, he shall be required to assign his reasons therefor, and, having assigned them, the presiding officer shall submit the question to the Senate, "Shall the Senator, for the reasons assigned by him, be excused from voting?" which shall be decided without debate; and these proceedings shall be had after the roll call and before the result is announced; and any further proceedings in reference thereto shall be after such announcement.

Clearly, under the rule the excuse must be heard and the decision reached before the announcement, and the Chair ruled that the present proceeding under that rule is in order. The only time it could be done would be before the final announcement, because the Senator might not be excused and his vote might affect the result. The rule provides that it must be done after the roll call is completed, but before the announcement is made by the Chair. The question is on excusing the Senator from New Hampshire.

Mr. GALLINGER. On which the yeas and nays have been ordered.

Mr. BRANDEGEE. Regular order!

Mr. SMITH of Arizona. I wish to make a parliamentary inquiry of the Chair. Under that decision a vote having been taken by yeas and nays another roll call could be taken before the result of the previous vote was announced.

The PRESIDING OFFICER. The rule provides for this case. The yeas and nays can be ordered by one-fifth of the Senators present, and, having been ordered, the question will be taken by yeas and nays.

Mr. FLETCHER. Mr. President, I raise a point of order. When a motion is made and put to the Senate and the vote has been taken on it and the vote is all one way, practically, and the Chair announces the motion carried, and then further a roll call is demanded on the yeas and nays, when there is no occasion to demand the yeas and nays, if there is no difference in the vote that has been cast, and in this case I do not think there was a negative vote——

The PRESIDING OFFICER. The Chair will state to the Senator from Florida that the Constitution provides that upon all questions, when one-fifth of the Senators present demand it, the vote shall be taken by yeas and nays.

Mr. FLETCHER. Even though there is no vote to the contrary?

The PRESIDING OFFICER. If one-fifth of the Senators demand the call, the Constitution provides that the roll shall be called, and that supercedes all other rules.

Mr. FLETCHER. In that event on every question Senators can demand roll calls whether there is a vote to the contrary or not.

The PRESIDING OFFICER. The Constitution provides that when it is desired by the requisite number that their record shall be made; they are entitled to it. The Secretary will call the roll on the question "Shall the Senator from New Hampshire be excused from voting?"

The Secretary proceeded to call the roll.

Mr. BRANDEGEE (when his name was called). On this question I decline to vote.

Mr. CHILTON (when his name was called). Making the same announcement as before of my pair and its transfer, in deference to the Senator from New Hampshire I vote "nay."

Mr. GALLINGER (when his name was called). Having a personal interest in this matter, I decline to vote.

Mr. JAMES (when his name was called). With the same transfer as on the former roll call, I vote "nay."

Mr. MYERS (when his name was called). Believing that my vote will be necessary to make a quorum, I will vote. I vote "nay."

Mr. SIMMONS (when his name was called). I transfer my pair with the junior Senator from Minnesota [Mr. CLAPP] to the Senator from Indiana [Mr. SHIVELY] and vote "nay."

Mr. SMITH of Maryland (when his name was called). Making the same transfer which I previously announced, I vote "nay."

Mr. STONE (when his name was called). I have a pair with the Senator from Wyoming [Mr. CLARK], and therefore I withhold my vote.

Mr. THOMAS (when his name was called). Has the senior Senator from New York [Mr. ROOT] voted?

The PRESIDING OFFICER. He has not.

Mr. THOMAS. Then, for the present I withhold my vote, as I have a pair with that Senator.

The roll call was concluded.

Mr. JOHNSON. Making the same transfer as before, I vote "nay."

Mr. THOMAS. The senior Senator from New York [Mr. ROOT] having entered the Chamber, I will vote. I vote "nay."

The result was announced—yeas 9, nays 37, as follows:

YEAS—9.

Bristow	Oliver	Root	Warren
Catron	Page	Smoot	Works
McCumber			

NAYS—37.

Ashurst	Lane	Pomerene	Swanson
Bryan	Lee, Md.	Ransdell	Thomas
Chamberlain	Lippitt	Reed	Thompson
Chilton	Martin, Va.	Robinson	Thornton
Fletcher	Martine, N. J.	Shafroth	Walsh
Gore	Myers	Sheppard	White
Hollis	O'Gorman	Simmons	Williams
James	Overman	Smith, Ariz.	
Johnson	Owen	Smith, Ga.	
Kern	Pittman	Smith, Md.	

NOT VOTING—50.

Bankhead	Camden	Culberson	Goff
Borah	Clapp	Cummins	Gronna
Brady	Clark, Wyo.	Dillingham	Hardwick
Brandegee	Clarke, Ark.	du Pont	Hitchcock
Burleigh	Colt	Fall	Hughes
Burton	Crawford	Gallinger	Jones

Kenyon	Newlands	Shields	Sutherland
La Follette	Norris	Shively	Tillman
Lea, Tenn.	Penrose	Smith, Mich.	Townsend
Lewis	Perkins	Smith, S. C.	Vardaman
Lodge	Poindexter	Stephenson	Weeks
McLean	Saulsbury	Sterling	
Nelson	Sherman	Stone	

The PRESIDING OFFICER. Upon this question the yeas are 9, and the nays are 37. The Senate refuses to excuse the Senator from Rhode Island [Mr. LIPPITT] from voting.

Mr. GALLINGER. Not a quorum.

The PRESIDING OFFICER. The Senators present and not voting, are the Senator from Connecticut [Mr. BRANDEGEE], the Senator from New Hampshire [Mr. GALLINGER], the Senator from Missouri [Mr. STONE], and the Senator from Michigan [Mr. TOWNSEND], making a quorum.

Mr. GALLINGER. Mr. President, not having been excused from voting, I desire to know what was the question before the Senate?

The PRESIDING OFFICER. The question was, Shall the Senator from Rhode Island be excused from voting?

Mr. GALLINGER. Oh, no.

Mr. LIPPITT. That was not the question, Mr. President. The question was whether I should be allowed to give an explanation of why I did not want to vote.

Mr. SMITH of Georgia. The question is upon the motion of the Senator from Florida to allow the Senator from Rhode Island to proceed in order; he having been called to order, that he now be allowed to proceed in order.

The PRESIDING OFFICER. The Senate will be in order. The Chair will ascertain definitely what the question is.

Mr. GALLINGER. I desire to vote, but I want to know what the question is.

Mr. BRANDEGEE. I rise to a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Chair will recognize the Senator from Connecticut as soon as the Senator——

Mr. BRANDEGEE. My parliamentary inquiry is whether the last question before the Senate was not whether the Senator from New Hampshire [Mr. GALLINGER] should be excused from voting?

The PRESIDING OFFICER. The question which the Senator from New Hampshire [Mr. GALLINGER] asks to be excused from voting upon is as to permitting the Senator from Rhode Island [Mr. LIPPITT] to proceed in order, so the Secretary informs the Presiding Officer.

Mr. GALLINGER. On that I vote "yea."

Mr. ROOT. Mr. President, if on that question the Senator from Connecticut declined to vote, he should be required to state his reasons.

The PRESIDING OFFICER. Does the Senator from New York insist that the Senator from Connecticut shall be required to state his reasons for not voting?

Mr. ROOT. Mr. President, the Senator from Connecticut should be required to state his reasons for not voting before the announcement of the vote on the roll call.

The PRESIDING OFFICER. The Senator has not submitted any request.

Mr. BRANDEGEE. I did not submit any request. If the Chair does not see that the rule is mandatory and that it is for the Chair to enforce the rule, I have no suggestion to make about it.

The PRESIDING OFFICER. The Chair is of the opinion that this rule does not require the Presiding Officer to execute it. It simply says "the Senator shall be required." The Chair thinks that it is the Senate that is interested in the matter. The Chair will announce the result of the vote.

Mr. ROOT. Mr. President, I rise to a question of order, that under the second paragraph of Rule XII—

When a Senator declines to vote on call of his name—

As the Senator from Connecticut [Mr. BRANDEGEE] has declined to vote on the call of his name—

he shall be required to assign his reasons therefor, and having assigned them, the Presiding Officer shall submit the question to the Senate: "Shall the Senator, for the reasons assigned by him, be excused from voting?" which shall be decided without debate; and these proceedings shall be had after the roll call and before the result is announced.

I demand that the Senator from Connecticut assign his reasons for declining to vote. The rule apparently requires that the Senator shall be required to assign his reason for not voting.

Mr. GORE. Mr. President, I make the point of order that the result of the roll call has already been announced.

Mr. GALLINGER. No——

Mr. GORE. And the demand of the Senator from New York is out of order.

The PRESIDING OFFICER. The Senator from New York has requested the Senator from Connecticut to assign his reasons. The Senate has taken no action requiring the execution of the rule——

Mr. ROOT. I beg pardon of the Chair.

The PRESIDING OFFICER. Consequently the Chair does not feel called upon to enforce the rule.

Mr. ROOT. I beg pardon of the Chair. I did not request, but I demanded that the Senator from Connecticut be required to state his reasons for not voting.

Mr. GALLINGER. Let the rule be enforced.

Mr. ROOT. I demand that the second paragraph of Rule XII be enforced, and I should be glad of a ruling of the Chair upon that demand.

The PRESIDING OFFICER. The Chair has ruled that that is a rule of the Senate; and if the Senate desires to compel the Senator from Connecticut to give his reasons, it is the duty of the Senate to do so. Now, the Chair——

Mr. ROOT. Mr. President, my understanding is, then, that the Chair declines to enforce the rule to which I have referred?

The PRESIDING OFFICER. The Chair declines, because when the Senate knows that the Senator from Connecticut has not voted and the Senate does not require him to give his reasons, there is nothing in the language of the rule which requires the Chair to do so.

Mr. ROOT. From that decision I appeal; and on the appeal I ask for the yeas and nays.

Mr. JAMES. An appeal is not in order on a question like this.

Mr. GALLINGER and others. Oh!

The PRESIDING OFFICER. The question which has been decided was as to excusing the Senator from Rhode Island. Upon that question the yeas were 15 and the nays were 28, making 43.

Mr. ROOT. Mr. President——

SEVERAL SENATORS. Regular order!

Mr. ROOT. I have appealed from the ruling of the Chair upon the enforcement of the rule, which requires that it be enforced before the announcement of the vote.

Mr. LIPPITT. Mr. President, I resent the fact of the Chair sitting there, with a Senator on his feet time after time, saying "Mr. President," and the Chair deliberately going on without recognizing him.

The PRESIDING OFFICER. The roll call can not be interrupted except by something that arises in connection with the roll call. The Chair has decided that the matter is not subject to a point of order. So the Senate declined to permit the Senator from Rhode Island to proceed in order. The question now is, Shall the Senator from Rhode Island be excused from voting?

Mr. LIPPITT. Mr. President, I rise to a point of order. Will the Presiding Officer state the question as required under Rule XII?

The PRESIDING OFFICER. The question is, Shall the Senator, for the reasons assigned by him, be excused from voting?

Mr. LIPPITT. A point of order, Mr. President. How can the Senate vote that I shall be excused or not excused for the reasons assigned, when I have just been refused an opportunity to give any reasons?

SEVERAL SENATORS. Regular order!

Mr. LIPPITT. I certainly have the right to assign my reasons.

SEVERAL SENATORS. Regular order!

The PRESIDING OFFICER. Without objection, the Senator will be excused from voting. The Chair hears none, and the Senator is excused.

Mr. OLIVER. I object.

Mr. GALLINGER. I ask for the yeas and nays on that.

Mr. JAMES. It is too late.

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

SEVERAL SENATORS. Regular order!

The PRESIDING OFFICER. The question recurs on the motion of the Senator from Kentucky [Mr. JAMES] to lay on the table the appeal of the Senator from New Hampshire [Mr. GALLINGER].

Mr. GALLINGER. On that the yeas and nays have been ordered.

The PRESIDING OFFICER. Upon that question the yeas were 37 and the nays were 2. The Senator from Kansas [Mr. BRISTOW], the Senator from Connecticut [Mr. BRANDEGEE], the Senator from New Hampshire [Mr. GALLINGER], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Pennsylvania [Mr. OLIVER], the Senator from Minnesota [Mr. CLAPP], the Senator from Iowa [Mr. CUMMINS], the Senator from New York [Mr. ROOT], the Senator from New Mexico [Mr. CATRON], the Senator from Rhode Island [Mr. LIPPITT], the

Senator from Iowa [Mr. KENYON], the Senator from Michigan [Mr. TOWNSEND], and the Senator from Wyoming [Mr. WARREN], so the Secretary states to the Chair, were present when the roll was called.

Mr. GALLINGER. Do they vote "yea" or "nay"?

The PRESIDING OFFICER. On that question they were present, but not voting.

Mr. KENYON. I rise to a point of order. I was not present, Mr. President, although I desired to be on the roll call. The Senator from Wisconsin [Mr. LA FOLLETTE] and I were at luncheon at the time.

The PRESIDING OFFICER. The Chair can not recall definitely, as there have been several roll calls.

Mr. KENYON. I dislike to have the Chair say I was present when I was not present.

The PRESIDING OFFICER. If the Senator says he was not present, the Senator's name will be excluded; but that still leaves a quorum, and the motion of the Senator from Kentucky is adopted.

The result of the roll call last announced was as follows:

YEAS—37.

Bryan	Martin, Va.	Robinson	Swanson
Chilton	Martine, N. J.	Saulsbury	Thomas
Fletcher	Myers	Shafroth	Thompson
Gore	O'Gorman	Sheppard	Thornton
Hollis	Overman	Shively	Walsh
James	Owen	Simmons	White
Johnson	Pittman	Smith, Ariz.	Williams
Kern	Pomerene	Smith, Ga.	
La Follette	Ransdell	Smith, Md.	
Lee, Md.	Reed	Stone	

NAYS—2.

Smoot	Works

NOT VOTING—57.

Ashurst	Crawford	Lea, Tenn.	Sherman
Bankhead	Culberson	Lewis	Shields
Borah	Cummins	Lippitt	Smith, Mich.
Brady	Dillingham	Lodge	Smith, S. C.
Brandegee	du Pont	McCumber	Stephenson
Bristow	Fall	McLean	Sterling
Burleigh	Gallinger	Nelson	Sutherland
Burton	Goff	Newlands	Tillman
Camden	Gronna	Norris	Townsend
Catron	Hardwick	Oliver	Vardaman
Chamberlain	Hitchcock	Page	Warren
Clapp	Hughes	Penrose	Weeks
Clark, Wyo.	Jones	Perkins	
Clarke, Ark.	Kenyon	Poindexter	
Colt	Lane	Root	

The PRESIDING OFFICER. The question now is——

Mr. FLETCHER. I desire to ask, Is there a question now before the Senate?

Mr. WILLIAMS. Read the bill.

Mr. SMOOT. Mr. President, the question now recurs upon the motion of the Senator from Missouri.

The PRESIDING OFFICER. The question recurs on the motion of the Senator from Missouri [Mr. STONE] to lay on the table the motion of the Senator from Michigan [Mr. TOWNSEND].

Mr. OLIVER and Mr. GALLINGER. Let us have the yeas and nays.

Mr. SMOOT. I want to be heard upon that point.

Mr. REED. A motion to lay on the table is not debatable.

Mr. GORE. Regular order!

Mr. SMOOT. I ask the Presiding Officer to allow me to proceed.

The PRESIDING OFFICER. The Chair will hear the Senator for five minutes.

Mr. MARTIN of Virginia. I object.

Mr. REED. I make the point of order that the Chair can not permit debate on the question.

The PRESIDING OFFICER. The Senator from Utah, as the Chair understands, wants to raise the point of order that the motion to lay on the table is not permissible on a motion for consideration.

Mr. SMOOT. That is what I want to speak to, and I think it is of vital interest to this body.

Mr. WILLIAMS. Especially at this time of the night.

Mr. SMOOT. On February 15, 1875——

Mr. REED. That is debate on the main question, and I make the point of order that debate is out of order on the motion to lay on the table.

The PRESIDING OFFICER. If the Senator will permit the Chair to make an observation, the question before the Senate is as to whether a motion to lay on the table the motion made by the Senator from Michigan [Mr. TOWNSEND] for the consideration of the bill named by him is in order.

Mr. SMOOT. That is it.

The PRESIDING OFFICER. The Senator from Utah insists that a motion to lay on the table a motion to take up a bill for consideration after 2 o'clock is not in order.

Mr. SMOOT. That is the question exactly.

The PRESIDING OFFICER. The Chair will hear the Senator for five minutes.

Mr. SMOOT. Now I ask the Chair to turn to page 386 of Precedents, Decisions on Points of Order, in the United States Senate [Gilfry's Precedents]. At the bottom of that page there is, under the heading "Motion to proceed to the consideration of a bill can not be laid on the table," the following:

FEBRUARY 15, 1875.

[43d Cong., 2d sess.; J., pp. 270, 271.]

Decided by the Senate, on a question of order, that it was not in order to lay on the table a motion to proceed to the consideration of a subject. Question: "Is the motion in order?" Yeas 25, nays 29. (See CONGRESSIONAL RECORD, p. 1277.)

Mr. President, I have the RECORD here. The Senate has not given me time to go into it, but I want to say to the Senate that there is not a question that it has been decided time and time again that such a motion can not be laid upon the table.

Mr. SMITH of Arizona. Are there not precedents to the contrary?

Mr. SMOOT. Not that I can find; but I have a great number of precedents, Mr. President, to show that such motions can not be laid on the table. I read from the CONGRESSIONAL RECORD, page 1275, volume 3, part 2, Forty-third Congress, second session, of February 15, 1875:

The PRESIDENT pro tempore. The question is, Is the motion of the Senator from Missouri to lay on the table the motion of the Senator from Indiana in order?

The question, being put, was declared to be decided in the negative.

That was to take up a resolution.

Mr. SHERMAN. What is the question? I did not hear.

The PRESIDENT pro tempore. Whether the motion to lay on the table, the motion of the Senator from Indiana, was in order. The Chair will put the question again.

Mr. SHERMAN. I am quite sure the Chair was right in the first place. Let me put a case to the Senate. Suppose a Senator should move to take up some proposition that would lead to debate. A limited amount of debate is always authorized on a motion to take up a bill or proposition.

Mr. EDMUNDS. Not on its merits.

Mr. SHERMAN. Well, on its demerits, or some other way. It is open to some debate. Suppose a majority——

Mr. EDMUNDS. The rule expressly prohibits debate upon the merits of the subject proposed to be considered—the same eleventh rule.

Now, Mr. President, I want the Chair to turn to page 219 of Gilfry's Precedents. This is the only question involving a decision as announced by me, and this is upon the merits of the question—not as to the proposition of taking it up or considering it or discussing it:

[Thirty-sixth Congress, first session (J., pp. 224, 225), Mar. 6, 1860.]

A motion was made by Mr. Gwin that the Senate proceed to the consideration of the bill (H. R. 5) making appropriations for the support of the Military Academy for the year ending the 30th of June, 1861; and a debate having arisen, and while Mr. Fessenden was addressing the Chair, Mr. Johnson, of Arkansas, raised a question of order: That, on a motion to take up the bill, discussion on the merits of the bill was not in order; and the President (Mr. Bigler in the chair) decided that the discussion was not in order.

The same thing happened on May 22, 1862. A motion was made by Mr. Wade that the Senate proceed to the consideration of the bill (S. 298) donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts, and the same decision was reached. I want to say to the Senate that we ought to——

Mr. SMITH of Georgia. Mr. President, I desire to ask the Senator if at any time in the procedure of the Senate a Senator has been stopped from speaking upon such a motion upon the ground that he was delivering a speech which was out of order?

Mr. SMOOT. I have never heard of it. I can not find it in the precedents.

Mr. SMITH of Georgia. Is it not the practice of the Senate, whenever a subject is debatable, for a Senator to speak on anything on earth that he desires, and is he at any time called to order and stopped by the Chair?

Mr. SMOOT. No, Mr. President. The question involved here is not such a question. The Senator from Michigan [Mr. TOWNSEND] was speaking upon the bill that he had moved to take up. When a Senator moves to take up a bill a motion to lay that motion upon the table is not in order, and it is so held by every decision I can find.

Mr. BRANDEGEE. Mr. President, will the Senator allow me to ask him a question?

The PRESIDING OFFICER. The Chair is ready to rule.

Mr. SMOOT. In five minutes' time I can not go into all these decisions; but I want to say to the Chair now that wherever a motion is made to proceed to the consideration of a bill on the calendar after 2 o'clock it is debatable, and it was so held by the present President of the Senate not two weeks ago.

The PRESIDING OFFICER. If the Senator will permit the Chair, the Chair stated distinctly to the Senator from

Michigan at the time that the motion was debatable as soon as it was presented to the Senate, but a motion to lay on the table was made against the consideration of the bill, and under Rule XXII when any matter is pending before the Senate a motion to adjourn, and so forth, or to lay on the table is in order. The Chair rules that after 2 o'clock the discussion of a motion for consideration of a matter is always in order. Before 2 o'clock it is not, but the discussion has been stopped by the motion of the Senator from Missouri to lay the motion for the consideration of the bill on the table. The motion to lay on the table is not debatable.

Mr. SMOOT. Right there, Mr. President, I wish to call the Presiding Officer's attention to Rule XXII, which says:

When a question is pending no motion shall be received but—
To adjourn.
To adjourn to a day certain or that when the Senate adjourn it shall be to a day certain.

And these are in order:

To take a recess.
To proceed to the consideration of executive business.
To lay on the table.
To postpone indefinitely.
To postpone to a day certain.
To commit.
To amend.

Now, I will read the balance of it:

Which several motions shall have precedence as they stand arranged; and the motions relating to adjournment—

One.

to take a recess—

Two.

to proceed to the consideration of executive business—

Three.

to lay on the table—

Four.

shall be decided without debate.

But the balance of them are not to be decided without debate; and I say to the Chair now that every decision of this body has been that they are debatable.

The PRESIDING OFFICER. The Chair has ruled that the motion made by the Senator from Michigan is subject to debate; but the Senator from Utah does not recognize the fact that the motion now before the Senate is a motion to lay that motion on the table.

Mr. SMOOT. Which is out of order, Mr. President, by every precedent.

The PRESIDING OFFICER. The Chair has ruled that under Rule XXII when any matter is pending, a motion to lay on the table is in order. So many as are in favor of laying——

Mr. OLIVER. I demand the yeas and nays, Mr. President.

The PRESIDING OFFICER. The yeas and nays are demanded. Is there a second? Evidently a sufficient number.

Mr. BRANDEGEE. I appeal from the ruling of the Chair, Mr. President.

The PRESIDING OFFICER. Evidently a sufficient number. The Secretary will call the roll.

Mr. JAMES. What is the question?

The Secretary called the name of Mr. ASHURST, and he voted in the affirmative.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry. What is the question to be voted on?

The PRESIDING OFFICER. The question is the motion of the Senator from Missouri to lay on the table the motion of the Senator from Michigan to take up Senate bill 392. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BRANDEGEE. Mr. President, I rise to a question of order.

Mr. WILLIAMS. I make the point of order that the Chair has ordered the Secretary to call the roll, and the Secretary has begun to call the roll.

The PRESIDING OFFICER. The Secretary will proceed with the roll call.

Mr. BRANDEGEE. I rise to a point of order. The Senator from Connecticut was on his feet——

The PRESIDING OFFICER. The Secretary will proceed with the calling of the roll.

The Secretary resumed the calling of the roll.

Mr. BRANDEGEE (continuing). Demanding recognition, before the Chair ordered the Secretary to call the roll; and this is equivalent to denying to a Senator his rights under the rules of the Senate.

Mr. JAMES and other Senators. Regular order!

The PRESIDING OFFICER. The roll call has been ordered. The Secretary will proceed with the calling of the roll.

The Secretary resumed the calling of the roll.

Mr. BRANDEGEE (when his name was called). I decline to vote.

Mr. OLIVER. Mr. President, a question of order.

The PRESIDING OFFICER. The question of order will be heard when the roll call is completed.

Mr. OLIVER. The question of order is that——

Mr. JAMES. Regular order!

Mr. OLIVER (continuing). When a Senator declines to vote, he shall be required to state his reasons; and I demand that the Senator shall be required——

The PRESIDING OFFICER. The Senator is out of order. It is not the time now. The Secretary will proceed with the roll call.

The Secretary resumed the calling of the roll.

Mr. CHILTON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. GALLINGER (when his name was called). I decline to vote on this motion.

Mr. JAMES (when his name was called). Making the same transfer as upon the former roll call, I vote "yea."

Mr. JOHNSON (when his name was called). Making the same transfer as before, I vote "yea."

Mr. MYERS (when his name was called). I transfer my pair with the junior Senator from Connecticut [Mr. McLEAN] to the junior Senator from Mississippi [Mr. VARDAMAN] and will vote. I vote "yea."

Mr. ROOT (when his name was called). Mr. President, I decline to vote; and at the time in the course of the proceedings specified by Rule XII, I will assign my reasons.

Mr. SIMMONS (when his name was called). Making the same transfer as heretofore, I vote "yea."

Mr. SMITH of Maryland (when his name was called). Making the same transfer as before, I vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT]. Under the terms of that pair I am at liberty to vote when necessary to make a quorum. That condition appears to exist. I vote "yea."

Mr. WILLIAMS (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. HOLLIS. Making the same announcement as heretofore, I vote "yea."

Mr. TOWNSEND (after having voted in the negative). Has the junior Senator from Florida [Mr. BRYAN] voted?

The PRESIDING OFFICER. He has not voted.

Mr. TOWNSEND. I have a pair with that Senator, and I therefore withdraw my vote.

Mr. BRYAN entered the Chamber and voted "yea."

The Secretary recapitulated the vote, as follows:

YEAS—36.

Ashurst	Kern	Pomerene	Smith, Md.
Bryan	La Follette	Ransdell	Swanson
Chamberlain	Lane	Reed	Thomas
Chilton	Lee, Md.	Robinson	Thompson
Fletcher	Martin, Va.	Shafroth	Thornton
Gore	Martine, N. J.	Sheppard	Vardaman
Hollis	Myers	Simmons	Walsh
James	Owen	Smith, Ariz.	White
Johnson	Pittman	Smith, Ga.	Williams

NAYS—3.

Page	Smoot	Works

Mr. ROOT. Mr. President, I have declined to vote——

Mr. KENYON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa rise for the purpose of voting?

Mr. KENYON. I rose for the purpose of inquiring if a quorum has voted. If not, I desire to vote. Otherwise, I desire to be excused, as I am unable to find out what we are voting on.

The PRESIDING OFFICER. It is impossible for the Chair to determine whether or not there is a quorum until the announcement is made. It is not customary for the Chair to announce whether or not a quorum has voted.

Mr. KENYON. I vote "yea," Mr. President.

Mr. ROOT. Mr. President, I decline to vote, for the reason that I consider that the Chair—I assume, I do not doubt, without intention—has deprived me of my right as a Member of this body by requiring me to vote on a question that is not before the Senate. I decline because the true question before the Senate is upon an appeal which was taken from the ruling of the Chair upon the point of order raised by the Senator from Utah; and I wish to repel the idea that it is in the power of any Presiding Officer to exclude the Senate of the United States from voting upon an appeal from a ruling.

Mr. MARTIN of Virginia and other Senators. Question!

The PRESIDING OFFICER. If there is no objection, the Senator——

Mr. ROOT. I ask that the Senate excuse me from voting.

The PRESIDING OFFICER. The Chair will state the question in the language of the rule. The question is, Shall the Senator from New York be excused from voting for the reason assigned by him?

Mr. ROOT, Mr. BRANDEGEE, and Mr. GALLINGER called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BRANDEGEE (when his name was called). Mr. President, I decline to vote.

Mr. CHILTON (when his name was called). Making the same announcement, I vote "nay."

Mr. GALLINGER (when his name was called). Mr. President, on this question I decline to vote for reasons which I will hereafter state.

Mr. JAMES (when his name was called). Making the same transfer as heretofore, I vote "nay."

Mr. JOHNSON (when his name was called). Making the same transfer as before, I vote "nay."

Mr. MYERS (when his name was called). Believing my vote will be necessary to make a quorum, I vote "nay."

Mr. SMITH of Maryland (when his name was called). I make the same transfer as before and vote "nay."

Mr. STONE (when his name was called). I transfer the pair I have with the Senator from Wyoming [Mr. CLARK] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. WALSH (when his name was called). I repeat the announcement made by me on a former vote, and I vote "nay."

Mr. WILLIAMS (when his name was called). With the same announcement, I vote "nay."

The roll call was concluded.

Mr. HOLLIS. Understanding that a quorum has not voted, I vote "nay."

The roll call resulted—yeas 6, nays 35, as follows:

YEAS—6.

Kenyon	Root	Thomas	Works
Page	Smoot		

NAYS—35.

Ashurst	Kern	Pittman	Smith, Md.
Bryan	La Follette	Pomerene	Stone
Chamberlain	Lane	Reed	Swanson
Chilton	Lee, Md.	Robinson	Thompson
Fletcher	Martin, Va.	Shafroth	Thornton
Gore	Martine, N. J.	Sheppard	Walsh
Hollis	Myers	Simmons	White
James	Overman	Smith, Ariz.	Williams
Johnson	Owen	Smith, Ga.	

NOT VOTING—55.

Bankhead	Culberson	Lippitt	Sherman
Borah	Cummins	Lodge	Shields
Brady	Dillingham	McCumber	Shively
Brandegee	du Pont	McLean	Smith, Mich.
Bristow	Fall	Nelson	Smith, S. C.
Burleigh	Gallinger	Newlands	Stephenson
Burton	Goff	Norris	Sterling
Camden	Gronna	O'Gorman	Sutherland
Catron	Hardwick	Oliver	Tillman
Clapp	Hitchcock	Penrose	Townsend
Clark, Wyo.	Hughes	Perkins	Vardaman
Clarke, Ark.	Jones	Poindexter	Warren
Colt	Lea, Tenn.	Ransdell	Weeks
Crawford	Lewis	Saulsbury	

The PRESIDING OFFICER. Upon the question of excusing the Senator from New York [Mr. ROOT] from voting the yeas are 6 and the nays are 35. Present and not voting: Senators BRANDEGEE, GALLINGER, MCCUMBER, and NELSON. So, the Senate refuses to excuse the Senator from New York.

Mr. GALLINGER. That is not a quorum.

The PRESIDING OFFICER. The Senator from New Hampshire makes the point that there is no quorum voting?

Mr. GALLINGER. Yes; I do.

The PRESIDING OFFICER. No quorum has voted.

Mr. GALLINGER. Let the roll be called.

The PRESIDING OFFICER. The roll will be called.

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

Ashurst	Lane	Pomerene	Smith, Md.
Bryan	Lee, Md.	Ransdell	Swanson
Chamberlain	Martin, Va.	Reed	Thomas
Fletcher	Martine, N. J.	Robinson	Thompson
Gore	Myers	Root	Thornton
James	Nelson	Shafroth	Vardaman
Johnson	Overman	Sheppard	White
Kenyon	Owen	Simmons	Williams
Kern	Page	Smith, Ariz.	Works
La Follette	Pittman	Smith, Ga.	

Mr. KERN. I desire to announce the absence of the following Senators because of indisposition:

The Senator from South Carolina [Mr. TILLMAN], the Senator from Arkansas [Mr. CLARKE], the Senator from Indiana [Mr. SHIVELY], and the Senator from Tennessee [Mr. SHIELDS].

The Senator from Illinois [Mr. LEWIS] is out of the city.

The Senator from New Jersey [Mr. HUGHES] and the Senator from South Carolina [Mr. SMITH] are unavoidably absent from the city.

This announcement may stand for the evening.

The PRESIDING OFFICER. Thirty-nine Senators have answered to their names. A quorum is not present.

Mr. GALLINGER. Let the absentees be called.

Mr. KERN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

Mr. SMOOT. The rule requires that the names of absentees shall be called before that motion is made.

Mr. KERN. I do not understand that the rule so requires.

The PRESIDING OFFICER. The Chair does not know of any rule that requires it. It has only recently been adopted as a custom. The question is on agreeing to the motion of the Senator from Indiana [Mr. KERN] that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms is directed to request the attendance of absent Senators.

Mr. CHILTON entered the Chamber and answered to his name.

Mr. SMITH of Georgia. I desire to state that the junior Senator from Georgia [Mr. HARDWICK] is detained at his home by sickness.

Mr. GALLINGER. I desire to state that the senior Senator from Pennsylvania [Mr. PENROSE] and the senior Senator from Maine [Mr. BURLEIGH] are likewise detained by sickness.

Mr. HOLLIS, Mr. WALSH, Mr. O'GORMAN, Mr. OLIVER, and Mr. CATRON entered the Chamber and answered to their names.

Mr. KERN. I move the adoption of the following order.

The PRESIDING OFFICER. The Secretary will read the order for the information of the Senate.

The Secretary read as follows:

Ordered, That the Sergeant at Arms be directed to compel the attendance of absent Senators; that warrants for the arrests of all Senators not sick nor excused be issued under the signature of the Presiding Officer and attested by the Secretary, and that such warrants be executed without delay.

Mr. SMOOT. Mr. President——

Mr. JAMES. That is not debatable.

The PRESIDING OFFICER. It is not debatable.

Mr. GALLINGER. Under what rule, Mr. President?

The PRESIDING OFFICER. Rule V provides that—

Whenever upon such roll call it shall be ascertained that a quorum is not present, a majority of the Senators present may direct the Sergeant at Arms to request and, when necessary, to compel the attendance of the absent Senators, which order shall be determined without debate; and pending its execution, and until a quorum shall be present, no debate nor motion, except to adjourn, shall be in order.

Mr. SMOOT. That is true, as far as the rule goes, but there are other requirements in the order which are not in the rule itself, and therefore it becomes debatable.

Mr. JAMES. Not at all.

The PRESIDING OFFICER. The Chair is prepared to rule.

Mr. SMOOT. I am perfectly aware that the Chair is prepared to rule, but if the Chair will permit me——

The PRESIDING OFFICER. The Chair will hear the Senator from Utah for a few minutes.

Mr. SMOOT. I know it would not be debatable if it complied with the rule. The provisions of paragraph 3 are not only included in the order, as this is offered, but there are further provisions in the order which are not mentioned in Rule V, paragraph 3. That being the case, it does seem to me that there is no rule which says it is not debatable, and it must be a debatable question.

The PRESIDING OFFICER. The Chair is prepared to rule. The Chair is satisfied that this body has authority to compel the attendance of absent Members, and all that is needed are warrants and the necessary process to enable the Sergeant at Arms to compel the attendance of absent Members. Consequently, the Chair decides that the order is in pursuance of the rule and is not subject to debate.

Mr. SMOOT. Mr. President, all I was going to say in that connection was that I fully agree with the Chair that the Senate can compel the attendance of a quorum.

Mr. JAMES. I ask for the regular order. The Chair has decided that.

The PRESIDING OFFICER. The regular order is on the decision of the question upon the order offered by the Senator from Indiana [Mr. KERN].

Mr. BRANDEGEE. Mr. President——

Mr. SMOOT. We certainly have not had a quorum, Mr. President, and none has yet been developed.

Mr. JAMES. Regular order!

The PRESIDING OFFICER. The rule does not require a quorum.

Mr. BRANDEGEE. I move that the Senate adjourn, Mr. President.

Mr. SMOOT. I am interested, Mr. President, in having at least a shred of the rules left. We are in the midst of calling the roll.

Mr. JAMES. I ask for the regular order.

The PRESIDING OFFICER. The regular order is the question on the motion of the Senator from Connecticut [Mr. BRANDEGEE] that the Senate do now adjourn. That motion takes precedence of all others.

Mr. BRANDEGEE. On that I demand the yeas and nays.

Mr. GALLINGER. Let us have the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JAMES (when his name was called). Making the same transfer as heretofore announced, I vote "nay."

Mr. JOHNSON (when his name was called). Making the same transfer as before, I vote "nay."

Mr. OVERMAN (when his name was called). I make the same announcement of my pair and its transfer as previously, and will let that stand for the night. I vote "nay."

Mr. SMITH of Maryland (when his name was called). Making the same announcement of my pair and its transfer as before, I vote "nay."

Mr. WALSH (when his name was called). I think it is apparent that my vote is necessary to make a quorum; and I vote, notwithstanding the absence of my pair. I vote "nay."

Mr. WILLIAMS (when his name was called). Making the same announcement as heretofore, I vote "nay."

The roll call was concluded.

Mr. MYERS. Believing that my vote will be necessary to make a quorum, I vote "nay."

Mr. CHILTON. Making the same announcement as on the former ballot, I vote "nay."

Mr. HOLLIS. I understand a quorum has not voted, and I vote "nay."

The result was announced—yeas 15, nays 37, as follows:

YEAS—15.

Brandegee	Kenyon	Page	Townsend
Bristow	McCumber	Root	Warren
Catron	Nelson	Smith, Mich.	Works
Gallinger	Oliver	Smoot	

NAYS—37.

Ashurst	La Follette	Pomerene	Thomas
Bryan	Lane	Ransdell	Thompson
Chamberlain	Lee, Md.	Reed	Thornton
Chilton	Martin, Va.	Robinson	Vardaman
Fletcher	Martine, N. J.	Sheppard	Walsh
Gore	Myers	Simmons	White
Hollis	O'Gorman	Smith, Ariz.	Williams
James	Overman	Smith, Ga.	
Johnson	Owen	Smith, Md.	
Kern	Pittman	Swanson	

NOT VOTING—44.

Bankhead	Culberson	Lea, Tenn.	Shafroth
Borah	Cummins	Lewis	Sherman
Brady	Dillingham	Lippitt	Shields
Burleigh	du Pont	Lodge	Shively
Burton	Fall	McLean	Smith, S. C.
Camden	Goff	Newlands	Stephenson
Clapp	Gronna	Norris	Sterling
Clark, Wyo.	Hardwick	Penrose	Stone
Clarke, Ark.	Hitchcock	Perkins	Sutherland
Colt	Hughes	Poindexter	Tillman
Crawford	Jones	Saulsbury	Weeks

The PRESIDING OFFICER (Mr. JAMES in the chair). The Senate refuses to adjourn. The question is on agreeing to the order of the Senator from Indiana [Mr. KERN] to compel the attendance of absent Senators. Those in favor of it will say "aye," those opposed "no." The "ayes" have it, and the order is agreed to. The Sergeant at Arms will execute the order. Let the writs be issued.

Mr. SMOOT. Mr. President, I may have been mistaken as to the announcement made by the Chair; but as I remember, the result was—yeas 15, nays 37.

The PRESIDING OFFICER. That is correct—yeas 15, nays 37.

Mr. SMOOT. Then, Mr. President, as there is a quorum present, the order instructing the Sergeant at Arms to bring a quorum to the Senate has been executed, and the Senate is ready to proceed to business. I never have yet seen any other procedure in this body.

Mr. OWEN. Mr. President, under Rule V—

> No Senator shall absent himself from the service of the Senate without leave.

Certain Senators are absent without leave, and they ought to be required and compelled to be here and to stay here.

Mr. SMOOT. I hope the order, then, Mr. President, will apply to the Senator from Oklahoma in the future. I certainly know if it had been applied to him in the past he would have been arrested a good many times. But that is not the question, Mr. President.

Mr. OWEN. When I am really needed I am always glad to appear.

Mr. SMOOT. That is not the question, Mr. President. There is a quorum of the Senate present; and there being a quorum present, the Senate ought to proceed.

The PRESIDING OFFICER. The Chair overrules the point of order made by the Senator from Utah, because the Senate, after the presence of a quorum had been disclosed, agreed to the order of the Senator from Indiana to compel the attendance of absent Senators.

Mr. SMOOT. What was the statement of the Chair?

The PRESIDING OFFICER. The Chair overrules the point of order made by the Senator from Utah, for the reason that, after the roll call upon the motion to adjourn, the presence of a quorum being disclosed, the Senate thereupon agreed to the order presented by the Senator from Indiana to compel the attendance of absent Senators.

Mr. SMOOT. Mr. President, I want to say there were only 45 Senators who had answered to that roll call; the result was never announced.

The PRESIDING OFFICER. The Senator from Utah will pardon the Chair a moment. The roll call upon the motion made to adjourn resulted—nays 37, yeas 15. Thereafter the Chair said:

> The Senate refuses to adjourn. The question is on the order of the Senator from Indiana [Mr. KERN] to compel the attendance of absent Senators. Those in favor of it will say "aye"; those opposed "no"; the ayes have it, and the order is agreed to.

That is all shown by the record. The Senator from Utah has overlooked the proceedings in the Senate following the time the disclosure of a quorum was made by the record vote.

Mr. SMITH of Arizona. The presence of a quorum being disclosed does not exhaust the order anyhow.

Mr. BRANDEGEE. I demand the regular order.

The PRESIDING OFFICER. The Secretary will read the bill.

Mr. FLETCHER. Mr. President, the regular order is to compel the attendance of absent Senators, is it not?

The PRESIDING OFFICER. The Chair will state to the Senator from Florida that——

Mr. FLETCHER. Mr. President, if I am in order, I move that the amendment offered by the Senator from Massachusetts [Mr. LODGE] be laid on the table.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The question is on the motion of the Senator from Florida that the amendment of the Senator from Massachusetts be laid on the table.

Mr. ROOT. Mr. President——

The PRESIDING OFFICER. Those in favor will say "aye"——

Mr. BRANDEGEE. I demand the yeas and nays.

The PRESIDING OFFICER. Those opposed, "no."

Mr. BRANDEGEE. I demand the yeas and nays.

The PRESIDING OFFICER. The Senator from Connecticut demands the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JAMES (when his name was called). Making the same transfer as heretofore, I vote "yea."

Mr. JOHNSON (when his name was called). Making the same transfer as before, I vote "yea."

Mr. MYERS (when his name was called). Believing my vote is necessary to make a quorum, I vote "yea."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the senior Senator from Indiana [Mr. SHIVELY], and vote "yea."

Mr. SMITH of Maryland (when his name was called). Making the same transfer as before, I vote "yea."

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. That Senator is absent, but, believing my vote to be necessary to make a quorum, I vote "yea."

Mr. WILLIAMS. Repeating the announcement of my pair and its transfer as on a former roll call, I vote "yea."

The roll call was concluded.

Mr. SIMMONS (after having voted in the affirmative). I wish to make the same announcement of the transfer of my pair as heretofore, and will let my vote stand.

Mr. HOLLIS. In order to make a quorum, I will vote. I vote "yea."

Mr. STONE. I transfer the pair I have with the Senator from Wyoming [Mr. CLARK] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. CHILTON. Making the same announcement of my pair and its transfer as on former ballots, I vote "yea."

The result was announced—yeas 38, nays 16, as follows:

YEAS—38.

Ashurst	Lane	Ransdell	Stone
Bryan	Lee, Md.	Reed	Swanson
Chamberlain	Martin, Va.	Robinson	Thomas
Chilton	Martine, N. J.	Saulsbury	Thompson
Fletcher	Myers	Shafroth	Thornton
Gore	O'Gorman	Sheppard	Walsh
Hollis	Overman	Simmons	White
James	Owen	Smith, Ariz.	Williams
Johnson	Pittman	Smith, Ga.	
Kern	Pomerene	Smith, Md.	

NAYS—16.

Brandegee	Cummins	McCumber	Smoot
Bristow	Gallinger	Oliver	Townsend
Catron	Kenyon	Page	Warren
Clapp	La Follette	Root	Works

NOT VOTING—42.

Bankhead	Dillingham	Lippitt	Shively
Borah	du Pont	Lodge	Smith, Mich.
Brady	Fall	McLean	Smith, S. C.
Burleigh	Goff	Nelson	Stephenson
Burton	Gronna	Newlands	Sterling
Camden	Hardwick	Norris	Sutherland
Clark, Wyo.	Hitchcock	Penrose	Tillman
Clarke, Ark.	Hughes	Perkins	Vardaman
Colt	Jones	Poindexter	Weeks
Crawford	Lea, Tenn.	Sherman	
Culberson	Lewis	Shields	

So Mr. LODGE's amendment was laid on the table.

Mr. FLETCHER and Mr. TOWNSEND addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. FLETCHER. I offer and move the adoption of the substitute which I presented the other day, and ask to have it read.

The PRESIDING OFFICER. The Secretary will read the amendment in the nature of a substitute proposed by the Senator from Florida.

The SECRETARY. It is proposed to strike out all after the enacting clause and insert:

That the United States, acting through the shipping board hereinafter created, may subscribe to the capital stock of a corporation of the District of Columbia. Said corporation shall have for its object the purchase, construction, equipment, maintenance, and operation of merchant vessels to meet the requirements of the foreign commerce of the United States, or to charter vessels for such purposes, and to make charters or leases of any vessel or vessels owned by such corporation to any other corporation, organized under the laws of a State, a majority of the stock being owned by citizens of the United States, firm or individual, citizen or citizens of the United States, to be used for such purposes and shall have power to carry out said objects and purposes: *Provided*, That the terms and conditions of such charter parties shall first be approved by the shipping board, the initial capital stock of which corporation shall not be over $10,000,000, of the par value of $100 per share.

The members of said shipping board, as incorporators, may for the purpose of carrying out the provisions of this act, form a corporation of the District of Columbia, by making and filing a certificate of incorporation, as provided in subchapter 4 of chapter 18 of an act entitled "An act to establish a code of laws for the District of Columbia," approved March 3, 1901.

The corporation so formed, its officers and trustees and stockholders shall possess all the powers conferred and perform all the duties imposed by said subchapter 4, except as the same are by this act limited or qualified.

The powers of said corporation shall be limited to the purposes of this act and to such as are necessarily incident thereto.

Said corporation may sue and be sued in any district court of the United States, and may remove to said courts any cause brought against it in any other court.

Said corporation may require any officer or employee to give security for the faithful performance of his duties.

Persons subscribing to the stock of said company shall pay for the same in full at the time of subscription.

The stock owned by the United States shall be voted by the shipping board or its duly selected representative.

The officers and trustees of said corporation shall be citizens of the United States, but need not be citizens of the District of Columbia. Such officers and trustees shall be subject to removal at any time by vote of a majority of the stockholders at any meeting thereof.

Said corporation and its capital stock shall, so long as the United States owns a majority of said stock, be free from all public taxes.

At no time shall less than 51 per cent of the stock of said corporation be held by the United States, unless the United States shall dispose of all of its stock.

Congress reserves the right to alter, amend, or repeal this act.

SEC. 2. That the United States shall subscribe to 51 per cent of the initial capital stock of such corporation at par and the remainder thereof may be offered for public subscription at not less than par, and the United States may then further subscribe at par for any amount of such stock not taken by public subscription, but the shipping board may cause such corporation to begin business as soon as 51 per cent of such stock has been subscribed and paid for by the United States. The shipping board, with the approval of the President, may consent to or may cause an increase of the capital stock from time to time as the interests of the corporation may require, but without authority of Congress the portion of such increase to be paid for by the United States shall not exceed $10,000,000; neither shall the proportion of stock held by the United States at any time be less than 51 per cent: *Provided*, That a sufficient number of the shares of stock of said corporation shall be set apart for holding by the persons for whom the stock of the United States may be voted as trustees, and such shares shall be issued or transferred to such persons to qualify them as trustees of such corporation, and such shares shall be transferred to the successor or successors of any such person or persons.

SEC. 3. That the United States, through the shipping board and with the approval of the President, is authorized to purchase or construct vessels suitable in the judgment of the shipping board for the purposes of such corporation with a view to transferring them to such corporation, and for this purpose the Secretary of the Treasury, upon the request of the shipping board and the approval of the President, may issue and sell or use for such purchases or construction any of the bonds of the United States now available in the Treasury of the United States under the act of August 5, 1909, the act of February 4, 1910, and the act of March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal, to a total amount not to exceed $30,000,000 for the purpose of purchasing and constructing such vessels: *Provided*, That any Panama Canal bonds issued and sold or used under the provisions of this section or other existing authority may be made payable at such time after issue as the Secretary of the Treasury, in his discretion, may deem advisable and fix, instead of 50 years after date of issue, as in said act of August 5, 1909, not exceeding 50 years: *Provided further*, That payments for such purchases or construction from proceeds of sales of bonds, or delivery of bonds in payment thereof, shall be made only as ordered and directed by the shipping board.

SEC. 4. That the shipping board is authorized to transfer the vessels purchased or constructed as herein provided to any such corporation in which the United States has become a stockholder as hereinbefore provided, and such corporation shall issue to the United States in payment thereof its gold bonds, bearing interest at not less than 4 per cent per annum, and upon such further terms and conditions as may be prescribed by the shipping board, such bonds to be secured by a first mortgage lien upon such vessels, severally, thus transferred: *Provided*, That the amount of bonds received by the United States in payment for such vessels shall not be less, at the then par value, than the total amount expended by the United States in the purchase or construction of such vessels, and the same may be sold by the Secretary of the Treasury, in his discretion, and with the approval of the President, to reimburse the Treasury for expenditures made in the purchase or construction of vessels. Such corporation shall make suitable provision for sinking fund and for the depreciation charges under the rules and regulations to be prescribed by such shipping board; and all vessels acquired under this act, or in which the United States shall otherwise be interested as owner, in whole or in part, or upon which the United States shall have or hold any mortgage, pledge, lien, or other security, shall, when and while employed solely as merchant vessels, be in all respects subject to all laws, regulations, and liabilities governing merchant vessels, in like manner and to the same extent as merchant vessels in private ownership when duly registered under the laws of the United States.

All rules and regulations relating to or which affect shipping, navigation, or water-borne commerce of the United States heretofore made or published by authority of law shall only be and remain in force until midnight on the 31st day of December, 1915, and by proclamation of the President shall cease to have any force or validity at any prior date when new shipping rules and regulations shall as provided hereby take the place of those now in existence.

The shipping board herein provided for shall propose such rules and regulations applicable to the shipping and water-borne commerce of the United States in lieu of those now in force and covering matters of like character as they may determine suited to the present needs of such shipping and commerce, which, when approved by the President and published, shall apply and become of full force and effect in lieu of such rules and regulations as are now applicable thereto. In the rules and regulations hereby authorized to be adopted and put into force different classes of shipping, navigation, and water-borne commerce may be appropriately and differently treated and provided for. Such rules and regulations when promulgated may be modified, changed, or amended by the shipping board.

SEC. 5. That vessels purchased or constructed by such shipping board and conveyed to such corporation as herein provided shall be entitled to registry under the laws of the United States, and shall be deemed vessels of the United States and entitled to the benefits and privileges appertaining to such vessels, except such vessels shall engage only in trade with foreign countries or with the Philippine Islands, the Hawaiian Islands, and the islands of Porto Rico, Guam, and Tutuila, provided that the above restrictions shall not apply to such of said vessels as are built in the United States. Such vessels shall be subject to the navigation laws of the United States except as herein provided.

SEC. 6. That the Secretary of the Treasury and the Secretary of Commerce, and three additional members, two of whom shall be of practical experience in the management and operation of steamships in the foreign trade, are hereby constituted a board to be known as the shipping board, with full power, subject to the approval of the President, to vote the stock of the United States in said corporation, either as a body or by one or more of its members duly authorized by a majority, and to do all things necessary, whether specifically enumerated or not, to carry out the purposes of this act and protect the interests of the United States, said three additional members to be appointed by the President, by and with the advice and consent of the Senate. The salary of each of the three additional members of said board so appointed shall be $6,000 per annum.

SEC. 7. That, with the approval of the Congress, such shipping board may at any time sell the stock of such corporation owned by the United States.

SEC. 8. That the President of the United States is hereby authorized to charter, lease, or transfer such naval auxiliaries now belonging to the Naval Establishment of the United States as are suitable for commercial use and which are not required for use in the Navy in time of peace, and vessels belonging to the War Department suitable for commercial uses and not required for military transports in time of peace, and to direct or cause to be chartered, leased, or transferred vessels

now owned and operated by the Panama Railroad Co., to any corporation now or hereafter organized as in this act provided upon such terms and conditions as the shipping board, with the approval of the President of the United States, shall prescribe. The vessels purchased or constructed by the United States through the shipping board, with the approval of the President of the United States, shall be of a type, as far as the commercial requirements of the foreign trade of the United States may permit, suitable for use as naval auxiliaries in the Naval Establishment of the United States.

SEC. 9. That the President of the United States, upon giving to any such corporation in which the United States shall be a stockholder, through its president, vice president, secretary, or manager, notice in writing for such reasonable length of time as in his judgment the circumstances require and will permit of his intention so to do, may take possession, absolutely or temporarily for use as naval auxiliaries, of any vessel or vessels owned or leased by or otherwise in the possession of said corporation, and said corporation shall be entitled to a reasonable price or rental therefor, to be fixed by the shipping board, with the approval of the President: *Provided*, That if in the judgment of the President an emergency exists requiring such action he may take possession of any such vessel or vessels without notice.

SEC. 10. That the shipping board shall make to Congress, at the beginning of each regular session, a report of expenditures and receipts under this act and of the operations of any corporation in which the United States may have become a stockholder hereunder.

SEC. 11. That for the purpose of carrying out the provisions of this act there is hereby appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $10,000,000, or, in lieu of such appropriation, the Secretary of the Treasury may sell Panama Canal bonds to the amount of $10,000,000 in addition to those provided for in section 3, and on the same terms, and set apart and use the proceeds thereof for such purposes.

Mr. GORE. Mr. President——

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. SWANSON in the chair). The Senator from Oklahoma is recognized. The question is on the amendment offered by the Senator from Florida.

Mr. GORE. On that amendment I call for the yeas and nays.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma demands the yeas and nays on the amendment offered by the Senator from Florida.

Mr. SMOOT. Mr. President, I move to lay the substitute on the table; and upon that I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Oklahoma has asked for the yeas and nays upon the adoption of the amendment offered by the Senator from Florida.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. The first question is, Is the demand for——

Mr. OLIVER. I move to lay it on the table.

Mr. GALLINGER. That will not do.

The PRESIDING OFFICER. Evidently a sufficient number have seconded the demand.

Mr. GALLINGER. Mr. President, pending that motion——

The PRESIDING OFFICER. Pending that the Senator from Utah has been recognized and has moved to lay the amendment on the table.

Mr. SMITH of Michigan. Mr. President, a parliamentary inquiry.

SEVERAL SENATORS. The motion is not debatable.

Mr. SMITH of Michigan. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. SMITH of Michigan. I desire to ask the Chair whether it is now in order to move to amend the substitute by striking out all after the figures "$10,000,000," on page 11?

The PRESIDING OFFICER. The Chair will state——

Mr. SMITH of Michigan. Now, if the Chair will hear me a moment——

The PRESIDING OFFICER. The Chair will hear the Senator from Michigan.

Mr. SMITH of Michigan. I realize that this is an experiment; that to commit this Government to——

Mr. GORE. Mr. President——

Mr. MARTIN of Virginia. Mr. President——

Mr. SMITH of Michigan. I am addressing the Chair.

Mr. MARTIN of Virginia. I raise the point of order that a motion to lay on the table is not debatable, and the Senator is not in order.

Mr. SMITH of Michigan. I am confining myself to the parliamentary question.

Mr. MARTIN of Virginia. The parliamentary question is not debatable. There has been a motion to lay the amendment on the table, and it is not debatable.

Mr. SMITH of Michigan. Oh, no, Mr. President; the Chair indicated his willingness to hear me.

Mr. MARTIN of Virginia. I ask the Chair to enforce the rule. The motion is not debatable. The Senator is out of order.

Mr. SMITH of Michigan. One moment.

Mr. MARTIN of Virginia. Not "one moment" at all. I ask that the point of order be disposed of.

Mr. SMITH of Michigan. The Chair indicated his willingness to hear the Senator from Michigan.

Mr. MARTIN of Virginia. I am not willing to countenance a violation of the rules. I ask the Chair to enforce the rule. The Senator is not in order.

Mr. SMITH of Michigan. I think the Chair will hear me make my point.

The PRESIDING OFFICER. The Senate will be in order. Does the Senator wish to make a point of order against the motion to lay on the table?

Mr. SMITH of Michigan. I desire to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. SMITH of Michigan. I desire to know whether it is now in order to move to amend the substitute.

The PRESIDING OFFICER. It is not now in order, because a motion to lay on the table has been made by the Senator from Utah. It is not in order until that motion is disposed of.

SEVERAL SENATORS. Question!

The PRESIDING OFFICER. The question is——

Mr. SMITH of Michigan. Mr. President——

Mr. MARTIN of Virginia. The question is not debatable.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah to lay on the table the substitute offered by the Senator from Florida.

Mr. BRANDEGEE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. JAMES (when his name was called). I make the same transfer as before, and I vote "nay."

Mr. JOHNSON (when his name was called). Announcing the same transfer, I vote "nay."

Mr. MYERS (when his name was called). Believing that my vote is necessary to make a quorum, I vote "nay."

Mr. SAULSBURY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. SMITH of Maryland (when his name was called). Transferring my pair as before, I vote "nay."

Mr. STONE (when his name was called). I will ask if the Senator from Nebraska [Mr. HITCHCOCK] has voted.

The PRESIDING OFFICER. He has not voted.

Mr. STONE. Announcing the same transfer as on the last roll call, I vote "nay."

Mr. WILLIAMS (when his name was called). I vote "nay," repeating the same announcement.

The roll call was concluded.

Mr. HOLLIS. Understanding that a quorum has not voted, I will vote. I vote "nay."

Mr. STONE. The Senator from Nebraska [Mr. HITCHCOCK] having come in since I voted, or at least being made aware of his presence since, I withdraw my vote, having a pair with the Senator from Wyoming [Mr. CLARK], and ask the Chair to count me present.

Mr. JOHNSON. I withdraw the announcement of my transfer and allow my vote to stand as necessary to make a quorum.

Mr. WALSH. I inquire if a quorum has voted.

The PRESIDING OFFICER. It has not been customary for the Chair to announce whether a quorum has or has not voted. It is impossible for the Chair to ascertain the result until the call has been completed.

Mr. WALSH. I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. The terms of my pair entitle me to vote when my vote is necessary to make a quorum. I am not advised whether it will be necessary or not. It appears to me that it will be, and so I will vote. If it appears by the result that my vote is not necessary it is my purpose to withdraw it. I vote "nay."

The result was announced—yeas 14, nays 40, as follows:

YEAS—14.

Brandegee	Gallinger	Smith, Mich.	Warren
Bristow	McCumber	Smoot	Works
Clapp	Page	Townsend	
Cummins	Root	Vardaman	

NAYS—40.

Ashurst	Hitchcock	La Follette	O'Gorman
Bryan	Hollis	Lane	Overman
Chamberlain	James	Lee, Md.	Owen
Chilton	Johnson	Martin, Va.	Pittman
Fletcher	Kenyon	Martine, N. J.	Pomerene
Gore	Kern	Myers	Ransdell

Reed	Sheppard	Smith, Md.	Thornton
Robinson	Simmons	Swanson	Walsh
Saulsbury	Smith, Ariz.	Thomas	White
Shafroth	Smith, Ga.	Thompson	Williams

NOT VOTING—42.

Bankhead	Culberson	Lippitt	Shields
Borah	Dillingham	Lodge	Shively
Brady	du Pont	McLean	Smith, S. C.
Burleigh	Fall	Nelson	Stephenson
Burton	Goff	Newlands	Sterling
Camden	Gronna	Norris	Stone
Catron	Hardwick	Oliver	Sutherland
Clark, Wyo.	Hughes	Penrose	Tillman
Clarke, Ark.	Jones	Perkins	Weeks
Colt	Lea, Tenn.	Poindexter	
Crawford	Lewis	Sherman	

So the Senate refused to lay Mr. FLETCHER's substitute on the table.

Mr. WALSH. I ask unanimous consent that leave be granted me to withdraw my vote on the last roll call.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote of the Senator from Montana will be withdrawn.

Mr. GALLINGER. In accordance with a proposition on my part to offer an amendment to the original bill, I offer the following.

The PRESIDING OFFICER. Does the Senator from New Hampshire offer it as an amendment to the substitute offered by the Senator from Florida?

Mr. GALLINGER. I offer it under Rule XVIII, as an amendment proposed to perfect the original text, which has precedence over the motion to strike out and insert under Rule XVIII.

The PRESIDING OFFICER. The amendment of the Senator from New Hampshire will be received.

Mr. GALLINGER. Let it be read.

The PRESIDING OFFICER. It will be read.

The SECRETARY. Add a new section at the end of the original bill, as follows:

SEC. —. That all ships purchased, chartered, or leased under the provisions of this act, if not constructed with particular reference to prompt and economical conversion into auxiliary naval cruisers, shall be so changed before being put into the service in accordance with plans and specifications prepared by the Secretary of the Navy, and they shall be made of sufficient strength and stability to carry and sustain the working and operation of at least four effective rifled cannon of a caliber of not less than 6 inches, and shall be of the highest rating known to maritime commerce. Before being accepted for service they shall be thoroughly inspected by a competent naval officer or constructor detailed by the Secretary of the Navy, and such officer shall report in writing to the Secretary of the Navy, who shall transmit said report to the President; and no such vessels not approved by the Secretary of the Navy as suitable for the service required shall be purchased, chartered, or leased by the Government.

Mr. FLETCHER. I move to lay the amendment on the table.

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

Mr. STONE. Before that is done I desire to make a point of order, and before making the point——

The PRESIDING OFFICER. The Senator from Missouri will state his point of order.

Mr. STONE. I desire to inquire whether the yeas and nays have not been ordered already on the main question.

The PRESIDING OFFICER. The Chair understands that the yeas and nays have been ordered on the substitute offered by the Senator from Florida.

Mr. STONE. On that state of fact, I make the point of order that while the pending question is still open to discussion at this stage an amendment is not in order.

The PRESIDING OFFICER. If the Chair is mistaken, he would be very glad to hear any Senator who dissents from the decision of the Chair, but the Chair is satisfied that no amendment to the substitute offered by the Senator from Florida is in order until the yea-and-nay vote has been taken. However, the Chair understands that the amendment offered by the Senator from New Hampshire is to perfect the original text, which would be voted on prior to the substitute offered by the Senator from Florida, under Rule XVIII, and it being the general parliamentary law that the original text must be perfected before a substitute is voted on. The ordering of the yeas and nays will prevent any amendment being offered to the substitute offered by the Senator from Florida.

Mr. STONE. Then, Mr. President——

The PRESIDING OFFICER. The Chair does not think that precludes perfecting the original text, but the Chair would be glad to hear any authorities contrary to that decision.

Mr. STONE. I propose now, if the Chair will recognize me, to move to lay the amendment on the table.

The PRESIDING OFFICER. The Senator from Florida [Mr. FLETCHER] had previously made that motion.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The yeas and nays have been called for. Is there a second?

The yeas and nays were ordered.

Mr. SMOOT. Mr. President, Rule XVIII——

Mr. MARTIN of Virginia. It is not debatable.

Mr. SMOOT. I wish to call the attention of the Chair to Rule XVIII. Under Rule XVIII not only can we perfect the original bill, but we can perfect the substitute. I hope there will be no decision to set that aside.

The rule is so plain that anyone can understand it. It has been held in this body always that not only can the original bill be perfected, but the substitute can be perfected.

The PRESIDING OFFICER. The Senator will permit the Chair to read the second clause of Rule XXI, which is as follows:

Any motion or resolution may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays, except a motion to reconsider, which shall not be withdrawn without leave.

Mr. SMOOT. The mover of this substitute has not asked to withdraw it; he has not asked to perfect it, but under Rule XVIII——

The PRESIDING OFFICER. The Chair is willing to hear any decision to the contrary, but the Chair is of opinion that if the yeas and nays have been ordered on a proposition if it is modified the yeas and nays would have been ordered on a different proposition if an amendment were made. If the mover of a resolution, under the rules of the Senate, can not modify it after the yeas and nays are ordered, it would seem to the Chair that any proposition upon which the yeas and nays have been ordered would be of equal dignity.

Mr. GALLINGER. I think I have a right to ask that the rule be read, which I now do. The rule has been understood and never departed from in 24 years to my knowledge. If we are to have the rules revolutionized, we ought to know what they are.

Mr. FLETCHER. I make the point of order that there is nothing pending here.

The PRESIDING OFFICER. The motion now is simply to lay on the table the amendment of the Senator from New Hampshire. There will be ample time to look at that point of order when raised. Upon that question the yeas and nays have been ordered and the Secretary will call the roll.

Mr. SMOOT. What is the question?

The PRESIDING OFFICER. The question is to lay on the table the amendment offered by the Senator from New Hampshire. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement as on former votes, I vote "yea."

Mr. JAMES (when his name was called). Making the same transfer as heretofore, I vote "yea."

Mr. SMITH of Maryland (when his name was called). Transferring my pair as heretofore announced, I vote "yea."

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK], as I have heretofore announced. Not being able to secure a transfer, I withhold my vote, and ask to be counted for a quorum.

Mr. WILLIAMS (when his name was called). Making the same announcement as heretofore, I vote "yea."

The roll call was concluded.

Mr. JOHNSON. I announce my pair with the junior Senator from North Dakota [Mr. GRONNA]. In his absence I withhold my vote.

Mr. WALSH. I have a general pair with the Senator from Rhode Island [Mr. LIPPITT.] Observing that he is not in the Chamber, I accordingly withhold my vote.

The result was announced—yeas 37, nays 15, as follows:

YEAS—37.

Ashurst	Lane	Ransdell	Swanson
Bryan	Lee, Md.	Reed	Thomas
Chamberlain	Martin, Va.	Robinson	Thompson
Chilton	Martine, N. J.	Saulsbury	Thornton
Fletcher	Myers	Shafroth	Vardaman
Gore	O'Gorman	Sheppard	White
Hitchcock	Overman	Simmons	Williams
James	Owen	Smith, Ariz.	
Kern	Pittman	Smith, Ga.	
La Follette	Pomerene	Smith, Md.	

NAYS—15.

Brandegee	Kenyon	Page	Townsend
Clapp	McCumber	Root	Warren
Cummins	McLean	Smith, Mich.	Works
Gallinger	Oliver	Smoot	

NOT VOTING—44.

Bankhead	Catron	du Pont	Johnson
Borah	Clark, Wyo.	Fall	Jones
Brady	Clarke, Ark.	Goff	Lea, Tenn.
Bristow	Colt	Gronna	Lewis
Burleigh	Crawford	Hardwick	Lippitt
Burton	Culberson	Hollis	Lodge
Camden	Dillingham	Hughes	Nelson

Newlands	Poindexter	Smith, S. C.	Sutherland
Norris	Sherman	Stephenson	Tillman
Penrose	Shields	Sterling	Walsh
Perkins	Shively	Stone	Weeks

So Mr. FLETCHER's motion to lay Mr. GALLINGER's amendment on the table was agreed to.

Mr. GALLINGER. Mr. President, I submit another amendment, for the purpose of perfecting the text of the original bill, and ask that it be read.

The PRESIDING OFFICER. The Senator from New Hampshire submits an amendment, which will be stated by the Secretary.

The SECRETARY. It is proposed to add, at the end of the original bill, the following:

SEC. —. That the ships purchased, chartered, or leased under the provisions of this act shall be officered by American citizens in conformity with existing laws, and the crew shall be composed of at least one-half citizens of the United States.

Mr. FLETCHER. I move to lay the amendment on the table.

Mr. GALLINGER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I make the same announcement as to my pair and its transfer as heretofore and vote "yea."

Mr. JAMES (when his name was called). Making the same announcement as to the transfer of my pair as heretofore, I vote "yea."

Mr. JOHNSON (when his name was called). I announce my pair with the junior Senator from North Dakota [Mr. GRONNA] and in his absence I withhold my vote.

Mr. SMITH of Maryland (when his name was called). Making the same transfer of my pair as before, I vote "yea."

Mr. STONE (when his name was called). Repeating the announcement made on the last roll call, I withhold my vote, asking, if necessary, to be counted for a quorum.

Mr. WILLIAMS (when his name was called). Making the same announcement as heretofore, I vote "yea."

The roll call was concluded.

Mr. SAULSBURY (after having voted in the affirmative). I voted inadvertently, without announcing the transfer of my pair to the senior Senator from Indiana [Mr. KERN]. I desire to make that announcement and to state that the transfer holds good until changed.

Mr. HOLLIS. In order to make a quorum I vote. I vote "yea."

The result was announced—yeas 35, nays 18, as follows:

YEAS—35.

Ashurst	Lee, Md.	Ransdell	Smith, Md.
Bryan	Martin, Va.	Reed	Swanson
Chamberlain	Martine, N. J.	Robinson	Thomas
Chilton	Myers	Saulsbury	Thompson
Fletcher	O'Gorman	Shafroth	Thornton
Gore	Overman	Sheppard	Walsh
Hollis	Owen	Simmons	White
James	Pittman	Smith, Ariz.	Williams
Kern	Pomerene	Smith, Ga.	

NAYS—18.

Brandegee	Kenyon	Oliver	Vardaman
Bristow	La Follette	Page	Warren
Clapp	Lane	Root	Works
Cummins	Lippitt	Stephenson	
Gallinger	McCumber	Townsend	

NOT VOTING—43.

Bankhead	Culberson	Lea, Tenn.	Shields
Borah	Dillingham	Lewis	Shively
Brady	du Pont	Lodge	Smith, Mich.
Burleigh	Fall	McLean	Smith, S. C.
Burton	Goff	Nelson	Smoot
Camden	Gronna	Newlands	Sterling
Catron	Hardwick	Norris	Stone
Clark, Wyo.	Hitchcock	Penrose	Sutherland
Clarke, Ark.	Hughes	Perkins	Tillman
Colt	Johnson	Poindexter	Weeks
Crawford	Jones	Sherman	

So Mr. FLETCHER's motion to lay Mr. GALLINGER's amendment on the table was agreed to.

Mr. GALLINGER. Mr. President, having made a substantial gain on the last vote, I offer another amendment by way of perfecting the text of the original bill.

The PRESIDING OFFICER. The Secretary will state the amendment for the information of the Senate.

The SECRETARY. It is proposed to add at the end of the text of the original bill the following:

SEC. —. That each said vessel shall take as cadets or apprentices one American-born boy under 21 years of age for each 1,000 tons gross register, and one for each majority fraction thereof, who shall be educated in the duties of seamanship, rank as petty officers, and receive such pay for their services as may be reasonable.

Mr. FLETCHER. I move to lay the amendment on the table.

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

The PRESIDING OFFICER (Mr. HOLLIS in the chair). The Senator from Florida moves that the amendment of the Senator from New Hampshire be laid on the table, on which motion the Senator from New Hampshire asks for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). Making the same announcement as to my pair and its transfer as I previously made, I vote "yea."

Mr. JAMES (when his name was called). Making the same transfer of my pair as heretofore, I vote "yea."

Mr. JOHNSON (when his name was called). I announce my pair with the junior Senator from North Dakota [Mr. GRONNA] and withhold my vote.

Mr. SMITH of Maryland (when his name was called). Making the same announcement as to the transfer of my pair as heretofore, I vote "yea."

The roll call was concluded.

Mr. HOLLIS. I announce my pair with the junior Senator from Maine [Mr. BURLEIGH] and withhold my vote.

The result was announced—yeas 35, nays 17, as follows:

YEAS—35.

Ashurst	Lee, Md.	Ransdell	Smith, Md.
Bryan	Martin, Va.	Reed	Swanson
Chamberlain	Martine, N. J.	Robinson	Thomas
Chilton	Myers	Saulsbury	Thompson
Fletcher	O'Gorman	Shafroth	Thornton
Gore	Overman	Sheppard	Walsh
Hitchcock	Owen	Simmons	White
James	Pittman	Smith, Ariz.	Williams
Kern	Pomerene	Smith, Ga.	

NAYS—17.

Bristow	La Follette	Page	Warren
Clapp	Lane	Root	Works
Cummins	Lippitt	Smoot	
Gallinger	McCumber	Stephenson	
Kenyon	Oliver	Townsend	

NOT VOTING—44.

Bankhead	Crawford	Jones	Sherman
Borah	Culberson	Lea, Tenn.	Shields
Brady	Dillingham	Lewis	Shively
Brandegee	du Pont	Lodge	Smith, Mich.
Burleigh	Fall	McLean	Smith, S. C.
Burton	Goff	Nelson	Sterling
Camden	Gronna	Newlands	Stone
Catron	Hardwick	Norris	Sutherland
Clark, Wyo.	Hollis	Penrose	Tillman
Clarke, Ark.	Hughes	Perkins	Vardaman
Colt	Johnson	Poindexter	Weeks

So Mr. FLETCHER's motion to lay Mr. GALLINGER's amendment on the table was agreed to.

Mr. GALLINGER. Mr. President, I have been requested to announce that there are certain Senators who have planned to debate this bill, but they are unable to do so to-day, but will be ready to do so to-morrow; and there are likewise some here who are not ready to proceed to-day.

I offer, as a substitute, the amendment to the original text, which I send to the desk.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. It is proposed to strike out all after the enacting clause, and to insert in lieu thereof the following:

That the Postmaster General is hereby authorized to pay for ocean mail service, under the act of March 3, 1891, in vessels of the second class on routes to South America, south of the Equator, to the Philippines, to Japan, to China, and to Australasia, at a rate not exceeding $4 per mile on the outward voyage by the shortest practicable routes, and in vessels of the third class on said routes at a rate not exceeding $2 per mile on the outward voyage by the shortest practicable routes: *Provided*, That, subject to the foregoing provisions, every contract hereunder shall be awarded to that responsible bidder who will contract, under penalties prescribed by the Postmaster General, for the highest running speed between the points named in the contract.

Mr. FLETCHER. Mr. President, I move to lay the amendment on the table.

Mr. GALLINGER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I make the same announcement as before, and vote "yea."

Mr. HOLLIS (when his name was called). I announce my pair as before.

Mr. JAMES (when his name was called). Making the same transfer as heretofore, I vote "yea."

Mr. SMITH of Maryland (when his name was called). I make the same transfer as before, and vote "yea."

Mr. STONE (when his name was called). Making the same announcement as formerly, I withhold my vote.

The roll call was concluded.

Mr. JOHNSON. I announce my pair with the junior Senator from North Dakota [Mr. GRONNA] and withhold my vote.

The result was announced—yeas 39, nays 15, as follows:

YEAS—39.

Ashurst	Kern	Pittman	Smith, Ga.
Bryan	La Follette	Pomerene	Smith, Md.
Chamberlain	Lane	Ransdell	Swanson
Chilton	Lee, Md.	Reed	Thomas
Cummins	Martin, Va.	Robinson	Thompson
Fletcher	Martine, N. J.	Saulsbury	Thornton
Gore	Myers	Shafroth	Walsh
Hitchcock	O'Gorman	Sheppard	White
James	Overman	Simmons	Williams
Kenyon	Owen	Smith, Ariz.	

NAYS—15.

Brandegee	Lippitt	Page	Townsend
Bristow	Lodge	Root	Warren
Clapp	McCumber	Smoot	Works
Gallinger	McLean	Stephenson	

NOT VOTING—42.

Bankhead	Culberson	Lea, Tenn.	Shively
Borah	Dillingham	Lewis	Smith, Mich.
Brady	du Pont	Nelson	Smith, S. C.
Burleigh	Fall	Newlands	Sterling
Burton	Goff	Norris	Stone
Camden	Gronna	Oliver	Sutherland
Catron	Hardwick	Penrose	Tillman
Clark, Wyo.	Hollis	Perkins	Vardaman
Clarke, Ark.	Hughes	Poindexter	Weeks
Colt	Johnson	Sherman	
Crawford	Jones	Shields	

So Mr. GALLINGER's amendment was laid on the table.

Mr. SMOOT. Mr. President, as a servant of the American people, I feel it my duty to do everything in my power to defeat the pending bill. It is undemocratic, unrepublican, un-American, vicious in its provisions, and will be dangerous and mischievous if it ever becomes a law.

From a political standpoint, Mr. President, and if that were all I had in mind, I would not oppose this measure. I would let the Democratic Party pass it, for I know that if it does become a law scandals will follow, there will be charges of a serious character made against the party responsible for its passage, there will be no doubt acts on the part of certain corporations and individuals that will demand investigation and will bring discredit to the Democratic Party and our country, and perhaps will involve the Nation in foreign complications.

I know what the program is, I think. I have been told by Senators upon that side of the Chamber that no matter what the rules of this body may be, this bill is going to be crowded through and will be in the House of Representatives by tomorrow night. If this statement be true, I want to say to my Democratic friends now that I will, to save the honor and dignity of the Senate, vote to expunge every high-handed ruling that has been made this night contrary to the rules of this body. They are no credit to the majority of the Senate. They are no credit to the Democratic Party. I want to say that the time will come when Senators will, no doubt, reflect most earnestly on their action of to-night, and it will be with no pride, but will be with humiliation.

Mr. JAMES. Mr. President, I should like to ask the Senator a question.

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

Mr. SMOOT. I do; for a question only.

Mr. JAMES. Certainly. While the Senator is engaged in the business of expunging, how would it suit him to expunge the disorderly and unseemly conduct of the Republican side in filibustering to-night?

Mr. SMOOT. Mr. President, we do not have to go very far back to point to a filibuster that was conducted upon that side of the Chamber. I remember two years ago, just about this time of the year, when the President of the United States was sending nominations to the Senate for positions that were vacant in the service of the United States, a Democratic filibuster was organized. The whole country knows what took place in executive sessions. Every day the newspapers of this country gave an account of exactly what transpired behind those closed doors, and there is not a man nor a woman in the United States but knows that there was a filibuster upon the part of the Democratic Party preventing the confirmation of the nominations that were sent to this body.

Why, talk of filibustering! The filibusters have always been upon the Democratic side of the Chamber, and I have no words of denunciation nor words of criticism so bitter as those that have been uttered by men upon that side of the Chamber when legislation was before this body for consideration that the Democratic Party undertook to filibuster against.

Mr. JAMES. Mr. President, I should like to ask the Senator a question.

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

Mr. SMOOT. For a question.

Mr. JAMES. Does the Senator see no difference between a filibuster to prevent a Republican President from appointing officials that were properly subject to appointment by an incoming Democratic President and a filibuster by Republicans in order to prevent the shippers and farmers and manufacturers of this Nation from having bottoms in which to ship their products to people abroad?

Mr. SMOOT. Oh, Mr. President, the Senator forgets that the situation to-day is exactly as it was two years ago. An election has occurred recently. The people of this country have spoken, as the Senator from Kentucky so often said two years ago. The Senators on that side of the Chamber urged two years ago that the people had spoken, and that nothing should be done after the election until a new Congress was in session, and that those who had been elected should have the right to all political positions that might occur after the election and not after March 4, 1912, after the Democratic President's inauguration.

Mr. JAMES. Mr. President, will the Senator yield to me?

Mr. SMOOT. Not only that, Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah further yield to the Senator from Kentucky?

Mr. SMOOT. If the Senator will wait until I get through answering his first question, I will gladly yield to him.

Mr. JAMES. Certainly.

Mr. SMOOT. Mr. President, I say to the Senator from Kentucky now that the people have spoken in the last election. Neither the President of the United States, the Senator from Kentucky, nor any other Senator on that side of the Chamber, if they thought this bill could pass in the next House of Representatives, would be so insistent upon action at this time. I say the reason why they are trying to force action now is because they are fearful that such a wicked measure can not pass through the next House of Representatives, and the program is to jam it through to-night. The rules of this body are to be set aside, the steam roller is to be put in motion, and the precedents of this body are to be thrown aside and trampled under foot for the purpose of passing this measure.

Mr. JAMES. Mr. President, I want to say to the Senator from Utah that being a member of the Democratic Party, I should not undertake——

Mr. SMOOT. I yield to the Senator for a question.

Mr. JAMES. That is all I am asking. This is merely a prelude.

Mr. SMOOT. I do not yield to the Senator from Kentucky to take me off my feet, which I know he would do very gladly.

Mr. JAMES. I will not take the Senator off his feet at all, but I merely——

Mr. SMOOT. I do not propose that the Senator shall.

Mr. JAMES. I wish merely to suggest that it comes with bad grace to talk of steam-roller tactics by the party that steam-rollered out of the nomination for the Presidency, admitted by all men, Theodore Roosevelt at Chicago. I want to suggest further to the Senator from Utah that while he states the people have spoken, that is true, and they have given control to the Democratic Party in both Houses of Congress, and increased our control at this end of the Capitol.

Mr. SMOOT. Yes; and, Mr. President——

Mr. JAMES. The Senator states that we ought to wait. Wait for what? The shippers and the manufacturers and the people of this country who are interested in the sale of their products ought to wait to do what? Wait until next December before they can ship their products abroad that are rotting to-day upon the docks, or they are paying confiscatory charges to a ship monopoly that your party has been willing to give a subsidy to for all these years; and to-night you are filibustering for the purpose of continuing this loot that these men are taking from the wheat growers and the cotton growers and the tobacco growers and the manufacturers of this Nation. Yet you turn upon the Democratic side and say because we want to legislate by the will of the majority we are filibustering.

Mr. GALLINGER. Will the Senator from Utah yield to me?

Mr. JAMES. I am perfectly willing the Senator from New Hampshire should undertake to answer.

Mr. GALLINGER. Will the Senator yield for a question?

Mr. SMOOT. I will yield to the Senator for a question and then, if I can remember what this stump speech and political harangue of the Senator from Kentucky was, after I answer the question of the Senator of New Hampshire, I will try to reply.

Mr. GALLINGER. I simply want to ask the Senator from Utah if he is not frightened? [Laughter.]

The PRESIDING OFFICER. The Senator from Utah has the floor and the Senate will be in order.

Mr. SMOOT. I would perhaps have been frightened if a similar action had not happened so often in this Chamber by

the same Senator. Therefore, there is nothing to frighten me. Since the actions taken already to-night I certainly shall not be alarmed at anything which may take place.

The Senator from Kentucky was asking about the steam roller at Chicago and his solicitude for President Roosevelt. It makes me almost weep to witness his concern in both. I can hardly express in words my admiration for his love for Roosevelt. He ought to love him, because Woodrow Wilson would never have been President of the United States if it had not been for Theodore Roosevelt, and I want to say to the Senator from Kentucky——

Mr. JAMES. Mr. President——

Mr. SMOOT. Just let me answer one question of the Senator at a time, if the Senator please, and then I will yield willingly to him again.

Mr. JAMES. I will be delighted.

Mr. SMOOT. Very graciously I will yield. The Senator may feel that the steam roller was used at Chicago.

Mr. JAMES. Undoubtedly.

Mr. SMOOT. Yes; that is what the Senator said.

Mr. JAMES. That is the conviction of everybody.

Mr. SMOOT. Of everybody the Senator may have in mind.

Mr. JAMES. Roosevelt admits that himself.

Mr. SMOOT. But, Mr. President, I want to say to the Senator, if he will allow me to proceed, that the steam roller at Chicago, if there was such a thing, is a mere toy compared with the steam roller the Senator and his party associates have put in force here to-night. The Senator from Kentucky a few years ago had much to say about the great big stick of Theodore Roosevelt, but——

Mr. JAMES. Mr. President, that I must deny. I have always had genuine affection for Theodore Roosevelt.

Mr. GALLINGER. Mr. President, I rise to a question of order. The Senator from Kentucky is violating the rules of the Senate, and I call him to order.

Mr. JAMES. The Senator from New Hampshire need not be the guardian of the Senator from Utah. He is, I hope, perfectly competent to take care of himself.

Mr. GALLINGER. I make the point of order that the Senator from Kentucky is out of order.

Mr. JAMES. What I was saying——

The PRESIDING OFFICER. The Senator from Utah has the floor. Does the Senator from Utah yield to the Senator from Kentucky?

Mr. SMOOT. I do not yield. I am going to be the peacemaker.

Mr. JAMES. If the Senator from Utah will permit me, I resent the imputation that the Senator has cast upon me.

Mr. SMOOT. No; I am going to be the peacemaker.

The PRESIDING OFFICER. The Senator from Utah has the floor and does not yield the floor.

Mr. JAMES. The point of order I desire to submit is whether the Senator can cast an aspersion upon a Democratic Senator, like myself, by saying I have been the bitter enemy of Theodore Roosevelt when I have always been a warm personal friend of that great citizen and have bitterly resented his being robbed of a nomination at Chicago.

The PRESIDING OFFICER. The Senator rose for a question. The Senator from Utah is entitled to the floor.

Mr. SMOOT. The Senator from Utah has the floor, and the present occupant of the chair can not take me off until I get ready to yield the floor. There are some things which can not be done, and that is one of them.

Mr. REED. Mr. President, the Senator can not accomplish that by merely standing upon the floor. He must speak.

The PRESIDING OFFICER. The Senator from Utah is entitled to the floor and has done nothing to prevent him from occupying the floor. The Senator from Utah will proceed.

Mr. SMOOT. The Senator from Missouri is rather facetious. I remember that not long ago the Senator stood on the floor for hours and he was interrupted and no one made a point of order against him.

Mr. REED. Mr. President——

Mr. SMOOT. I have not the least objection at all to what the Senator from Missouri says, and I have no objection whatever to the Senator interrupting me for a question, but as long as I am allowed to speak here to-night I prefer to go on, because I have mapped out work that may take me at least a half an hour to conclude.

Mr. REED. Mr. President, I will not interrupt the Senator.

Mr. SMOOT. The Senator from Kentucky [Mr. JAMES] was bemoaning the fact that they can not transport the wheat of this country to foreign lands because there are no bottoms to carry it. Mr. President, if only wheat had been involved in this question you would never have had such a bill as this before this body. The only question that brings it here is the question of cotton and tobacco. That is why the bill is here, and that is why the Senator from Kentucky is favoring it. There was just as much wheat and more, too, to transport while we were trying to establish a merchant marine in the year 1901 and on many other occasions when bills have been introduced in the Senate and have passed this body and lacked but a few votes of passing the House. The solicitation of the Senator from Kentucky for wheat is not even secondary.

I was looking over the CONGRESSIONAL RECORD to-day, and what I have heard said in the past so often whenever there was a ship-subsidy bill before this body I call to the attention of the Senate now.

On February 6, 1901, the Republican Members of this body tried to pass a bill creating a merchant marine, and in this debate we have heard Senators upon that side of the Chamber quote remarks made by the Republican Senators in that discussion in support of the present bill, but every Democrat voted against the establishment of a merchant marine in 1901. Cotton was not involved then. What did the then Senator from Arkansas, Mr. Jones, when the Republicans were trying to hold sessions from 12 o'clock until 8 to pass the bill, complain of? He said:

> We believe on this side of the Senate Chamber that it is our duty to stand up for our right of free speech, for our right to discuss important measures, for our right to be heard as against bills that we believe to be iniquitous and outrageous. We are willing to meet here at any hour in the morning.
>
> I believe we meet at an unreasonably early hour now.

Eleven o'clock—

> but I am willing to come here in the morning at any reasonable hour and to stay here through all reasonable hours, through unreasonable hours, for the purpose of taking up and passing the appropriation bills, for the purpose of taking up and considering any measure relating to the policy toward the Philippines and to Cuba. I am willing to come here and to give all the time necessary for the discussion of any measure in which the public has a legitimate interest or where the legitimate interest of the public is properly looked after.
>
> But, Mr. President, speaking for myself, and, I believe, speaking for those who sit on this side of the Chamber, I will not, so help me high Heaven, ever be a party, directly or indirectly, to this effort to throttle free speech. And we put you on notice now that if you propose to have these sessions you must furnish the quorum; you must have it here; you must keep it here in the Senate Chamber every minute of the time.

Mr. GORE. Mr. President——

Mr. SMOOT (reading)—

> It will not do to have your Senators in the cloakroom or in committee rooms or at their private houses.

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

Mr. SMOOT. No; I do not yield.

Mr. GORE. I desire to say——

Mr. SMOOT. No; I do not yield.

Mr. GORE. I wish to ask a question.

The PRESIDING OFFICER. The Senator from Utah refuses to yield.

Mr. GORE. I think the Senator proceeded——

Mr. GALLINGER. I call for the regular order.

Mr. GORE. I wish to ask a question.

The PRESIDING OFFICER. The regular order is called for. The Senator from Utah refuses to yield.

Mr. GORE. The Senator from Utah said he would yield for a question.

Mr. GALLINGER. I ask for the regular order.

The PRESIDING OFFICER. The Senator from Oklahoma is not in order if the Senator from Utah refuses to yield.

Mr. SMOOT (reading)—

> It will not do to have your Senators in the cloakroom or in the committee rooms or at their private houses. It will not do to have you come here and answer, now and then, that you are here. You must have a quorum present, and have it all the time, as we do not propose to contribute in any way to bringing about what we believe to be an outrageous, tyrannical effort to suppress free speech by brute force. [Applause in the galleries.]

Mr. President, I have followed that debate all the way through, and the same motions made by the Republican Party to-night were made in that debate by Democrats; but, thank God, the rules of the Senate and the rights of the minority were respected by the Presiding Officer.

Senators, if I did not believe that the passage of this bill would be the entering wedge to further vicious legislation of the same kind, I never would take interest enough in it to discuss the question long before the Senate. But let me warn you, Senators, if you pass this measure and it becomes a law, before it is repealed the people of the United States will have become so disgusted with it and the evil results coming from it that they will rue the day that there was ever a Democratic Party in power.

Mr. SMITH of Arizona. Then let us vote on it.

Mr. SMOOT. I would do as the Senator from Arizona says if politics alone were involved. I would let you vote on it. But I say, Mr. President, that the American people look at this thing not from a political point of view, but they expect, if I am not mistaken, that the Senators who represent ideas contrary to the ideas expressed in this bill to do their utmost to defeat such legislation.

There is no pleasure to the Republican Members of this body in trying to defeat the measure. There is no pleasure, Mr. President, in talking night after night and day after day and being forced by brute force, as referred to by the then Senator from Arkansas in 1901, to discuss this question. But it is of vital interest to the American people. I do not believe that the American people want to adopt socialism yet, and from what I have heard Senators say there is a great majority of this body who do not believe in the measure. The only thing that I am hopeful for is that something will happen that Senators will vote as their judgment dictates in this matter and as they express themselves in private, and not as they are requested to do from the White House.

But, Mr. President, it is not to be debated like other measures are in this body.

You can not require a quorum here as was done in 1901, because if a Senator even suggests the absence of a quorum, Mr. President, it will be said that that is the end of the speech of the Senator on the floor, and he is taken from the floor. Such a thing never happened in this body before.

Suppose there should be a bill introduced in the Congress in 1917, when the Republicans will have the President, the House of Representatives, and the Senate of the United States; suppose that bill should provide for a reapportionment of the South and only allow the South representation in Congress according to the number of votes you allow to vote and not count the negro in your apportionment or representation; and suppose we should force the bill under the same ruling and the same tactics by which this bill is being forced through this body, no man in the South would like it. I want to say to my good Democratic brethren I would not like it, either; but you are to-night making rules and you are piling up precedents to accomplish that very thing. You will be the ones who will suffer for it, because this bill, if enacted into law, is only temporary; this proposed legislation can not help but fail, and you are wrecking the rules of this body to put through a temporary measure. If there were something in it vital to the Democratic Party or vital to the interests of the country there might be a little excuse for it, but there is no excuse whatever for your course.

Mr. President, 24 years ago on the day before yesterday there was a bill before this body known as the Force bill. Suppose the Republicans had adopted the same tactics as you have been pursuing to-night; suppose they had overridden the rules of this body and all of its precedents; suppose they had said, "This bill is going to be put through by to-morrow night, no matter what it takes to put it through," what would you have thought of it?

I say now to Senators upon the other side of the Chamber that if I had been a Member of this body at the time it was pending I would have voted with you on that question. I think it is my duty to call these things to the attention of my Democratic friends. I am a partisan, as you all know, but I shall never be such a partisan as to inflict a wrong upon the people of any section of the country. I am a Republican, but I am an American before I am a Republican. I am going to follow that course through life, and whether my years in this body shall be few or many, I shall not deviate from that course. I say another thing: There will never be a Republican President of the United States, if I am a Member of this body, who shall dictate to me as to how I shall vote.

The American merchant marine, Mr. President, has virtually been driven from the seas; we have little to-day. The Senator from Kentucky [Mr. JAMES] has bewailed the fact that our ships could not transport the wheat and the other products of this country because of the lack of ships. Why, Mr. President, I have official reports from a number of the ports of foreign countries, and I desire to say to Senators here to-night that the difficulty arises not from the lack of boats for transportation but from a lack of facilities to unload cargoes in the ports of foreign countries.

Have you stopped to think of the ports that have been closed on account of the European war? Have you stopped to figure out how few there are to-day to which the commerce of the world may go and be discharged? There have been as high as 45 boats lying outside of some of the ports of foreign countries which have been unable to get berths to unload. Men can not be hired to unload them, for they have been called to this bloody war, and they are now engaged in murdering their fellow men. All Europe is mourning. Instead of the men attending to the commerce of the world, they are fighting. It is impossible to find men to unload the boats laden with the products of this country destined to feed the suffering hordes of people in unhappy Europe.

The American merchant marine in the foreign trade of this country has been in a state of decay for the last half century or more. One redeeming feature of this discussion is that both Democrats and Republicans recognize the necessity of doing something to rehabilitate our foreign carrying trade, so far as American participation in it is concerned; but I could not help but listen with astonishment when the Senator from Florida, in discussing this measure, disclosed his attitude and his position upon this great question.

Mr. President, there is not one particle of difference, so far as principle is concerned, between buying boats at Government expense, manning them with sailors, no matter from where they come, knowing in advance that it is impossible to pay expenses, and that there shall have to be paid out of the Treasury of the United States millions of dollars in order that we may compete with freight rates established by the merchant marine of foreign countries——

Mr. STONE. Mr. President, I rise to a question of order.

The PRESIDING OFFICER (Mr. HOLLIS in the chair). The Senator from Missouri will state his point of order.

Mr. STONE. Under the rules a Senator can not address the Senate sitting unless he is sick.

The PRESIDING OFFICER. The point of order is well taken. The Senator from Utah will either take his feet or take his seat.

Mr. SMOOT. Mr. President, I am not sitting. I well remember sitting upon this side of the Chamber when the Senator from Missouri was engaged in a filibuster——

Mr. STONE. And I did not deny it.

Mr. SMOOT. And he sat not only upon the arm of his seat, resting upon it, but in his seat for hours at a time, and no one ever questioned his doing so.

Mr. STONE. I do not remember that.

Mr. SMOOT. I remember it well.

Mr. STONE. No; it never occurred. The Senator would never have permitted it.

Mr. GALLINGER. Alexander H. Stephens always sat in his chair when addressing the House of Representatives, as did Oliver P. Morton when addressing the Senate.

Mr. SMOOT. Of course this is only another attempt to exert brutal force to stop Senators speaking upon this bill.

Mr. President, I was saying, when my genial and personal friend from Missouri rose to make a point of order, that there was not so much difference, if any, and none in principle, between the paying of a subsidy direct and the paying of the deficit which will be caused through operating boats under this bill. It is a vicious measure. Nobody knows what it will cost, and nobody knows what trouble it will bring to our country.

I heard a prominent ex-Senator say the other night that if this bill passed it would not be 90 days until the United States would be at war. I do not know, Mr. President, whether that is true or not, but he has studied the war situation a great deal more than I have. I do know, however, that there is danger ahead; the signal is out, and representatives of different foreign nations have called attention to it; but we are rushing headlong into it. Mr. President, if this bill shall be enacted into law it may not only cost thirty or forty or fifty million dollars to the American people, but it may cost untold millions, aye, billions, of dollars, with the loss of an untold number of lives. What is the reason for this? Why take such chances? It would be cheaper for the United States to buy all the cotton in the South and make a bonfire of it than to undertake this legislation, and I would not be particular as to what price should be paid for the cotton, either.

We are going headlong into debt. This Government of ours is plunging ahead; appropriations are being made that not only run into the hundreds of millions of dollars at each session of Congress, but over a billion of dollars. Well may the President call his Cabinet around him; well may he ask of them where the end will be reached. Well may he ask the Post Office Department if it is not time to call a halt. The Republican Party has been out of power but two years. When they relinquished the management of the Government the Post Office Department was not only paying its own way but making money for the Government. Well may the President ask what makes this change. Where are you drifting and whether are you going? Is it not time to begin to pare down some of the appropriation bills? Yes; I expect there will be $25 taken off of somebody's salary before we get through with the passage of all the appropriation bills this session, but I expect in return

for that we will appropriate $25,000,000 for other unnecessary items. We are scrutinizing 5-cent pieces, but we are taking little notice of the millions.

I have, Mr. President, the daily statement of the United States Treasury for January 28, 1915. That is only yesterday; and, Senators, do you know that the net excess of all disbursements for the fiscal year 1915 to this date over the net receipts up to this same date a year ago is $90,184,438.74? And Senators, do you know that upon the same day a year ago the net excess of all disbursements over the net receipts for the fiscal year 1914 was $41,835,538.19? Let me go back one year further, Mr. President, and instead of finding a deficit, instead of finding our Treasury being looted and emptied and the Government running in debt, we find a credit balance, a balance upon the right side of the ledger.

Ah, Mr. President, the difference is in the management of the affairs of this Government. The difference is in the laws that the Republican Party put in force. Whenever they are in power our Treasury is full, our institutions are successful, our laboring men are working not only the regular hours but overtime. There are no soup houses. Every man that wants a job can get one. There are no organized charities, such as exist to-day in all parts of this country. There is no appeal for help to keep starving wives and children from death; but here we find that on yesterday there was a shortage of over $90,000,000, and the end is not yet, because this fiscal year has to run until June 30, 1915.

I do not blame the President for getting alarmed. I think it is time that a halt should be called. It seems the President has power to force general legislation through Congress, but I doubt whether he has power to limit appropriations. I have failed, as long as I have been in the Senate of the United States, to see anyone that had that power; and notwithstanding the present situation we have coming before us before long a river and harbor bill carrying nearly $40,000,000. We will have to appropriate to build railroads in Alaska. This bill provides for $50,000,000. If it were a bill appropriating $50,000, there would be hardly a Senator upon the floor but that would be questioning it; but as long as it is $50,000,000 it goes without a question by the Senators upon that side of the Chamber.

All these appropriations are coming, notwithstanding there was a deficit of $90,000,000 yesterday.

I wonder where the Senator from Colorado [Mr. THOMAS] is? I owe him an apology, and I want to make it now.

Mr. THORNTON. I will try to find him.

Mr. SMOOT. When we were discussing a bill during the last Congress, the Senator from Colorado [Mr. THOMAS] asked a question about the Panama bonds. I remember telling the Senator from Colorado how many of those bonds there were that had not been issued, and at that time he expressed the fear that they would be issued for some cause or other at some time in the future.

Mr. THOMAS entered the Chamber.

Mr. SMOOT. I think I said it was a year ago. It was two years ago, because the Republican Party was in power at that time. The Senator from Colorado will remember that at that time I expressed the opinion that nothing would ever happen in this country that would call for the further issue of Panama bonds. I owe the Senator an apology. The thing has happened. It is here upon us. The Democrats are in control of the country. I was mistaken, and I want him to forgive me.

Mr. THOMAS. Mr. President——

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

Mr. SMOOT. Only for a question, Mr. President.

Mr. THOMAS. I cheerfully forgive the Senator, and accept his apology.

Mr. SMOOT. Why, Mr. President, I could go on until tomorrow morning and discuss this question of appropriations and extravagance in Government expenditures, but that would do no good. I think it is an unwise policy for men in high places in this Government to undertake, as has been done in the last year or more, to impress, if possible, upon the people of the United States that there was prosperity on all hands. The claim of being out of work was "psychological." There was nothing in the claim. When a workman goes home and finds his wife and child nearly starving, and nothing with which to buy them bread, their condition is not real; it is "psychological." The mere fact that people are freezing for the want of coal is nothing if they knew it. They are not freezing. It is a mistake. They only think they are. The Secretary of Commerce is proclaiming aloud that prosperity is returning—returning! How could it return if it had always existed, as he has been claiming for the last 18 months. Have you ever thought of that?

I can tell the Senate when it will return, and I can tell the country when it will return. It will never permanently return until the laws that have been passed during the last 18 months, laws that have brought distress upon the American people, are repealed. It will not come under the fiscal policy of this administration. It is an absolute impossibility. The Democratic Party can thank God that the war in Europe came, because if it had not I say that we would have had too many Republicans in the House. The Republican majority there would have been top-heavy. As far as the last election of Senators is concerned, some four or five Republican States went by default.

The Evening Star of January 29, 1915, has an article by Mr. I. A. Fleming on Government finances. In it he says they are subject to scrutiny. The Presiding Officer of this body [Mr. SWANSON in the chair] knows that they ought to be scrutinized. Everybody knows that they ought to be scrutinized. This article says that the deficit for the fiscal year to January 27 was $89,074,148. It has increased in two days from that amount to $90,184,438.74; and if the Evening Star should publish an article on the 1st day of February giving the shortage on the 31st of January it would be an increase over the $90,000,000.

In the article I find this statement:

> For the business day of January 27, latest reporting, the receipts of the Government fell short of the expenses by $1,218,866.40, making the deficit for the month of January up to that date $9,653,690.39, and for the fiscal year to that date $89,074,148.55, as compared with $39,749,124.15, the deficit for the last fiscal year to the corresponding date.
>
> Secretary McAdoo expressed the belief that $75,000,000 to $80,000,000 would be returned on account of income and corporation taxes with the advent of June.
>
> Those who have kept posted on the gross earnings of railroads and other corporations, and on reductions in dividends and cutting off of dividends entirely, predict that there will be a great shrinkage in the corporation tax and the income tax as well, while the returns from internal revenue must also show lessening amounts with each addition of "dry" territory.
>
> The United States Steel Corporation formerly paid $25,000,000 a year to its common shareholders; to-day it pays nothing.

Why, that sounds as familiar as the old cry of want whenever the party is in power. "Poverty" and "Democracy" are synonyms. I suppose the party is a necessary evil. I suppose if it were not for it the Republican Party would grow too arrogant. It is a useful minority party, and that is the only capacity in which it is really a benefit to the country.

> The net earnings of this corporation in 1914 were $63,000,000 less than in 1913.

I want Senators to remember that the common stock is held by thousands of people in all parts of this country, and instead of their regular dividends for 20 years past they find themselves with none.

> Scores of other big corporations have reduced or eliminated dividend paying entirely; the railroads have not commenced to show the increased earnings incident to higher freight rates, and the reports are showing continued decreases. In the month of December Baltimore & Ohio lost $1,378,401 in gross earnings, as compared with the same month of last year; Chicago & North Western gross earnings decreased in the same month $228,620; Central of Georgia's gross for the same month decreased $313,427.

Notwithstanding the business they have secured in increased freight rates upon the line of steamers that the road owns, still they fall short three hundred and odd thousand dollars in one month. During the time we had our Army down at Vera Cruz, Mexico, the boats belonging to this railroad were tied up at different wharves, the Government of the United States paying every day thousands of dollars to this company, and one of the boats was never used a single day.

> Illinois Central lost over $580,000, and the entire railroad system of the United States, with few exceptions, showed more or less severe decreases, and these reports of reductions have been coming in month after month.
>
> With the income tax of 1 per cent on gross earnings, it is not unreasonable to expect a loss of over 10 per cent in the corporation tax, especially when such great corporations as the Seel Co., the International Harvester Co., and other important industrial concerns have made such poor progress that their directors have found it necessary to cut down the incomes of millions of people by reduced and passed dividends.
>
> And each dividend reduction, each passed dividend, makes a cut in the individual income taxes. While efforts are being directed toward bringing out a larger income tax, the chances are that thousands who contributed to the last income-tax payment will make no returns this year.
>
> The next five months of the Government's fiscal year will probably show improvement, and there is some encouragement in that fact, but the improvement is just starting, and has so far made comparatively slow progress. Fortunately the exports far exceed the imports, although lessened imports, while aiding in holding a trade balance, cut heavily into the tariff returns.

It was stated by the Secretary of the Treasury at the time the war began, or shortly thereafter, that the receipts from customs would fall short something over $100,000,000 for the year. I made a statement upon the floor of the Senate questioning those figures. I notice that for January, up until the 28th, 1915, compared with the same number of days in January, 1914, there is a deficit of a little over $5,000,000. For the fiscal

year 1915, to January 28, as compared with the fiscal year 1914 of the same date, I find there is a shortage of some $57,000,000.

The American people have had placed upon them a burden of a war tax in time of peace of over $100,000,000, supposedly to pay for the shortage that would occur in our customs duties. I knew then, Mr. President, as I know now, that no such amount was necessary. I knew then, as I know now, that it was done to meet other extravagant expenditures of the Government. This burden was placed upon the American people with the knowledge, I believe, beforehand that it would more than cover the difference in our customs duties. The corporation tax, the war tax, taxes of all kinds become universal whenever the party now in control of the Government is in power.

STEEL COMMON, 40.

A new minimum of 40 was fixed by the New York Stock Exchange governing committee yesterday afternoon for steel common, and the stock sold there this morning to the minimum and slightly better, while the rest of the market was comparatively firm at about Thursday's figures. There are between 65,000 and 75,000 shareholders of the common stock of the Steel Corporation.

When this army of people have their annual incomes reduced by $25,000,000, it is but natural that they would be inclined to change their investments, even with slightly better prospects in view. When this disposition to liquidate is helped along by the heavy calling of loans secured by steel common as collateral, it produces more or less disregard of prices, selling being the chief desire. Thirty thousand shares sold within the first few minutes of to-day's session.

LOCAL SECURITIES.

There was no special change in the local stock market to-day, the only new feature being a little better demand for bonds. Potomac consolidated 5s at 99½, traction 5s at 106¾ to 106½, and railway 4s at 81 furnished the bulk of the day's business.

Small sales of Washington Railway preferred were made at 85. Bids on the common stock were 86½ and the asking price 90.

Washington Gas was firm at 76.

POSTAL SAVINGS DEPOSITS.

Postal savings deposits have been increasing at the rate of about $3,000,000 a month during the last few months. During the entire fiscal year to June 30, 1914, the deposits increased $9,600,000, or 28 per cent; from July to January 1 the increase was $15,750,000, or about 38 per cent. Total deposits are $59,200,000, with 497,000 depositors and $119 as the average deposit.

This is the result, Mr. President, of conditions throughout the country. Poor people who have saved a few dollars are withdrawing them from the savings banks in the community in which they live, upon which they were drawing 3 or 4 per cent, and placing the money in the postal savings banks at a rate of 2 per cent, in order to be perfectly safe in these Democratic times. It only shows the distrust the people have. It only shows that they know the lack of prosperity in the country, and all the preaching and talking on the part of the Secretary of Commerce or anyone else supporting the administration can not fool all the people. Some of them can be fooled a part of the time, but they can not all be fooled all the time, no matter what the claims may be or what statements may be sent broadcast to the public with an idea of representing conditions that do not actually exist.

SCOUT TALK OF A DEFICIT.

Conservative Democrats in the House to-day are inclined to scoff at the talk of a defict, and go so far as to predict that there will be none. They base their hope on the assumption that the corporation and individual income taxes payable June 30 of this year will bring in $71,000,000 and leave a balance of $8,000,000 on the right side of the Treasury ledger.

Mr. President, yesterday our Treasury was over $90,000,000 short, and if there is collected all the Secretary of the Treasury states there will be, all that he predicts will come from the income tax, even if it were $71,000,000, there would be over $19,000,000 shortage yesterday, and it is piling up every day. Every day when the sun sets in the west we are a million dollars worse off than we were in the morning, and so it goes.

On the other hand, the gloomy ones believe that everybody will take advantage of the 10 days' grace for the payment of these taxes, which will put the collection into the next fiscal year and place a $63,000,000 deficit on the books.

PRESIDENT URGES STRICT ECONOMY.

The necessity for strict economy in all branches of the Government was impressed on the Cabinet again to-day by President Wilson. Although the Cabinet members took an optimistic view of the financial condition of the Government, it was said that the uncertainty about the length of the European war made it necessary to economize to make up for the lowered import duties.

What excuse on earth would the Democratic Party have if it were not for the war? Everything that happens they lay to the war. Their financial condition is on account of the war. Their deficits are on account of the war. The lack of employment of the people is on account of the war. I say to my Democratic friends that if it had not been for the war creating a demand for goods from this country, there would be to-day millions of men more than there are walking the streets without employment. I say millions, and I mean it. Many American people believe that the exportation of munitions of war to a belligerent country is a violation of our position of neutrality. Many American people believe that ammunition and war material of all kind ought to be prohibited from exportation to a belligerent country. Mr. President, if that happened, there would not be 10 per cent of our factories making the class of goods that have been declared contraband of war or conditional contraband of war that are running to-day. They would be closed, as they were being rapidly closed before the war.

I suppose, Mr. President, looking at it from a high moral ground, it would be proper for our Government to take the position that munitions of war and implements of war of all kinds that are used in warfare should not be allowed to be exported, but I believe that under our Constitution that is not permissible. It is generally believed that an individual citizen or a firm manufacturing such articles could under our Constitution export them to any country, whether that country was involved in war or not, without violating our position of neutrality. Be that as it may, Mr. President, the administration will have to lay down the rule on that subject, and I think they have done so. We do not want to make the situation worse than it is at present, and that is exactly what the bill now under consideration will do. That is why we on this side are so earnest in our opposition to it.

Some of the fathers of this Republic in the early days took occasion to encourage and develop the merchant marine with great success. As far back as 1826 American ships carried nearly 93 per cent of our imports and exports. A still larger percentage was carried in the earlier days of the Republic, but under the changes in our laws the percentage of our foreign commerce now carried by American ships has declined to about 8 per cent. America, growing by leaps and bounds in every other line of industry—our America, that has outstripped all other countries on earth in her civilization, in her advancement in the arts and in the sciences—has fallen so low in her shipping interests, in her over-seas trade, that we find even the small Scandinavian countries outstripping us. We have fallen nearly to the foot of the list.

Mr. President, every time that I go abroad, whether by way of the Pacific or the Atlantic, I look in vain for ships flying the Stars and Stripes. I remember upon one occasion traveling up the Rhine, and, as I remember, at Bonn I saw a large, beautiful, green lawn reaching to the river's edge, and within it was standing a small house. I caught sight of the Stars and Stripes flying at the top of a flagpole. It was the first American flag that I had seen aside from the ones at the homes of our foreign representatives during my visit upon the Continent. I do not know how other men feel, but when I saw Old Glory waving in the breeze in a foreign country from the top of a flagpole I could not help crying aloud "There is Old Glory; thank God for the Stars and Stripes. Would that all that that flag represents were the heritage of all mankind." I asked everybody in the party to go down and have dinner with me. They wanted to know why. I said "because I have just seen my country's flag floating in a foreign land, and I want to celebrate it." In every port that I entered, no matter where it was, I could see the flag of every other country except that of America. Boats owned by foreign countries were busy everywhere, but very seldom could we see an American boat carrying the American flag, manned with American crews, and I was humiliated to learn that upon the high seas and in all the ports of the world I could find boats owned by American capital but sailed under foreign flags and manned with foreigners, carrying the commerce of our country to ports in all parts of the world. Mr. President, that experience taught me a lesson, and I resolved that if I ever had a chance to do so I would support a party or a policy that would change those conditions.

We have protected nearly every industry, and we have seen many of those industries grow from nothing until they have become the greatest in all the world. We have seen industries under a protective policy spring into life and grow and grow, and, while increasing and growing, reduce the cost of articles to the consuming public. On the other hand, Mr. President, we have neglected absolutely the over-sea shipping interests of our country; we have placed them not only in competition with cheaper boats, with cheaper men, with cheaper material, with cheaper food to sustain the men, but we have put them in competition with boats which, in addition to all these advantages, have had subventions or subsidies paid by the Government under whose flag they were operating, amounting to millions of dollars annually.

Now it is proposed in this bill to throw the Government of the United States into that business. I was rather surprised to learn this morning from the Senator from Georgia [Mr. SMITH] that it will be the policy of our Government, if this

bill becomes a law, to purchase these boats and lease them. Does any Senator think that American citizens will lease these boats and run them in competition with the boats of the world, paying a rental to the United States for them? I do not believe it is possible. It will be a failure.

If, Mr. President, under this bill the Government is to operate the boats, is it possible, is it thinkable that the United States will operate boats manned by the cheapest labor in all the world—Chinese, Japanese, Lascars, and that class of seamen? If such is contemplated, so far as I am concerned as a taxpayer of this country, I want now to declare that I would rather be taxed by the Government of the United States direct to pay the difference between the wage of a Chinese or a Japanese and a true-born American, and there is no question in my mind that the American people believe as I do on this subject.

Mr. President, I never want to travel upon the high seas, I never want to go to a port anywhere in the world and see the American flag flying at the mast of any ship unless that ship carries American seamen and American officers; and I know that can not be done without some kind of protection. Never should this Government undertake the operation of a line of boats unless it is known what it will cost directly, not indirectly, as this bill provides, but what it will take to make up the difference between the amount paid to the lowest class of labor and the amount paid to that class which lives and works in conformity with American standards.

It is humiliating enough to see a boat run by an American citizen with the lowest class of labor, but God forbid the day to come when our Government would undertake to do it! We are not that poor yet. I recognize the fact that our Treasury is getting lower every day this administration is in power. I wish now we did not have any authorization to sell Panama bonds. I have learned a lesson from the attitude of this administration regarding those bonds, and I hope that lesson will be of advantage to me and of advantage to the American Congress. I have learned the lesson that there is danger in an authorized bond issue beyond immediate requirements. There is danger in the Government of the United States having too much money on hand. That never happens, though, in a Democratic administration; only for a few months following their coming into power.

The mere fact that the American vessels engaged in foreign commerce amount to only 8 per cent of the carrying trade of this country ought to have appealed to my Democratic friends long before this, when we of the North and the West were asking, year in and year out, that a subsidy that amounted to a very little each year should be paid in order that the difference between building, running, and maintaining ships in this country and in foreign countries should be equalized. But every time a "ship subsidy" has been mentioned in this Chamber Democrats have condemned it, fought it, and claimed it was undemocratic.

How often have I heard the Senator from Mississippi [Mr. WILLIAMS] discourse upon the evils of the tariff, upon the evils of ship subsidies, and state that no business should be established in the United State unless it could stand upon its own bottom—no hothouse development, no hothouse production. We all remember how often he spoke of raising bananas in Alaska; and it is just such ideas, Mr. President, that have driven our over-sea trade from 93 per cent down to 8 per cent.

There is one thing I am glad of, and that is that something has happened that will draw attention to this fact. If this bill does not become a law the speeches that have been made upon that side in its favor will be a great help in supporting a true ship-subsidy bill carrying a small subsidy not equal to the subsidy that is granted by some foreign countries. Hereafter I shall look for some help from that side of the Chamber to pass a ship-subsidy bill.

This situation was brought about by the admission of foreign vessels to all of the privileges granted to American ships in the foreign trade. It is the one great industry that has been on a free-trade basis for a long period of time.

Mr. President, after we had spent $400,000,000 for the construction of the Panama Canal, the greatest engineering feat in all the world, built not only to enable this country to send her battleships from one coast to the other in a short period of time, but to assist our own shipping interests, what do we find? The Congress of the United States passed a bill granting exemption from tolls to our ships going through the Panama Canal. That was satisfactory to the American people. Why did we do it? Was there any justice in it? There were but few Senators who did not think it ought to be done. It was done in order that we might control in part the exorbitant freight rates charged by the great continental transportation lines of the country. The law was passed, but some one got busy, and before the shipping interests in this country could take advantage of it, before the canal was opened for business, the order came from the White House that the law must be repealed.

Was it repealed? Of course it was; and we find this situation existing: American boats are not on an equal footing with foreign boats. Under conditions existing they must pay higher wages, the laws of our land require them to carry more men, provide greater space and better food; and these are not all the handicaps, for there is hardly a foreign country in the civilized world that does not pay to her boats that may pass through that canal some sort of subvention or subsidy. Why, some of the countries go so far as to return to them the entire charge, whatever it may be. But every boat carrying the American flag, every boat upon which are found American seamen, every boat that is required by American laws to have a certain space for every employee and to have all the other requirements of the laws complied with must pay into the Treasury of the United States a toll tax for every ton that goes through the canal.

Things are not equal. No, Senators, we have been very solicitous indeed for the railroads of this country and for the foreign shipping interests. I wish we had more interest in our own institutions, in our own shipping interests and less interest in foreign shippers.

Why, Mr. President, there is no protection whatever to our ships in the ocean carrying trade. As a certain result that trade is passed over to foreigners and we are dependent on them to an extent that threatens disaster in the case of a great foreign war, such as the one now being carried on in Europe.

Before I get through with this discussion I hope I will reach the point where I want to call the attention of the Senate to what it has cost the Government of the United States in the past for being unprepared in time of war. Is it not a humiliating spectacle to see the greatest country in this world, the wealthiest in all the world, the most intelligent people of any country in all the world, the most civilized, the greatest in the arts and in the sciences—is it not humiliating when a former President of the United States decided that a few battleships make a tour around the world they could not start from our shores, could not run 24 hours, without hiring auxiliary boats from a foreign country? Without that we could hardly get out of the sight of land, certainly we could not have proceeded after the first cargo of coal was consumed. There was scarcely an auxiliary but what we had to hire from a foreign country. Run by Americans? No. Operated by Americans? No. The operation of the auxiliaries, the life of the battleship and all its precious cargo of lives, was in the hands of a lot of foreigners. Oh, how humiliating!

If we pass this bill and it becomes a law and through it we are drawn into war, when all Europe is mad, when, it seems to me, that the people of the world have lost their reason, where are we going to get our auxiliary ships? We will not have Mr. England to get them from, nor will we have Mr. Germany to get them from. They are in a struggle for their very existence; and God help the people. Some people say that their hearts are bleeding for the men who are in the trenches. Of course; but I want to say to you, Senators, my heart is aching for the wives and the children who are left at home fatherless. Then, think of what it will be before the war is over. Think of the mourning and the homes of those who are left without a provider, without a father, without a protector.

That is not all. I know what is coming to the American workman following the close of the war, and Senators here will realize it, if they do not do so at present. We may be making goods now for exportation, securing a few paltry dollars as profit upon goods that are being sent to the warring nations. It may continue for a year or two; but I want now to warn the American laboring man that when this wicked, unjustifiable war ceases millions of men who are now lined up face to face shooting and murdering one another will be called home. The poor will be poorer. The well-to-do and the rich will have nothing. The first thing will be that they must get to work. They will have to provide something to live on. They are going to make goods for exportation, and cheaper than ever before, and, Senators, their own purchasing power has gone. If those poor souls can make enough to keep body and soul together, they will be well satisfied for some years to come. It will not be a question of wage. It will be a question of doing something, and doing it quickly.

Senators, have you thought where those goods are to be sold? Is there any country in all the world outside of our own America that can purchase them? The warring countries are so burdened—and will be before this war is over—that I predict now there will be a repudiation of many of the present forced obliga-

tions made by them. The people can not stand the present load that is placed upon them. It is out of the question. There is one market, however, for these goods. It is America. We will not be worried very much about carrying goods to them. The question will be with them to get transportation for their goods to us. That will be the situation; and when that time comes I want to say it will not be a question of a 5 per cent reduction in the wage. There will be more than that or our mills will go into bankruptcy.

Senators talk about the farmers having an interest in this bill and in the conditions existing in the world. Of course they have. I say to Senators that the laboring man, the man who works at the forge and in the factory, the man who works in the mill, is just as much interested, if not more so, than any other class of people in the United States. He is going to be hit just about as quickly as any class of people.

I say now that the laws which have been passed by the present administration have got to be repealed or else goods made by the warring nations after the war are going to enter this country and take the place of American goods. This is January 29, 1915.

Mr. CLAPP. It is the 30th.

Mr. SMOOT. Yes; it is after 12; it is the 30th.

Mr. FLETCHER. It is the legislative day of the 26th.

Mr. SMOOT. I am willing to have it recorded upon this day, and if it does not come true I want some Senator on the other side to remind me I am in error. In the discussion of this subject in Congress, Republicans have maintained that we paid foreign shipowners as much as $200,000,000 a year for carrying our imports and exports. How strenuously that has been denied by Members upon the other side of the Chamber! How strange it seemed the other day when the Senator from Mississippi [Mr. WILLIAMS] was telling us how much would be saved to the American people if we had only 30 boats that would carry the products of foreign countries in those boats to America and from America to foreign ports. He tried to impress us that millions would be saved to the American people, and took the ground that every dollar which was paid to a foreign boat was lost to the American people.

Oh, what a different argument from that has been made in the past upon the other side of the Chamber, and how different it has been made by the Senator from Mississippi, for he has always claimed that we ought to buy in the cheapest market in all the world and sell in the dearest. He has always claimed that every dollar which has been given in the way of a protective tariff to a manufacturer in this country has been paid by the American people.

Then, strange to say, he tried to differentiate between the American people and the Government of the United States. If the Government of the United States paid millions and lost it that did not make any difference to the American people. Why, who is the Government if not the American people? Who constitutes the Government if not the American people? How could the Government of the United States pay any money from its Treasury unless it is paid by the American people? The proposition is so absurd upon its face that a person has difficulty in even considering it.

The statement that $200,000,000 was paid foreign shipowners by American importers and American exporters has been vigorously denied by Democrats who have made arguments in both Houses to try to prove the contrary. But now they design to have the Government enter into this industry as a competitor with private-owned ships. The Democrats assert that we pay to foreigners for this purpose from $200,000,000 to $300,000,000 annually.

Is it the month of the year or the year itself that has made such a difference in their judgments? Is it some unforeseen influence, some unforeseen power, working upon their minds and intellects that has changed their former attitude? I leave every Senator upon the other side of the Chamber to answer the question for himself.

That statement has been included in reports in both the Senate and the House and is a part of the report on this bill, the report of the majority making the same statements that Republicans have made in the past, using the same arguments that have been used by the Republicans for over a quarter of a century, quoting from speeches made upon the floor of this Senate in favor of the ship-subsidy bill with a view of bolstering up this proposed legislation. I do not want Senators to think that I question the accuracy of the proposition. I only referred to it to show how our opponents live and learn. The payment of such an enormous sum as $300,000,000 annually is a tremendous tax on the people of the United States and goes far toward overcoming our favorable balance of trade.

Mr. President, the United States Government and its people would be wealthier by billions of dollars if the merchant marine had been established a quarter of a century ago. The pittance carried by any bill offered in either House of Congress as a subsidy would be a mere bagatelle compared with the millions of dollars which would have been saved. The Senator from New Hampshire [Mr. GALLINGER] not only once but many times has introduced bills during his 24 years' service in this body with that object in view. No man could have been more persistent in presenting that question in this body and before the American people than has he; no man has had more patience with the subject. If his policy had been carried out, we would have been absolutely independent of all the world at this critical time in our history; instead of crying for more boats in which to carry our products, we would have had lines of them traversing the Atlantic, traversing the Pacific, and traversing every other sea and ocean in all the world.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Utah yield to the Senator from Minnesota?

Mr. SMOOT. I yield only for a question.

The PRESIDING OFFICER. The Senator yields only for a question.

Mr. CLAPP. It has been impossible for me to listen to all of the debate, but I ask the Senator from Utah, if I am right in the conclusion which I have drawn from that portion of it which I have heard, that it is claimed by those who are opposing the bill that at this time there are ships to carry so far as carrying can at this time be done?

Mr. SMOOT. There is no question about it, I will say to the Senator.

Mr. CLAPP. I know it is claimed they charge exorbitant prices.

Mr. SMOOT. I want to say to the Senator it is true that the rates have advanced, but that would be the case even if this bill were passed.

Mr. CLAPP. Yes; but that is not what I am discussing. The Senator from Utah has urged that, if certain policies had been pursued, we would have had abundant ships at this time in which to carry all the freight. I have understood that the argument has been made all the time that there are now ships enough.

Mr. SMOOT. Yes; but if we had adopted a subsidy policy in the past the boats would have been ours, rather than belonging to foreign countries as at present. That is what I wanted to impress upon the Senate.

I will say to the Senator that in many foreign countries today there are lying outside of their ports 20, 30, or 40 vessels unable to get berths and unable to get men to unload them; that is the present trouble. The men are off to the war; and before I am through I shall call attention to some of the ports and to the official reports showing upon certain days the number of ships that have been lying outside waiting to be unloaded. Of course the owners claim that that has to be paid for in advanced rates; they claim, and rightly so, that it is very expensive.

Not only that, I will say to the Senator, but it is a question now of supply and demand. Heretofore we had tramp steamers enough at every one of our ports begging for trade, offering the lowest prices, taking any kind of freight, in many cases to be used as ballast in return voyages to foreign countries. It is now different. The shipowners now select what they will carry and say what they will charge for carrying it. That is because of the supply and demand and the conditions existing at the different ports of foreign countries. Again, that comes about by so many ports being closed on account of the war, thereby throwing extra burdens upon the remainder of the ports that are open, and the men who used to be engaged in the loading and unloading of these vessels are to-day engaged in war and in murdering as many of their brothers as possible.

The war in Europe, by cutting off imports from Germany, Austria, and other countries engaged in the conflict, has assisted the Democratic administration in preventing some of the loss its laws have inflicted on the country. The effect has not been alone restricted to the countries engaged in the war, but it has extended to South America and to other parts of the world. A demand has been created for our food products by the countries engaged in war; but other industries have not profited to the same extent, although it has helped certain industries, as it has created a demand for the products of American factories making war goods for foreign countries. That demand has given the American workman something to do, and whenever he is a wage earner he is a purchaser to the extent of his wage; and that far, Mr. President, he assists other industries not en-

gaged in the making of goods for the belligerent countries in supplying goods for exportation to other countries which on account of the war can not supply their ordinary requirements as in the past because that great exporting country, Germany, is bottled up. The English fleet has all of her merchant ships and all of her warships bottled up in the different ports of the world, and the immense amount of goods that she has been exporting to foreign countries is now furnished by other countries or by our manufacturers.

It is true we get a part of that trade, but England is getting to-day the larger part. If you should go into England to-day, you would find industrial conditions in that country better than they have been for years and years past—aye, for over two decades. Their manufacturing institutions are running full time and overtime; the wages paid by them are higher than they have been; and while it is true that hundreds of thousands of her men have gone to war, it is also true that there are more men and women working in the industries of England to-day than there have been for many years past.

Howard Bradstreet, chairman of a subcommittee of the mayor's committee on unemployment in New York, of which committee Judge Gary, of the United States Steel Corporation, is chairman, said a few days ago that statisticians, who are ex-officials of the United States Census Bureau, after an investigation in New York City, reported that the increase in unemployment in that city was 200,000 above the total of last year.

Notwithstanding the extra employment that has come through the greater exportation of American goods caused by the war, in one city in this country there are to-day 200,000 more unemployed men than a year ago. The year 1914 was the most disastrous year to business and to laboring men that has happened in this country since the Democratic Party was in power some years ago. He stated that the problem was acute, and that it was unfortunate that city officials quibbled over the matter.

Senators, have you not noticed of late the effort that is being put forth by heads of different departments and bureaus of this Government to counteract the sentiment and the knowledge that is rapidly being realized in the United States—that conditions are not as they should be? I had the other day an analysis made, and I intended at some time when the occasion arose—and I hope that it will yet arise during this session—to call the attention of the Senate to some of the statements that have been put out under the guise of official statements. A half truth, Mr. President, is sometimes worse than an absolute untruth.

Max Heidelberg, another one of those interested in investigating the subject, told of finding more than 200 homeless men in a cellar, entered through a trap door at a Bowery mission. I suppose that Max will be charged by the administration as being a German, and therefore prejudiced against the present administration, and that this statement was made on that account.

No, Mr. President; it will not do to make such claims. I think it is far better that the conditions as they exist should be known rather than be covered up. I think that if they were known there would be a greater effort on the part of the charitable people of this country to take care of the unfortunates. In that cellar there was no ventilation, and he said that Charities Commissioner Kingsbury derided talk about a "cubic-foot-of-air" theory.

According to figures compiled for the public forum of the Church of the Ascension in Fifth Avenue, New York, of which the Rev. Percy Stickney Grant is rector, a partial list of the unemployed in Greater New York totaled 562,700 on January 12 of this year. The number of homeless persons in the city who have not the price of shelter is stated in that report to be 60,000. These figures were obtained by a gentleman employed to make the investigation by a committee of the public forum. I expect, Mr. President—and if what I have heard is true it is already here—there will be a flood of special agents from different departments of the Government going into the cities for the purpose of learning from their point of view whether the poor are really suffering or not and classifying them. Think of people who are in want being classified by a clerk drawing $900 a year! And I expect before long to see some glaring reports made denying in toto the reports that have been made by the charitable institutions formed in the different parts of this country with a view of ascertaining the number that are in want.

It is not only in one line of business, but we find it in all businesses, unless it happens to be a class of business that is exporting goods to a foreign country. You find the clothing manufacturers of this country, in Chicago, in Baltimore, in Cincinnati, in California, all in a deplorable condition. Why? Because the farmer is using his last year's suit. It is not only the farmer; it is all of us. Where men used to have two suits they now have only one. It does not apply only to farmers, but it applies to many, many men who have been considered well off in the past.

That is only an example, Mr. President. You could go through every industry in this country, with the exception, as I stated before, of those industries making war goods to be shipped to a belligerent country, and you would find the same condition of affairs. I expect to hear a wail go up here before long because the farmer is receiving a dollar and a half a bushel for his wheat. I suppose the Democratic Party is the same in every part of the United States. If the farmer gets 50 cents a bushel for his wheat, they appeal to him and say: "You are being discriminated against. The Republican tariff is robbing you. You are not getting what you ought to get." Then, if he gets a dollar and a half a bushel for his wheat, they appeal to the consumer and say: "See what you are paying the farmer for his wheat. The Republican tariff is the cause of the high cost of living." So it does not make a particle of difference whether the price is up or down, there is always a Democratic complaint.

This investigation, Mr. President, proved the truth about one thing that has been often wrongfully charged against employers, for the report shows that 60,000 men and boys are now being kept in employment by firms reluctant to discharge them, despite the fact that business conditions do not warrant their continued employment. Freight yards as well as cellars are used as sleeping apartments to accommodate this army of unemployed.

I do not often think it necessary to quote from Mr. Samuel Gompers, the well-known workmen's leader, but he says:

> From all over this land of ours come reports of need. There are great numbers of unemployed, of unknown men and women, in the bread lines of our cities. These people want work. They have hunted desperately for work, but work has been denied them.
>
> The Associated Charities of New York announced a list recently containing the names of 113 poverty-stricken families which are in dire need. The men and women of these families were willing to do anything to provide the bare necessities of life for their dependents. In Chicago on January 21 it was reported that over 100,000 persons were idle seeking work. Similar reports come from other cities. I have noticed in speeches delivered by Members of the House, as well as representative men outside, that they have placed the number of unemployed at the present time at 4,000,000.

That is the proof of the era of "great prosperity" which the Secretary of Commerce is traveling over the country to inform the people about! He is first down in the South and then in the West trying to impress upon the minds of the American people that there is an era of prosperity at hand.

The railroads of this country, as I called attention to shortly after 9 o'clock, were in a desperate condition, and of course something had to be done for them. I am not going to charge any ulterior motives on the part of any man to bring it about, but I felt positive that it would come, not from any particular testimony that had been given, but because I noticed from statements in the press that the administration was in favor of the increase. I knew what that meant. I suppose the increase was necessary. Be that as it may, they have received the advance, and I think that on account of that advance orders will be placed for railroad material, for extra cars, for extra locomotives, for steel rails, and for other betterments that have become absolutely necessary for the safety of the travel of the American people.

It is true that the freight upon the railroads for the last year decreased in tonnage, and that of course was necessarily so on account of the decrease of the purchasing power of the people in all parts of the United States.

The net revenues for the last fiscal year before the war in Europe began decreased $102,000,000. The freight revenues for May of last year were over $24,000,000 less than for May, 1913. That was long before war was even talked of in Europe, and it was wholly due to the change in the control of our Government and the policies inaugurated by it.

Now that the railroads are allowed to charge consumers and travelers over $100,000,000 more per annum to make up this enormous loss in part, it is heralded by the leaders as an evidence of great prosperity. In the same way, I suppose, the income-tax law and the $105,000,000 to be derived as intended from the alleged war-revenue tax will also be heralded as an evidence of great prosperity. Yet with all that and with all these burdens put upon the American people they will not meet the expenditures of the Government. There will be a shortage of not a few millions, but many, many millions of dollars. I see no immediate relief.

I could go on, Mr. President, and quote from Democratic authority as to conditions existing in certain parts of this country, but I do not care to do so to-night.

Under these circumstances, Mr. President, it is not surprising that many Democrats differ from the administration as to

the policy to be carried out. This bill, like many others, including the tariff bill, is forced on Congress. It is not at all probable that any such measure would have been brought up, particularly at this short session, except it was forced upon Congress. As the senior Senator from New York [Mr. ROOT] remarked in his address on the bill recently, the Democratic Party in Congress merely registers the decrees of the President, in the same way that the French Parliament did under Louis XIV.

The President's recent address at Indianapolis, in which he favored a national employment bureau, shows that he has some realization of the army of unemployed brought by the Democratic administration. His warning to this body, to the effect that if they should dare to break the solidarity of the Democratic team for any purpose or from any motive theirs will be a most unenviable notoriety and responsibility, which will bring deep bitterness to them, is something unheard of in our Government since the days of Andrew Jackson.

I do not care, Mr. President, to take up that speech in detail, because I think that has already been done, and I do not think it would add anything to the questions involved in this bill. Therefore I shall proceed upon another matter entirely.

The record of this pending measure so far in the Senate shows the uncertainty of the majority party in this body in regard to it. The original bill was introduced December 9, and reported by the committee January 6. On January 25 another substitute was offered. What other amendments may be proposed is merely a matter of conjecture. I think we have the fourth edition now. That fourth edition is before the Senate at this time. It is very clear that there were no distinctive ideas on the subject among the Members supporting the measure in this body in the beginning. It has been quite evident that the President has had no business training, as he stated in his Indianapolis speech. I do not know but what the bill will be amended many times more, providing the Democratic caucus agrees to it, and reports it to the Senate as a substitute for the one we are now discussing. I can not help but think, Mr. President, that this is not the last one, and yet it may be. No one can tell what the action of the Democratic caucus will be. The measure was brought to the Senate for discussion with a warning from the Democratic leaders that there was no need of debate, with utterances from the senior Senator from Mississippi [Mr. WILLIAMS] to the effect that Republican discussion of the bill was not worth listening to, although he did not take the trouble to listen before he uttered his disapproval. I therefore feel that I should acknowledge with pleasure the presence of the Senator at this early hour in the morning.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER (Mr. SWANSON in the chair). Does the Senator from Utah yield to the Senator from Mississippi?

Mr. WILLIAMS. Will the Senator from Utah yield to me for a question?

Mr. SMOOT. Mr. President, I have not gotten very far along with what I have to say, but——

Mr. WILLIAMS. Before the question I should like to ask I will state that what the Senator from Mississippi did say was that no 13-hour speech and no 9-hour speech and no 10-hour speech was ever worth listening to at all. I should like to ask the Senator this question: Has he calculated the amount of money that he is costing the American shippers by his speech?

Mr. SMOOT. No, Mr. President; but——

Mr. WILLIAMS. I think it is $20,800 an hour. The Senator has now talked enough to have cost them a little over $40,000. The Senator from Ohio [Mr. BURTON] talked long enough to cost them $250,000; the Senator from Massachusetts [Mr. WEEKS] long enough to cost them $150,000; the Senator from New Hampshire [Mr. GALLINGER] long enough to cost them $200,000; and the Senator from Utah has thus far got up to $41,600. If it continues much longer, he will very nigh bankrupt them.

Mr. SMOOT. Of course, I have a very poor record in speech making——

Mr. WILLIAMS. Does not the Senator from Utah remember that the Senator from Mississippi did not say that Republican speeches were not worth listening to, but that those particular Republican speeches made by those particular Republicans had not been worth listening to?

Mr. SMOOT. The Senator should not——

Mr. WILLIAMS. One more question.

Mr. SMOOT. No.

Mr. WILLIAMS. Does not the Senator from Utah remember that most of their speeches were read out of things that all of us could have gotten?

Mr. SMOOT. If the Senator will let me answer now, I will be very thankful to him. The Senator evidently was not in the Chamber when I discussed his mathematical calculations as to what would be saved to the American people if this bill passed.

Mr. WILLIAMS. They were not mine. They were those of the Secretary of the Treasury.

Mr. SMOOT. The Senator gave them as his.

Mr. WILLIAMS. Yes.

Mr. SMOOT. I do not think the Secretary of the Treasury would ever take the position the Senator has taken here.

Mr. CLAPP. Mr. President——

Mr. SMOOT. No man who knows anything about business would ever figure the way the Senator from Mississippi is figuring now. It costs the Government no more for a continuous session than if the Senator from Mississippi were at present in bed instead of being engaged in forcing a vote on this bill at 1 o'clock in the morning.

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

Mr. SMOOT. For a question.

Mr. CLAPP. I wish to ask the Senator from Utah if he does not think it is very fortunate for the Senate as a whole and Senators individually that there is no personal liability as to what it will cost the American public from time to time in debate? [Laughter.]

Mr. WILLIAMS. Now, Mr. President——

Mr. SMOOT. No, Mr. President, I do not yield. I do not want the Senator to get any further off now until I answer the question he asked me; nor do I want the Senator at this early hour in the morning——

Mr. WILLIAMS. This is not an early hour. It is a very late hour.

Mr. SMOOT. It is early in the morning. I notice that it is 10 minutes past 1, so that it is early in the morning.

Mr. WILLIAMS. Does not the Senator really think——

Mr. SMOOT. I do not want the Senator from Mississippi and the Senator from Minnesota to get into any discussion that would lead my mind off from the subject we are discussing. Therefore I kindly ask the Senator from Mississippi not to reply to the Senator from Minnesota at this time.

Mr. WILLIAMS. I will not.

Mr. SMOOT. Now, if the Senator will let me go on.

Mr. WILLIAMS. I want to ask the Senator if he does not think his saying I should wait for an answer to the last question until he had answered all the others was substantially saying that he never would answer any of them?

Mr. SMOOT. Of course that may be the result, but I did not have that in mind. If the Senator from Mississippi will be so kind as to call my attention to it before I close, I will assure him now that I will be glad to answer if the Senator from Mississippi is in the Chamber at the time I close. However, if the Senator from Mississippi now desires to ask me a question, I am perfectly willing that he should do so.

Mr. WILLIAMS. I think I have asked quite a number of questions. I merely intended to help you along.

Mr. SMOOT. That is not a question.

Mr. WILLIAMS. You were worrying yourself considerably, and I thought I would ask you a question to give you a starting point.

Mr. SMOOT. If that is the case, I do not yield to the Senator from Mississippi, because, Mr. President, I do not have to yield to him for that purpose.

Mr. SIMMONS. Will the Senator from Utah let me ask him a question?

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

Mr. SMOOT. No, Mr. President.

The PRESIDING OFFICER. The Senator from Utah refuses to yield.

Mr. SMOOT. I refuse because the Senator from Mississippi may think——

Mr. SIMMONS. I wish to ask the Senator from Mississippi a question.

The PRESIDING OFFICER. The Senator from Utah refuses to yield.

Mr. CLARK of Wyoming. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded. The Senator from Utah refuses to yield.

Mr. SMOOT. That would take me off the floor and I will not yield for that reason. The Senator from Mississippi need not worry about my running out of material, for this bill is so vicious in its provisions, it is so un-American that there is plenty to say about the bill without anyone interrupting me with questions to take up the time.

The Postmaster General and others have proposed that the Government shall take over the telephone and telegraph lines. That is only another step toward socialism. It is not any worse step, however, than the one that is being taken in this bill. The result will be the same. The Government of the United States can not run business as cheaply as an individual or a corporation. No government on earth does it. Let the Government get into the business of operating ships. The appointments of the officers and men employed, if they were Americans, would be influenced through politics. Can not Senators see the trouble that would come? I believe that they do see it and they know it. If this proposition had been made three years ago by a Republican President, and if he had undertaken to force it through this body when the Republicans were in control, he would have found the Senator from Mississippi [Mr. WILLIAMS], the Senator from Kentucky [Mr. JAMES], particularly the Senator from North Carolina [Mr. SIMMONS], standing upon that side of the Chamber denouncing it with all the force at their command, just the same as they have done in the past whenever the question of building a merchant marine has been under consideration. But the Democratic caucus report a bill that if enacted into law no one in this Chamber or anywhere else in this Government can tell what it is going to cost the Government of the Unted States. No one has ever suggested what it would cost, and they do not know what it would cost.

A measure to provide the way to Government ownership of the merchant marine would be very much better than the provisions of this bill. We are told by one Senator upon the other side that the object of the bill is for the Government to purchase the boats and then to lease them, and that unless the lease provision was in the bill he would not support it. Other Senators take the position that the Government is going to operate the boats, that it is not expected to lease them. And it is not an emergency matter. That the policy is a permanent one; the Government is going into this business.

Mr. President, if the Government is going into the business the Government ought to own the boats outright. They ought to operate them and they ought to be responsible in every way and not try to get under cover with a corporation of the District of Columbia. Some Senators upon the other side say that they do not intend to buy the German boats interned in the different ports of the world. Another Senator says that they have a perfect right to buy them and that no danger will come to this country from the purchase of the same.

No, Senators, there is no concerted thought or understanding as to what the bill is or what it is intended to accomplish. The only thing that they do agree upon is that the President wants the bill and he must have it.

If this bill becomes a law and is put in operation it will paralyze individual effort and increase the number of Government employees and the expense of conducting business so as to lead almost to a revolution.

Government regulation is all right, but Government ownership as a substitute for private business enterprise is a monumental failure. I want to register my protest against the Government of the United States going into the shipping business, the merchandise business, the lumber business, the clothing business, the manufacturing business, or any business other than that for which our Government was organized and which the Constitution of the United States gives it power to undertake.

I made the statement that it costs the Government more to run any business than it costs a private institution; and I think that is very easy of demonstration. I never heard it denied until this bill was under consideration. I never thought there was a Senator who believed otherwise from the experience that he has had with the departments of the Government. The Government, for instance, is conducting a printing office in this city at an expense of nearly a million dollars a year. That is outside of the cost of paper and of all other materials; it is solely for labor. I have no doubt that the actual work required to do that million dollars' worth of printing could be done in private institutions for much less. There are reasons for that which I shall not take time to discuss in this bill, but I hope before the close of this session that we shall pass the printing bill that is now upon the calendar. By passing that bill we should save to the Government every year nearly $800,000; but when it comes to a matter of saving money for the Government, that is a horse of a different color. Bills that take the money from the Treasury can receive consideration, but bills designed to save to the Treasury and for the Government can wait until the new Congress comes in!

The Postmaster General has recently declared that if he were allowed to contract for the parcel-post business and for the rural free delivery, he could save in the latter case alone some $18,000,000 a year. Is there any better testimony to show that the Government can not do business in competition with individuals or individual corporations? In this one item alone we were told that there could be saved $18,000,000. I have not made an investigation to ascertain whether or not it is true; but if the Government were placed upon a business basis, if it were run on business principles, if we had power and authority to direct, to appropriate, and to organize the business of this country, I have not a doubt in my mind that it could be done for 25 per cent less.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Dakota?

Mr. SMOOT. I yield for a question only.

Mr. STERLING. Very well. I do not know whether the Senator's attention has been called to a statement made by the Secretary of the Treasury, in a letter of January 27, and which has been on our desks since that date or the date of the 28th of January. I should like to ask the Senator a question concerning one statement which the Secretary of the Treasury makes, although it may be that the Senator has covered the point in his discussion so far. However, on page 17 of his letter I find the Secretary of the Treasury makes this statement:

> Grain, cotton, and other commodities are usually sold "delivered" at the port of destination. When steamship companies raise the cost of delivery of grain from 6 cents to 60 cents per bushel it makes a vast difference in the price the farmer receives for his product and when ocean freight charges on cotton are raised from $1.25 to $15 per bale the price at which the farmer sells his cotton is seriously reduced.

The question I desire to ask is as to whether the Senator from Utah thinks that the farmer has to take any less for his wheat on account of the higher freight rates, or whether the farmer is receiving any less for his wheat on account of the higher freight rates, or whether or not the higher freight rates are not paid by the consumer—the foreigner—who purchases the American wheat?

Mr. SMOOT. Mr. President, in answer to the Senator from South Dakota, I will state that the American farmer gets the same price all over the United States less the freight to some port for exportation. The prices referred to for transportation by the Secretary of the Treasury are prices for cotton from a port in the United States to Germany.

They do not charge any such price to any port of England or France. So it is with the 60 cents a bushel rate upon wheat; they do not charge that rate to Liverpool. If they did, then it would take 60 cents off the farmer's price; but they do not do it. That is merely one of the arguments that is made. I venture to say to the Senator that there has not been one cargo of cotton shipped at $15 a bale, and if it were shipped to Germany and a charge of $15 a bale were made the man who bought the cotton paid for it the same price as that paid for the cotton that goes to Liverpool, and Germany pays that extra $13.75 a bale.

Mr. STERLING. That is what I wanted to ask the Senator—whether or not the cotton producer was obliged to take any less for his cotton per bale because of the transportation charge?

Mr. SMOOT. Not at all.

Mr. JAMES. Mr. President——

Mr. SMOOT. I doubt, Mr. President, whether there has been a cargo of cotton shipped to Bremen, where this rate of $15 a bale has been charged. There is no such rate to Liverpool, and the only reason for advances of freight rates at all is because it is almost impossible to secure men to unload the boats. I will call attention to-night to the number of vessels which have been lying outside of the different ports unable to be unloaded.

Mr. JAMES. Mr. President——

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

Mr. SMOOT. I want to say, Mr. President, to the Senator from South Dakota——

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

Mr. SMOOT. If the Senator will be patient a moment, then I will yield for a question.

I want to say to the Senator from South Dakota, in answer to his question, that if a hundred bales of cotton should go to Liverpool and a hundred bales of cotton should go to Bremen at the $15 a bale rate the cotton grower in the South would receive exactly the same price, and the cotton shipped may come from the same warehouse, bought upon the New York market the same day for the same price. There is no doubt in the world about that.

Mr. JAMES. The Senator tells us that the freight rate makes no difference to the producer——

Mr. SMOOT. No; I do not want the Senator to make a broad assertion of that kind.

Mr. JAMES. That is what I thought the Senator's argument meant.

Mr. SMOOT. Oh, no; I said——

Mr. JAMES. But aside from that——

Mr. SMOOT. If the Senator wants to ask me a question, let him ask it and not make a speech.

Mr. JAMES. That is what I am predicating it on.

Mr. SMOOT. Certainly; the producer does not pay the 60-cent rate on wheat to Bremen or the $15 a bale on cotton.

Mr. JAMES. I am going to take you to another product that is a little closer to our hearts in Kentucky than either cotton or wheat, and that is tobacco.

Mr. SMOOT. I presumed the Senator had in mind tobacco or whisky; I did not know which.

Mr. JAMES. I refer to tobacco. The tobacco farmer formerly paid half a cent a pound freight from the East to Europe, but the freight rate has been increased to 3½ cents a pound. The tobacco buyers for France, Germany, and other foreign countries are telling our farmers that they must reduce the price of their tobacco 3 cents a pound below what they would otherwise get because of the freight rate charged to get their tobacco abroad, and they have consequently depressed the price of our tobacco to our farmers by reason of that fact.

If the Senator's argument is true that the freight rate does not affect the farmers at all, that it is paid by the producer, what would he say if the freight rate on tobacco were 50 cents a pound? Would that not affect the consumption of it, and would that not affect the demand for it; and if you affect the demand for it and the consumption of it, have you not thereby depressed the price?

Mr. SMOOT. Well, Mr. President, as usual, the Senator from Kentucky has built up a straw man and then commences to demolish him. The Senator from Utah has never said that the freight rates made no difference to the producer. It does not, however, make a difference where there are two rates such as are quoted by the Secretary of the Treasury. If there was a rate of 50 cents to Bremen and a rate of 10 cents to Liverpool on Kentucky tobacco, there would not be a difference of 40 cents a pound to the producer, because of the fact that there is a greater war risk to Bremen.

Mr. STERLING. Mr. President——

Mr. JAMES. Well, if the Senator's argument is true, Mr. President, if he will permit me——

Mr. STERLING. Mr. President, who has the floor?

The PRESIDING OFFICER. To whom does the Senator from Utah yield?

Mr. SMOOT. I yield to the Senator from South Dakota for a question.

Mr. STERLING. The question is this: If the expression as used by the Secretary of the Treasury, "sold, delivered"—the word "delivered" being in quotation marks—"at the port of destination," does not mean that the exporter of the product has sold it delivered, taking into consideration the freight rate?

Mr. SMOOT. And whatever risk there may be besides.

Mr. STERLING. Certainly.

Mr. JAMES. Mr. President, if the Senator from Utah will yield, I want to say that if the Senator's argument is true that the freight rate is paid by the consumer, then our farmers in their long and earnest advocacy of a board like the Interstate Commerce Commission to regulate and to lower freight rates have been very foolish in their advocacy for all these years of lowering freight rates and regulating freight rates by authority of a board appointed through governmental action.

Mr. SMOOT. The trouble with the Senator is that he is arguing upon one subject while I have been answering the question submitted by the Senator from South Dakota upon another. We have war times now; there are war risks at present; and they all affect the price of transportation. The risks are not all the same. The risk of shipping to a German port is much greater than the risk of shipping to an English or to a French or to a Russian port. There is not a shipper who does not know that; and nothing goes from America to the ports of any of those countries that the smaller risk is not taken into consideration, and there is not a shipment that goes to Germany on which the risk is not greater, and somebody has got to pay for it; and who pays for it?

Let us take the case of copper. What is Germany offering for copper to-day? It is not a question of price; it is a question of getting copper. The exporter does not have to pay more for his copper that he buys from the smelters of the West if it goes to England or France or Germany, but Germany has to pay more. Why?

Mr. SIMMONS. Mr. President——

Mr. SMOOT. Because the war risks are greater, Mr. President, and Germany pays for the war risk, but England does not. England can buy the copper, and if she does it arrives with scarcely any risk attached. The insurance to-day upon shipments to England or France or Russia is very little more than it is in time of peace, and why should it be?

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

Mr. SMOOT. If the Senator will wait just one moment.

Mr. SIMMONS. Oh, I am patient.

Mr. SMOOT. No; I do not think the Senator from North Carolina has been patient.

Mr. SIMMONS. I want to be patient.

Mr. SMOOT. I think the Senator from Utah is the patient one.

Mr. SIMMONS. We have all been very patient with the Senator from Utah to-night, I am sure.

Mr. SMOOT. I am sure the Senator from Utah has been very, very patient with the Senator from North Carolina and other Senators injecting remarks into his speech.

Mr. SIMMONS. I am in favor of patience.

Mr. SMOOT. You know, I am not in the position of the Senator from Arkansas when you Democrats were filibustering in order to defeat the ship subsidy bill in 1891. He had the rules of the body enforced, and he warned the Republicans that, no matter if they were in the majority, they had to be in their seats, and it would not do to be in the cloakroom, nor would it do for them to go home, and if they did a quorum would be called.

Mr. SIMMONS. I wish we could have a rule of that sort now, Mr. President, so that the Republicans would have to stay in their seats and not stay in the cloakroom.

Mr. SMOOT. Yes; but that rule would apply then to Democrats, as well.

Mr. SIMMONS. It is a mighty good rule.

Mr. SMOOT. That rule then applied to majorities, and it ought to apply now to majorities.

Mr. SIMMONS. I think it ought to apply to minorities, too.

Mr. SMOOT. No; it did not apply to minorities then. Mr. Jones, of Arkansas, could have taken the floor, and all the others, with the exception of one to suggest the absence of a quorum, could have gone home; and it was not held then that a man who, while on the floor delivering a speech, yields to a Senator and does not say in his statement that it is only for a question, is deprived of the floor. No, Mr. President; no such rule as that was ever enforced in this body before.

Mr. SIMMONS. The Senator has been talking so fast to-night that I have no doubt he is tired, and would welcome suggestions.

Mr. SMOOT. Oh, no; I do not welcome them. Therefore I want to say to the Senator that if that is all the object he has in his request, I refuse to yield.

The PRESIDING OFFICER. The Senator from Utah refuses to yield.

Mr. SIMMONS. The Senator has refused to yield twice to-night.

Mr. SMOOT. Certainly I have refused to yield.

Mr. SIMMONS. He has a perfect right to refuse the third time if he wants to; but I want to say to the Senator from Utah——

Mr. SMOOT. Now, Mr. President——

The PRESIDING OFFICER. The Senator from Utah refuses to yield.

Mr. SIMMONS. I have never refused to yield to the Senator from Utah since I have been a Member of the Senate.

The PRESIDING OFFICER. The Chair wishes to state to the Senator from North Carolina that the Senator from Utah refuses to yield.

Mr. SIMMONS. I will desist if the Senator from Utah is not willing to yield to me.

Mr. SMOOT. No; I am not willing to yield to the Senator on the basis on which he puts it, because I am not tired.

Mr. SIMMONS. I thought the Senator was.

Mr. SMOOT. I am not.

The PRESIDING OFFICER. The Senator from Utah will proceed. He is entitled to the floor.

Mr. SMOOT. Why, I want to say to the Senator that it is now only 20 minutes of 2 o'clock.

Mr. JAMES. I ask for a vote, Mr. President.

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

Mr. JAMES. No; I did not ask the Senator to yield. I thought he had yielded the floor. I was asking for a vote.

Mr. SMOOT. That is the way the Senator from Kentucky would force a vote. He asks a question to draw me off, and then, when I am trying to get back to where I was when he started, he calls for a vote.

Mr. JAMES. No, Mr. President; the trouble with the Senator is that he is not quite so easily drawn off from what he is talking about, because he has been rambling around all over everything——

Mr. SMOOT. Mr. President, I will say to the Senator from Kentucky that I have yielded to him when he has asked me to do so, and every time I yield to him he enters upon a long harangue, a political speech of some kind.

Mr. President, I was discussing the cost of the Government running a business as compared with the same business directed, controlled, managed, and operated by an individual or a corporation.

Mr. WHITE. Mr. President——

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

Mr. SMOOT. For a question.

Mr. WHITE. I just wanted to ask the Senator from Utah, when he was speaking about the cost of the Government carrying on business, if he had any reference to the cost of carrying on business in the Senate?

Mr. SMOOT. Mr. President, of course I have heard that question asked very often, when it suits the convenience of Senators upon that side; but I do not think the Senator from Alabama has any advantage over the Senator from Utah in the length of time that is occupied by either one in the Senate of the United States.

Mr. WHITE. I have been here only a very short time, Mr. President. I have hardly been in the Senate as long as the Senator from Utah has been talking. [Laughter.]

Mr. SMOOT. The Senator may not have been in the Senate as long as I will be talking, but I certainly know that he has been in the Senate longer than I have been talking.

Mr. WHITE. I am sure I will not be in the Senate as long as the Senator will be talking, because I go out on the 4th of March.

Mr. SMOOT. I have really forgotten now what the Senator's question was, but I suppose it was of so little importance that the Senator does not care whether I answer it or not.

Mr. President, when the Senators get through with their hilarity, I will proceed; but not until they do.

The PRESIDING OFFICER. The Senator from Utah will proceed. There is no disorder in the Senate at present.

Mr. SHEPPARD. Regular order!

Mr. SMOOT. Mr. President, I was referring to the statement made by the Postmaster General that if he were allowed to contract for the Parcel Post Service and the rural free delivery, he could save to the Government of the United States $18,000,000 a year. This is a confession on his part of the failure of the Government in that line of business, though he wants it to vastly extend its ownership by taking over the telegraph and telephone lines of the country. On the one hand he says that Government control is a failure, and on the other hand he asks for more power. He wants to take over the telegraph and telephone lines of the country, I suppose, to make another failure. If the little business referred to by him loses to the Government, in comparison with the business if maintained and operated by an individual, $18,000,000 a year, for Heaven's sake what would it be in case we took over the telephone and telegraph lines? Nobody could tell, but it would be millions and millions of dollars.

The Government of the United States can not conduct a shipping business without loss. The Government of the United States can not operate the shipping business as cheaply as it can be operated by private parties. This bill offers no hope for any relief to shippers excepting at public expense, and I defy any Democrat in this Chamber to say that these ships will be operated by the Government at a profit.

Mr. OWEN. Mr. President——

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

Mr. SMOOT. For a question.

Mr. OWEN. The Senator has just made a challenge that I was going to answer; but since he limits it to a question, I will ask him if he is not aware of the fact that every nation in Europe, almost without an exception—I think without a single exception—certainly 14 nations do conduct their public utilities, such as telephones and telegraphs and railroads, more economically than they are conducted in this country?

Mr. SMOOT. The latter part of the question is well put in. Cheaper than in this country! I hope so. Public utilities in Europe! Has the Senator been to Europe and seen how they are operated? Has the Senator been there and seen the class of people that operate them? Does the Senator know what they pay those operatives? I hope it will never happen in my life that the Government owning and controlling the public utilities will undertake to operate them as they are operated in foreign countries.

Mr. OWEN. Mr. President——

Mr. SMOOT. I do not want to live to see the day when my children will have to work for the Government of the United States for the wage that is paid to the employees of public utilities owned by the Government of Germany.

Mr. OWEN. Mr. President, I should like to ask the Senator whether he was asking a question when he addressed various inquiries to the Senator from Oklahoma, or whether he was making his peroration?

Mr. SMOOT. No, Mr. President; I was not asking a question, because I do not want to insult the intelligence of the Senator. He knows that there is a difference, and I know he knows it.

Mr. OWEN. Will the Senator permit a question?

Mr. SMOOT. No; I will proceed, Mr. President.

I make the statement again that this bill offers no hope for any relief to shippers except at public expense. Why, even the Senator from Mississippi acknowledged that; but he undertook to argue that if the people of the United States received cheaper freight, and if the Government of the United States had to pay the difference, that would be clear gain to the people. What a silly position! The people of the United States pay every dollar that goes into the Treasury of the United States in one way or another.

It would be like robbing Paul to pay Peter; like taking a dollar out of one pocket and putting it into another and claiming that you have made a dollar.

Mr. OWEN. The Senator is denying the protective-tariff doctrine.

Mr. SMOOT. No; I am not denying anything relating to the tariff. If you want to enter into a tariff discussion to-night, I am perfectly willing to meet the Senator upon that question. There is no doubt about it; just wait until the American people get one more chance at the Democratic Party, and they will let it know who pays the tariff.

Mr. BRISTOW. Mr. President——

Mr. SMOOT. I yield for a question only.

Mr. BRISTOW. I desire to ask the Senator why it is that the representatives of the present administration are so exceedingly anxious about the freight rates on the ocean while they are increasing the freight rates which the American people have to pay on land?

Mr. SMOOT. That is a question, Mr. President, that is worthy of a speech in itself. I say to the Senator that I would not feel like undertaking it unless I had at least two or three hours to discuss it. It is filled full of serious questions. It goes to the very heart of a number of questions that the people of the United States ought to know; the facts are leaking out little by little, and I think it will not be many years until the people will know the whole truth.

I do not know all that is back of this bill. We will learn after a while. We will learn what influences are pressing it and what they intend to get out of it. Take our experience in the War with Spain. We found ourselves helpless as far as auxiliary ships were concerned.

Mr. OWEN. We licked Spain.

Mr. SMOOT. Yes; we licked Spain, because she was a poorly prepared country; but we had to go to a foreign country to get auxiliary boats, just the same as we would have to do at present if we became involved in war.

If I was going to be extravagant in Government appropriations it would be for our national defense. We should learn by the lesson that was taught us in the purchasing of ships during the War with Spain. In some cases the price that was paid for the ships was such that when they were sold, not two years later, they did not bring 10 cents on the dollar.

Mr. OWEN. That was in a Republican administration.

Mr. SMOOT. Yes, Mr. President; it was; but if the Republican Party had had its way and used such rules as have been used in the consideration of this measure we would have had the merchant marine established, and we would have paid only a small subsidy to have done it. We would not have had to purchase the boats at the time we had trouble with Spain.

Mr. OWEN. You would have paid subsidies to the trusts?

Mr. SMOOT. I do not know how long it will take some Senators to forget the hackneyed word trusts, but there is never any legislation they are opposed to but what they cry "trusts!"

"trusts!" I think the people of the United States will know a little more about what party is fostering trusts after this bill passes than they have in the past. I think if the lobby committee that was appointed by the Democratic majority would get to work now they would find an insidious lobby in Washington, and that it had been here for months.

Mr. OWEN. Certainly the papers of Washington are against the bill.

Mr. GALLINGER. Mr. President, I rise to a point of order. I insist that the rule shall be observed and that a Senator shall not speak when sitting in his chair.

The PRESIDING OFFICER. The rule of the Senate is that a Senator must rise and address the Chair and get permission before he can speak.

Mr. GALLINGER. That is a right rule and it ought to be enforced.

The PRESIDING OFFICER. The Chair hopes that Senators will respect that rule. The Senator from Utah will proceed.

Mr. SMOOT. I would not have thought about trusts or have mentioned them unless it had been brought to my attention by the fertile brain of the Senator from Oklahoma [Mr. OWEN]. When we were considering the bill granting free tolls for American ships through the Panama Canal I could not help, in following that discussion, to observe that my friends on the other side pleaded for free tolls in order that the unjust freight rates would be lowered and prevent the railroad trust from further robbing the people. When they were ordered by the President of the United States to repeal the law the same Senators argued that it ought to be repealed to cripple the shipping trust.

I say, Mr. President, I would like to have the lobby committee get busy. I do not think it would be very hard to find the lobbyists. I do not think it would be very hard to find men deeply interested in selling to the United States German interned boats. I do not think it would be very hard to find men with old painted tubs in different parts of the world here to sell them to this proposed shipping board. If they were first-class boats they would be in service. The owners of boats to-day all over the world are reaping a harvest because of the fact that they are in a position to dictate as to what freight rates they may charge. Mr. Irving T. Bush, president of the Bush Terminal Co., recently pointed out that England has 4,235 ships in the foreign trade.

Mr. KERN. Mr. President——

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

Mr. SMOOT. For a question.

Mr. KERN. What is the name of the gentleman?

Mr. SMOOT. Mr. Bush.

Mr. KERN. Anheuser Busch?

Mr. SMOOT. Oh, no; this Bush is spelt B-u-s-h. I am not a beer drinker, so I do not know how the Busch beer man's name is spelled. However, I do not believe it is B-u-s-h. I think it is B-u-s-c-h, and there may be a letter or two more in it. Mr. Bush points out that England has 4,235 ships in the foreign trade. Under this bill the United States might get 30 to 60 ships by the expenditure contemplated by President Wilson. Suppose you bought them all, suppose you could buy them all, you would have to buy ships that are in the trade to-day, and it would not relieve the situation at all.

What would 30 ships amount to in the commerce of the world? Mr. President, it is perfectly absurd to think that it is going to have any influence upon rates. If we had 2,000 ships, if we controlled that number, there would no doubt be competition, but to think that 30 ships would influence the trade is absurd. It may, however, be sufficient to carry a part of the cotton, but as far as carrying the commerce of the United States to foreign countries is concerned, as far as taking care of our exportations as a whole is concerned, not for one section of the country but as a whole, it is ridiculous. Practically nothing could be accomplished by the expenditure of the amount provided for in this bill.

The great trouble with our competing in the foreign shipping trade grows out of the much higher wages paid in this country than elsewhere. The cost of constructing a ship is more in this country and the cost of operation is necessarily more. The fact that the Government operates a ship will not relieve that situation in the least. The Democrats have been legislating to meet that situation by admitting foreign-built ships and by allowing them to be manned by foreign crews and foreign officers, a policy, Mr. President, that never should have been allowed. But even with this poor policy, what has been the result? Has it assisted us to any degree in handling our oversea trade? Let the figures speak.

If such legislation were taken advantage of to any great extent, the shipyards in the United States would necessarily suffer, because foreign ships would be obtained instead of American-built ships. Our shipyards could not compete with those of foreign countries without reducing wages to the foreign level. I have not heard any Democrat in this discussion claim that the wages were not less in foreign countries than in our own. I can take our own Government reports and show the class of employees upon the ships carrying our commerce on the seas, and I venture the statement now that there is not any class of employees on a foreign ship that receives anywhere near the same wage they receive upon an American ship of the same size and the same class of ships. Some countries do not pay more than perhaps 40 per cent. Some pay less than that.

That is only one item in the cost of operating ships. Our shipyards could not compete, as I have stated, with those of foreign countries without reducing wages to the foreign level. Is that what our Democratic friends want? That is what they are seeking to bring about; but so far their efforts have resulted in a miserable failure. Some foreign vessels have been brought under our flag, but in nearly every case they were vessels owned by Americans and manned by foreign crews, not by American crews.

Mr. FLETCHER. May I ask the Senator from Utah a question?

The PRESIDING OFFICER (Mr. OWEN in the chair). Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I yield for a question.

Mr. FLETCHER. I want to ask the Senator from Utah if he has figured out what percentage of difference there is in the wage cost, the labor cost of operating vessels under the American flag and under foreign flags—if he has arrived at that estimate?

Mr. SMOOT. Mr. President, it would be impossible for me to state the exact percentage, because that is necessarily different in different classes of vessels. It is different in a larger ship as compared with a smaller ship; it is different as to where the ship is built and what class of people man it. I have heard the Senator from Florida say during this discussion that there was only a difference of about from 5 to 10 per cent. On one occasion he did say 15 per cent.

Mr. FLETCHER. That is the estimate of the committee that reported to the New York Chamber of Commerce, and I was arriving at the possible average. The Senator might state the average. I have seen it stated that the average difference would be about 18 per cent between the wages paid on American vessels and those paid on foreign vessels.

Mr. SMOOT. Why, Mr. President, there is not any country which does not pay 18 per cent less than we do, and there are countries that pay from 60 to 75 per cent less—that is, as to the wage of the crew. The difference, of course, is less as to the officers.

Mr. FLETCHER. Then, I will ask the Senator from Utah another question. The Senator has been making some observations with reference to the Democrats apparently favoring lowering the rate of wages paid on American vessels, and he seems to be very much opposed to that. I would ask the Senator if he would favor what is known as the seamen's bill, sometimes called the La Follette bill, which is pending?

Mr. SMOOT. Most of the provisions of that bill meet with my approval, as the Senator from Florida would know if he was present when the bill was being discussed. I think the Senator from Wisconsin [Mr. LA FOLLETTE] knows very well my attitude upon the bill.

Mr. FLETCHER. Does the Senator favor that provision of the bill which authorizes a seaman, shipped on a foreign vessel, arriving in one of our ports, to demand one-half of the wages earned and the privilege to leave the vessel and demand the proportion of the wages earned?

Mr. SMOOT. I do not think that is the vital part of the bill at all. I do not see that there is very much in that, and I never have thought there was very much in that particular point in the bill.

Mr. FLETCHER. I think that is one of the main points insisted upon.

Mr. SMOOT. I think that is one of the main points insisted upon by some of the conferees; I do not doubt that; but in my opinion it is not a vital part of the bill at all.

Mr. FLETCHER. Is not that the main point insisted upon by the people interested in advancing the cause of labor—the working people engaged on the ships?

Mr. SMOOT. That is one of the points; but I do not think it is the main point by any manner of means. They have never led me to believe that it was the main point at any time in any discussion that I ever had with any of them.

Mr. President, a change of the flag floating over the vessel amounts to nothing in the way of helping American business; and I think the Senator having this bill in charge will admit that what few vessels are flying the American flag to-day, and running under it, were before the European war operating under foreign flags and cut very little figure in the transportation of our products across the seas.

Mr. FLETCHER. I will say with reference to that, if the Senator will permit me, that most of the vessels which were transferred to the American flag are owned by people engaged in business, and who are using them for their own business.

Mr. SMOOT. Certainly.

Mr. FLETCHER. Such as the Fruit Co., the Standard Oil Co., and the Steel Corporation.

Mr. SMOOT. The United Fruit Co. and the Standard Oil Co. are the only ones that have come under our flag; and the prediction was made upon the floor of the Senate by those who were opposed to the measure that they would be the only ones to come under the American flag. I make another prediction to the Senator now, and that is, that just as soon as the European war is over and there is no risk, they will go out from under the American flag and will again operate under a foreign flag.

Mr. FLETCHER. In that situation, then, we have no hope that private enterprise will ever develop a merchant marine.

Mr. SMOOT. Not until there is some subsidy offered, which will make up the difference between the cost of operating ships under a foreign flag and operating them under American laws and under American conditions.

A subsidy to our shipping interests, I will say to the Senator, is the same in principle as protection is to any industry in this country; it is the same as protection is to the great product of Louisiana—sugar.

Mr. POMERENE. In other words, the Senator admits that protection is a subsidy?

Mr. SMOOT. Mr. President, I object to Senators sitting in their seats and making side remarks. It has been going on all night. I did not hear what the Senator said. I will yield to the Senator from Ohio if he wants to ask me a question, but I do object to him turning his back to me and also to the Chair and making some side remark that we can not hear.

Mr. POMERENE. Mr. President, I recognize the fact that the Senator from Utah is "monarch of all he surveys," and I do not care to interrupt him when he is in such an amiable mood.

Mr. SMOOT. Then, Mr. President, the Senator was entirely out of order in interrupting me. I am perfectly willing, as I said before, to be interrupted if the Senator wants to ask me a question; but when the Senator turns his back not only to me but to the Chair and says something that I can not for the life of me hear, I do not think it is in order, and I object to its further continuance. It has been going on all the evening.

The PRESIDING OFFICER. The objection is sustained.

Mr. SMOOT. I was saying, Mr. President, the question of a subsidy for the building up of our merchant marine is no different than a protective tariff to build up our industries in this country. The shipping business is in the same identical condition, because of having no protection in the way of a subsidy, that our sugar business will be in just as soon as the war is over.

When that time comes there will not be a sugar factory in the State of Louisiana that can successfully operate; and there will be very few sugar factories in any part of the United States when sugar beets are again raised in foreign countries now at war and sugar produced for themselves and for export.

I know that the beet fields of Belgium are trampled bare. The millions of Belgian people of that stricken country have been driven beyond its borders. The beet fields of Germany are not yielding what they have in the past; nor are those of France. The present price of sugar is due to a shortage in the world's crop, and when the war is over there is no question that, unless the provision of the tariff law placing sugar upon the free list to take effect in 1916 is repealed, the sugar industry of this country is doomed.

I only refer to this because the question was asked whether or not private initiative, private individuals, would build up our merchant marine. I say that they will not do it and they can not do it unless they receive a bounty, a subvention, or some sort of assistance from the Government of the United States. I have said, Mr. President, that the change of the flag floating over a ship amounts to nothing by way of helping American business. The Democrats have tried to get a measure through Congress taking away all the protection for our coastwise shipping. When that amendment was first offered in this body I thought it was done for delay. I did not think there were any Members of the Senate who would vote for such a proposition. Certainly no one who had studied the question would think of such action as that, because he would know that it would be the beginning of the end of our coastwise trade, a trade that has grown until it is the pride of the country, and acknowledged by all the world to be better than that of any other country, and yet we find introduced into the Senate amendments the effect of which would be to take away all protection to our coastwise shipping. A conference report for that purpose was brought before Congress at the last session, but fortunately it was not adopted and the measure did not get on the statute books.

Our coastwise shipping is something the country can well be proud of. We have 7,000,000 tons of coastwise shipping. Senators, would it not be a splendid thing if our over-seas trade had increased as our coastwise trade has increased? Would it not be a splendid thing if we had ships plying the oceans of the world, the fastest and the best in all the world, ships that we could call to the aid of our Navy in time of war, ships that would be at our command? I want to say to Senators that if we had taken the same course in the upbuilding of our over-seas trade that we have taken in building up our coastwise trade we would to-day be in an independent position as far as carrying our products to foreign markets is concerned.

Mr. MARTINE of New Jersey. Mr. President, I can not resist——

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

Mr. SMOOT. I yield for a question.

Mr. MARTINE of New Jersey. I want to ask a question of the Senator. With omnipotent authority in both Houses of Congress, pray God, why have you Republicans not built up such an establishment of ocean carrying trade?

Mr. SMOOT. Well, one reason——

Mr. MARTINE of New Jersey. You have been derelict, then, in your duty, and you can not complain of us, for we have only had the reins of power for a year and a half, or thereabouts.

Mr. SMOOT. Well, Mr. President, if the Senator will look at the records of Congress——

Mr. MARTINE of New Jersey. I do not want any record; I know the fact that you have not built it up, and why have you not done so?

Mr. SMOOT. If the Senator will permit, I will gladly answer him. For one reason, we have not used the rules of this body the same as they have been used to-night. That is one reason. Another reason is that the Democrats have stood upon that side of the Chamber when they were in the minority and have filibustered to death bills providing for a merchant marine. I say to the Senator that we have had a President of the United States who would sign such a bill; we have had Senates that would have passed such a bill; but we have never yet had a bill pass the House and come to the Senate unless there was a filibuster to kill it by the minority.

Mr. MARTINE of New Jersey. Oh, well, it ill becomes the Senator to argue against filibusters when his party, by a method that was infallible in its operation, carried on a filibuster.

Mr. SMOOT. If the Senator will favor me with his presence——

Mr. MARTINE of New Jersey. I have, very assiduously.

Mr. SMOOT (continuing). And be patient for a while longer——

Mr. MARTINE of New Jersey. Oh, yes; I am going to.

Mr. SMOOT (continuing). I might take a little time in reading some of the Democratic filibustering speeches that have been made against establishing an American merchant marine. I want to get in the RECORD a little data on this point.

Why, Mr. President, I know of Senators that have based their claim for reelection on their filibuster record. I remember Senators who went home following a filibuster and told their people how they stood up on the floor of the Senate, and how every power they possessed, mental and physical, had been exerted in behalf of the people of their States to defeat a bill for the establishment of a merchant marine. Oh, the hills of their States rang with their filibustering achievements.

Mr. President, I stated, when I was interrupted, that a conference report for the purpose of depriving our coastwise trade of all vestige of protection had been proposed through an amendment offered in the Senate, and a conference report for that purpose was brought before the Congress at the last session—just the last session.

Mr. MARTINE of New Jersey. Yes; but go back further.

Mr. SMOOT. Fortunately, however, it did not get on the statute books. No Republican Congress has ever suggested the repeal of our coastwise laws. No Republican Senator has ever suggested that that great industry be destroyed; but it would have been destroyed if this conference report had been agreed to a year ago. The Senator objects to conference reports of that kind, and so do I.

Mr. MARTINE of New Jersey. No; I beg pardon, Mr. President, I only want to say——

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

Mr. MARTINE of New Jersey (continuing). That that does not answer my question. I am talking of a time and a season far beyond that conference report.

The PRESIDING OFFICER. The Chair calls the attention of the Senator from New Jersey to the rules.

Mr. MARTINE of New Jersey. Well, I asked the question, and I repeat the question, why, with power omnipotent——

The PRESIDING OFFICER. The Senator from New Jersey must address the Chair and obtain permission before interrupting.

Mr. MARTINE of New Jersey. I realize that, Mr. President. I ask that the Senator will yield for a question, which I will put again.

The PRESIDING OFFICER. Does the Senator from Utah yield for a question to the Senator from New Jersey?

Mr. SMOOT. Yes, Mr. President; but I think it will be the same question that was asked and that I answered before.

Mr. MARTINE of New Jersey. It will be; but I have heard no answer.

Mr. SMOOT. Then the Senator will have to wait until I reach the subject, because I am not going to be diverted at this particular time.

Mr. MARTINE of New Jersey. I thought this was just on that question.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. SMOOT. I will give the Senator all the evidence he wants before I get through. I assure him of that.

Mr. MARTINE of New Jersey. The Senator will not be able to do it between now and to-morrow morning.

Mr. SMOOT. That is not the only day that is left.

Mr. MARTINE of New Jersey. No; nor next week, nor next year.

Mr. SMOOT. We have until the 4th of March.

Mr. MARTINE of New Jersey. Thirty years of dereliction can not be answered in 10 days.

Mr. NORRIS. Or ten times 10 days.

The PRESIDING OFFICER. The Senator from New Jersey must address the Chair.

Mr. MARTINE of New Jersey. Well, all right—or ten times 10 days.

Mr. SMOOT. Mr. President, I have been diverted so many times.

The PRESIDING OFFICER. The Senator from Utah has the floor, and will proceed.

Mr. SMOOT. I was discussing the question as to the wisdom of withdrawing all protection from our coastwise shipping. We have 7,000,000 tons of coastwise shipping. It has doubled in 23 years. If we had no protection for it, instead of doubling in 23 years we would be carrying about 5 per cent of our coastwise shipping, or not to exceed 8 per cent, as 8 per cent is what we are carrying now of our overseas shipping. Since 1878 the coastwise shipping has increased 4,502,830 tons, but in the same time the shipping in the foreign trade has declined 570,183 tons up to 1913, so that the amount now employed in that trade, the whole of it everywhere, upon every sea, going to all the ports that the few ships we have go to, is only about 1,000,000 tons. Our coastwise trade is seven times the amount of our foreign trade.

The coastwise shipping is absolutely protected from any foreign competition, but the ocean carrying trade, as I stated before, has no protection. That tells the whole story. All the fine-spun arguments, all the speeches that may be made and prepared by interested parties, can not deny it. That is the story, told so plainly that a wayfaring man, though a fool, can understand it. The coastwise fleet is largely composed of steam tonnage, and 1 ton of steam tonnage is usually reckoned as equivalent in efficiency to 3 tons of sail tonnage. Our coastwise fleet, built up under absolute protection, is the greatest in the world. It is not merely a trade of short and sheltered voyages, as we often see stated, and he who states such a thing does not know the true conditions, or at least he is misinformed.

The distance from New York to San Francisco through the Panama Canal is 5,000 miles, or nearly twice the distance from Sandy Hook to Liverpool, and yet that is coastwise trade, taken care of by American ships. Freight rates have decreased; and in fact it will do the Senators an immense amount of good if they will take the time to go and get the rates that were charged from one port to another by our coastwise ships 20 years ago and follow them down to the year 1913. With the single exception of some extraordinary occasion, some unforeseen event, those rates have steadily declined. It is true that at times, as I have noticed and as everybody knows who has studied the question, the rates temporarily have fluctuated, but upon the whole they have been steadily declining, so much that in ordinary times the rates charged are so reasonable that you hear little complaint from the shippers of this country.

The papers of the country have not been filled full of complaints of exorbitant charges in our coastwise shipping. Appeals have not been made as they have been made in the case of the railroads of our country. I live in a State that never expects to enjoy special advantages from water shipments, but the merchants and people of my State have suffered long years from extremely high railroad rates. When we had the long-and-short-haul clause before the Senate of the United States, I showed to the Senate that in the case of a shipment of one carload of structural steel to San Francisco, a thousand miles beyond Salt Lake City, the freight rate upon that car was nearly $240 less than it would be if shipped to Salt Lake City. I showed at that time that certain buildings were being erected in the city of Salt Lake and that the freight charges upon the structural steel that went into one building alone would exceed by $20,000 the freight rates upon the same identical steel if it were shipped to San Francisco.

I have had men say to me, "Why do you take an interest in the shipping business? Your State is not interested in it, why should you be interested in the question?" Mr. President, I am interested in the question from principle, nothing less and nothing more. I have not a cent invested in a ship or a boat of any kind, never have had and never expect to have, but I do know enough about the business to know that unless there is protection given to that trade it can not exist, it is absolutely impossible unless—and I can not think of anything else—we descend to the same level of living, unless we place our laboring men in the same unfortunate condition that they are placed in abroad. It would be impossible for us to compete. No one goes into any business unless there is some chance of success. No one is going to build ships for the transportation of our products from this country to a foreign country unless there is some chance of financial returns. They may be loyal to the country, they may have the interest of the country at heart, but they will not go into business when they know it is absolutely impossible to make ends meet. Therefore, Mr. President, we have got to treat this subject upon the same broad principle that we treat other industries of the country which require protection as against conditions existing in foreign lands.

As I stated, I live away from the coast a thousand miles, but I am just as much interested in an American merchant marine as is the Senator from New Jersey [Mr. MARTINE], who lives right upon the water's edge. I am not a spotted protectionist. There is not an industry in the South that needs protection but what I would vote for it just as soon as I would vote for anything in which my State is interested. I do not care where the industry may be located, if it is an American industry I am for it.

Mr. MARTINE of New Jersey. I thoroughly believe, Mr. President, that the Senator is utterly sincere in that sentiment, and I do not disagree with him in it.

Mr. SMOOT. Therefore, Mr. President, I am sorry to see this bill before the Senate. I am sorry to see the question drifting into politics. It is something of more vital interest than politics. As I stated in my opening, if it were politics I would allow the bill to pass.

Some people have asked me, "Do you believe in a tariff commission? Are you afraid of an unbiased examination of the principles of protection?" No; Mr. President, I am not, and I would like to see a commission composed of men not biased politically, not a commission that can be dictated to. I would like to see a commission composed of men with the ideals of the men who composed the Interstate Commerce Commission when it was first organized. If we could have such a commission, I would not doubt, and I feel like saying I know, what the result would be. I am not partisan enough to wish to see that question continued in politics. I would like to see it settled, and I would like to see the future political battles between the great parties fought upon questions that involve the fundamentals of our Government. I believe, Mr. President, if that time ever comes, and I believe it will, there never will be a scene like the present.

Senators, this is the first time in my life that I have ever stood on the floor of this Chamber and discussed a question that I thought in my soul it was my duty to go to any length in fair and honorable debate to defeat. If I did not think that my country was in danger by the passage of this bill I never would say another word upon it. But it is filled full of risks, and if it ever enters upon the high sea of commercial life I hope that the overruling Providence that has held this land so long in the hollow of His hand and made it the cradle of liberty will guide it from the shoals and the rocks that lie in its course.

Mr. President, there are 24,756 vessels in our coastwise trade, and fully seven-eighths of our American officers and sailors are engaged in the coastwise trade.

Mr. SHEPPARD. May I ask the Senator a question?

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

Mr. SMOOT. I yield for a question.

Mr. SHEPPARD. Does the number the Senator gave include the vessels on the Great Lakes?

Mr. SMOOT. They are included in the number I gave.

Mr. SHEPPARD. Does the Senator know how many are on the Great Lakes and how many are on the coasts?

Mr. SMOOT. I have not looked up the question with a view of ascertaining just how many. The rates have been greatly reduced in that trade and are more stable than in the foreign trade. That is natural. It is very natural, indeed, because in the foreign trade we have conditions affecting rates not only in this country but in every country in the world, whereas our coastwise trade is affected only by our local conditions. There always have been great fluctuations in the rates of our over-seas traffic. Sometimes there is a sudden increase of 100, 200, or 300 per cent, and under the present condition of war between all the great countries of Europe it has even increased more than that, particularly to points where boats have to pass through mined waters, and particularly where the product goes to a country the allies think is friendly in any way to their opponents.

In fact the only way we can obtain sailors and officers for ships of any sort in this country is from our coastwise trade. Our sailors are educated there. Our officers find employment there. You do not find any American officers on foreign ships. Germany never grants a subsidy to the owners of any particular line, but what she puts into the contract is a provision that all the boats shall be built in Germany. It was through that principle, and that only, that she has established her great shipping yards, and it was through that policy that she became one of the great carriers over the ocean to all parts of the world.

England, of course, has led her. In fact, the very existence of England depends to a large degree upon her shipping interests, and it necessarily must be so, Mr. President, for with those people, living as they do in that little island, not much larger than some of our States, compact, crowded, all struggling for an existence, as they expand there is not much else for them to do except to go upon the water; and they reach out for foreign business. They obtain it anywhere. They are the builders of cheap boats. They have cheap men to man the boats. They do not impose the restrictions upon their boats that we do. I believe in the restrictions that we impose, and I think they ought to be increased. Senators, I think that we all ought to feel that way.

I do not know whether I will ever want for anything in the world or not; I can not tell. I might lose all I have within a year. I and my family might be dependent upon a daily wage within that time. I am for the man who labors for a daily wage. I want my children to live in America and feel as I do. I never want to see the time come when the standard of citizenship, the standard of living is less than it is to-day; when the love of country will be less in the hearts of the people than it is to-day. Rather would I see it increase. Rather would I see the time come when every man and woman living under the Stars and Stripes shall be independent, so much so that not one of them will ever want for the necessaries of life. I believe, Mr. President, that that time will come, but it will never come unless the laws of our country are such as to equalize the higher cost of maintaining such standards as compared with foreign countries. I will support immigration laws that will raise the standard of American citizenship.

Mr. President, it has been stated that other countries do not assist their shipping by subsidies. A rose by any other name is just as sweet. I say now that there is not a civilized country on earth that controls any considerable part of the over-seas trade of the world that does not directly or indirectly pay a subsidy to its shipping interests. Great Britain followed that course for a great many years. After she got her merchant marine thoroughly established, far ahead of any other nation, subsidies were, to a limited extent, abandoned, but only to a limited extent. She has always paid subsidies, and is paying them to-day.

Oh, Senators, instead of throwing away by this bill $50,000,000 to begin with, why do you not pay a million or two million dollars in subsidies, and reach the same results without all of the dangers that this bill will involve us in? Is it because of the word "subsidy"? If it is, let us invent some other word that will accomplish the same results. Is it because of the platforms of the Democratic Party in the past? If it is because of the speeches that you have made in the past against subsidies, let us change the word and see if we can not get rid of the dangers involved in the pending measure.

England even loaned money to the Cunard Co. with which to build great steamships at a less rate of interest than the British Government had to pay to get the money. She also pays subsidies to that line and to other lines. She has been compelled of late to increase them. England is not afraid of the word "subsidy." England knows that that class of trade to which she pays subsidies is dependent upon subsidies. If she did not pay them, the shipping trade now enjoyed by her would be taken away from her by Germany, by Japan, by Austria, and a part of it by the little Scandinavian countries of the north.

We find ourselves, great America, with less shipping upon the ocean than has many of the smallest countries of the world. It is a shame. We would be in that same position, however, even if we did buy 30 ships, as is provided for under this bill. The trouble with this bill is that we would not only be liable to lose the most of the $50,000,000 to be invested in whatever second-class boats or tubs are purchased, but we do not know how much we are going to lose every year in operating them; we do not know, Mr. President, what trouble they may bring to us; they may cost us billions of dollars and an untold number of lives.

Germany built up her shipping interests under subsidies. She began them under Bismarck. She also adopted the protective tariff. The great prosperity that followed that policy is well known.

Mr. President, I remember well when France controlled the fine woolen trade of the world; I remember well when all of the patterns and all of the styles in woolens were made in France. We did not think we could get out a line of samples for the coming year without first securing from France the patterns of the coming season's styles. I have watched the transformation. That is not so to-day. To-day, or at least up to the time this war began, that work was done by Germany. The German people are the most methodical, the most systematic, and careful manufacturers in all the world. Why, Mr. President, they do not consider 25 years a long time in which to establish some new industry or discover some new article of commerce that will be of benefit to the world, and from which, of course, they expect to derive a profit.

The first time I visited one of the great chemical plants in Germany I saw a chemist in the employment of that great institution who had been set apart for one purpose—namely, to discover a dye that would take the place of indigo blue. It took 25 years to fully develop a substitute. The company did not give up the search in 10 or 15 or 20 years. It continued until success came, and when it did come it revolutionized the whole system of dyeing a fast blue. The Army of our country and of many of the old countries of Europe have adopted it in place of indigo blue, a color the world thought could not be duplicated.

Mr. SHEPPARD. Mr. President, I should like to ask the Senator a question about that. What color is that? I am very much interested in knowing.

Mr. SMOOT. Alazarin blue. So, Mr. President, that is only an instance to show the constant attention the German people give to everything they undertake to accomplish. They are a marvelous people and they stand high in all great industrial developments. For years past they have been reaching out and controlling the trade in many parts of the world. They spend a great deal of money every year in sending out representatives to all parts of the world, commercial attachés, with instructions to look up business conditions in the various countries and ascertain how the merchants of different countries desire their goods packed, in what shape they want them put up, to learn the customs of the people of the different countries, and Mr. President, they worked that system of extending their business just as perfectly and just as systematically as they did in working out the problem of making a synthetic dye to take the place of indigo.

Japan has built up a large shipping trade in a comparatively few years by the payment of subsidies and with the advantage

of her cheap labor. I do not believe that the proponents of this bill will claim that the seamen employed upon Japanese ships receive anything near the wages that the American seamen receive. Japan in the last few years has built up a merchant marine, which, if it continues to develop for another 10 or 15 years at the same rate, will be a marvel to the world. She does not confine herself to the Pacific Ocean. Her shipping trade now reaches all over the globe, and you hardly ever go into a port anywhere in the world without seeing, flying at the masthead of a number of vessels, a Japanese flag.

Mr. STONE. But you do not see the American flag.

Mr. SMOOT. We do not very often, and I am sorry to say it.

Mr. STONE. You ought to be, as you are very much to blame for it.

Mr. SMOOT. I have answered that suggestion already. This bill will never change that situation. There is only one way to change that, Mr. President, and that is to allow individual initiative, individual enterprise, coupled with a subsidy or protection that will make up the difference between the building and operation of boats manned and built by the Japanese and those that are built and maintained and operated by and under the American laws.

Germany even went so far as to use her railroads to help her shipping trade, by allowing goods shipped in German bottoms a lower rate to interior points of Germany. We could not do that, of course, under our laws, and the Government does not own the railroads as they are owned by the German Government. There are many things that are done in Germany that we can not do under our Constitution. The principle of the thing, however, is clearly shown, and the intent of the Government itself is clearly demonstrated by the results. She also gave favored rates on exports to her manufacturers that manufacture for home consumption, and she allows combinations and trusts to control the prices and distribution of goods made in Germany.

Mr. STONE. Do I understand the Senator to say that Germany gave a subsidy to manufacturers who manufactured solely for home consumption?

Mr. SMOOT. No; I said that Germany used her railroads to help her shipping trade by giving lower rates for export than for home consumption. If I did not express it in that way before, that is what I intended to say.

Mr. STONE. The Senator is becoming very weary and tired.

Mr. SMOOT. Mr. President, I am not going to yield for a speech, of course, because I do not want to be taken off the floor. France, Italy, and Russia and other countries pay subsidies, particulars of which were given in the speech of the junior Senator from Massachusetts [Mr. WEEKS], delivered on the pending bill. I shall not take time to go over the subject again. They are already in the RECORD.

Mr. STONE. Oh, put them in.

Mr. SMOOT. But I say that they are worthy of the consideration of the Senators upon that side of the Chamber. There is an untold amount of information contained in them—information that would be of service, and great service, to every Senator in this Chamber in arriving at what he ought to do in voting upon this measure. Moreover, those countries pay the tolls for their ships going through the Suez Canal, and some of them have already provided to pay whatever Panama Canal tolls are imposed. They did not hesitate to state what the appropriations were for. They make it known to the world. They never try to cover up anything; and, mind you, that was done before the bill repealing the free tolls for American ships passing through the canal was enacted into law. We knew at the time not only that these Governments had made provision that the tolls charged upon their boats going through the Suez Canal should be paid by the Government but we knew that they had also made provision to pay whatever tolls should be levied upon their ships going through the Panama Canal.

That is one reason why the act repealing that law was so unjust to our American shipping interests. American ships not only have to pay the tolls imposed by our Government but they come in direct competition with freight rates made by foreign shippers upon goods destined to the same ports that our own boats ship to. Their competitors have cheaper boats, cheaper men manning the boats, and cheaper provisions. Notwithstanding all these handicaps the party now in power, by a law passed at the last session of Congress, a law to which that party pledged its support in regard to passing coastwise vessels through the Panama Canal free of tolls, was repealed.

That is one of the most extraordinary and shameless acts ever perpetrated by a political party in this country. American vessels now pay tolls, while foreign vessels have their tolls paid for them by their respective Governments or receive equivalent subsidies. We have thus built the canal, at the expense of over $400,000,000, largely for the benefit of foreign shipping. The British Government exercises absolute control over the Suez Canal, and will not allow vessels belonging to friendly or unfriendly powers to pass through that canal. But Great Britain claims that we have no right of that kind at Panama, although we built the canal and own it; and the Democratic Party agrees with that contention.

Our coastwise shipping would have received a great impetus had the Democratic Party adhered to its declaration in favor of the maintenance of the law providing free tolls for such vessels in the canal. I hope that I shall never be found in the same position that my Democratic friends placed themselves in. Just take the RECORD and look at it—Senators voting for free tolls at one session, speaking for it with all the enthusiasm and power they were capable of exercising, raking the poor railroads fore and aft, appealing to the people's prejudices against the railroads, and claiming that they were voting for free tolls to American ships passing through the Panama Canal in order to protect the people from excessive freight rates charged by the railroads. I agreed with them. I voted for free tolls for American ships through the Panama Canal; but within a very few months a change came over the President and his party. The law was not satisfactory to certain interests who evidently directly or indirectly secured a hearing at the White House. Influences were put to work. I do not know where they came from, but it has been charged upon the floor of the Senate and in the public press that they came from Wall Street circles. But be that as it may, we do know that it was only a few months after the passage of the law until it was repealed, and Senators who stood upon the floor denouncing the railroads and their oppression turned completely around, reversing their vote and argument, and denouncing those who were opposed to the repeal as favoring the Shipping Trust instead of the railroads of the country, which they denounced a few months before as the railroad combination or trust. It did not make any difference which side of the question they took; they had the same old cry, "Trust! Trust!"

If we are made dependent upon foreign shipyards for our shipping as well as our sailors, we will be in a despicable condition in case of trouble with a foreign nation. Shipyards can not be constructed in a day, and if shut out from foreign yards without proper accommodations at home we would be practically helpless. Germany, under the Bismarck policy, provided herself with her own shipping facilities—yards and all necessary requirements attached thereto.

What if Germany had relied upon a foreign country for her implements of war; what if she had relied upon foreign countries for her shipping.

Mr. STONE. What do we rely upon?

Mr. SMOOT. We rely upon foreign countries, I am sorry to say. We could not enter into war to-day without securing auxiliary ships from some foreign country. That has been demonstrated so many times, and has been so demonstrated within a year. We have been humiliated in the past by such a condition of affairs, and I believe it should be changed.

Mr. STONE. That is what we want to do now.

Mr. SMOOT. Mr. President, that is not what this bill will do. Thirty ships——

Mr. STONE. I wish you would tell us how to do it.

Mr. SMOOT. I have told how to do it. The Senator has not been in the Chamber to listen to me, but I will repeat to the Senator in just a few words by way of repetition——

Mr. STONE. I will excuse the Senator.

Mr. SMOOT. The only way to do it is to do it like other countries, and that is by a subsidy, a subsidy that we know just what it will cost the Government. A plan, Mr. President, where politics will not be the first consideration, and where the question of what ships shall be purchased will cut no figure; a plan that will not fill the city of Washington with lobbyists for the purpose of selling to the Government beforehand, even before the bill was reported to the Senate or handed to the Senator from Missouri to introduce, boats, as provided for in this measure. I want a straight subsidy, and I would want to know exactly the amount of the subsidy and terms of the grant, and leave to personal initiation and the individual American how to work out the problem of operation.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. SMOOT. I yield only for a question.

Mr. ASHURST. For a suggestion?

Mr. SMOOT. No; just for a question.

Mr. ASHURST. The Senator states that he is in favor of subsidies, I believe?

Mr. SMOOT. Yes. I yield for a question.

Mr. ASHURST. I say the Senator, I believe, states he is in favor of subsidies?

Mr. SMOOT. I am in favor of building an American merchant marine by granting of subsidies.

Mr. ASHURST. The Senator is a very distinguished member of his party, but, in favoring subsidies, he does not agree with some other very distinguished members of his party.

Mr. SMOOT. Mr. President, it is impossible for every man in a party to agree upon every principle; but I want to say to the Senator from Arizona that the Senator from Utah never hesitates to let all the world know his position on any question, I do not care what it might be. My views, of course, may not coincide with the views of all members of the Republican Party.

Mr. ASHURST. If the Senator will pardon me just a moment——

Mr. SMOOT. Yes; for a question.

Mr. ASHURST. A very distinguished man, Hon. Joseph G. Cannon, Speaker of the House for some time, in denouncing subsidies, said:

And these subsidy seekers came into this House, or rather, into Washington——

Mr. SMOOT. Mr. President, I want it distinctly understood that what the Senator has so far stated is not in the form of a question. It is not a question; and I do not want to be taken off the floor by the reading of any speech made by Joseph G. Cannon.

Mr. ASHURST. It is just a line, and it will not take the Senator off the floor.

Mr. SMOOT. I am not quite sure about that; the stage is all set for that to happen to-night. The Senator can not speak here for the Presiding Officer, and the course intended to be pursued has been demonstrated pretty thoroughly to-night, and I would very much rather the Senator would not go on. He can read it in his own time.

Mr. ASHURST. I am very certain if I should continue the Senator would be sorry I read it.

Mr. SMOOT. Not at all, Mr. President. That is not the point. It would make no difference what Joseph G. Cannon said upon the question of subsidy; that is his opinion. The Senator knows what my opinion is; and neither Joseph G. Cannon nor any other man living can dictate to me and make me change what I believe to be right.

Mr. ASHURST. It may be that it would not require dictation; it might be that a suggestion would be sufficient.

Mr. CLARK of Wyoming. Mr. President, I ask for order.

Mr. SMOOT. The vessels to be purchased under this pending measure, if it becomes a law, are principally German vessels. I know that has been contradicted here, but about the only man who has made a speech upon this question on the other side was the Senator from Montana [Mr. WALSH], and the Senator from Montana spent nearly his whole time in trying to show not only to the Senate but to the country that we have a perfect right to buy the German interned ships. A day or two before it was stated upon the floor that they were going to buy English ships and French ships and Italian ships, and had no intention of buying German ships. They did not say how they were going to do it. Every ship of the first three named countries is in use to-day. It is true if they had the men to unload the cargoes upon their arrival at the ports they could do more, but that condition exists. War exists in Europe, and the men who ought to be on the docks and attending to the commerce of the world have been called away from their vocations to the bloody conflict. As was shown by the speech of the senior Senator from Massachusetts [Mr. LODGE], there are very few of them who would be available for trade purposes. Germany would probably be very glad to get rid of her ships as long as they are interned. I have no doubt about it. If they are purchased, even if it be through Kuhn, Loeb & Co. or Max Warburg, they will never be sold for anything near what this Government will pay for them. That has been demonstrated a good many times in the history of our country.

I am going to tell the Senate of some of the purchases that have been made and what the sales were of those same ships. Interned ships are very expensive to their owners. One of the German companies owning interned ships—the Hamburg-American Line—if reports are true, has a man now in this country negotiating for their sale; and if the reports are true, they had him here before ever this bill was introduced into this body. This is the line that at the time of the Spanish War sold two of its best vessels to Spain to prey upon our commerce, and after it was found that nothing could be accomplished in that way the manager of the line took one of the vessels back. He afterwards came to this country to oppose a bill pending in Congress to give preferential duties to American shipping. To aid a company dominated by such a man would be in keeping with much of the other things that, if reports are true, have been done by the party now in power.

The Underwood tariff-law provision was made for preferential duties for American shipping, but that law was nullified by the Secretary of the Treasury with the approval of the President. The nullification of that provision and the repeal of the law providing for free tolls for coastwise vessels in the Panama Canal and the law admitting to American registry foreign-built ships with Lascars or Chinese crews and officers comprise the legislative acts of the party since it came into power in behalf of American shipping. Senators may believe that those acts are for the best interests of the American people. They may believe it just as firmly as I believe that they are not, and no doubt they do; but I am content, Mr. President, to leave that question for the future to decide.

As far as the first law mentioned is concerned, I think it is the almost universal opinion that it will have to be modified. If the Democratic Party does not do it, the American people will see that it is done. As to the other laws mentioned, it will not take very long until they demonstrate their wisdom or unwisdom. But take the second law mentioned, the law admitting to American registry foreign-built ships. What has the result been? Has it helped the American people? Has it given more ships to the commerce of the world? Mr. President, as soon as the war came on and there was a risk to run, the United Fruit Co. and the Standard Oil Co. took their ships and transferred them to American registry, flying the American flag. There is not a ton greater capacity for the transportation of the products of our country than there was before. The routes have not been changed. The boats are owned by the companies, run for their own business. Therefore, Mr. President, the second law has done no good for the body of the American people. It has been of no advantage whatever. But, I say, they are not so mischievous, they are not so dangerous, and they can not hurt the American people so much as this bill if it becomes a law can and, I say, will.

By the pending measure it is proposed to strike another blow even more powerful for destruction by having the Government go into competition with private owners in the shipping business. The war in Europe has caused the people of this country to realize the truth of what the great majority of the Republican Party has been preaching for so many years as to the danger of dependence on foreign shipping to do our carrying trade on the ocean.

This situation has been seized upon by our friends to bring forward this bill. It could not possibly remedy, within any reasonable time, the lack of shipping facilities. The great danger to which we will be subjected by the purchase of interned ships has been well pointed out by the senior Senator from New York [Mr. ROOT] and by other Senators on this side of the Chamber.

I do not believe that the American people yet realize what the provisions of this bill are. Our proceedings get very little notice in the press; but I am quite sure that if the people knew what the bill is and what the results of its passage would be they would be more eager than they are to-day to protest through their chambers of commerce and through the leading newspapers of the country against its passage.

Mr. STONE. Mr. President, will the Senator from Utah yield to me for a question?

The PRESIDING OFFICER. Will the Senator from Utah yield to the Senator from Missouri for a question?

Mr. SMOOT. If the Senator does not really desire to ask the question, I should prefer to go on.

Mr. STONE. I should like to ask it, but I do not press it. I simply wish to know if the Senator can inform me whether he is filibustering or making this speech for circulation for campaign purposes?

Mr. SMOOT. The Senator can form his own opinion. Mr. President, I desire to proceed.

The PRESIDING OFFICER. The Senator from Utah declines to yield further.

Mr. SMOOT. I have taken some little pains, Mr. President, to collect newspaper articles upon this question from every State in the Union. If the editorials of the great newspapers of this country—and I do not mean those published only in large cities or those published where ports of entry are found, but I mean newspapers in every State of the Union—if their editorials are to be taken as expressing the opinion on the subject in the localities in which the papers are published, then the great majority of the people of this country are opposed to this measure. I think that that should have some weight in the consideration of the measure.

I think also that the position taken by the organizations in all the different States, expressing their fear of this measure, should be considered for what it is worth in determining what

is right and what is wrong to do in the passage of this bill or its rejection.

I have tried to figure out whether the ships obtained—provided they are obtained—could not be operated at a profit with American crews, cared for as required by our laws. My conclusion is that it is impossible. The Government might carry a limited amount of foreign commerce at low rates of freight and make up the loss by taxation. In what way that would differ from subsidies, of which the Democratic Party has been so liberal in its denunciation, would be difficult for any sane man to understand, with the single exception that in the case of subsidies we would know just what we had to pay, while under the provisions of this bill no living soul can even approximate what we should be called upon to pay.

Imagine the United States Government running a foreign ship, manned with a foreign crew and with foreign officers. But that is the only way it could be made to pay expenses, and it is extremely doubtful if a ship could be run even under those circumstances without a loss. I do not believe that the American people would approve of any such thing; I do not believe that the American people want the Government of the United States to purchase ships and man them with foreign officers and foreign crews for the running of a foreign ship purchased by the Government; but that is the only way, in my opinion, they could be made to pay expenses, and, as I have said, it is extremely doubtful if they would pay even then. Privately owned vessels would be obliged to reduce rates accordingly, and, having no Treasury filled by taxation from the people to fall back upon, the privately owned ships could do nothing but go out of business, and they would go out of busines as long as that condition existed, provided, however, there were ships enough owned by the Government to affect the rates or the trade as a whole. But this bill does not provide money sufficient to buy that number of ships. We need not worry about that. The number would only be a flyspeck compared to the number of ships that are in the transportation business of the world. Hence, instead of increasing our merchant marine, it would decrease it by this indirect method of subsidies to Government-owned vessels. It would result in a complete failure of privately owned American shipping in the foreign trade.

We have not very much of that kind of shipping to-day. It is so small now that it is worth little; but if under the provisions of this bill the amount to be subscribed were unlimited, as the original bill, the first substitute and the second substitute provided, and the Government purchased ships to the amount of $600,000,000, or I might say half of that amount, it would affect rates and at the same time it would drive out of business every American vessel now engaged in the over-seas trade.

We would not secure American vssels because there would not be time enough to build them to be of any advantage in this emergency. I say "emergency" because those defending this measure, including the President himself, state that it is an emergency measure, and if it is an emergency measure this bill can not assist the American shipper in his present unfortunate condition.

This is not the first time that the American shipper has been in an unfortunate condition. The war has intensified that condition; the advances in rates came a little quicker than advances generally come, but the result is very little different from what has happened to over-seas rates many times in the past. Our comparatively insignificant share of the foreign carrying trade, amounting only to about 8 per cent, might be wiped out, but it would be a shameless undertaking on the part of our Government. Not having protected them in the past, leaving them to fight their own battles against great odds—and as to those that did survive it was a case of the survival of the fittest—now, after they have struggled without making much of a success of their undertaking, it is proposed that our Government step in and purchase ships and place them in direct competition with her own citizens, and, as has been avowed by those who are defending this measure, to relieve them of all taxation, to relieve them of paying even the ordinary interest charges that every individual citizen, acting on his own initiative or through the combined initiative of more than one American citizen organized in a company and doing business as such is compelled to meet.

It is unfair. Is there a Senator here who believes that if such a proposition had ever been presented to any American citizen engaged in the shipping business, he or his friends, or the people who have purchased stock in those institutions, would have ever undertaken it? They would not have done so.

The stock owned in the companies doing a shipping business is scattered all over the United States. Much of it is held in the savings banks of the country. Great quantities are made up by little subscriptions held by the thrifty people of small towns. They have saved a few hundred dollars, through hard work, and, in some cases, by actual privations; and because of the confidence they had in the men that were directing the affairs of the company, they have placed their all in the business. Now we are asked, apparently in all sincerity, to pass a bill with the avowed purpose not only of robbing the companies doing business now of the meager profits they have made in the past, but of taking their all from them.

On the other hand, I suppose it would be just as well to say: "They are no better off, and should be treated no better, than some of the other institutions of the country." The papers tell us that this company has passed its dividends, this institution has failed to make its usual profits; and it does not apply only to one line of industry but, I am sorry to say, it has hit them all. There is no telling when it will cease.

Mr. President, I believe there is a slight revival in business, caused directly by the war in Europe. It is only temporary, and only in lines of trade that are manufacturing such articles as ammunition, implements of war, steel products for export that may be used for the purposes of war, automobiles used by the different armies, craft that fly the air and are used for the destruction of human life. I wish our increase in business were based upon a better foundation than this.

Mr. President, if we design to transport the products of our factories and farms, the Government would have to keep increasing the number of vessels employed, and thus virtually take possession of our foreign trade at a great loss, or we would be more and more dependent on foreign shipping. If we destroy what few boats we have—by our own action drive them from the ocean—we would be in a worse fix than we are today, for there are a few ships that we have a right to call on in case of war.

No, Mr. President. I believe in the position taken by the Senator from Nebraska [Mr. NORRIS], that if the Government of the United States is going into the shipping business it ought to go into it directly. It ought to build or purchase its ships and own them as the Government of the United States, and have every one of them subject to the call of our Government in case of war or any other unforeseen emergency.

I do not know from what fertile brain the idea sprang of forming a company—a corporation, if you please—with the Government of the United States as the principal stockholder. I do not believe there are any Senators who believe there will be one American citizen who will subscribe for the stock which is to be offered to the public, unless that American citizen has some motive other than would appear upon the face of the transaction. There may be men who would want to undertake such a thing as this, but I doubt it. They certainly would not go into it for the profit they would make out of the business; for we are told by the President of the United States that if it should happen to be profitable, just as soon as it becomes so we are to sell the Government's interest, and that interest is to be at least 51 per cent at all times; so the stockholders who go into this business as partners of the Government may be sold out, and to whom? To anybody this board that is provided for may choose. They may sell out to a foreign country; they may sell out to a foreign citizen; and that country or that citizen may have just one object in view—to freeze out the American citizen that went into this business as a partner with our Government. There is nothing in the bill to prohibit it, and we are told that if the business becomes profitable, that is what will be done. I can not imagine anyone that would enter into such a proposition.

If the Government goes into this business, it will not only be subject to international complications, so well brought to the attention of the Senate by others, but it will have to meet retaliation from foreign governments, to say nothing of the necessity of increased taxation here. Why would not such foreign countries retaliate? Why would not countries that have treaties with the Government of the United States retaliate if our Government went into the shipping business and, through rates made by our Government, placed the products of their country at a disadvantage? Why should they not retaliate?

It not only involves international complications, Mr. President, but it will involve our commercial relations with all the countries of the world. We take good care in passing our tariff laws to provide that in case we are discriminated against by any foreign country there shall be a penalty attached to that country in the way of an increased rate upon the goods that may be shipped from that country to our own. Before that provision became a law there was hardly a country on this globe that did not give preferential rates and make lower prices to other countries than to our own. They do not do it now, Mr. President, because we have protected ourselves.

Whenever any rates of duty are imposed upon importations by foreign countries now they are made equal for America and all other countries, with the exception of the preferential rate which may be given the dependencies of the country making the law, and that is a preferential rate to itself. As to all other rates for all other countries we must stand upon an equal footing, or else we impose the penalty upon all the goods coming from such a country into our own.

Mr. James J. Hill, the well-known western railroad man, has often been quoted by the Democrats in pushing their free-trade legislation to help them in their efforts in that direction. They have put much stress on Mr. Hill's views on that subject in the past. We never have heard them quote him on the other side of the Chamber in this discussion. What he says on this shipping bill ought at least to be heeded by our friends on the other side who have so often quoted him approvingly. Mr. Hill says:

There are but two recourses—one a merchant marine owned and operated by the Government, the other a merchant marine provided by and for the people. The former, just now urgently advocated, is an unwise and would be certainly a disastrous experiment. Aside from the complications almost certain to drag us sooner or later into the European conflict owing to the uncertain and conflicting claims of national neutrality, this policy would be followed by the total destruction of the private shipping interests. Private enterprise can not possibly compete with the Government, which pays no interest on the cost of its ships and throws aside consideration of profit and loss. As Lincoln said that the Nation could not continue to exist "half slave and half free," so our merchant marine, if once the precedent is set, must inevitably become a Government monopoly.

Could anyone state the case more clearly, more succinctly, than Mr. Hill has done? No one here has tried to answer him in this debate, and I do not believe it will be undertaken. It is so plain, so simple, based upon the principles underlying business, that no one can misunderstand it.

I will say that in seeking to meet Mr. Hill's statement Secretary Redfield stated that he had offers to sell to the Government English, French, and other vessels. That may be, but if owners of vessels now engaged in the English trade, making as they are unheard-of and unknown profits, offer to sell those vessels to the Government of the United States, I predict now it will be at such a price that it will be prohibitory. English owners of ships are not going to offer them to America at a sacrifice. They are going to make out of them all they can. They have no regard for the Treasury of the United States, and in that particular they are a good deal like a great many Members of Congress. But, Mr. President, you can depend upon it that they will make a profit sufficient out of the sale of a ship to insure them in receiving as much profit from the sale as they would if they operated the ship.

The owner may also have the same opinion that the President expressed, that we will buy the ships, and if we are fortunate enough to establish a profitable business within a few months or a year or two we will sell them. The seller, no doubt knowing the history of the purchase of ships from Governments, would be in the field to buy with the same money he received from the Government of the United States as purchase price for his ships. He would want to buy the ship or ships back, but not for anything near what we gave. Some excuse or other will be made so that it will be sold for a nominal sum.

It is not improbable that if the Government will pay enough it may be able to buy vessels other than German, but the additional payment would be far in excess of the value of the ships. Nobody will deny that. That is just as certain as that the sun will rise this morning. It is just as certain as it has been in the past and will be in the future.

Welding Ring, a prominent shipper of New York, in replying to Secretary Redfield, said that the Government could not buy ships because they were not on the market. It could, for reasons already given, secure interned vessels, but not those free to sail on the ocean to-day. However, if the Government pays enough it could probably get such vessels, and it would be a case like that of buying transports at the time of the Spanish War.

I stated some seven or eight hours ago that I would call attention to the purchase of some of the ships required by our fleet and purchased from foreign countries or foreign citizens at the time we were engaged in the little skirmish with Spain. I did so in answer to a question from one of the Senators, and I am sorry he is not in his seat at this time in the morning.

We all know how those purchases turned out. The Government at that time paid $117,000 for a vessel which it named the *Hornet*, but after the war it sold it for $5,100. Senators, is that enough to convince you that when the Government of the United States purchases a vessel and then desires to sell it nobody is going to pay it what was paid for it originally? Our Government paid $201,000 for another vessel which it sold for $75,563. In another case it paid $87,597 and sold the vessel for $3,300. It paid $150,000 for another ship, which it sold for $4,663.

I wonder if my statement is challenged wherein I stated that in some cases we did not get 20 per cent of the original purchase price. Senators, we hardly got 3 per cent on some of them. The Government paid $150,000 for a vessel which it sold for $4,663. Another vessel for which it paid $350,000 it sold for $175,000, and another one for which it paid $267,657 it sold for $20,521. In another case it paid $35,000 and sold the vessel for $1,800.

That is about what would be the results now if the Government undertakes to buy vessels open to navigation without incurring the danger of capture by a belligerent nation because of a claim that we had violated the neutrality laws, and paying such exorbitant prices would make it all the more difficult to run the vessels without great loss. We have no money to spend for such a purpose when there is no need of it.

Mr. President, when I saw the morning paper day before yesterday, giving an account of the President calling his Cabinet together for the purpose of considering the financial condition of our country, calling attention to the reckless, headlong plunges that this administration was making in expenditures, I hoped that in their combined wisdom they would have said, "Let us save the $50,000,000 provided for in this bill." Evidently that was not the decision. I suppose the hand has been put to the plow must not be withdrawn.

Why, Mr. President, the statement that I called attention to to-night, showing that on the 28th of this month the excess of the expenditures of the Government over the total receipts was $90,000,000, only tells the story under present conditions. I call attention not to the little items, and yet the Good Book tells us that it is the litle foxes that spoil the vines, but it is the millions that are appropriated that are running us headlong into financial trouble.

Sugar, on which the duty has been greatly reduced, will go on the free list next year, unless the Treasury of the United States is in such a deplorable condition that the majority party decide that they have got to have the $50,000,000 received from that source in the past; but $50,000,000 does not amount to anything with this administration—that is a mere bagatelle. We shall have a pork-barrel bill to consider—the river and harbor bill—if they can crowd this bill through this session of Congress in time for its consideration. Then will be piled on the backs of the taxpayers of this country another $34,000,000.

It is the intention, and I will say under the law, of the administration to expend $35,000,000 in constructing a railroad in Alaska as soon as possible, even with the alleged war tax in effect—a mere subterfuge for increasing taxation. A large deficit is already a problem to overcome. With the loss of the sugar tax of over $40,000,000, to go into the shipping business presents a serious outlook for the American people.

I have just been handed the morning paper—the Washington Post of January 30—and the first thing that catches my eye is a heading, "Fear of bond issue." How natural—Democracy and a bond issue—twin brothers, always found traveling side by side, always existing at the same time.

[Special to the Washington Post.]

NEW YORK, *January 29.*

A Washington dispatch to the New York Herald says:

"Concern continued to grow to-day over the rapidly increasing excess in expenditures of Government funds over the receipts, which has grown to more than $70,000,000 in the last seven months."

If some one would hand me the statement of the Treasury Department for yesterday instead of the 28th instant, I would gladly call the attention of the country to the loss that happened upon yesterday.

The articles continues:

President Wilson met Secretary of the Treasury McAdoo before the Cabinet assembled at 11 o'clock. Discussion of possible reductions in expenditures occupied some of the time.

It does not say much of the time, and the word "some" is not underscored; but I have no doubt that that subject was discussed up to a minute before 11 o'clock.

In the House, where appropriation bills originate, the leaders held informal conferences on the subject of what could be done to prevent a tremendous deficit at the end of the fiscal year 1916. That there will be a deficit at the end of the present fiscal year (June 30) is generally believed, although the attitude is taken that it is a condition over which this administration has no control—a situation due to the disturbances in commerce and finances due to the European war.

The same old cry! If our birth rate increases, it will be due to the war; if it decreases, it will be due to the war; if the chickens fail to lay this coming spring as early as they did last spring, it will be due to the war; if our pigs are not quite so fat at killing time, it will be due to the war.

Everyone concerned in the conduct of the Government is aware that unless some vigorous policy of retrenchment in the appropriations for 1916 is adopted there can be no escape from a deficit of tremendous proportions. As the appropriation bills stand in Congress now they call for $70,305,134.38 more than the estimated revenues for 1916.

Well, since they saw the last report it has climbed up to ninety millions.

Plainly, it is necessary to cut the appropriation bills to fit the size of the national pocketbook.

Will they be cut? It is too late to start cheeseparing. To do any good, it ought to have been started before.

Unless a bond issue is to come. Nobody wants that.

Of course, no one does.

Further taxation is out of the question, politically and every other way. The only hope seems in the elimination of the "pork barrel" river and harbor and public building bills and a few others, which might make up the difference.

This bill with $50,000,000 is not enumerated. I say now that the only way the river and harbor bill will be defeated in the Senate at this session of Congress is to talk it to death. If it is ever allowed to come to a vote, it will pass; and no matter how unsavory the items in the bill may be, if it is left to a vote they will remain in the bill. I ask the Senators who are present to note that prediction and see when the vote is taken, if it is taken, whether I am wrong or whether I am right.

If politics were the only consideration in the discussion of this bill, it would be the duty of the Republican Party and the members of that party to let this bill pass; but there is a duty devolving upon a Senator of the United States greater than the duty that he owes to his party, and that duty devolving upon him is to protect the interests of the people of the United States. The United States is no different, so far as business is concerned, in its management, other than in size, than a business institution; and when a principle of business is violated the business in which the violation occurs must suffer. So it is, Mr. President, with the Government of the United States.

The rivers and harbors bill provides for an appropriation of $34,000,000; the public buildings bill for $12,000,000. Besides the $12,000,000, there has been appropriated by previous Congresses $21,000,000 which is yet to be spent for public buildings—$21,000,000 which eventually must come from the general fund of the Treasury, which now is about $57,000,000.

I think that is about right, although on January 28, 1915, the net balance in the general fund of the Treasury of the United States was $56,006,694.07. If you will compare that with the statement of two years ago to-day, I have no doubt in my mind that instead of $56,000,000 the net cash balance in the general fund at that time was over $100,000,000.

In a word, the hitch is political. There is going on one of the finest little games of "passing the buck" that ever could be imagined.

I do not know what "passing the buck" means, and, in looking around the Chamber, I do not see a Senator that I feel like asking if he knows its meaning.

Mr. THORNTON. Mr. President, will the Senator repeat it?

Mr. SMOOT. Yes; I will repeat it to the Senator. It is as follows:

In a word, the hitch is political. There is going on one of the finest little games of "passing the buck" that ever could be imagined.

Mr. THORNTON. I do not know myself what that means.

Mr. SMOOT. No; I certainly do not know what it means.

In general, all eyes are cast on the "pork-barrel" bills—

We know what that is—

and all hopes are staked on their elimination. But who is to do the eliminating is the puzzle.

All the appropriation bills are based on estimates sent to Congress by Mr. McAdoo. Thus, plainly they have the approval of the administration, and originated with it.

On this theory the leaders of the House who have prepared the bills are willing to stand by them, and intend to stand by them, in their efforts to have them passed. The word has gone out, apparently from high administration sources, that the bills ought to be cut. The scheme is to have Congress do the cutting, leaving the administration with clear skirts and in the position of having approved projects which Congress eliminated without its sanction.

SUCH SUPPORT NOW NEEDED.

Some Members of Congress profess to see in this action an effort to keep friendly the "pork-barrel" feeders who might support the ship-purchase bill. This support might be lost if the administration were put in the position of refusing river and barbor improvements and public buildings in order to get money to invest in a ship line.

The House leaders who desire to cut out the "pork-barrel" bills do not desire to take the responsibility for this action in order to permit the passage of the ship bill. They would be the objects of attack from their colleagues and would not have the administration leaders to back them up. It is plain to see that in their present frame of mind the House leaders must have it known without question that the administration desires the elimination of the pork bills. Whether the administration will admit that it made a mistake in sending to Congress such large estimates for appropriations is doubted.

TARIFF LAW CHANGES FAVORED.

It developed to-day that there is a growing sentiment for a change in the tariff law to retain the duty on sugar at least until the European war is over and the Government's revenues regain normal proportions. Under the Payne law the sugar duties amounted approximately to $50,000,000 a year. The Underwood law reduced the tariff on sugar and will put it on the free list May 1, 1916.

Officials of the Treasury, who are in charge of customs affairs, said to-day that they expected that $28,000,000 would be added to the revenues through the importation of sugar when the shipments start in the spring. This probably will be the last money received in sugar duties unless the law is changed, for it is generally believed that next year the sugar importers will wait until May 1 in order to avoid the payment of duty. This, however, has been taken into consideration in the preparation of the estimates in revenues for 1916.

POST OFFICE DEPARTMENT PREPARES.

At the Post Office Department there are preparations for the enforcement of a vigorous policy of retrenchment in order to keep the expenditures within the figure of receipts if possible. Letters have been sent to all the first-class post offices asking for suggestions as to how economies can best be effected in the various offices. Clerks and carriers are to be transferred to substitute rolls wherever it is possible to get along without their services.

Mr. President, if the time has arrived when they feel that they have got to get along without the services of men now in the employment of the Government, it seems to me conditions must be most critical.

I have not with me the list showing the number of additional Government employees who have been taken on in the last 18 months. The American people will wake up some time and find that through the appropriations made it has enabled an army of men to be appointed, and are now traveling over this country, not one or two but hundreds and thousands of them. I have not the time now to tell the Senate what their work and instructions are.

One great trouble in the shipping business at the present time, as pointed out by those engaged in it, is the lack of facilities for unloading ships, to which I have heretofore referred. One day recently 47 ships were lying at anchor at Genoa, Italy, waiting to discharge, because the warehouses and other such places were all filled. Mr. President, just think of 47 ships lying at Genoa waiting for berths to be unloaded! That does not look as though there was very much of a shortage of ships. It is a shortage of men; a shortage of capacity of storage.

Suppose we had 30 more ships and all of this money had been appropriated, and we had bought the German interned vessels and had them in service. We would not have as many ships as were lying at Genoa waiting to be unloaded. At the same time there were 21 vessels at Liverpool that could not get a berth in which to discharge. There was a lack of workmen, because of the war, which prevented vessels from discharging. A similar condition exists at other European ports. I do not think it would be interesting to the Senate to name each port and the conditions that have existed at those ports for the last month or two; but they are all blocked, and necessarily so, for the exportations from our country have greatly increased. The people engaged in war in Europe must be fed, and they are relying upon America to a large extent for this purpose. This congestion involves a great loss, while it takes the vessel from other uses, as I have already stated.

What possible advantage will the Government have in that respect over private shipowners? None whatever. If it had a thousand vessels, it would not help the matter at these ports. I have not heard anyone say that there is a lack of shipping facilities to transfer our products from this country to South American countries. The report is just to the contrary; and if the Government did have a thousand vessels at its disposal tomorrow, the situation existing in the ports of Europe would not be changed by such a condition, but on the other hand it would be multiplied.

Up to January 20 this country shipped 54,000,000 bushels of grain in excess of any corresponding time in the history of the country. That does not seem to show any great need of Government interference in this business—a burden of carrying 54,000,000 bushels of grain in excess of any corresponding time in the history of our country. The trouble has not been in getting the grain to the ships in America; the trouble has been in trying to land it in the ports of Europe. The vessel that is compelled to lie still for a month, waiting to be unloaded, with no berth for it to enter, must be at a frightful expense; and that of itself would be sufficient to justify increased rates.

This demand for Government purchase of ships largely grows out of the cotton situation in the South. The cotton growers think they will profit; but before this bill becomes a law and can be put in operation the cotton trouble will probably be over. There is, however, a lack of insurance to Bremen, and it is for the benefit of Germany and Austria that the cotton growers would sell their products if they had an opportunity. Senators, no matter what has been stated in this discussion as to the length of time to build a first-class boat, it is generally conceded by those who have had experience in this line of business that it takes at least 18 months to build a first-class ship. That

being the case, this bill is not intended to add to our merchant marine new vessels of that kind, and there are no first-class ships to be had except German ships interned in our ports. Are those ships of a class that we could use and that would be of profit to us? I say, without the slightest fear of contradiction, that the great bulk of them are not the ships that any business concern in this country would think of purchasing. I want to call the attention of the Senate to a list of those ships and ask Senators if in their judgment they think they are of the class of ships they ought to purchase. I believe the senior Senator from Massachusetts [Mr. LODGE] called attention to this subject.

I find that the North German Lloyd Co. has 147,887 gross tons interned at New York, Boston, and Baltimore. The names of the ships are the *George Washington*, gross tons, 25,570, interned at New York; the *Kronprinzessin Cecilie*, 19,503 tons, interned at Boston.

Mr. CLAPP. Will the Senator pardon me a question?

Mr. SMOOT. I yield for a question.

Mr. CLAPP. I ask for information. Does the Senator know, and I have no doubt he does, whether those are freight or passenger ships?

Mr. SMOOT. I will say to the Senator that some of them are freight ships and others are passenger ships and others are combined passenger and freight ships, but the great bulk of tonnage and the cost of the boats are in the fast ships carrying the German mail and passengers from this country to Germany. We certainly would not buy them.

Mr. CLAPP. That is what I supposed, without having looked it up, but I thought the Senator would know just what ships might be passenger vessels and what might be freight vessels.

Mr. SMOOT. I will state to the Senator that out of the gross tonnage of the North German Lloyd and the Deutsch-Amerikan Petroleum Co., which is entirely a tank line, the D. Tripovitch Steamship Co. and the Atlantic Sea Navigation Co. (Ltd.), the greater part of the tonnage, I may say two-thirds nearly, belongs to the North German Lloyd Co. The amount of gross tonnage belonging to that company, as I stated before, is 147,887 tons, of which one boat, and that is a passenger boat, the *George Washington*, is 25,570 tons. Then the very next three boats named, if I remember correctly, are fast boats, and the gross tons are 19,503, 19,361, and 13,102. So when you take the first four boats named as belonging to the North German Lloyd Co. we find the great bulk of the tonnage is in boats that are used for the transportation of passengers from this country to Germany. So when we look at the list of the German boats interned in this country and see the size of the vessels and see the condition of the vessels and the age——

Mr. CLAPP. I was going to ask the Senator if he could throw any light on the question as to how modern these boats are?

Mr. SMOOT. I had a list with me, but I can not lay my hand on it, giving the age of every ship. I will say to the Senator that if the company followed the rule of business to write off each year a certain percentage for depreciation the books of the company would not show very much value for many of these vessels.

I did not refer, however, to the Hamburg-American Line. I find that they have 248,301 tons interned. They are at New York, Boston, Baltimore, Philadelphia, Seattle, and New Orleans. Of that 248,000 tons the *Vaterland* has a gross tonnage of 54,282. She is interned at New York. The *Vaterland*, of course, as we all know, is a boat we would not want. It is a passenger boat of the very highest type. The cost of the operation of a boat of that kind is so much that it is hardly believable. Every trip to and from America that is made by the *Amerika*, and that is not one of the largest boats, is $110,000. Every round trip of the *Cincinnati* costs $100,000.

There is no lack of transportation facilities over the ocean to-day. Those great boats are running at a loss. Instead of having hundreds—yes, thousands—of American citizens over in Europe spending their money and their time, the war has driven them home, and many of them came over here in any kind of a vessel they could get into. So the transportation of passengers from Europe to America is almost nothing, and as far as the transportation from America to Europe is concerned you might call it nil. The passenger boats to-day are running at a loss, and will continue to run that way until there is a change in the war situation in Europe. We certainly do not want to buy from Germany or any other country a lot of boats which will be of no use to the American people.

Mr. President, I shall ask unanimous consent to place in the RECORD without reading a list of the ships I have referred to rather than to take the time of the Senate in reading them at this time.

The PRESIDING OFFICER (Mr. REED in the chair). Without objection it is so ordered.

The matter referred to is as follows:

German steamships.

HAMBURG-AMERICAN LINE.

Name of vessel.	Gross tons	Now at—
Vaterland	54,282	New York.
Amerika	22,622	Boston.
President Lincoln	18,168	New York.
President Grant	18,072	New York.
Cincinnati	16,339	Boston.
Pennsylvania	13,333	New York.
Bulgaria	11,440	Baltimore.
Konig Wilhelm II	9,410	New York.
Hamburg	10,531	New York.
	8,414	New York.
Bohemia	6,600	Philadelphia.
Rhaetia	6,026	Philadelphia.
Prinz Oskar	5,464	New York.
Armenia	5,454	Norfolk.
Arcadia	4,967	New York.
Pisa	4,760	New York.
Prinz Joachim	4,733	New York.
	4,650	New York.
Prinz August Wilhelm	4,630	New York.
Prinz Eitel Friedrich	4,424	Seattle.
Allemannia	3,902	New York.
Saxonia	3,535	Baltimore.
Nassovia	3,402	New York.
Siberia	3,143	New Orleans.
Sarnia		
Georgia		
Total	248,301	

HANSA.

Ockenfels	5,621	Boston.
Adamsturm	5,000	New York.

JOLIET COMPANY.

Neptun	197	San Francisco.

DAMPSCHIFFS REED HORN AKTIEN-GESELLSCHAFT.

Portonia	2,778	New York.

OTTO ZELCH.

Clara Mennig	1,685	New York.

DEUTSCH-AUSTRALISCHE DAMPSCHIFFS GESELL.

Harburg	4,472	New York.

HOLM AND MOLZEN.

Maia	2,555	New York.

D. FUHRMANN NISSLE AND GUNTHER NFLG.

Hohenfelds	2,974	Savannah.

KOSMOS.

Serapis	4,756	San Francisco.

NORTH GERMAN LLOYD.

George Washington	25,570	New York.
Kronprinzessin Cecilie	19,503	Boston.
Kaiser Wilhelm II	19,361	New York.
Grosser Kurfurst	13,102	New York.
Barbarossa	10,984	New York.
Prinzess Irene	10,893	New York.
Friedrich der Grosse	10,771	New York.
Rhein	10,058	Baltimore.
Neckar	9,835	Baltimore.
Koln	7,409	Boston.
Wittekind	5,640	Boston.
Willehad	4,761	Boston.
Total	147,887	

DEUTSCH-AMERIKAN PETROLEUM CO. (TANK).

Jupiter	10,073	Norfolk.
Delphin	7,129	Norfolk.
Buffalo	6,631	San Francisco.
Phoebus	6,268	San Francisco.
Kiowa	5,076	New York.
Hagen	5,460	New York.
Ems	4,046	Philadelphia.
Meppen	4,045	New York.
Total	48,728	

Austrian steamships.

UNIONE AUSTRIACA.

Name of vessel.		
Martha Washington	8,312	New York.
Dora	7,037	New York.
Erny	6,515	Boston.
Ida	4,730	New York.
Clara	3,932	New Orleans.
Teresa	3,769	New Orleans.
Anna	1,575	New Orleans.
Total	35,870	

D. TRIPOVICH STEAMSHIP CO.

Himalaia	4,948	New York.
Campania	3,551	Galveston.
Franconia	4,637	Philadelphia.

ATLANTICA SEA NAVIGATION CO. (LTD.).

Morowitz	4,795	Galveston.
Budapest	3,651	Norfolk.

Mr. SMOOT. As I stated, Mr. President, it would take at least 18 months to build a first-class ship. So this bill is not intended to add to our merchant marine new vessels of that kind, and there are no first-class ships to be had except German ships interned in our ports. The British Government requires the assent of the board of trade, which is a Government department, to the transfer of a British vessel to a foreign country. Is it reasonable to suppose that that Government would allow any first-class vessel to pass out of its control while this war lasted? I care not what the head of any of the departments or bureaus of this Government says, unless the requirements of the British Government are changed from what they have been in the past no British ship can be transferred to a foreign country without the consent of the board of trade. So when we talk about buying British ships, when we think we are going to secure them, we have got to take more than the wishes of the seller into consideration. We have got to take into consideration the wishes and desires of the board of trade, which is an English institution.

Mr. President, I have just been handed a clipping from the Washington Post of January 30, 1915, this morning, in which I find a statement by Sir Edward Grey warning the United States that the purchase of German ships would be construed by his Government as an unneutral act.

NEW YORK, *January 29.*

A Washington dispatch to the Sun states that Great Britain has given official notice that it would regard as an unneutral act the purchase and operation by this Government of the interned German and Austrian vessels as proposed under the pending special purchase bill.

England has heard of this measure, England knows what its provisions are, or, I should say, were, and England is not slow in notifying our Government of the position she takes in the purchase of interned German vessels.

NEW YORK, *January 29.*

A Washington dispatch to the Sun states that Great Britain has given official notice that it would regard as an unneutral act the purchase and operation by this Government of the interned German and Austrian vessels as proposed under the pending special purchase bill.

A written statement to this effect is now in the possession of Secretary of State Bryan and has been in his hands for 10 days.

I can not see, Mr. President, why the Senate of the United States does not pass a resolution asking the Secretary of State, if not incompatible with the interests of our Government, to send all the information that is in the State Department to Congress touching the question of the purchase of interned German vessels. I think it is due to Senators to know just what has passed between our Government and the British Government upon this subject. But we have not a word unless it is given to the public in driblets as the department sees fit.

Now, that is not the way to legislate. I thought myself that it would be a good idea for some Senator to offer a resolution, but I do not know that it could pass. I know that under the present parliamentary situation I believe this is the legislative day of January 26.

Mr. CLARK of Wyoming. Yes.

Mr. SMOOT. It is after 2 o'clock on the day of January 26, and I know, of course, it would require unanimous consent. I would not want to undertake to secure that information unless I knew it was perfectly satisfactory to the Secretary of State and to all the Senators upon the other side of the Chamber. But I would like to know just what has passed between our Government and the British Government, the communication of which would not be to the disadvantage in any way of either our Government or the British Government.

This article proceeds as follows:

Furthermore, similar views in regard to the reported intention of the administration to purchase interned vessels are held by France and Russia.

All the three great powers forming the allies agree that for us to purchase under this bill any or all the interned German vessels would be construed by them as an unneutral act on the part of the United States. Is not this warning sufficient, Senators? Just the other day, Thursday, I listened to a speech from the Senator from Montana [Mr. WALSH] in which the whole burden of it was that we have a perfect right to buy the interned vessels; that it was none of England's business; that it was none of Russia's business; none of France's business; that we under the fifty-sixth article of the London convention had a right to purchase the vessels. Evidently England does not agree with the Senator, nor does Russia, nor France.

The article proceeds as follows:

Among those who are aware of these facts there is great surprise at the repeated impressions conveyed by officials that the State Department has had no particular reason to believe that Great Britain or any of her allies would refuse to recognize the validity of the taking over of the interned ships and their operation in trade.

I have heard that stated time and time again, not officially, but by Senators who I thought were in close touch with the State Department, and I had almost come to believe that there had been some secret understanding between our country and England and Russia and France that they would not object to the purchase of the German ships if our Government so decided to do.

But evidently they were mistaken or else this article does not state the truth. It continues:

Great Britain, as the nation with which the United States has had occasion most frequently to discuss maritime questions during the war, has taken the lead in conveying to the United States a warning as to the view which the allies will take of the contemplated action under the pending legislation.

Sir Edward Grey has gone out of his way to inform Secretary Bryan that the British Government would not look with complaisance on the purchase of the interned ships by this Government.

I do not know whether it is proper to designate the action of Sir Edward Grey as going out of his way. I think he has a friendship for our country, and I rather think it is his duty to at least warn our State Department that Great Britain would not look upon the purchase of interned German ships with favor, especially after a bill has been introduced in Congress, especially since in the discussion upon this bill one who I believe all Senators felt was speaking for the State Department had so positively said that we had a right under the London conference to purchase interned German ships, and that England or Russia or France or any other of the belligerent powers had no right to object.

I apprehend, Mr. President, that the longer this question remains before the Senate for consideration the more the testimony will pile mountain high to show that the measure is fraught with great danger.

Mr. Welding Ring, in addressing the National Foreign Trade Convention at St. Louis, said:

I venture the assertion, and I think it will be supported by every practical man in the shipping business, that every steamer suitable for carrying cargo is employed to its utmost capacity at the present time.

This is from a man who is in that business. He knows it from A to Z; he is as thoroughly familiar with the details of the business as a man could possibly be. What he says I believe to be true. He further states:

There are no idle steamers except those that are interned and can not be employed. It is not boards in Washington we want, but an opportunity for individual effort to do in this country, not only in regard to shipping, but in many other lines.

If the Government of the United States enters the shipping business by reason of the importunities of people from one section of the country, why should it not enter into other businesses? I think this administration intends to do so, particularly if a southern industry is involved. We have upon the calendar a bill which has been reported from the Public Lands Committee, which, if passed, will mean that the people of the Western States shall pay for what rightfully belongs to them a tax to the Government of the United States forever. No consideration is taken as to what our enabling act provides; no attention is paid to what the Supreme Court of the United States has decided, not once, but many times; no attention is paid to the long list of decisions in the United States district courts in many of the Western States, wherein the proposition has been laid down so plainly that the State owns the water within the borders of the State that there is no question about the facts.

Here, however, we find a bill undertaking to do indirectly what the Constitution says can not be done directly. Mr. President, I have thought many times that if each Senator would spend a day with some western Senator, taking a map of our Western States to show him how the public lands of each State containing the chief resources of the State are locked up, it would convince the Senator of the injustice that is being done to the people of those States. There are in my own State withdrawals of land in some of the counties amounting to 93 per cent of all the land within the county.

What kind of government can be maintained with the power to tax only 7 per cent of the land. How can the counties maintain schools, churches, and a form of government that will insure to their people the protection so absolutely necessary in outlying counties so common in all of the Western States. I expect, Mr. President, that if this program proves a success and we can be forced, aye, by brute force, to the passage of this bill, the same program will be undertaken to place upon the State of the Senator from Arizona [Mr. ASHURST], who sits before me, a condition that I know his people will resent; but such are the conditions.

In connection with the quotation just made by me from the statement of Mr. Welding Ring in addressing the National

Foreign Trade Convention, in St. Louis, I wish to say that his statement as to individual effort is the truth. I also wish to say that individual effort has been discouraged and suppressed as a result of the legislation, including the tariff bill, of the party in power.

The Senator from Georgia [Mr. HARDWICK] in a recent statement on this subject, printed in the Washington Post, is reported to have said:

The objections to the pending ship-purchase bill continue to multiply and grow in strength day by day. In the first place, where and how will we get the ships if the bill should pass? By purchase? If so, from whom? Certainly not to any considerable amount or at anything like a reasonable figure from Great Britain, whose merchant marine must serve her own great commerce, and is, besides, now subject to demands made upon it for aid to the military and naval operations, as well as an increased demand from the world's carrying trade growing out of the elimination of German competition.

SHOWS BRITAIN'S PROBABLE ATTITUDE.

From Germany? If this be the purpose, or one of the purposes of the bill, it seems certain that it will involve us in serious complications with Great Britain. It is not probable that the Government of that country will permit us to purchase and transfer to our registry the interned ships of Germany that could probably be bought at a most reasonable figure, and then operate them on the high seas.

It seems certain that Great Britain will insist that if the transfer of the ship under the registry of one of her enemies is made to a neutral registry after the declaration of war, that Great Britain is neither bound to recognize nor respect such transfer and does not propose to do so.

SAYS NEUTRALITY MAY VANISH.

Besides, the transfer of these German vessels to a corporation of which the United States is the principal, if not the sole, stockholder will greatly add to the gravity of the situation by making this Government a direct party with an immediate interest of its own in the controversy, and will seriously endanger our continued peace.

Therefore this step ought not to be taken lightly, and not at all unless we are prepared for any eventuality. If we can not safely buy these German vessels, then what ships are we to purchase under this bill, and from whom?

A very pertinent question.

From other neutral nations or their citizens? We can certainly hope to secure no considerable supply from that source.

PROSPECT OF PURCHASE IN UNITED STATES.

Nor can we hope to purchase these ships either from our own citizens of from the citizens of other countries, if it be true, as asserted and urged by the proponents of this measure, that the rates have risen so enormously and the profits of these ships increased so largely since this war began. If that be true, what inducement would be held out to private capital invested in this business to sell its ships just when they are reaping the richest harvest?

Where, then, are we to get the necessary ships? Obviously by construction. And yet this measure is urged as a temporary one—a war measure, as it were, to be promptly abandoned when the war is over and the present emergency past—certainly as soon as it becomes a "profitable" enterprise again and therefore becomes attractive to capital.

POINTS TO TARIFF REMEDY.

The Congress of the United States in the recent tariff bill adopted a plan that in the past has proved most efficacious and practicable in building up and maintaining an American merchant marine, namely, a discriminating duty in favor of goods carried in American bottoms. The discriminatory rate may not be large enough to accomplish the purpose sought. If not, let us raise it. Certain treaties with foreign powers forbid its enforcement, the Attorney General held. If so, let us give the necessary notice to the powers in question to modify these treaties in this respect and then proceed to enforce the law we have enacted and so restore our merchant marine.

Long have we Democrats insisted that business and government should be divorced; that the Government should keep out of business and business should keep out of the Government. Were our protestations insincere? Were our principles unsound? I believe not.

Mr. President, if I have been rightly informed, and if I have heard correctly the many appeals on the part of the Democratic orators in past campaigns, they have always taken a ground against the Government of the United States going into business. They have always condemned paternalism. I say that this bill is paternalism run mad. The Government is going into the shipping business. We are going into the power business. We are going into the land-leasing business. We are going into the mining business. We are already in the railroad business. We are already in the lumber business. We are already in the sheep business and the cattle business, and where on earth is it going to end?

Are we prepared, as citizens of the United States, to acknowledge that the old Populist Party was correct? Are we ready to acknowledge that all of the preachings of socialism are what is required for the betterment of the citizens of our country?

I warn my friends upon the other side of this Chamber that the passage of this bill is not worth to them what it will cost them in the future. I am thankful that I am not a member of the Democratic Party, and particularly one of the many who do not believe in this bill but are forced to vote for it. It must be most humiliating; but that is not the question involved. I would not care how much humiliation came to Senators; I would go far toward bearing it myself, or my part of it, if we could save our country from the effects that this bill is bound to bring.

I do not believe, Mr. President, that all that I say or all that anyone will say against this bill will change the result. We can only hope that it will. We can only trust that it will be brought home to the majority in such a way that they will hesitate to take the step. I believe myself that the discussion that has taken place is going to prove of inestimable value to the American people, and the longer the measure is discussed the more the people of this country will be convinced that it is a wrong step to take. I wish I had the power to convince one or two more Democrats that this bill should not pass. It would not take any more than that to defeat it. You are passing, or undertaking to do so, a measure which, if statements that have been made to me are correct, a very large majority of the Senators in this body feel is unwise. The situation is as it is, however. I shall do what I think is my duty. If the bill becomes a law I shall go home to my people, and if asked in relation to this legislation I shall simply state that if it had been in my power it never would have been enacted into law.

Mr. President, the lengths to which our friends on the other side are willing to go to pass this bill are almost beyond belief. If I had been asked a week ago—aye, if I had been asked but yesterday—whether Rule XVIII would be slaughtered, whether the precedents established in this body for years and years, some of them rendered by some of the greatest Democrats that ever sat upon that side of the Chamber, would be lightly set aside, I would have said no, no—a thousand times, no, not for any piece of legislation. I wish, after this fight is over, it might be possible to make a motion that every ruling that has violated the rules of this body should be expunged from the official RECORD.

When I came to the Senate of the United States I thought it my first duty to learn the rules by heart, and know what they were. I do not care much about the rules any more, any further than that every time I see them violated it hurts me. I say that there is not a piece of legislation that has ever been before this body, or that ever will be before it, that justifies the willful violation of the rules of the Senate.

I referred some time ago to a conference report. That report was brought before the Senate last August, with an amendment to admit foreign ships to our coastwise trade. It was not accepted by the Senate. Some of the Democrats objected to it as not a legitimate proposition to be submitted on a conference report. Yet that report, agreed to by Democratic committees of both Houses, would have practically destroyed our coastwise shipping so far as American-built ships and American sailors are concerned. Conference reports! Yes, Mr. President, we have passed in this body, concurred in by the House, some of the most vicious legislation on conference reports that has reached our statute books. I hope the time has arrived when a majority in the Senate of the United States will rise and put a stop to that practice.

An American vessel with an American crew could not compete with a Japanese vessel and a Japanese crew, and we would have had the painful opportunity of witnessing foreign vessels doing our coasting and lake trade. The coasting trade has been protected from foreign invasion for a century. It has grown to an extent employing over 50,000 men, with $125,000,000 capital and with an output of nearly $100,000,000 annually, paying in such wages some $40,000,000, purchasing some $35,000,000 worth of American products in addition. This industry has hundreds of millions of dollars invested in this country. Yet the committee propose to open that trade to foreign competition. Is it possible that my friends would like to see that army of men thrown into the already overcrowded avenues of business and manufacturing? Is it possible that with their votes they will at once make next to worthless hundreds of millions of dollars of American products?

I expect there will be an amendment offered to this bill, unless the Democratic caucus has already decided that it shall not be proposed, similar to the one that was offered for the purpose of opening our coastwise trade to foreign vessels. I now express the opinion that if such be the case and it should happen to become the law, it would be the last nail in the coffin of those who perpetrated the act.

Our dependence on foreign nations for anything that can be produced at home is a tremendous mistake. Our country is not any different, only in size and numbers, from the family at home. How long will the head of the house keep out of financial difficulties if he spends more every month than his income? How long would it take to bring financial disaster to a family who said that every member of the family should be waited upon by others, that all help in the home should be hired help, and in the hiring of that help it took more than the income of the head of the family? Not very long, Mr. President, and it does not take a nation very long to find itself in debt if it fol-

lows the policy of allowing other nations to make the goods that should be made at home. It is true that her credits are greater, but not more so when you take into consideration the wants of the Government and the wants of a family.

As far as the principle is concerned, it is the same. But the thrifty housewife, the thrifty husband, the industrious children, made so by the example of a father and mother, would do what a thrifty nation does. To see that each member of the household does their part of the work and share the burdens of the home. It is not only a question of dollars and cents that is involved in this; it is a question which affects the children morally. It is a question which affects each member of the household physically. It is a question which affects the well-being of every member of the family.

I have been taught all my life that the proper thing to do for every head of a family is to secure a home of his own and keep it free from debts of all kinds. Let it be a home and shelter for the wife and the children that God gives him. A home-owning people are generally a God-fearing people. A home-owning people are always the truest and safest citizens that a Government or a country can have. Whenever the people become landowners and home owners, I care not how small the farm or humble the home, they are not going to be men and women who organize to destroy property and trample under foot the laws of the Government under which they live.

So, Mr. President, when you undertake to drive out the individual initiative, when you undertake to say that the Government of the United States shall enter into competition with its own citizens in all classes of business, you might just as well say that the father and the mother of a home shall draw the line, that the head of the family shall do the work and the children none. Mr. President, it will never work. If this is undertaken and this Government branches out into business enterprises, I dislike to contemplate what the future of my country will be. I know, Mr. President, that there are people who look at the question of Government ownership in altogether another light. They look at it from another angle. They may be just as earnest in it as I am in the position I take, but God knows I can not see anything ahead but trouble and danger to my country if such a course is undertaken.

Mr. President, I do not care how small the industry may be; I do not care where located. I have been just as proud of that busy little hive of industry of New Jersey as of any other State in the Union. I have often pointed to her in my remarks at home as a State that manufactures everything from a ship to a needle. I have told the people by way of encouragement of the industries of that thriving State. I have told them of the interest that they have shown in legislation before Congress many times, and I have felt in my heart if the same energy that is displayed in New Jersey in establishing every sort of business was manifested in other States in this Union it would be better for the country as a whole. I once heard a Jerseyman say that they were interested in making everything from catgut to thrashing machines, and I went him one better; I thought it was from catgut to ship. But here we are. We are depending upon foreign countries for things that should be made at home, and we ought not to be doing so.

God has placed in and upon mother earth all the products required for the happiness of the human family. Our own country has been blessed, and is just as rich in all those things as any country in the world. In America is found the raw materials for making dyes of all kinds equal in every respect to Germany. But we do very little in manufacturing dyes for our own consumption. It can not be done unless protection is granted. We can manufacture dyestuffs as well as Germany, and yet we have been dependent for years upon that country for dyestuffs used in the textile industry, and to-day every textile mill in the United States and every shoe factory in the United States and every glove manufactory in the United States would be closed if England and France and Russia had not given their consent that dyestuffs should be shipped out of Germany direct to the United States. It would not take very much money to establish the industry. Yet we find ourselves dependent upon foreign countries for a product that we could make just as well as not. The policy, to me, is almost wicked, almost a crime on the part of the lawmakers of this country.

In the same way the steel industry is largely dependent upon imports of ferromanganese. Do you remember, Senators, when we had the Underwood tariff bill before us, and do you know that the Steel Trust is about the only concern in the United States that is making ferromanganese, and every independent manufacturer of this country is compelled to import it? The independents are not large enough to take from their capital sufficient means to establish a plant for the manufacture of ferromanganese. The only concern in the country that has it is the Steel Trust.

The item of ferromanganese is just a small one, but let me call your attention to what has happened to the little fellow, to the man who is struggling to build up a steel business. It is the small man who generally gets hurt by a reduction of the tariff. The ordinary price of ferromanganese is somewhere from $30 to $40 a ton, but it has been selling at an excess of $125 a ton since the European war began, and sufficient quantities were almost impossible to obtain even at that price. We had to go and beg of England and France and Russia to allow us to ship what little we have secured for the small American manufacturer. It is not right, Senators, and no country ought to be placed in that position. I predict now that the time will come when it will not be allowed.

Take the question of sugar. If we had not been dependent upon a foreign country for our sugar, do you think, Senators, that we would have paid during the last year $240,000,000 because of that fact? Our losses are not completed yet, and shall not be for at least another year, because, if the war should cease this very night, it would be impossible to plant a beet crop for the present year. So the American people, because of a mistaken policy, are paying dearly for it—$480,000,000—and no one benefited.

Senators, that amount of money would build a thousand factories; they could have been given to the people of the beet-sugar States, and half of them could make all the sugar required by the people of the United States. Competition at home would have been such that the regular price would have been paid and no more, whether there was war or whether there was peace.

A British bluebook issued not long ago, referring to our coastwise shipping, said that it surpassed in tonnage the combined coastwise fleet of the leading nations of the world, and added that it was chiefly due to that enormous volume of domestic tonnage that the United States ranks to-day as the second largest maritime nation in the world.

If our shipping in the foreign trade had been given similar encouragement, we would not now be talking about a bill to enable the Government to purchase vessels to be operated at a loss in competition with private owners. That question, Mr. President, would have been solved years ago. The war, if it had broken out with twice the fury that it did, if it covered twice the amount of the territory of the globe that it does, would have had no effect upon our industries. We are now paying for our mistaken policies. Our unpreparedness is costing us most dearly. If the war should continue another year, it will cost this Government of ours more money than it would take to build a thousand ships to carry our commerce to the world.

Some people think that we are only unprepared so far as our defense in case of war is concerned. I admit, Mr. President, that we are unprepared in that respect. I believe that if we are going to be extravagant with expenditures of the Government money it ought to be in preparation for the national defense. I want to live, but I would prefer to die rather than be compelled to have my country humiliated by a foreign power by reason of our lack of preparation, or destroyed by a greater naval or military power. It is never going to come. God established America. He gave us our Constitution; he planted liberty here; and it is going to spread from our shores until it covers the whole earth, and then mankind will be prepared for universal peace and the teachings of the Master will be adhered to.

The senior Senator from New Hampshire [Mr. GALLINGER], in speaking on the subject of our merchant marine some time ago—I forget just what year it was, but I believe it was in the year 1907—made this statement:

> I believe that there will be an uprising of the people of this country when they come to know the fact, as in due time they will come to know it, that the United States leads all the nations of the world in wealth, agriculture, mining, manufactures, and in all the great industrial pursuits of life; and yet in this matter of our merchant marine in the foreign trade we are lagging behind every maritime nation in the world. This will not always last, and I am profoundly grateful that in the debate which has occupied the last few days the American people have had an opportunity to understand that there are some men in public life who feel that this great question should be seriously considered and that an effort should be made now and hereafter to accomplish the desired result.

It takes years sometimes to get public opinion molded and aroused, and the very fact that this bill has been introduced shows that the American people have been thinking. How much better it would have been to have established a merchant marine and paid an individual or individuals a mere pittance, called, if you please, a subsidy, than to have forced the Gov-

ernment of the United States into business in competition with her own people.

Although these words were uttered a few years ago—I think they were spoken in 1907—we have not made any progress, but, on the contrary, have been going backward, especially since the present administration came into power.

The discussion of the subject on the pending bill will be of some advantage in the way of informing the public. If I did not think so, I certainly should not occupy the position that I am occupying at this time.

We have been told, as a result of investigations, how foreign steamship lines combined to deprive our farmers and others of their markets in Brazil and elsewhere and substituted for American products those of other nations. I know that Senators do not understand the workings of those foreign combines. If they did, they would put a force at work in this Government that would forever stop them. This is known by the heads of our Government. It is not altogether a new thing, and if it had not been for the filibusters that have taken place on this subject in the past we would have had a merchant marine to-day. I remember when this same question was talked to death by a few Senators on the other side of the Chamber; but, of course, the rules of this body were adhered to and their rights as Senators were respected.

Mr. President, the high and discriminating rates which the foreign combines have imposed to the detriment of our foreign trade can only be remedied by competition from American vessels. It is impossible to regulate it in any other way. Do Senators know that not only are combines in Germany and in England and in Russia allowed, but that they are encouraged, and in some instances the government itself takes a hand and combines are formed with the power of the government back of them? The manufacturers are told how much to manufacture; they are told what the price shall be, and whatever the loss may be at the end of the quarter or the half-year period is assessed against the manufacturer, or if gain it is paid to him.

Why, under that form, Mr. President, they can drive competition from almost any part of the world, and it has been very successfully accomplished in the past.

I speak more of Germany on this point than any other nation, because her combinations, I believe, are most highly organized and most efficient in their operation. There is no effort on their part to conceal the matter. They publish statements showing the transactions. When an American institution undertakes to compete with them, and, in order that their men may be employed, they make a price for export lower than they do for home consumption, they are most bitterly criticized.

If the Senators of the United States had been in a manufacturing business, they would know that in order to make a success of any concern it must run all the time. If a manufacturing concern closes down for a month or two months, its employees are scattered. It never gets them back in working force as they were before. Not only that, but the stamp of disapproval of the Almighty is placed upon idleness, and an idle man always wears out quicker than an active one. An idle brain is the devil's workshop. Idle machinery goes to wreck and ruin much quicker than if the wheels were humming and they were running to their full capacity. That is the way it ought to be. That is the way it ought to be with men and women. That is the way it ought to be with children. That is the way it ought to be with machinery. That is the way it is under the design of the Almighty.

A man and a woman can live in a house and the wear and tear of it is nothing compared to what the elements do to a vacant house. No business is run without there being a certain overhead charge. The taxes upon a plant are the same whether it runs 6 months in the year or 12 months. The superintendents, the secretaries, the office expenses, all these are standing expenses, and if a business gets off with an overhead charge of 15 per cent per year it is doing very well. So I say to the Senators it is better for a manufacturer to run all the year and keep his men working all the time, not only for their good but for the good of the machinery, if he has to sell a two months' production, or whatever time the plant would have had to lie idle, at 10 per cent below cost. Even under a condition of that kind he would be 5 per cent better off than to have let the mill lie idle. That is why, in some instances, you find goods sold for exportation for a little less than they are sold for home consumption.

American vessels will not increase in the foreign trade to any extent until they can engage in it on an equality with those of other nations. Senators, it will never come until that happens. We can whet the wits of our business men, we can preach to them about better facilities for manufacture, but that never can take the place of the difference of cost between running a business in the United States and running the same class of business in a foreign country. All other nations have found it to their advantage to encourage their shipping by Government aid at home and abroad, while we have desisted from that service in this country, where the need of it is so much greater because of higher wages and laws requiring better treatment for our sailors. Rather than to lower the standard I would prefer to see it raised. Rather than to lower the wages of our American seamen I would prefer to see them advanced. I do not believe the time is coming when they are going to be lowered; but I do believe that as we advance in civilization and as we advance in the thought of protection to this great enterprise, not only will the conditions surrounding the seamen aboard ship be improved, but an increase of compensation will be granted to them.

If the Government in going into the shipping business would help to solve that problem in the least degree the opposition to the pending bill would largely disappear. Mr. President, if I had the least idea that by the Government entering into the shipping business as provided for in this bill it would help to solve the problem, instead of opposing it I would be for its provisions; but I feel so positive that nothing but mischief can come from its passage that I have concluded it is my duty to do all I can to defeat it.

If this bill is ever put into operation it will not be for long. In fact, I doubt whether there will ever anything come from it, for I have not lost all confidence in the judgment of American business men, and I think I would conclude that this measure would not be acceptable to any such. In my opinion, instead of helping it would make the matter much worse. I do not say that in a wicked spirit, I do not say that in a feeling of fault-finding. I say it because I believe it with all my heart. I say it because every time I read the bill there is a new avenue of danger to our country appears. I have not taken up the bill yet to discuss it paragraph by paragraph. That I can do later and when I have more time at my disposal, but there is no question that the whole theory of the bill is wrong. It is based upon false premises. It is based upon false ideas of business. It is against the fundamental principles of our form of government.

Suppose we had adopted this policy 50 years ago, where do you think our country would be to-day? I will tell you, I think we would not be to-day a free people. I can tell you another thing, that individual initiative has made the American people so great; through it cities have been built as if by magic; it is the basis of American inventive genius which has been proverbial all over the world; it has increased our love for liberty and country, and has been a commanding force in making our country what it is to-day.

If Government ownership had been put in operation as provided in this bill, if this had been the policy of the American Government 50 years ago, we would not have been the leading Nation of the world to-day.

We would have built up through this form of legislation a political organization so great the time would have come when a man holding the office of the President of the United States would have had sufficient power so that he could have made himself a king. Deprive a man of the knowledge that he is just as good as any other man, and has equal rights with any other citizen, and you drive out of him all there is that makes the difference between a true American citizen and a serf under the Czar of Russia.

It will be a sorrowful day for America if the spirit of ambition and individual initiative are crushed out of the lives of her citizens.

Do you remember that at the time of the Boer War in Africa the British withdrew their best steamships from our ports to carry troops and supplies to South Africa? That is not very long ago. Every Senator here remembers that far back. But do you remember what happened? I am afraid you do not. Certainly it did not make an impression on you the same as it did on me. It certainly has not made an impression on Congress sufficient for them to act. At that time shipping rates advanced greatly, just as they have advanced now as the result of the present war in Europe.

Evidently we did not learn a lesson from the history of that war. It seems that there has to be something more forcible than the calamities to another country to impress us greatly. We shall always be subject to such a disastrous situation in connection with our foreign commerce, as long as we remain in dependence on foreign nations to supply ships to carry on that commerce. There is no more doubt of it than that we are in this Chamber.

The American consul general at Rio de Janeiro some years ago reported, as follows:

Since last August the freights have been raised and lowered and lowered and raised again, to suit the purpose of the trust, until they have reached the present level.

I wish that some of the Senators who had so much to say about the American trusts would study a little as to the situation and condition of foreign trusts. I would like to see legislation that would reach them indirectly, as well as regulation to control our own. It can be accomplished and will be accomplished.

The trust—

So the American consul general at Rio de Janeiro says—

has an agreement with coffee shippers here to pay them a rebate of 5 per cent at the end of every six months from the date of the agreements on all freights collected.

Let us see what the other conditions are, and you will see that they are just along the same lines as the requirements made by Germany of ships to carry her mail and receive a subsidy from her. Germany requires, first, that the ships shall be built in Germany, and that they shall be manned with German officers, and they must be at the service of the Kaiser whenever he sees fit to call them.

Five per cent at the end of every six months from the date of agreement on all freights collected: *Provided, however*, That this rebate is forfeited in case the shippers give freight to any vessels not belonging to the trust during the period stipulated. Through this arrangement the trust controls the shippers, and American vessels go home in ballast.

That is not from a biased source. That statement comes from the consul general at Rio de Janeiro. That is only one of thousands of cases similar in character. There is no difference, Senators, in this case from thousands of others. But it goes to show how American vessels are discriminated against, secret understandings made, rebates of all sorts paid; but if an American shipper was placed upon the same footing and had the same privileges that the foreign shippers have, he would take his chances and, I believe, would win out.

Another writer, commenting at that time on the same subject, said:

Our commerce in Brazil and the River Plata countries is at the mercy of a shipping combine. Ostensibly four lines are competing in serving a route between New York and Pernambuco southward, but in reality the management of these services is centralized in Liverpool, the freights are pooled, and the spoils divided. At the head of this syndicate stands Lamport & Holt, of Liverpool, a powerful firm, owning and managing over 100 vessels.

He goes on to tell how higher rates are charged to New York than to Europe and other means of discriminating against the United States. Freight rates between the United States and Brazil at that time were about twice what the rate was from Hongkong to New York. That is the situation that has not been remedied, because we have not provided American ships. It can not be remedied under the pending bill unless the Government is going to go extensively into the shipping business, practically, as Mr. James J. Hill asserts, covering the entire field.

I can not understand, Senators, why you can not see that point. I can not understand how anyone can figure otherwise. This bill is a makeshift, a temporary measure, so-called; a Government leasing proposition to the Senator who believes in the Government owning and leasing ships; a Government operation proposition to the Senator who believes that the Government should operate them; a proposition of the Government building the ships and operating them to the Senator who believes in that plan. All these conditions found in the bill by its defenders must appeal to you as a very unwise measure and impossible of understanding.

It may be, Mr. President, that I can not read the English language, and it may be that I do not understand it; but if I do the provisions of this bill are anything but wise, and the enforcement of its provisions can not be anything other than dangerous and mischievous.

The Senate passed a bill about a year ago authorizing the use for commercial purposes of vessels belonging to the Navy Department when not required for active use by that department. Under it the department could construct auxiliaries for the Navy which might be used for commercial purposes when required, with comparatively little extra expense.

That was about a year ago; yet the House has never considered that bill. It sleeps in the burial ground of a House committee. The only way that it can get out is for the Committee on Rules of that body to meet and order it to be brought out. Will they do that? I do not think they will. When that bill went to the House about a year ago many of the Democratic Representatives said "no; we can not consider the bill for a minute. The idea of the Government of the United States going into the shipping business." A year ago they were frightened at the violation of Democratic doctrine contained in that bill; to-day some of the same men, if I am informed correctly, will swallow this bill whole. Some of them take the same position as Senators have in the debate upon this floor—that the bill is intended in its operations for the Government to build ships, to purchase ships, to lease ships. Some go so far as to say that the leasing provision is the one provision in the bill that would make them vote for it.

Is there any limit in a lease as to time? Is there any limit as to the amount to be charged? There is none. Nobody has ever undertaken to inform the Senate for what length of time or on what basis a lease is to be made.

The need of auxiliary vessels in time of war for military service is felt by both the Army and the Navy. The need of vessels by the Army being for transportation of men and supplies, would largely depend on the location of the field of operation of the Army forces. In case of operations of a large nature in the Philippines or Hawaii or any other distant land, there would be need of a large fleet of American-owned vessels available at once for conversion as transports or supply ships. England, at the time of the Boer War, and Japan, in its war with Russia, greatly benefited by the existence of many vessels available for such purposes. The Navy Department requires vessels to act as scouts, colliers, ammunition ships, supply and refrigerating ships, distilling ships or tank steamers, hospital ships, repair and torpedo-depot ships, transports, dispatch vessels, and tugs. Vessels which might be useful for such purposes could be used, when not in need by the Navy, for commercial uses. But such wise legislation is not entertained by either House.

It is most unfortunate, Mr. President, that we find ourselves to-day without very many of the class of vessels named by me. We not only need battleships, but we need auxiliaries of the kind named. I think, in the appropriations which are made in the future, if we are going to increase our Navy, among the first things toward a proper increase would be the building of such auxiliary vessels.

Notwithstanding the humiliating lesson we had when the American fleet made its trip around the world, employing foreign ships as colliers, the Navy is still comparatively helpless in that respect. Scout ships are extremely important and should be of the most rapid kind that can be built. Foreign navies have vessels of even 25 knots and higher sustained speed to be used as scouts. Speed is essential in supply ships, hospital ships, repair and other such vessels. In accompanying a fleet they must be able to keep up with it. There are not enough vessels in the American merchant marine to-day available for the use of the Army and Navy in case of a conflict at a distance, that would require the use of such vessels.

Why, Mr. President, in our recent conflict with Mexico, in our recent occupation of Vera Cruz, that most unhappy and unfortunate event, the Government of the United States had to charter some 12 transports. I do not know why they were held as long as they were, but I know that some of them were tied to the wharves for months, with the Government of the United States paying a thousand dollars a day.

Mr. CLARK of Wyoming. For each boat?

Mr. SMOOT. Not all the boats cost a thousand dollars a day, but the one I have in mind did. I know, Mr. President, that the boats chartered will cost the Government of the United States over $1,450,000. I know also that the Government of the United States refitted them at a cost of over $400,000. If it will take that much to occupy Vera Cruz, what will it take to enter a port of any other country that has not been torn with dissension and its resources wasted until nothing is left the people with which to defend their sovereignty. We would be up against a similar proposition if we should get into trouble with any other second or even third class power.

Our humiliating experience at the time of the War with Spain might be repeated at any time in case of another war with a distant nation. It is generally true that the worst way is the dearest and the best is the cheapest, the worst being a procrastinating, unready policy of penury during peace and prodigality during impending or actual hostilities, the net result of which is equal or greatly increased ultimate expenditure and much less value received. In a report made to the General Staff of the Army by one of its officers, it is stated that:

To strike the quick blow of a force corresponding to our permanent military establishment would require practically all the American shipping of suitable character in Atlantic waters and more than the entire tonnage in Pacific waters; it is doubtful whether such transport tonnage could be procured at all except by impressment and in a period of six months or more.

That report goes on to state that now—

The quick, first blow, so very and increasingly important, can not be struck at all, nor can an expedition of large size be embarked without delay, except by the use of foreign vessels. This condition can not improve until the American steam seagoing merchant marine has in-

creased in tonnage to approximately two and one-half times its present volume by the addition of ships adapted in size and design to quick conversion into suitable transports and built under conditions which make their voluntary surrender to the United States on demand a foregone conclusion.

In that connection, Mr. President, I certainly hope the Senate will have a chance to vote on the amendment offered by the Senator from Nebraska [Mr. NORRIS]. If the Government of the United States is going into the shipping business, let us do it openly, directly, and not in the fashion provided for in this bill. Let us buy the ships outright; but, still better, let the Government of the United States construct the ships, and let them be constructed in such a way that they will not only answer for the transportation of our commerce to the markets of the world but they will answer as transports, as an auxiliary to our Navy, and that in case of war with any country on earth we can immediately call into service all of that class of boats.

This bill, if enacted into law, will not only be a failure as a leasing proposition but it will be a failure as a Government operation or purchase plan. So it seems to me that every Senator who believes in the Government of the United States going into the shipping business ought to support a measure directly approving and providing for that course.

The London Financial Times, in referring to the effect of the Boer War in South Africa, said that it caused Britain to withdraw 250 steamships of an aggregate of 1,000,000 tons from peaceful commerce for transports and supply service. The United States suffered the most from that withdrawal, and the Financial Times remarks:

The war in South Africa has had a more serious effect on the trans-Atlantic than upon any other class of ocean tonnage, for the simple reason that the majority of the vessels employed for the purpose of transports have been taken from this route, the North Atlantic steamers, as a rule, being large, powerful, and reasonably swift craft, admirably adapted for this species of Government service. The natural effect of their withdrawal has been to cripple opportunities afforded to exports to and imports from America and to raise freight rates. It has also brought to the minds of Americans the dependence of their country upon Europe, and especially upon England, for the development of their export trade.

The farmers suffered the most from that withdrawal of foreign ships, as it interfered with their exports of farm products. The actual decrease in cereal shipments from Boston alone, as a result of that withdrawal of foreign ships, was nearly 2,000,000 bushels in six weeks. The farmers have been led to believe that they had no interest in building up our merchant marine in the foreign trade, but that was absolute proof to the contrary. Our total exports of breadstuffs declined $47,000,000 in one year, notwithstanding the war, which was supposed to lead to an increased demand. What the country needs is a permanent policy to increase our merchant marine in the foreign trade, and not such an emergency measure as that now before the Senate, which would drive American ships out of the business as a result of Government competition carried on at a loss. The British Government since 1840 has paid in mail and admiralty subsidies about $275,000,000 to its shipping. A parliamentary committee defined the object of these subsidies to be—

To afford us rapid, frequent, and punctual communication with distant ports which feed the main arteries of British commerce, and with the most important of our foreign possessions, to foster maritime enterprise, and to encourage the production of a superior class of vessels, which would promote the convenience of the country in time of peace and assist in defending its shores against hostile aggressions.

These subsidized British lines, over 30 in number at one time, have built up the British shipping to the enormous scale which now exists. She has developed shipyards and engine works, subsequently used to build tramp or cargo steamers. So, though the British tramp fleet is not directly subsidized, it is indirectly the product of the subsidy system. Most of the subsidized companies own cargo ships as well as mail liners. Besides the mail subsidies there are admiralty subsidies to fast steamers, and retaining bounties to 33,500 merchant seamen of the Royal Naval Reserve. One single British line receives $200,000 more than is paid by the United States under the postal aid law of 1891 to all the steamships beneath the American flag. In 1885 Germany granted a mail subvention of $1,047,000 a year for 15 years to the North German Lloyd Line for a mail service to the Orient, and requiring that the subsidized ships should be built in German yards. That subsidy created the German shipyards that have built the great German vessels of this time. Aid by the German railways, owned by the Government, also helped vastly in building up German lines. France, Italy, and other countries have gone to even greater lengths; but here in the United States little or nothing has been done, with the consequent decay of our shipping in the foreign trade. Materials for constructing ships for that trade are admitted free to the United States, so that the difference in cost is the difference in wages; and certainly no patriot wants to reduce wages in this country. That must be done, however, or else aid given to the ships in the foreign trade, the same as other countries do, if we are to have a merchant marine in that trade worthy of the name. The free ship policy offers no solution for the question, as has been demonstrated under the acts passed by the party now in power. All the maritime nations in the world have tried free ships in the past, and, disappointed with the results of this expedient alone, have all turned to some form or degree of subsidy, bounty, or subvention.

It makes no difference what you call it, Mr. President—a bounty, a subsidy, or a subvention. The result is the same. It costs the nation granting it the same amount. If the word "subsidy" grates upon the ears of my Democratic friends, why not use the word "subvention" or "bounty" instead?

Even Great Britain, in its subsidy to the Cunard Line, requires that the ships shall be built in the United Kingdom. The London Engineer some time ago said:

Free ships would be a good thing for our English shipbuilders, for, whether at first or at second hand, the vessels purchased would be of English build for the most part. The development of a native American shipbuilding industry can be of advantage to neither builders nor owners in the United Kingdom.

We are told of the great advance in ocean rates to foreign countries. R. G. Dun & Co., I suppose, are good authority on that subject, as they have no personal interest in the matter, and for a long period of time have had facilities for learning and reporting the rates. In their report of December 29 they say:

The ocean rates to Asia, Africa, Australia, and New Zealand are, as a rule, no higher, or somewhat less, than they were last October. To the west coast of South America the rates are very nearly what they were prior to the outbreak of the war. Rates of war-risk insurance have on the whole declined in the last two months.

That is the report made by R. G. Dun & Co., dated December 29 last. Dun said that the rates to Europe October 19 did not exceed 25 per cent on the average of nominal rates, and were less to other countries. The reports of the commercial agencies do not sustain the assertions of Secretary McAdoo and Secretary Redfield as transmitted to the Senate.

One thing is significant and that is that no other great nation has undertaken to enter into this business as now conducted by private shipowners, but the party in power wants to force this country to waste a large sum in that way. Government ownership will destroy individual initiative and produce maximum cost and increase the number of Government officials and employees, with their salaries and wages, just as has taken place in England in the telegraph and telephone business; that increase in salaries has been made notwithstanding the business is not profitable, showing an average deficit of over $5,000,000 a year, to be made up by taxation. Government operation affords increased opportunities for corruption, labor problems, and executive inefficiency. There is less interest to invent and improve facilities of service, and many other disadvantages. Public ownership of certain public utilities where competition does not exist is advocated with plausibility. But that is not the condition under this bill. If the business were conducted with a view of profit to the minority stockholders, it would not change the existing situation. If there were no profit, then it would drive off private competitors and stop the increase of private capital in the shipping trade. Moreover, if it affected foreign lines, foreign Governments would retaliate. Arguments used by the Republicans for years to increase the merchant marine, such as the need of going to Europe to reach Argentina and other South American ports in any reasonable time, and the necessity of sending goods that way, are now used in support of this pending bill by its friends. It is asserted that coastwise trade will not be affected. There is a large trade to Hawaii, which is part of the coastwise trade, but Hawaii is included in the countries to be reached under this bill. It is admitted that the cheapest water transportation of bulk freight is by steamers in the protected coastwise trade.

An argument is made that farmers are not affected by the importation of corn and other farm products free of duty, but it is admitted that Americans not only produce corn and meat to supply the home demand but also to supply a considerable part of the demand of foreign countries. Under such circumstances that party back of this bill must think that the farmers are weak minded if they can be made to believe that they are not hurt by the importation of such products from countries with low labor cost and lower transportation rates. The president of the Corn Products Co. stated over his own signature last year that that company bought Argentine corn because they could get it cheaper than American corn. Barley affords a splendid illustration of this situation. At one time we imported eleven or twelve million bushels of barley from Canada. That was excluded by the McKinley tariff law. But barley has not

been any dearer, and we have exported large quantities, while practically none has come from Canada. The importation of farm products from Argentina, Canada, and other countries is necessarily a great loss to American farmers, though there has been no reduction in cost to consumers as a result of that baneful legislation in the Underwood tariff law.

Our foreign shipping has not increased because the business has not been profitable in competition with foreign vessels manned by cheap crews and officers. How can the Government make it profitable and at the same time lower rates as it is said they will do if this measure becomes a law? Government work is always more costly than that conducted by private enterprise. The Government can run ships and make low freight rates, but it can do so only by taxing the people to make up the difference. Hence the talk about withdrawing from the business when it becomes profitable is pure nonsense. That is an admission that it will be conducted at a loss, which is a practical certainty. The Democratic Party has stated:

> We are in accord with those who feel that it is better whenever practicable for the Government to avoid engaging in any business that can be conducted by private enterprise.

They have changed that position. Are they embarking on a new one, one of public ownership or one of socialism?

There can be no question of the ability of private enterprise to carry on our merchant marine in the foreign trade. If the Government gives the necessary aid such as other Governments afford, there would be no trouble on that score. Thomas Jefferson, for whom I suppose the Democrats profess such great admiration, said:

> To force shipbuilding is to establish shipyards; is to form magazines; to multiply useful hands; to produce artists and workmen of every kind, who may be found at once for the peaceful speculations of commerce and for the terrible wants of war. * * * For a navigating people to purchase its marine afloat would be a strange speculation, as the ships would always be dependent on the merchants furnishing them. Placing as a reserve with a foreign nation, or in a foreign shipyard, the carpenters, blacksmiths, calkers, sailmakers, and the vessels of a nation would be a singular commercial combination. We must, therefore, build them for ourselves. * * * If we have no seamen our ships will be useless, consequently our ship timber, iron, and hemp; our shipbuilding will be at an end; ship carpenters will go over to other nations; our young men will have no call to the sea; our products carried in foreign bottoms will be saddled with war freights and insurance in time of war.

That is precisely what the Democrats are providing for in the pending measure. The wisdom of Jefferson does not affect the leaders of the party to-day. Jefferson favored protection to American industries, but the Democratic Party of to-day favors the purchase of products from foreign countries, even those of the farm.

It is a curious fact that the ships which the Government may purchase under this bill may sail under a foreign flag—Japanese, for instance—with a crew of that nation. The shipping board provided for by this bill could do almost anything. No restrictions are imposed and no supervision is provided. The board will determine what ships shall be bought, where they shall go, and what they shall carry. Our southern friends may be certain that their interests will be well cared for so far as the shipping board can do so with the money provided. There will be minority stockholders, as has been pointed out, not because of any profit to be obtained, but because of the advantages to such stockholders not apparent to others. It has been held here that this law, if this bill goes on the statute books, will be unconstitutional. There seems to be good reason for such contention. It may result in tying up the measure should it ever become a law, which would be an advantage to the public. The shipping board will have opportunity to give employment to a large number of Democrats. Even in selecting officers and men for the ships there will be no restriction on the choice of the board. It will be in the nature of another commission, so many of which have been created since the Democratic Party came into power. The Commission on Industrial Relations is an illustration of what may be expected from these boards. That commission expended $350,000 in 27 months, and about the only result seems to be found in a recent statement of its chairman that they want a minimum wage of $2, an eight-hours-a-day limitation, and a minimum of $10 a week for telephone girls. The commission is now conducting a hearing in New York City at which various persons are allowed to express their views. Of course, such a proceeding is of momentous importance to the Government and will result in giving the Government Printing Office a large amount of additional work.

This large sum to be expended by the shipping board, from a Democratic point of view ought to be of great benefit to that party in the way of distribution of patronage. The spirit of partisanship, the old spoils system, has been revived, and the cause of civil-service reform has already suffered more severely during this administration than in any period since it was first introduced.

Mr. President, I have been somewhat earnest in what remarks I have made this evening, at times perhaps more than necessary; but, Senators, I am in earnest in trying to call the attention of the country to what I believe in my soul will be the result if this bill becomes a law and is put in operation. It ought to be defeated. It should not be allowed to pass, and I hope and trust it may not pass.

I feel that it would be unwise for me at this time, Mr. President, to take up the consideration of the bill by sections and call the attention of the Senate to some of the glaring inconsistencies of the measure, and call the attention of the country to the basis upon which it is framed and show to the Senators themselves the unbusinesslike principles of the bill. But I can do that at some other time, and I shall take an opportunity at a very early day to do so.

I have not even called attention to the public opinion of this measure. I claim now that a large part of the public press of this country is opposed to the enactment into law of this bill. I believe that if it were submitted to the people they would speak in unmistakable terms and it would be in condemnation. We were told two years ago that no legislation should pass, no confirmations should be made of presidential appointments, as they should be left to the incoming administration and the new Congress. I say now, if your advice was accepted by the Senators giving it, this bill never could pass the House of Representatives at the next session. A year ago it was offered in the House. Why is it not first considered there now?

The friends of the measure well know if it can be forced through the Senate it can be forced through the House in a very few hours, if necessary; but before this debate is closed, I predict now that Congress will hear from the people. Protests will come, and I think they will be in such form that those receiving them will understand what they mean. The protests will come after the information that has been given to the public through the press of the country reaches the man who lives upon his farm; the man who works in his shop; but I believe, Mr. President, that protests will make no difference in the result, as far as our Democratic friends are concerned, for they have received their instructions from another source, the die has been cast, the result predicted. We can afford to wait and see if the program can be forced through.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER (Mr. HOLLIS in the chair). Does the Senator from Utah yield to his colleague?

Mr. SMOOT. Mr. President, before yielding to my colleague I should like to suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair rules that no business has been transacted since the call was last made for a quorum.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The request for the call of a quorum is denied.

Mr. SUTHERLAND. Mr. President——

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

Mr. SMOOT. I will yield in a few moments.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. SMOOT. Mr. President, I want to say to the Senate that if this bill is put through, it will be put through with such rulings as the one which has just been made by the Chair. There has been vote after vote taken upon amendments offered by the Senator from New Hampshire [Mr. GALLINGER]; there has been vote after vote on roll calls. There has not been a suggestion made of the absence of a quorum in this body for hours; but I do not care for that, Mr. President; it is all right with me, and I am perfectly willing to yield to the request of my colleague.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER. The Senator from Utah.

Mr. SUTHERLAND. I thought my colleague was about to conclude.

The PRESIDING OFFICER. If the Senator from Utah——

Mr. SUTHERLAND. I was desirous of proceeding on the pending bill.

Mr. SMOOT. Then I will yield to my colleague.

The PRESIDING OFFICER subsequently said: If the Senator from Utah will suspend a moment, the Chair wishes to announce that when he took the chair he was informed that no business had intervened since the last call for a quorum. Since the point has been raised, the Chair has investigated, and finds that he was in error. He therefore will recognize any Senator

for the purpose of calling for a quorum without the Senator from Utah losing the floor.

Mr. SUTHERLAND. I do not desire to suggest the absence of a quorum unless it is clearly understood that I am to resume the floor after the call has been completed.

The PRESIDING OFFICER. It will be so understood, without objection.

Mr. JONES. I suggest the absence of a quorum.

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

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

Ashurst	James	O'Gorman	Smith, Md.
Brady	Johnson	Overman	Smoot
Bristow	Jones	Owen	Sutherland
Burton	Kern	Perkins	Swanson
Chamberlain	La Follette	Pittman	Thomas
Chilton	Lane	Ransdell	Thompson
Clapp	Lee, Md.	Reed	Thornton
Clark, Wyo.	Lodge	Robinson	Vardaman
Colt	McCumber	Saulsbury	Walsh
Dillingham	Martin, Va.	Shafroth	White
Fletcher	Martine, N. J.	Sheppard	Williams
Gronna	Myers	Shields	Works
Hollis	Nelson	Simmons	

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. There is a quorum present. The Senator from Utah [Mr. SUTHERLAND] is recognized.

Mr. OWEN. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. OWEN. There are a number of Senators whose absence has not been permitted by the Senate who have not responded to the roll call. I demand that they appear before the Senate.

The PRESIDING OFFICER. The point of order is well taken. The Sergeant at Arms will enforce the writs that are in his hands.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 20415. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1916; and

H. R. 20818. An act to authorize the Brunot Island Bridge Co. to construct, maintain, and operate a bridge across the back channel of the Ohio River.

HOUSE BILLS REFERRED.

H. R. 20415. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1916, was read twice by its title and referred to the Committee on Agriculture and Forestry.

H. R. 20818. An act to authorize the Brunot Island Bridge Co. to construct, maintain, and operate a bridge across the back channel of the Ohio River was read twice by its title and ordered to lie on the table.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

Mr. SUTHERLAND. Mr. President, I desire to make some observations upon the pending measure. Primarily I take the floor for the purpose of discussing some legal and constitutional features of the proposed legislation, but before I come to those I desire to discuss some of the practical features of the bill.

Mr. President, this measure, in my judgment, to say the least, is a most unfortunate one; but the methods by which it is sought to be put upon the statute books are worse than the measure itself.

Before the Government of the United States was organized the rule which was recognized was that the king commanded and the people obeyed. This Government of ours was founded upon the proposition that the people command and the Government obeys. This is a Government of the people. In order that the liberties of the people might be secure, the powers of government were delegated to three separate and distinct agencies: First, all legislative power was devolved upon the Congress—the House and the Senate; all executive power was devolved upon the President; and all judicial power was devolved upon the Supreme Court of the United States and such inferior courts as the Congress might from time to time ordain and establish.

Mr. President, there is no provision of the Federal Constitution that is wiser or more sacred than are those provisions which divide among these several agencies these separate powers of sovereignty. Let me call attention to what was said by Prof. Pomeroy in his work on Constitutional Law. I do not need to say to the Senate—at any rate, I do not need to say to the lawyers of the Senate—that Prof. Pomeroy was not only a great lawyer and a great law writer, but in his work upon Constitutional Law he has shown himself to be a great statesman as well. After speaking of the tripartite division of powers among these departments of the Government and discussing its origin and history, in section 170 he says:

> A proposition which is thus historically true must have some firm foundation in the nature of things. The possession of power is one of the most dangerous gifts which can fall to the lot of humanity. The tendency is always to its abuse. Power grows upon itself. In a perfect state it is not enough that the rulers at any given time should be perfect men. There must be checks so contrived as to resist the encroachments of authority which are to be apprehended, even from the purest and most patriotic rulers.

Now, mark this:

> No other check has proved so effectual as the division of functions into executive, legislative, and judicial and their assignment to classes of officials physically separate. If the legislature were also judges, their decisions would not be based upon the law as it is; but as it would be impossible for the same men to keep their two characters entirely distinct their judgments would rather be arbitrary enactments, special measures of legislation for each particular case. Thus all certainty as to law would be lost. If the same person or class of persons were to make and execute the laws—

That has direct application to the situation in which we find ourselves now—

> If the same person or class of persons were to make and execute the laws, the results would be still more disastrous, for in applying any particular statute whatever deficiency in its provisions had been left by the rulers in their legislative capacity could be easily supplied by them while acting in their executive capacity. Thus the laws instead of being general commands enjoining the observance of general rules would become special commands addressed to individual members of society. This uncertainty and special nature of the law is the very essence of an arbitrary and tyrannical government.

Mr. President, I believe that the Government of the United States has thus far in its history fulfilled its high mission, because under its Constitution these powers were vested in three independent and coordinate departments; and whenever the time arrives that one of these departments becomes the creature of another one of the departments, or whenever one of them shall exercise not only its own functions under the Constitution but the functions of either of the other departments, the end of popular liberty will be in sight and the end of the Government itself near at hand.

Our fathers understood the necessity of this, and they understood it far better than we do, because they were closer to the dangers which made this tripartite division of powers a necessary thing. The constitution of the State of Massachusetts declares what is implied in nearly every State constitution and which, although not declared in specific words, is clearly implied by the Constitution of the United States. That language, Mr. President, can not be too often repeated. Let me read it:

> In the government of this Commonwealth, the legislative department shall never exercise the executive and judicial powers, or either of them; the executive shall never exercise the legislative and judicial powers, or either of them; the judicial shall never exercise the legislative and executive powers, or either of them; to the end it may be a government of laws, and not of men.

That is to say, the citizen shall be bound by preestablished rules and not by the edicts of any person or of any persons, however numerous or however powerful they may be.

It is of the very essence of these several powers that they shall be exercised independently by the departments upon which they have been conferred. It is of the very essence of the division of powers among the several departments that these departments, which constitute the agencies of the people, shall be wholly independent of each other; so that when any one of these departments surrenders its power or its independence to either of the other departments it has not only violated the Constitution, but it has broken faith with the people who made the Constitution. Yet, Mr. President, that is precisely what has happened under this administration. The present administration came into power on March 4, 1913, nearly two years ago. Congress has been in session almost continuously from some time in April two years ago; and yet during that entire time I will defy any man to point to a single act of important legislation, outside of the appropriation bills, which has been originated in Congress, the lawmaking power charged with the duty and responsibility of originating legislation.

Thousands of bills have been introduced; thousands of bills have been originated in Congress; but, outside of those of trifling importance or of local application, none of them has been passed. The President has had a legislative program, and Congress, laying aside its power under the Constitution to originate legislation and put it upon the statute books, has permitted that power to be usurped by the President; so that the important legislation which we have passed has been framed at the White House or by a Cabinet officer and has been ratified by Congress.

Am I mistaken about that? The first important measure that we had to deal with was the tariff bill. Senators came from States vitally interested in preserving a duty upon sugar. Some of them, if I am credibly informed, had substantially promised their constituents that they would stand for a duty upon sugar; but whether they did or not, the sentiment of those communities was in favor of a duty upon sugar. The necessities of the State demanded that the duty should be preserved; but, one by one, they yielded their convictions and set aside the needs of their constituents in order to follow the command of the President. So the duty upon sugar was first reduced, and then, to take effect at a date in the future, it was put upon the free list.

The same thing may be said of wool. I undertake to say, without doubt in my own mind as to the truth of the assertion, that a clear majority of both Houses of Congress believed that there should be some duty retained both upon sugar and upon wool. Why, Mr. President, it is good Democratic doctrine and good Republican doctrine to maintain duties upon those two articles. True, the reasons for the maintenance of the duty are different with the two parties. The Republican Party believes in maintaining them in order to protect and foster those industries. The Democratic Party believes in maintaining the duties as a means of raising revenue. The Treasury of the United States is in a depleted condition. We have been compelled to resort to extraordinary taxation. We have provided for the collection of an emergency revenue, miscalled a war-revenue measure, because we are not at war; but we have been compelled to pass an emergency measure to collect by extraordinary taxation $100,000,000 a year. Why, Mr. President, we are losing half that sum upon these two articles alone. We were collecting, until the free-wool clause of the Underwood bill went into operation, $35,000,000 a year from the duties upon wool; we were collecting between $50,000,000 and $60,000,000 a year from the duties upon sugar. So, by one stroke of the pen we have kept out of the Treasury of the United States $35,000,000 in the case of wool, and already, by the reduction of 25 per cent of the duty upon sugar, $15,000,000 or $16,000,000 upon sugar; and when the free-sugar clause goes into final operation we shall have diverted from the Treasury of the United States an additional $45,000,000 from those causes alone. If the Payne-Aldrich bill had been in operation, it is perfectly plain that there would have been no lack of revenue; there would have been no occasion for resorting to emergency taxation. The President, in his message, as I recall it, asking for the passage of the emergency-tax law, said that we had been losing an enormous amount of revenue on account of the war in Europe.

He called attention to the fact that in August, 1913, the revenue of the Government from impost duties amounted to something over $30,000,000 for that month, and he said for the month of August, which was the first month of the war in Europe, the revenues amounted to $19,000,000. Hence there had been a loss to the Treasury of the United States of $11,000,000 a month on account of the war in Europe.

Mr. President, the statement, while, of course, not so intended, is entirely disingenuous. The President fails to distinguish between post hoc and propter hoc. A moment's investigation of the fact will show that this difference of $11,000,000 between the revenue of August, 1913, and the revenue of August, 1914, was not due to the war, but was due to the change in the tariff. Why do I say that? Because in August of 1913 the Payne-Aldrich Act, a protective law, was in operation; in August, 1914, the Underwood law, a free-trade measure, was in operation.

But that is not all. If you are going to ascertain how much of the loss of revenue was due to the war in Europe you must institute a comparison of the amounts received during different months when the same law was in operation. It proves nothing, so far as the effect of the war is concerned, to contrast one month when the Payne-Aldrich Act was in operation and another month when the Underwood Act was in operation, because to do so is to ignore the effect of the change in the two laws. Now, let us institute a comparison of that kind.

In August, 1913, the revenue was over $30,000,000. In August, 1914, it was approximately $19,000,000, a difference of $11,000,000. But the Underwood Act went into operation in October, 1913, and if you will take the figures for the months following October, 1913, you will see that the average amount of revenue received under the Underwood Act up to August 1, 1914, the date of the breaking out of the war, was about $21,000,000 per month. So it is perfectly apparent that $9,000,000 of the $11,000,000 was clearly due to a change in the tariff policy of the United States, and not to exceed $2,000,000 of it by any stretch of imagination can be ascribed to the hostilities in Europe.

But I have departed somewhat from the line of the argument which I had outlined. I was calling attention to the fact that all these important measures originated, were practically framed, in the White House. We passed the banking and currency law. Does anyone doubt that that was an administration measure pure and simple, a part of the executive program? We passed the so-called antitrust law and the trade-commission act, administration measures. We have pending before us bills of the most momentous importance to the country, and yet they can not be considered because the President's program at all hazards must be first carried into operation.

Mr. President, I deny that in any true sense the President is any part of the lawmaking power. He has the right, under the Constitution, to submit his views to Congress, and so far as the inception and passage of laws in Congress are concerned there his constitutional right ends. When the law has been considered and passed under the Constitution it must be submitted to the President, who then may exercise what is called the veto power. I know that has sometimes been described as a part of the legislative power, and yet, as I have said, it is not so in any real sense. It is simply a power in the President to say, "I think this law has not been properly considered; I think it is an unwise law; and therefore I will send it back to you without my approval, and before it can be passed there shall be a larger majority than merely one more than half; before it can go into operation it must have the approval of two-thirds of the membership of each body." But whether we can properly describe these powers of the President as a part of the lawmaking power or not, certain it is that by vesting the President with those powers we have in no way detracted from the fundamental principle upon which this division of powers is made, namely, that they shall be exercised by the several departments wholly independently of the others.

If the President has certain legislative functions to perform that does not make him a part of the legislative department; and it is just as improper, it is just as dangerous, it is just as much a perversion of his power to undertake to dictate to or control the action of Congress in passing a law as it would be for the House of Representatives to attempt to control or dictate what action should be taken by the Senate, and vice versa. These two Houses have always been jealous to maintain this prerogative, this high right of independence. The Senate would not tolerate even for one moment advice from the House of Representatives, let alone dictation, and the House, of course, would not tolerate advice or dictation as to its action from the Senate; yet both of them do supinely accept not only advice but dictation from a wholly separate and distinct department.

Let me read from Prof. Pomeroy a single sentence upon that subject. Speaking of the power of the President he says:

> He may communicate information, and recommend measures to the consideration of Congress. (Art. II, sec. 3.) But he can not directly set in motion any scheme of legislation; he must await the definitive action of the two Houses and add or refuse his consent to their perfected work.

That is the statement of Prof. Pomeroy, a man as deeply learned not only in the letter but in the philosophy and the underlying principles of the Constitution as any man who has ever studied or written upon the subject.

"He," the President, "can not directly set in motion any scheme of legislation." He has no such power. And yet the President has not only set in motion a scheme of legislation but he has practically set in motion, outside the appropriation bills, every important scheme of legislation which has had the consideration of Congress since this administration has been in power.

Mr. President, this is not a mere theory. It is a matter of profound and practical import. If the people of the United States intended that these departments should be independent of one another, they have a right to demand that they shall be kept independent of one another. Let me read one or two paragraphs, the appropriateness of which, I think, or at least I hope, will be apparent, from a book written by Mr. Franklin Pierce, of the New York bar, entitled "Federal Usurpations." He says:

> The President of the United States may approach the execution of his powerful office in the spirit of being a simple instrument of Providence, but if he is not endowed with the clearest head and most eminent common sense he will become so intoxicated by power as to imagine that he has become Providence itself.

Edward Livingston said:

The gloss of zeal for the public service is always spread over acts of oppression, and the people are sometimes made to consider that as a brilliant exertion of energy in their favor which, when viewed in its true light, would be found a fatal blow to their rights. In no government is this effect so easily produced as in a free republic; party spirit, inseparable from its existence, aids the illusion, and a popular leader is allowed in many instances immunity, and sometimes rewarded with applause, for acts which would make a tyrant tremble on his throne.

Mr. Pierce adds to that statement:

The people who elect the President can make and unmake constitutions, and it is natural for a strenuous, ambitious President, when sustained by the people, to feel that he is endowed with powers beyond the Constitution.

In other words, if I understand the author, the President, knowing that the people have the power to make the Constitution and also the power to put him into office, concludes from that that he has some power superior to the Constitution itself.

I wish a few of the old-line Democrats who in past debates have graced this body by their presence were here to listen to this. I wish my very delightful friend, the Senator from Mississippi [Mr. WILLIAMS], might listen to the quotation I am about to read. It is a quotation from Thomas Jefferson, the patron saint of the Democratic Party. It was written in a letter to William C. Jarvis. He said:

If the three powers of our Government maintained their mutual independence of each other it may last long, but not so if either can assume the authority of the other.

And Madison said:

If it be a fundamental principle of free government that the legislative, executive, and judiciary powers should be *separately* exercised—

The word "separately" there is emphasized by being put in italics—

should be *separately* exercised, it is equally so that they be *independently* exercised.

Here is a quotation from Chief Justice Chase—an opinion delivered in the Supreme Court of the United States:

It is the intention of the Constitution that each of the great coordinate departments of the Government—the legislative, the executive, and the judicial—shall be in its sphere independent of the others.

How can a department be said to be independent of another department when it takes orders from that department as to what it shall do?

And, again, here is a quotation from James Wilson, one of the framers of the Constitution, a profound constitutional lawyer, as everybody knows:

The independence of each power—or department of government—consists in this—

I invite special attention to this language—

consists in this, that its proceedings, and the motives, views, and purposes which produce these proceedings, should be free from the remotest influence, direct or indirect, of either of the other two powers.

We have gone a long way during the last two years from that doctrine, that this independent coordinate branch of the Government should be free not only from influences which are direct, but influences which are indirect or which produce their proceedings by the remotest influence.

Mr. President, it is high time that there was a return on the part of this body to fundamental principles. Here is an incident in history which I commend to my friends upon the other side of the Chamber or, rather, my friend on the other side of the Chamber, the Senator from South Carolina [Mr. TILLMAN], who honors me with his presence. There was pending in Parliament in the year 1783 a bill which had for its object the organization of the Government of India. There was very great objection to this bill on the part of a large number of people. Those people claimed that the bill would result in, and that indeed was the object of the bill, the centralization of patronage in the hands of a few Whigs. George III was then King of England, and George III requested Lord Temple to inform the members of the House of Lords that any peer who should vote in favor of that bill would be regarded as an enemy of the King.

If the King had any patronage that a lord of the realm wanted—such things existed in those days as they do in these days—it was tantamount to informing him that he should expect no favors of that character.

Mr. President, the House of Commons, representing the people of England, and speaking upon this matter, although the bill itself was not a popular bill, although the sentiment of the people generally was with the desire of the King that it should not pass—the House of Commons of England, which is and has been for many years the real governing body of England, the body in which in reality the sovereignty of Great Britain is vested, made this reply to George III of England. Four days after that word had been sent by the King the House of Commons passed this resolution:

To report any opinion or pretended opinion of His Majesty upon any bill or other proceeding pending in either House of Parliament with a view to influencing the votes of the members is a high crime and misdemeanor, derogatory to the honor of the Crown, a breach of the fundamental principles of Parliament, and subversive to the constitution of this country.

Mr. President, that was the reply which the House of Commons of England more than a hundred years ago, before our Constitution was framed, made to the attempt of the monarch to impose his will, directly or indirectly, upon one of the houses of Parliament.

Sir, we have fallen upon evil times when this great body, representing the majesty and power and strength of a hundred millions of the most intelligent and freest people that the world has ever seen, will not resent the attempt of the President of the United States to tell them what they should and what they should not do.

Mr. DILLINGHAM. Mr. President, will the Senator from Utah tell us from what book he has read?

Mr. SUTHERLAND. I have been reading from Pierce on Federal Usurpation.

Not only, Mr. President, does the President of the United States tell Congress what it shall and shall not do, but a few of the Members of the majority side who might be inclined to be recalcitrant are whipped into line by means of the secret caucus whip—not all of them, but some of those who are thus inclined. That has been the case as to practically every one of these important measures which have been considered. It is the case here.

The place for debate is upon the floor of this forum in the presence, and to all practical intents and purposes within the hearing, of all our constituents; but that is denied. Effective debate in the Senate of the United States has ceased. Debate which brings about any result is confined to the caucus room, from which the constituents of all those who attend the caucus are excluded. Notwithstanding that, complaint is made at the prolongation of this debate by the minority Members of the body.

Mr. President, I do not believe in filibustering; I would not do it except where I believed it to be necessary to avert a very great danger to the Republic. There has been thus far perfectly legitimate debate upon this bill; but if the minority Members of this body by any legitimate parliamentary means could succeed in defeating this bill, in my deliberate judgment they would be performing a very great and a very valuable service to the country.

Mr. President, what does this bill propose to do? It proposes, for the first time in our history, undisguisedly to put the Government of the United States into private business. It proposes the Government ownership and operation of ships engaged in the carrying trade between this country and foreign lands.

I am not going to stop to discuss what I conceive to be the evils of Government ownership; I think they are many. Not the least among them is that it has a tendency to break down, and ultimately must break down, the fundamental principle upon which this Government was established, namely, that it is a civil government and not a business organization.

In my deliberate judgment, whatever may be the case with reference to a State or a municipality, the Federal Government has no more power under the Constitution to engage in private business than private business, under the Constitution, has the right to engage in government. Not only does the Government propose to engage in this private business, but it proposes to engage in it in competition with its own citizens, whose rights and privileges the Government which engages in competition with them is bound, under the Constitution, to regulate, preserve, and protect.

It is bad enough for the Government to engage in a business of this kind if it takes possession of the entire field, but it does not propose to do that. It takes possession of part of the field. It may run at a loss, recouping its losses by general taxation, in competition with the private citizen who can not sustain losses without failure. So that, in addition to being a departure from fundamental principles and unwise in itself, it is vicious, because its effect will be to drive the private competitor from a field which the Government has made no preparation to fill.

I do not know, Mr. President, where the scheme of Government ownership will lead us. The Postmaster General has been pressing upon us for some time a scheme for taking over the telegraph and telephone lines. Other gentlemen are in favor of taking possession of the railways of the country. If we persist along that line, taking over those activities which

have always been considered heretofore as activities of the private citizen, we must end inevitably in so loading down the General Government with duties and responsibilities wholly apart from its governmental functions as will result in breaking the Government down entirely.

The legitimate increase of the exercise of power is fast loading down the Government almost to the breaking point. Is it wise to add to that these other responsibilities, which will still more add to that tendency? Why, sir, if we take over the shipping interests, the telegraph and telephone interests, the railroad interests of the country, together with the employees now under the Government of the United States, we shall have a pay roll of more than 3,000,000 people. If we keep on in that direction, after a while the Government will be supporting so many that nobody will be left to support the Government. Think of the power that could be exercised by 3,000,000 voting citizens of the United States! They could control, by organized effort, the politics of the United States until there is an uprising and a revolution among the people. The whole tendency, in my judgment, is dangerous and vicious.

I said a moment ago that it was proposed that this business should be run at a loss. Mr. President, that is the intention. Let me call attention to a statement made by Mr. McAdoo, Secretary of the Treasury, upon that subject:

The CHAIRMAN. Would not the Government, in that event, also obtain some control over the rates?

Secretary McADOO. Precisely. I was coming to that. It is not only a question of establishing these routes, many of which will undoubtedly have to be operated at a loss for a time in order to establish the necessary trade relationships, but the Government will also have the power to establish rates that will be advantageous to American commerce.

Establish rates upon which the Government ships will be run at a loss! That may be advantageous for a limited period of time to the man whose goods are carried, but how about the man who is engaged in the carrying trade in competition with the Government?

On page 18 he says, further:

What we need is prompt and effective action. Then, again, as I said before, private corporations might operate these ships upon routes only which were profitable from the outset. Some of these lines undoubtedly will have to be operated at a loss for a time, until trade relations can be built up and established. One of the great objects here is to open up to this country some of these new markets.

Again, he says:

Of course, as I said before, it is not the expectation that every line that may be established if this bill is passed is going to be unprofitable, but some of them undoubtedly will be. I think the tendency will be to deter private capital, of course, from joining the Government in an enterprise of this kind. I think, however, the opportunity should be afforded private capital to take stock.

Mr. President, that is the most remarkable statement that I have ever heard as emanating from the lips of a great officer of a government, or that I have ever heard from anybody's lips. Let me repeat it:

I think the tendency will be to deter private capital, of course—

There is no doubt about that—

from joining the Government in an enterprise of this kind. I think, however, the opportunity should be afforded private capital to take stock.

They are not going to take it. It is perfectly apparent that they will not. Again, he says, just before that, in answer to a question:

Mr. HARDY. Is not the consideration you are discussing now one that would prevent private capital from taking any part of this stock?

Secretary McADOO. Yes. I do not believe you can get private capital to take stock in any company that is going to be obliged for some time to operate the ships at a loss in order to build up trade.

What a farce it is to pass a bill to allow private capital to join in a Government enterprise and then say that the considerations are such as will prevent private capital from taking any part in it at all.

I do not believe you can get private capital to take stock in any company that is going to be obliged for some time to operate the ships at a loss in order to build up trade.

Mr. SMITH of Michigan. Mr. President——

Mr. SUTHERLAND. I yield to the Senator from Michigan for a question only.

Mr. SMITH of Michigan. If the Senator will permit me, Mr. HARDY pursued the matter a little further, and he said——

Mr. SUTHERLAND. I shall have to ask the Senator to put his interruption in the form of an interrogatory, because I am afraid, under the intimations that have been made, that I may lose some rights.

Mr. SMITH of Michigan. I call attention, then, if the Senator will permit me, to the balance of Mr. HARDY's examination of Secretary McAdoo a little farther down on page 19.

Mr. SUTHERLAND (reading)—

Mr. HARDY. So that really you do not much expect private capital to come in?

Secretary McADOO. To take part of this stock?

Mr. HARDY. Yes.

Secretary McADOO. No; I do not.

Mr. SAUNDERS. It is not too much to say that the very ideas behind the launching of this thing would exclude the likelihood of private capital being invested in a corporation of this kind?

Secretary McADOO. As I say, the tendency, of course, will be to not encourage private capital to join with the Government in this particular enterprise.

So it is conceded by the chief sponsor for this bill, first of all, that the business is to be run at a loss, and second, that the tender in the bill to private capital to come in and invest is an idle ceremony, and that it is not expected the invitation will be accepted. How could it be otherwise?

There is another provision in the bill which says that this corporation shall pay no public taxes of any kind. I shall have occasion to discuss that feature of the bill a little later along as to its legality; but if it be legal, then we have put into private business, in competition with the private citizen, forty millions, perhaps in the end $50,000,000, an enormous sum of money, which is to be free from all taxation whatever, while the competitor of the Government is to continue his business bearing the burden of public taxation, including contributions to the Federal Government, which is his own competitor and which proposes practically to ruin him.

Mr. President, during the last Congress we passed a bill, called the Trade Commission bill, by which we created a Trade Commission, and among the duties of that commission we provided that they should deal with the subject of unfair methods of competition. That means something more than unfair competition. "Unfair competition" is a term perfectly understood, well known to the law. It means simply the attempt on the part of a person or a corporation to impose upon the public his goods or business as the goods or the business of another; but obviously that was too narrow a provision, so we inserted in that bill a provision making unlawful, not unfair competition, but unfair methods of competition. What are they? Things that are legally unfair methods of competition? Things that are economically unfair methods of competition? Things that are ethically unfair methods of competition? If we are to accept the statement of the Senator who had charge of the bill, and who ought to know, it includes all of them.

The Trade Commission is given the widest kind of latitude. I wonder what they would say in response to the question as to whether or not an enterprise set on foot by the Government of the United States, which proposes to pay no taxes upon it and to exact taxes from its competitors, which proposes in the beginning to run at a loss, recouping its losses by general taxation to which its competitors have no power to resort, and thus inevitably drive its competitors out of business, constitutes an unfair method of competition on the part of the Government of the United States?

Not only that, but a few months ago we passed a law through Congress, the terms of which are familiar to us all, and the object of which was to encourage investments of private capital in the shipping industry. While there were some features of that law that I did not like, I think that would be the tendency of it. I think it was helpful. I think it was passed some time in August. We passed this law, the effect of which was to invite private capital into this field, to say to them: "We have removed certain obstructions. We have passed a law which will make it profitable to you." What terms of condemnation can be imagined sufficiently strong to apply to a Congress which will first, by its legislation, invite private capital into a field by a promise of profits, and immediately follow it up by a law which makes it impossible for them to derive profits from the enterprise? If that is not playing fast and loose with the decencies which ordinarily would obtain among private citizens, then I do not understand what decencies are.

Mr. President, I predict that if this bill is passed and goes into operation it will drive more American ships from the sea than it will ever add Government ships to the sea. This bill was introduced in the latter part of August, months ago. Its effect has been already to discourage private citizens from going into this enterprise. It has hung as a menace over their heads for all these months. I believe that if this measure had not been introduced, if we had been content to rest upon the legislation which we passed in August of last year, even the proponents of this measure would now admit that there was no necessity for passing it. It is the threat of this legislation which has kept American capital from this field. Meddlesomeness of the Government of the United States in a private business in which it has no power to engage has kept this situation as it is, until to-day it affords a specious reason for the Government going into it.

Why, Mr. President, I do not believe there is any scarcity of ships for the trade. If I understand the statistics upon the

question, during the war there has been retired a tonnage equal to about 5,000,000 tons out of the total world tonnage of about 47,000,000 tons. That has been retired in a variety of ways—first, by the ships of some of the belligerent powers voluntarily seeking asylum in our ports and voluntarily submitting practically to imprisonment because they feared if they continued in business they would be captured. That will account for a very large proportion of the 5,000,000 tonnage. Then, a part of the ships heretofore engaged in the mercantile trade have been taken over to meet the military exigencies; and in a variety of ways, due to the war, about 5,000,000 of tonnage capacity have been withdrawn from the carrying trade of the world.

In the first place, I think it is reasonably clear that that 5,000,000 tonnage is largely offset by the loss of trade consequent upon the war. The German trade, of course, has fallen off tremendously. The Austrian trade has fallen off tremendously—first, because they can no longer export with the same facility, and second, because they can no longer import goods with the same facility. Other causes due to the war have brought about the retirement of additional tonnage, until I think it is not open to reasonable question that perhaps the equivalent of this loss of 5,000,000 tonnage has been offset by a like loss in the trade of the world. If that be so, where is the gap that is to be filled by this bill?

There are other troubles—not the scarcity of ships. There are plenty of ships, but there is a variety of other troubles. One of them is the trouble of unloading facilities. We know that ships have been held up for weeks in foreign ports because of the lack of unloading facilities, lack of labor, and so on.

I read, upon this subject, an editorial from the New York Times of January 18, 1915, very recent:

There is an odd contrast between the Washington theory that there is a deficiency of ships and the actual conditions on both sides of the ocean. On this side there is a supply of grain ships so large that there is a demand for an embargo to prevent our foodstuffs being bought away from us too fast and at prices higher than we like to pay. On the other side the ships are arriving faster than they can unload. At London there are 56 ships anchored awaiting their turn to be unloaded. At Genoa 54 are awaiting pier facilities. In the words of Mr. Franklin, of the International Mercantile Marine:

"One of the most serious things the shipping trade has to contend with during the present acute situation is the great congestion in the ports abroad. As a result, steamers are doing only half the work they could do under normal conditions. It is impossible to get them unloaded. Hence there is no use trying to charter additional ships to go to these congested ports, because we could not get them returned. It takes under current conditions 11 steamers to do the work of 5."

There is the explanation, Mr. President, or one of the explanations.

Mr. Franklin's own company has 20,000 tons of undischarged cargo at Tilbury Dock, London, and there are similar conditions at the Albert Dock. There is a scarcity of longshoremen, and the lighters have been commandeered to make a boat bridge. Upon this scarcity supervenes an unusual number of arrivals due to the clearing of the German commerce raiders from the seas. Conditions in France are similar, although German prisoners are being used to handle the cargoes.

There is a double application of these facts to the Government's shipping proposals. The intention is to reduce unreasonable freight rates. But under such conditions as these the rates do not appear unreasonable. Delays are costly, and incidental expenses can not be calculated on any ordinary scale. No Government could do anything to alleviate such local conditions across the ocean, and the increased costs, which are so serious to private management, would multiply still faster under public and inexperienced and disinterested control. In the second place, these are obvious and well-known conditions to all in the trade, but have been quite overlooked by those who thought that ships alone were necessary to carry cargoes. Terminals are as necessary to ships as to railways and to canals, but the terminals were as much an afterthought to the projectors of the New York State Canal as to the proposed Federal ships, with a consequent revision of the bill of costs. It is wholesome to be under the necessity of earning profits, and that is why it is dangerous to intrust public officials with unlimited power of spending tax money in commercial undertakings.

Again, in the course of another editorial, it is said:

The argument against Government shipping is as strong on theory as on facts, and has been formally draughted by the Boston Maritime Association. It recalls that freights are always dear during a war, and always collapse. The reason is that the war creates an artificial scarcity which disappears with its cause. Five million tons of shipping are now lying in harbors idle. To build more tonnage is only to waste money by creating superabundance, at a time when there is an equal scarcity of cargo through depression of trade due to the war. There are now tied up at Boston four steel steamships for which cargo can not be found, and the association has a list of 200,000 tons available if the rates would compensate for a round trip. The African and Australian tonnage can not extemporize trade hither, and they are importing much that they have been accustomed to export. Government ships are not the remedy for conditions so obscure, abnormal, and contradictory as these. It is better to endure brief abnormal conditions than to sink capital in committing Government to ungovernmental functions, opening the way to further objectionable innovations of the same sort. Tonnage is scarce to some places. Rates are high to some ports. But the burden falls upon the trade which bears it, while the loss of capital and taxes due to the Government line would fall upon those in no traceable relation to the speculation. Government could not possibly apply the remedy so well as the operations of those directly in the trade. They are concerned solely with economic considerations. Those assisting the Government to make a case have no responsibility and have many reasons for their action apart from the public interest.

And so I could go on almost indefinitely quoting matters of that character, which show that the difficulty is not due to a lack of ships, but due to other causes, such as I have indicated already, and such as are indicated by these editorials.

This bill is confessedly an emergency measure. The President himself makes that clear in his address on the subject, where he says:

It is not a question of the Government monopolizing the field. It should take action to make it certain that transportation at reasonable rates will be promptly provided, even where the carriage is not at first profitable; and then when the carriage has become sufficiently profitable to attract and engage private capital, and engage it in abundance, the Government ought to withdraw. I very earnestly hope that the Congress will be of this opinion, and that both Houses will adopt this exceedingly important bill.

So it is manifest that this bill is not intended as a permanent policy on the part of the Government but to meet an emergency. The question then arises, What is this emergency? It is not a lack of ships. The only emergency which anyone has been able to state is that rates are unusually high. Is that an emergency which justifies the Government in going into the business of carrying goods from this country to foreign countries? If so, whenever the price of wheat is raised to an excessive amount, the price of cattle to an excessive amount, or any other commodity, then that constitutes an emergency which justifies the Government in taking hold of the business.

But how about these high rates? They have been brought about in the main by obvious conditions. I grant you that the people who are engaged in the shipping trade have the ordinary amount of selfishness which attaches to humanity. Undoubtedly they desire to make as much out of their business as they can, and it may be that they have taken advantage of this situation to some extent and unduly lifted their rates, but that is one of the ordinary things which happen at a time like this.

Now, what are the conditions which should be expected to increase rates? These ships which ply between this country and foreign countries are in danger of being blown to pieces from mines with which the sea over there has been sown. They go in fear of capture and the expense incident to capture. There is the delay in the handling of ships. There is the increased cost of unloading. There is the increased cost of insurance and a variety of causes that it is impossible to enumerate, but which we can all realize exist, which have had a natural and to be expected tendency to raise rates.

But grant that there is a condition of existing high rates; is this measure calculated to reduce them? Let us look at it a moment.

I have already said that the entire tonnage of the world was 47,000,000 tons and that the loss of tonnage due to the war was something over 5,000,000 tons. The number of ships represented by this tonnage is more than 30,000—nearly 31,000 ships. A very large proportion—I do not know how many—are engaged in trade between this country and other countries.

Now, due to the condition I have described, these rates have become excessive, we will say. What does the Government of the United States propose to do? It proposes to put into the shipping business the sum of $40,000,000. How many ships will that purchase? Nobody has said that it will purchase more than a hundred. The best information I can obtain upon the cost of construction and the cost of purchase of ships at this time indicates that it will procure a tonnage capacity of about half a million tons—half a million against 47,000,000.

Mr. President, I do not see how that comparatively small addition can materially affect rates. Suppose the Government of the United States were to provide for running a freight train from New York to San Francisco once a month, through the year, at losing rates, in competition with the vast railroad business of the country; does anyone think that that would affect rates? There would be a scramble of people to get their goods aboard that train, but, with the vast business, the quantity that could be carried in that way would be so trifling that it would not affect rates at all.

So it does not appear to me that this addition to the tonnage capacity will materially affect rates. Indeed, it may have the effect of increasing rates. In all probability it has had the effect. In all probability the threat of the legislation has had the effect to increase rates, because the effect of it has been and will continue to be to discourage the investment of American capital which would have gone into this enterprise to a very large amount if it had not been for this threatened legislation. So the effect of it is to discourage American investment, and to that extent discourage shippers engaged in the trade, and in the end instead of adding to the tonnage capacity it is very likely to subtract from it.

Now, I call attention to the testimony upon that subject in the House hearings, pages 49 and 50. Mr. Edmonds testified. He was asked how large a merchant fleet this amount of money would afford.

Mr. EDMONDS. You mean how many ships would it buy?

Mr. SAUNDERS. Well, in tonnage, we will say. Of course the number of ships would depend on the size of the ships.

Mr. EDMONDS. I could not give you the tonnage. An ordinary eight to ten thousand ton passenger ship, according to the conditions, would cost from a million to a million and a half dollars, according to the way you build it.

Mr. SAUNDERS. From a million to a million and a half dollars?

Mr. EDMONDS. Yes. Now, if it is a freight boat it would cost to build in this country $600,000, of the same size. You might be able to build it, according to conditions, down to as low as $450,000.

Mr. SAUNDERS. With reference to the carrying trade, then, this $10,000,000——

Mr. EDMONDS. $40,000,000.

Mr. SAUNDERS. No, not $40,000,000; $10,000,000—would not get a very large fleet.

Mr. EDMONDS. No; the $10,000,000 would not. I have given it as $40,000,000. I have set it at the outside.

That is the only testimony I am able to find. Of course, the Senate declined to grant any hearings upon this vital subject at all, and the House contented itself with hearings which did not invite experts upon the subject at all to testify, but which confined the testimony to that of the Secretary of the Treasury, the proponent of the bill, and a statement of one or two Members of Congress. So, that is the only information of an authentic character I have been able to obtain upon that subject.

Mr. NELSON. Mr. President——

Mr. SUTHERLAND. I yield to the Senator for a question.

Mr. NELSON. Has the Senator observed what the Treasury Department states in its report sent in here, part 2, Executive Document 673? It was sent into the Senate on the 27th of this month. There are the names of 22 ships there offered for sale, and it gives the price of each and the net tonnage of each. Has the Senator observed that? Has the Senator noticed the fact that the prices given for those vessels amount to over $12,000,000 and that the net tonnage of the whole is only 87,972, less than 100,000 tonnage, costing over $12,000,000? Has the Senator noticed that document?

Mr. SUTHERLAND. No; I had not observed that; but I am obliged to the Senator from Minnesota for calling my attention to it. It indicates that the estimates I have given upon the subject are too large.

Mr. NELSON. The Senator will find it on page 102, Exhibit 76. There is the list. I commend it to the Senator.

Mr. SUTHERLAND. I thank the Senator for calling my attention to it.

Mr. President, I had not intended to discuss the practical features of this bill to the extent I have done. As I said, I rose primarily to discuss some legal and constitutional phases, and to those questions I desire now to address myself.

Let us see what this bill proposes to do. By section 1 it proposes—

That the United States, acting through the shipping board hereinafter created, may subscribe to the capital stock of a corporation.

Which is to be organized in the District of Columbia. Now, note what this corporation is to do:

Said corporation shall have for its object the purchase, construction, equipment, maintenance, and operation of merchant vessels to meet the requirements of the foreign commerce of the United States, or to charter vessels for such purposes.

Those are the purposes for which this corporation is to be formed. What is the relation of this corporation to the General Government? It is a mere agency. Because it is a corporation it is not any less nor any more an agency than if the same things were to be done by a Government board, or, indeed, by a single individual. So we may consider this bill stripped of the corporation feature, so far as the constitutional question is concerned.

It is manifest that the Government of the United States can not exercise the power through a corporation which it could not exercise through any agent or which it could not exercise through a Cabinet officer. The corporation, I repeat, is a mere agency through which the Government carries into operation this power.

Therefore the Government of the United States by this proposed legislation goes into the carrying business. The Government of the United States becomes a common carrier of goods, which is essentially a private business. To carry goods by railroad or by ship is no different in principle than to carry the same goods upon a cart. To carry a trunk from the Willard Hotel to the Union Depot has never hitherto been supposed to be a governmental function. It is private business. We are confronted at the very threshold of this legislation with the question, Has the Government of the United States any authority to engage in private business? If so, I want some proponent of this measure to point me to the language in the Constitution which confers any such power.

Now, the powers of this corporation are to be limited to these purposes by another provision of the bill. They are to be limited to the purposes that I have read and such as are necessarily incident thereto. Indeed, the corporation is not in substance a self-governing body, as an ordinary corporation would be. It is nominally so, but in effect it is not. It is under the dominating control of the shipping board, which, everybody will concede, is purely a governmental agency. Let me call attention to some of the provisions of the bill which show that—

The members of said shipping board, as incorporators, may for the purpose of carrying out the provisions of this act form a corporation of the District of Columbia by making and filing a certificate of incorporation—

And so on.

The members of the shipping board, therefore, set the machinery in motion. They incorporate the company. Then it provides that—

The stock owned by the United States shall be voted by the shipping board or its duly selected representative.

That is, the shipping board has control of the stock, and that stock constitutes a control of the corporation, because it must be 51 per cent; not less.

Trustees and officers are provided for for this corporation. They are merely figureheads, because another provision of the bill is that—

Such officers and trustees shall be subject to removal at any time by vote of a majority of the stockholders at any meeting thereof.

Not a regular or a called meeting. Whenever this shipping board, holding control of this stock, get together and hold a meeting, which it may do without notice, it may, without cause, remove every trustee, every governing officer of this corporation, and put others in their places. These officers are the mere creatures of this shipping board. While nominally they are given certain powers, in reality they may be shorn of every power at a word from this shipping board.

And again:

SEC. 3. That the United States, through the shipping board and with the approval of the President, is authorized to purchase or construct vessels suitable, in the judgment of the shipping board, for the purposes of such corporation.

Then it provides that they shall be transferred. This board of trustees is not even given the power to purchase the property of the corporation. The vessels which constitute the stock in trade of this corporation are not to be purchased by them. They have nothing to say about it. The shipping board, this governmental agency, is to purchase all the ships or construct the ships. The corporation has no power in that regard at all. The shipping board is the whole thing. Not only is this shipping board given the power to purchase ships, but they are given the power to go into the manufacturing business and put in any scheme they please within the limits of $40,000,000; to set up a shipyard if they please. There is no limitation upon it; they may construct vessels suitable in the judgment of the shipping board, but not in the judgment of the trustees of the corporation.

And again:

SEC. 4. That the shipping board is authorized to transfer the vessels purchased or constructed as herein provided to any such corporation in which the United States has become a stockholder as hereinbefore provided, and such corporation shall issue to the United States in payment thereof its gold bonds.

The trustees have nothing to say about it. The shipping board may purchase vessels or may construct a vessel and may impose those vessels upon this corporation, whether the trustees think it is a wise investment or not. They have nothing to say about it.

And again:

Such corporation shall make suitable provision for sinking fund and for the depreciation charges—

How?

under the rules and regulations to be prescribed by such shipping board.

And again, the shipping board is given the power—

to do all things necessary, whether specifically enumerated or not, to carry out the purposes of this act and protect the interests of the United States.

And again:

SEC. 8. That the President of the United States is hereby authorized to charter, lease, or transfer such naval auxiliaries—

And so on—

suitable for commercial use * * * to any corporation now or hereafter organized as in this act provided upon such terms and conditions as the shipping board, with the approval of the President of the United States, shall prescribe.

Mr. President, why was this corporation organized at all? It has no powers. It can exercise no control over the ordinary

functions of the corporation. The shipping board is the controlling body.

Not only is the shipping board the controlling body with reference to the business of this corporation, but by another extraordinary provision they are given power to make all rules and regulations not only to control this corporation, but all the sea traffic that comes into and departs from the ports of the United States; in other words, the shipping board is given the power to make rules and regulations which will control to a very great extent, within the limits of the general law, the activities of their competitors in the business.

Why, sir, since civil government was established upon the earth no such extraordinary provision has ever found its way into a law. What would be thought of the proposition to invest the Postmaster General of the United States, who is engaged in the parcel-post business, and to the extent that he is engaged in it is a competitor of the express companies of the United States—what would be thought of a proposition to invest that officer with the power of regulating and controlling the express companies of the United States, fixing their rates, regulating them to the extent that the Interstate Commerce Commission regulates them—to put in the hands of an officer of the Government engaged in competition the power to regulate and control a competitor? This is to be done really by three private citizens; that is, three citizens who are private except for their activities upon this board, because the three private citizens constitute the majority of the board.

Mr. President, this corporation is therefore, if it is anything, a mere device, an agency of the Government, by and through which the Government has entered the business of transportation. It constitutes an agency of the Government for this purpose in the same way as would an individual, a public officer, or a board with similar powers, as I have already stated substantially; in other words, suppose, instead of creating this corporation, which is a circumstance of no consequence in this consideration, Congress had passed a law proposing to put into the hands of an individual named $40,000,000 with which to buy ships to go into the carrying trade as an agent of the United States; the principle would be the same. At the very threshhold, therefore, of this discussion we are confronted with the pertinent and vital inquiry, Under what provision of the Constitution is this proposed enterprise to be justified?

Mr. President, this is a Government of enumerated powers. Congress can exercise no power that is not granted by the Constitution in express terms or implied as necessary and proper to carry the expressed powers into operation. Under the Constitution what are the powers? They are of two classes: First, there are the substantive powers, or what are called the expressed powers; and, second, there are the ancillary powers, or what have been generally designated as the implied powers. What are these ancillary powers as plainly shown by the language of the Constitution? They are simply powers which the Government may exert not as ends in and of themselves, but as the means of carrying the substantive or enumerated powers into operation. This is made clear by the language of the Constitution, whose very first provision is—now mark this language—

> All legislative powers herein granted shall be vested in a Congress of the United States.

Congress by that is not vested with all legislative power, but it is vested with such legislative power as is granted by the Constitution, which implies clearly a limitation upon its legislative power. In the case of the States, generally speaking, the Constitution confers all legislative power upon the legislature except such as is expressly withdrawn from it by prohibitory provisions. So before an ordinary legislative power can be denied to a State legislature we must find in the State constitution a prohibition against it. Exactly the converse of that is the rule with reference to the Constitution of the United States. Before the Congress of the United States can exert legislative power, it must not only not be forbidden by the Constitution, but it must be found expressly conferred in the Constitution. These powers the Constitution itself, with great care, proceeds to enumerate, and it concludes with this general power:

> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof.

By the tenth amendment to the Constitution it is provided:

> ARTICLE X.
>
> The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States respectively or to the people.

Congress, therefore, in the exercise of its substantive powers, must confine itself strictly to the grants enumerated in the Constitution. It has a wide range of choice, it is true, as to the means which it shall adopt to this end. That has been declared over and over again by the Supreme Court of the United States, and never more clearly than by Mr. Justice Brewer, speaking for the court in the Kansas-Colorado case (206 U. S., 89). He says:

> But the proposition that there are legislative powers affecting the Nation as a whole which belong to, although not expressed in, the grant of powers is in direct conflict with the doctrine that this is a Government of enumerated powers. That this is such a Government clearly appears from the Constitution independently of the amendments, for otherwise there would be an instrument granting certain specified things made operative to grant other and distinct things. This natural construction of the original body of the Constitution is made absolutely certain by the tenth amendment—

To which I have just called attention—

> This amendment, which was seemingly adopted with prescience of just such a contention as the present, disclosed the widespread fear that the National Government might, under the pressure—

Now listen. Language could not have been more apposite if the learned judge had had this very bill in mind—

> This amendment, which was seemingly adopted with prescience of just such contention as the present, disclosed the widespread fear that the National Government might, under the pressure of a supposed general welfare, attempt to exercise powers which had not been granted. With equal determination the framers intended that no such assumption should ever find justification in the organic act, and that if in the future further powers seemed necessary they should be granted by the people in the manner they had provided for amending that act. It reads: "The powers not delegated to the United States by the Constitution nor prohibited by it to the States are reserved to the States, respectively, or to the people." The argument of counsel ignores the principal factor in this article, to wit, the people.

Not the States alone. The powers which are reserved, which are not granted to the United States, not delegated to the United States, are reserved not only to the States, but, in the alternative, to the people, because there may be powers that are denied the States. There may be powers that conceivably are not to be exercised by either Government, and in that case they are reserved to the people.

> Its principal purpose was not the distribution of power between the United States and the States, but a reservation to the people of all powers not granted.

Now, mark that—

> But a reservation to the people of all powers not granted. The preamble of the Constitution declares who framed it, "We, the people of the United States," not the people of one State but the people of all the States, and Article X reserves to the people of all the States the powers not delegated to the United States.

Mr. President, that throws a flood of light upon this question. The bill under consideration has nothing to do with any of the enumerated powers, unless it be with that power which authorizes Congress to regulate commerce. Nobody has pretended that there is any other grant of power to which it might by the remotest possibility be attached. Is this bill, therefore, a regulation of commerce? If it is, it is valid; if it is not, it is utterly void. There is no half-way ground. Either this bill is valid or it is void. If it is a regulation of interstate or foreign commerce, it is valid; if it is not a regulation of commerce, whatever else it may be, it is absolutely null and void.

Now let us read the commerce clause of the Constitution:

> To regulate commerce with foreign nations and among the several States and with the Indian tribes.

What is the power that is conferred? It is the power to regulate, not the power to do something else. When a power is sought to be exercised under that clause, that power must be regulation. The thing to be regulated is commerce and not something else. Therefore Congress can not regulate something which is not commerce. It can not regulate manufacturing; it can not regulate anything else except commerce; and it can not do with commerce anything that does not fall within the term "regulation." Congress is just as powerless to pass a law, under this provision of the Constitution, which undertakes to deal with commerce in some other way than by regulation, as it is to regulate an activity or a thing which does not fall within the term "commerce."

The pending bill undoubtedly deals with commerce, but does it regulate commerce? What is a regulation of commerce? Fortunately we have a multitude of authoritative definitions, all to the same effect, the most comprehensive of which, I think, was that stated by Mr. Justice Barbour, a justice of the Supreme Court of the United States, but at the time of making this statement a Member of Congress. His statement was as follows, and I call the attention of the lawyers of the Senate to his definition:

> To regulate commerce among the several States means the right to prescribe the manner, terms, and conditions on which that commerce should be carried on.

To engage in commerce is not to regulate it. The act and the regulation of the act are two wholly separate and distinct things. The Supreme Court of the United States has repeatedly defined the power, as in Gibbons *v.* Ogden (9 Wheat., 196, 197).

It is there defined as the power "to prescribe the rule according to which commerce should be carried on." There is in the case of Welton *v.* Missouri (91 U. S., 275-279) a rather more elaborate definition than that. That definition is as follows:

The term "regulate commerce" as it is used in the clause of the Federal Constitution authorizing Congress to regulate commerce means to prescribe rules by which it shall be governed; that is, the conditions upon which it shall be conducted.

How can the conducting of the business be regarded as a prescription of the conditions upon which it shall be conducted? The opinion continues:

To determine how far it shall be free and untrammeled, how far it shall be burdened by duties and imposts, and how far it shall be prohibited.

I read from Words and Phrases, volume 7, beginning at page 6041, some definitions which all bear out this definition which I have read. I read them because they carry the force of the definition by illustrations. Here is one:

To regulate means to adjust by rule, method, or established mode, to direct by rule or restriction, to subject to governing principles or laws—

Citing a number of authorities.

Again:

"Regulation" as used in the title of the ordinance for the regulation of street parades, etc., means the control and government thereof, the word necessarily implying that street parades are lawful, but that certain restrictions may be necessary to preserve the public from harm.

Now, let me pause at that point. Here is the power given to regulate street parades. If the government of that city should pass an ordinance providing for a street parade, instituting a street parade as a substantive thing, would that be a regulation of a street parade?

Again:

"Regulate" means to subject to governing principles; to rule; to govern.

"Regulate" as used in constitution, article 4, section 25—

That is, I suppose, the constitution of California—

declaring that the legislature shall not pass any special or local law regulating county and township business, or in a case where a general law is applicable, means to prescribe a rule for acting, to direct a mode in which a transaction shall be conducted, the word being derived from the Latin word "rego," signifying to guide or direct, through the noun "regula," a rule.

So that, according to that definition, to regulate means to guide or direct the activity or the thing by means of a rule.

Hence an act directing a board of supervisors of a city and county to pay a certain claim is invalid.

Why? Because it does not direct the way in which they shall do it by rule, but it directs the doing of it.

A right to regulate the running of cars means, according to the ordinary acceptance of the term "regulate," to prescribe rules or laws by which the running of cars within a city is to be governed; and the power may, without any strained construction, well apply to the means or force by which the cars are propelled. A right to "regulate the running" seems ex vi termini to imply the authority to regulate the power by which they are driven.

It may be conceded that the creation of a corporation to engage in or the regulation of a corporation already engaged in commerce may constitute a regulation of commerce. That need not be disputed. That is, it may be conceded that Congress may provide that corporations, in order to engage in interstate or foreign commerce, must be of a certain character, or even that they must be brought into existence under a law of the United States. I concede that for the sake of the argument, although I think there is some doubt about the power; but it may be conceded, so far as this bill is concerned, that Congress has that power—the power to say that only a certain character of corporation shall engage in interstate commerce; the power to say that only a corporation organized under the laws of the United States shall engage in interstate commerce. I think there is very grave doubt about that, because I think the purpose of the Constitution was simply to regulate a thing which had a rightful existence independently of the Federal Government, and I am very much disposed to think that the right to engage in trade on the part of the citizens of the State or an artificial creation of the State is a right which can not be taken away by Federal legislation. But if we may go that far and concede the power of Congress to that extent, that is not the effect nor the purpose of this bill. The bill does not provide for the organization of a corporation or corporations as a means by which the Government of the United States regulates commerce, but it provides for a corporation as a means or a device by which the Government itself undertakes to engage in commerce.

Mr. President, nothing like it has ever before been attempted in all our history. There is not only no constitutional warrant for any such step, but it is a socialistic experiment entirely outside of the purposes of the Federal Government, dangerous as a precedent and far-reaching in its consequences.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from West Virginia?

Mr. SUTHERLAND. I yield to the Senator from West Virginia so far as I can yield without losing any rights which I have to the floor.

Mr. CHILTON. I will keep within the rule. I simply want to ask the Senator a question. Does the Senator favor a subsidy to aid in building up a merchant marine?

Mr. SUTHERLAND. Mr. President, that is a subject about which I have not fully made up my mind.

Mr. CHILTON. The Senator admits that we must justify that upon the same clause or clauses in the Constitution upon which we would justify what is being done by this bill, does he not?

Mr. SUTHERLAND. No. It might be justified under the commerce clause of the Constitution.

Mr. CHILTON. Is not that the one the Senator is talking about?

Mr. SUTHERLAND. But the granting of money to an individual to conduct his own trade, to stimulate his own trade, to facilitate his trade, or stimulate trade generally, is a very different thing from the Government of the United States carrying on that trade.

Mr. CHILTON. If the Senator will answer just one other question while I am on my feet: Does the Senator distinguish between a bonus to railroads, like the Government granted to the transcontinental railroads years ago, and a subsidy, and what is being done here now? Are they not all of the same character?

Mr. SUTHERLAND. Oh, not at all, Mr. President.

Mr. CHILTON. Was that regulating commerce when the Government granted a bonus to a railroad company for the purpose of building a railroad? Was that regulating? Was it not aiding in it and taking a part in it and an interest in it?

Mr. SUTHERLAND. Mr. President, the grant of lands to the Pacific railroads is to be justified under a wholly different provision of the Constitution—the one which provides that the Congress of the United States may dispose of and make all needful rules and regulations for the territory and other property of the United States. It is under that clause. This was property of the United States, its public lands, and Congress was given the power to dispose of those lands; and, being given the power without limitations, Congress could dispose of them in any way it saw fit. It is no more a regulation of commerce to do that than the passage of the irrigation law is a regulation of commerce. The passage of the irrigation law was to be justified upon the same clause, because if the Government of the United States has the power to dispose of its lands, and those lands are arid, and they can not be disposed of without putting them into some other condition, it has the implied power to put them in a condition to be disposed of. The irrigation law simply provided for a method of furnishing water for those lands, and thereby putting them in a condition to be disposed of. It was under that clause of the Constitution that the Pacific lands were granted. It was under that clause of the Constitution that we passed the irrigation law.

Mr. CHILTON. Mr. President, will the Senator permit me to ask him one other question at this point?

The VICE PRESIDENT. Does the Senator from Utah further yield to the Senator from West Virginia?

Mr. SUTHERLAND. Yes.

Mr. CHILTON. I can understand how the Senator can possibly make a distinction—whether it is sound or not, the Senate will determine later—as to disposing of land or giving away the property of the United States. If the Senator wants to make that distinction between the property of the United States and the money which may be derived from that property, that is for him and not for me to criticize; but I do want to ask the Senator what he says as to that part of the transaction other than giving the property away, to wit, wherein the Government had an interest in the property and a certain right to the control of that property? The Senator recollects what that was. How does he reconcile that with the position he now takes?

Mr. SUTHERLAND. The Government, in effect, had a lien, just as it might have a lien upon any piece of property.

Mr. CHILTON. And appointed directors for the railroad.

Mr. SUTHERLAND. Now, wait. The Government had a lien, just as it might have a lien upon the Senator's property. If the Government of the United States were to obtain a judgment against the Senator, it would have a lien upon his property, which could be enforced by seizing the property and selling it, and then it would become the property of the United States to do with it as it pleased. It had a lien upon the Pacific Railway

property in the same way, not by a judgment but in a different way, but a lien, nevertheless, which it could enforce, and it could use all means that were necessary and proper to that end. The question of the Pacific Railroads is complicated by a variety of things. The Congress was evidently doubtful as to just what provision of the Constitution it could justify its action under. When the Pacific Railroad law was passed and the grants made we were undertaking to open up that country out there, and the Congress were driven to find some authority for it. They put it upon the war power, in the legislation. They provided that it was to be utilized to transport troops. They said it was to be utilized as a post road. They put it upon a variety of clauses.

Mr. FLETCHER. Mr. President, will the Senator yield to me for a question?

Mr. SUTHERLAND. Yes.

Mr. FLETCHER. What trouble does the Senator find in justifying this bill under the Constitution with reference to the provision for naval auxiliaries and military transports?

Mr. SUTHERLAND. Mr. President, the provision for turning over the naval auxiliaries to this corporation is a mere incident of it. It may or may not be done. It is not the primary thing sought to be done. I concede that if we were to pass a law such as is proposed by the Senator from Iowa [Mr. CUMMINS] in his substitute, providing for the expenditure of $40,000,000 to purchase ships as auxiliaries of the Navy, those ships when not in use by the Navy to be leased to private citizens, we would be within our power. We would be within the war power. We would not be within the provision of the Constitution authorizing us to regulate commerce; but that is not what this bill seeks to do. This corporation is organized and its purposes are declared. It is expressly provided that it is to be limited to those purposes. Those purposes are, in short, to purchase or construct merchant vessels and to engage in the mercantile carrying trade between this country and foreign countries. By what stretch of the imagination can that be tied to the war power—the authority to provide a navy? It has not the remotest connection with it. That being the object of the bill, there is a fugitive provision in it, merely incident to it, that when we have no need for a particular naval vessel we may turn it over to this corporation; but it is incidental.

It has been held to be within the constitutional power of Congress to provide for the incorporation of a bank as an instrumentality to enable the Government to conduct and carry on its fiscal operations; but in that case the power of the Government conferred by the Constitution, as interpreted by the Supreme Court, is to carry on the fiscal operations themselves. It is not to regulate such operations carried on by others.

Suppose the law had been interpreted by the Supreme Court to mean that the power of the United States was to *regulate* the fiscal operations of banks. Under that power the Government of the United States could not have established a bank because that would not have been regulation; but the power is different. It is not that of regulation. The power is to do the substantive thing—to carry on fiscal operations. If the provision in the Constitution had been not to regulate commerce but to carry on commerce, then of course the Government could do it.

Mr. SHIELDS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SUTHERLAND. I do.

Mr. SHIELDS. I understand the Senator to concede that any act of the Government which aids or facilitates commerce comes within the commerce clause of the Constitution.

Mr. SUTHERLAND. No, Mr. President; I do not concede that.

Mr. SHIELDS. Then perhaps I stated it too broadly. I understand the Senator does not controvert that the building of a lock or other improvement in a navigable stream to aid transportation comes within it.

Mr. SUTHERLAND. Yes; I do concede that—the building of a road, for example.

Mr. SHIELDS. Now, I understand that the Senator's view of the buying of these ships is that it is going into the transportation business, and that that is not regulation of commerce.

Mr. SUTHERLAND. My position is precisely that—that it is not a regulation of commerce.

Mr. SHIELDS. Is not the primary object of this bill not to go into the transportation business, but to aid the people of the United States in the transportation of their productions which they have for export and in the importation of things which they need from other countries; and is not the purchase and operation of ships a mere incident to that business; and in that sense is it not within the commerce clause an aid to commerce—a regulation of commerce by furnishing cheaper facilities of transportation?

Mr. SUTHERLAND. No, Mr. President. The Senator apparently thinks that anything the Government of the United States may do whose effect may be to facilitate or aid commerce is a regulation of commerce.

If that were so, then the building of a manufactory would be a regulation of commerce because it facilitates commerce. Indeed, commerce could not take place at all in many instances unless there was manufacturing. The effect of the law must be something more than merely to aid or facilitate commerce. The building of a road, as the Senator illustrates, the building of a lock, the clearing of a harbor, is a regulation of commerce because it is either providing an instrumentality or putting an instrumentality in a position to be used. But the difference between those cases and this is that the Government is not providing an instrumentality for foreign commerce. It is undertaking to become that instrumentality itself.

Mr. SHIELDS. Does it not do both?

Mr. SUTHERLAND. It incidentally may facilitate trade; but the primary object of it, the effect of it, the purpose of it, is to put the Government into that business. In other words, it puts the Government into the business of engaging in trade, and that is the object of it, although its incidental effect may be to facilitate, to make somebody's business more profitable, by giving cheaper rates. But that is not sufficient.

Mr. SHIELDS. That is a difference in construction. In my idea the primary object is to furnish transportation facilities for the commerce of this country.

Mr. SUTHERLAND. I am not making these propositions without having provided some sort of fortification of my position, and I hope the Senator will do me the honor to remain here until I come to those cases which deal with that.

Mr. SHIELDS. I certainly will. I do not think the Senator is not fortified, because it is not his habit to assert a proposition without being able to give authorities and reasons to support it.

Mr. SUTHERLAND. That is very kind of the Senator. I have said that in the case of the bank the power which the Government had was to carry on these operations and not merely to regulate them. A bank was therefore held to be a proper instrumentality to carry on these Government fiscal operations. The private business which it did was merely incidental to this governmental function.

If the Federal Government had been authorized to carry on trade, if this were the substantive power, then, undoubtedly, under the decision of the Supreme Court in the cases of McCullough against Maryland and Osborne against United States Bank, the Government might properly organize a corporation as a means of carrying on the trade, just as it properly organized a bank for the purpose of carrying on its fiscal operations; but I repeat, because this is the crux of the whole question, the power is to regulate commerce, not to carry it on.

A trade can not be carried on substantively under the guise of being a regulation when, in fact, the substantive thing is carrying on the trade.

It is the power to regulate the commercial transaction itself and regulate the agencies which are engaged therein. Regulation of an activity and the activity itself are two wholly separate and distinct matters. Congress is given the power to coin money, but suppose the right to coin money had been left to the States, as it might have been, and the Constitution had simply empowered Congress to regulate the coinage of money, would it be claimed under this language that the General Government could itself coin money? And, if it could not, could it create a corporation through the agency of which the Government would coin money? Congress is empowered to establish post roads. Suppose the provision had been simply to regulate post roads; would it be claimed under such language that Congress could build and establish these roads? The language of the Constitution was selected with extreme care. The framers found no difficulty, when it was desired to confer upon the Federal Government the power to do a thing, in saying so in precise terms.

We must look beyond the form of this bill to its substance. The Supreme Court said, in the case of Henderson *v.* Mayor (92 U. S., 268):

> In whatever language a statute may be framed, its purpose must be determined by its natural and reasonable effect, and if it is apparent that the object of this statute as judged by that criterion is to compel the owners of vessels to pay a sum of money for every passenger brought by them from a foreign shore and landed at the port of New York, it is as much a tax on passengers if collected from them or a tax on the vessels or owners for the exercise of the right of landing their passengers in that city, as was the statute held void in the passenger cases.

The Supreme Court has repeated over and over again that in determining whether a law is constitutional we are to determine what it is in substance and what it is in effect, no matter what its form may be. Congress can not take refuge in mere forms to usurp a power which it does not possess under the Constitution.

Tested by this same rule, this bill, it is true, creates a corporation, but its effect is to adopt the corporate device not as one of the means of regulating commerce but as an agency by which the Government engages in commerce. Of course, the Government can do nothing except through its agents. Under its authority to regulate commerce it may designate the character of the instrumentalities which may be used to carry on commerce.

But I repeat, as I said to the Senator a moment ago, this does not give the Government authority to become such an instrumentality itself. Congress has no authority to create corporations as a primary power, because that power has not been conferred by the Constitution. It may only create a corporation as a mean to a constitutional end, namely, as a means of carrying into operation some substantive power which has been devolved upon Congress. It can not create a corporation to carry into operation a power which the Government of the United States does not possess, and through that corporation carry into operation such power, any more than it can do the same thing through an official or a board.

To say that the actual transportation of commodities is a regulation of their transportation is to confuse all logical distinctions. To regulate commerce is a governmental function; and, therefore, if the carrying on of commerce is the regulation of commerce, then that also becomes a governmental function, and the same argument which gives the power to Congress must deny it to the citizen, since the citizen can not perform governmental functions.

Now, that may sound like a reductio ad absurdum, but I believe it to be logical and sound. If the carrying on of trade is a regulation of trade, then it is no less a regulation if the citizen is engaged in it; and if the carrying on of trade is a regulation of trade, and therefore a governmental function, upon what authority can the citizen do it? The citizen can not regulate trade, because that is a governmental function which belongs to Congress. He may do things that have the effect of facilitating trade, of aiding trade, but that is not a regulation within the constitutional meaning.

It has been held that transportation is commerce, and therefore Congress has the power to regulate transportation; but if the act of transportation constitutes a regulation of transportation, then we are driven to the reductio ad absurdum that every captain who sails a ship is regulating commerce and exercising a power which belongs alone to Congress.

The power to regulate a thing does not mean the power to establish or do the thing, but it means the power to govern the thing which the grant of authority to regulate presupposes to be already in existence. The existence of commerce is necessary to regulation, but it is not regulation itself.

Neither does the power to carry on commerce arise by implication from the power to regulate. They are separate and distinct powers. The right to do a particular thing implies the right to adopt any means to do that thing. It does not imply the right to do something entirely different or to adopt means for the doing of something entirely different. The carrying of goods from one port to another, therefore, may be regulated, but the act of carrying is not regulation. Whatever means are adopted by Congress, in the final analysis these means must result in regulation of commerce and not in commerce itself. In McCulloch *v.* Maryland (4 Wheat., 316) the Supreme Court said:

> The power of creating a corporation, though pertaining to sovereignty, is not like the power of making war or levying taxes or regulating commerce, a great, substantive, and independent power which can not be implied as incidental to other powers and used as a means of executing them.

But the power to carry on commerce, unlike the power to create corporations, is plainly in and of itself a great, substantive, and independent power equal in importance to any power conferred by the Constitution; and to say that Congress has been denied the substantive power of carrying on commerce but has the implied power to create a corporation through which the Government itself may carry on commerce is to juggle with all logical rules.

Mr. Prentice, a very excellent writer upon the subject of Federal power over carriers and corporations, in his work, page 138, quotes from Alexander Hamilton:

> A strange fallacy seems to have crept into the manner of thinking and reasoning upon the subject. Imagination seems to have been unusually busy concerning it. An incorporation seems to have been regarded as some great, independent, substantive thing; as a political engine, and of peculiar magnitude and moment; whereas it is truly to be considered as a quality, capacity, or means to an end. Thus a mercantile company is formed, with a certain capital, for the purpose of carrying on a particular branch of business. Here the business to be prosecuted is the end.

It is the business, I may interpolate, not the formation of the corporation, which is the end. The corporation is only the means to the end.

> The association, in order to form the requisite capital, is the primary means. Suppose that an incorporation were added to this, it would only be to add a new quality to that association; to give it an artificial capacity, by which it would be enabled to prosecute the business with more safety and convenience.

Then, further on, still quoting from Hamilton:

> "Thus," he said—

That is, Hamilton—

> "Thus," he said, "a corporation may not be erected by Congress for superintending the police of the city of Philadelphia, because they are not authorized to regulate the police of that city. But one may be erected in relation to the collection of taxes, or to the trade with foreign countries, or to the trade between the States, or with the Indian tribes—

But the corporation so erected must not merely be the agency through which the Government does business, for it has no power to do business.

It may be done, as in the case of the Luxton Bridge case, where a corporate form was authorized to enable citizens to do through the corporation that which Congress might have authorized them to do as individuals—

> "because it is the province of the Federal Government to regulate those objects, and because it is incident to a general sovereign or legislative power to regulate a thing, to employ all the means which relate to its regulation to the best and greatest advantage."

So I say, as Mr. Hamilton said with reference to the police of Philadelphia, we can not erect a corporation through which to regulate the police of Philadelphia, because we have no right to accomplish the end that this means is adapted to. So we can not organize a corporation to carry on trade, because we have no power under the Constitution to reach the end which is finally sought through the corporate form.

On page 149 he says:

> In this regard the power of Congress is limited, while the power of the State is unlimited. Whenever, under the Constitution, Congress can exercise a power, Congress can create a corporation to carry that power into execution, and, to the exclusion of the States, create corporations in the District of Columbia and all territory of the United States and in all countries subject to the jurisdiction of the United States.

It is unimaginable that the framers of the Constitution could have ever intended that a great power like that of engaging in trade should be exercised without a plain provision to that effect. It is an absurdity to say that the power to carry on business has been conferred by a provision which simply gives authority to regulate business.

Hitherto in this country the business of transportation is one which has been exclusively in private hands. If it is a function which could be performed by any government, that government is not the United States, because it has not been delegated, and is therefore, under the provisions of the tenth amendment, either reserved to the States or to the people.

The Supreme Court of the United States, in the case of South Carolina *v.* The United States (199 U. S., p. 450), said:

> To determine the extent of the grants of power we must therefore place ourselves in the position of the men who framed and adopted the Constitution and inquire what they must have understood to be the meaning and scope of those grants.

I want to read a paragraph or two further from that decision. The court says:

> Certain is it that modern notions as to the extent to which the functions of a State may be carried had then no hold—

That was at the time of the formation of the Constitution. Now we are to put ourselves in the place of the framers of the Constitution and inquire what they must have understood to be the meaning and scope of the grant. That is not my language. It is the language of the Supreme Court of the United States, and the Supreme Court proceeds to do that.

> Certain is it that modern notions as to the extent to which the functions of a State may be carried had then no hold. Whatever Utopian theories may have been presented by any writers were regarded as mere creations of fancy, and had no practical recognition. It is true that monopolies in respect to certain commodities were known to have been granted by absolute monarchs, but they were not regarded as consistent with Anglo-Saxon ideas of government. The opposition to the Constitution came not from any apprehension of danger from the extent of power reserved to the States, but, on the other hand, entirely through fear of what might result from the exercise of the powers granted to the Central Government. While many believed that the liberty of the people depended on the preservation of the rights of the States, they had no thought that those States would extend their functions beyond their then recognized scope, or so as to imperil the life of the Nation. As well said by Chief Justice Nott, delivering the opinion of the Court of Claims in this case (39 C. Cl., 284)—

The quotation is from Judge Nott, but is approved and adopted by the Supreme Court itself—

"Moreover, at the time of the adoption of the Constitution there probably was not one person in the country who seriously contemplated the possibility of government, whether State or National, ever descending from its primitive plant of a body politic to take up the work of the individual or body corporate. The public suspicion associated government with patents of nobility, with an established church, with standing armies, and distrusted all governments. Even in the high intelligence of the convention there were men who trembled at the power given to the President, who trembled at the power which the Senate might usurp, who feared that the life tenure of the judiciary might imperil the liberties of the people. Certain it is, that if the possibility of a government usurping the ordinary business of individuals, driving them out of the market and maintaining place and power by means of what would have been called, in the heated invective of the time, 'a legion of mercenaries,' had been in the public mind, the Constitution would not have been adopted, or an inhibition of such power would have been placed among Madison's amendments."

Can anybody conceive, looking back to the history of that time, to the political views which prevailed at that time, that the framers of the Constitution would have inserted a provision in the Constitution giving the Government of the United States the power to engage in the transportation business as a function of government? It is preposterous.

If, as Justice Nott says, they had suspected that any such power as that was wrapped up in anything in the granted powers, the Constitution would have been made plain by a prohibition against that interpretation or the Constitution never would have been ratified by the people. As was well said by the Supreme Court of Kansas in State against Kelly, Eighty-first Pacific Reporter, page 459:

It has been the policy of our Government to exalt the individual rather than the State, and this has contributed more largely to our rapid national development than any other single cause. Our Constitution was framed and our laws enacted with the idea to protecting, encouraging, and developing individual enterprise, and if we now intend to reverse this policy and to enter the State as a competitor against the individual in all lines of trade and commerce we must amend our Constitution and adopt an entirely different system of government.

The precise question was before the Supreme Court of Minnesota in the case of Rippe against Becker, Fifty-sixth Minnesota, page 100. That case involved the constitutionality of an act passed by the Legislature of Minnesota which provided for procuring of a site and the erection of a State elevator or warehouse for the public storage of grain, and so on. Let me read the syllabus:

Laws of 1893, chapter 30, entitled "An act to provide for the purchase of a site and for the erection of a State elevator or warehouse at Duluth for public storage of grain," etc., is not an exercise of the police power of the State to regulate the business of receiving, weighing, and inspecting grain in elevators. It has no relation to the regulation of the business, but provides for the State itself engaging in carrying it on.

That is the precise point which I have been urging all the way through. That answers the question of the Senator from Tennessee [Mr. SHIELDS]. Incidentally, of course, the procuring of the site and the building of an elevator was an aid to that character of business. Conceivably, it facilitated it; it was provided for the purpose of cutting down rates; but the bill provided that the State should do that thing. The Supreme Court of Minnesota said that, under the power to regulate, the doing of the thing was not justified. Now, let me read that:

The right of the State, in the exercise of its police power, to regulate the business—

Now, mind you, the police power of the State to regulate is the same as the delegated power in the Federal Constitution to regulate. The commerce clause of the Constitution in essence and effect is a police power or analogous to the police power, and in essence it is the same as the police power of the State to regulate.

The right of the State, in the exercise of its police power, to regulate the business of receiving, weighing, inspecting, and storing grain for others in elevators or warehouses, as being a business affected with a public interest, is now settled beyond all controversy. This power extends even to fixing the charges for such services. (Munn *v.* Illinois, 94 U. S., 113; Budd *v.* New York, 143 U. S., 517; 12 Sup. Ct., 468.)

And where a business is a proper subject of police regulation doubtless the legislature may, in the exercise of that power, adopt any measures they see fit, provided only they adopt such as have some relation to and have some tendency to accomplish the desired end; and if the measures adopted have such relation or tendency the courts will never assume to determine whether they are wise or the best that might have been adopted. (State *v.* Donaldson, 41 Minn., 74; 42 N. W., 781.)

Further along it is said:

It seems to us as plain as words can make it—too plain to admit of argument—that the provisions of this act have no relation or reference whatever to the exercise of the police power to regulate the "grain elevator" business. We can not discover, and counsel have failed to point out, a single provision of the act that has any relation to or any tendency to accomplish any such purpose. Aside from the provisions of sections 3 and 4 for what we may term a bureau of information as to the state of the markets and rates of transportation (which has no relation to the exercise of any police power, and the connection between which and an elevator of a capacity of 1,500,000 bushels, with "all necessary spur tracks, terminal yards, and other facilities to receive and ship grain" is not apparent), the evident sole purpose of the act is to provide for the State erecting an elevator and itself going into the "grain elevator" business. All the provisions of the act as to receiving, handling, storing, and delivering grain clearly have reference only to the management of the business conducted by the State in its own elevator. The keynote to the object of the law is, we apprehend, to be found in the last clause of section 4, above quoted, as to the intention of the act, and so far as relates to the right of the State under the police power to regulate this business, the position of defendants' counsel really amounts to this: That whenever those who are engaged in any business which is affected with a public interest—

I commend that language particularly to those who fancy that this legislation is valid. The courts are stating the position of counsel, who urged the validity of the law, and therefore they state the position of the proponents of this bill.

That whenever those who are engaged in any business which is affected with a public interest, and hence the subject of governmental regulation, do not furnish the public proper and reasonable service, the State may, as a means of regulating the business, itself engage in it and furnish the public better service at reasonable rates, or, by means of such State competition, compel others to do so.

The very statement of the proposition is sufficient to show to what startling results it necessarily leads. It needs no argument to prove that if, in the exercise of the police power to regulate this business, the State itself has a right to erect and operate one elevator at Duluth, it has the power to erect and operate 20, if necessary, at the same point, and also to erect and operate elevators at every point in the State where there is grain to be handled and stored.

Railways are also, under this same police power, the subjects of State regulation; and if it should be deemed that they were not furnishing the public with proper service, or charging unreasonable rates, it could with equal propriety be claimed that it would be a proper means of exercising the police power of regulating the business for the State itself to construct and operate competing railways. The hack business, the pawnbrokers' business, the manufacture and sale of intoxicating liquors, and numerous other kinds of business that might be named are also the subjects of State regulation; and, if counsel's contention is correct, we do not see why, as a means of "regulating" these kinds of business, the State itself might not engage in running hacks, pawnbrokers' shops, building and operating distilleries and breweries, or even running saloons.

That is what South Carolina has done, and I shall have occasion to comment upon that situation in a moment.

But further illustration can not be necessary. The police power of the State to regulate a business does not include the power to engage in carrying it on.

There is the crux of it.

Police regulation is to be affected by restraints upon a business and the adoption of rules and regulations as to the manner in which it shall be conducted.

While the jurists of continental Europe sometimes include under the term "police power" all governmental institutions which are established with public funds for the promotion of the public good, yet, as understood in American constitutional law, the term means simply the power of the State to impose those restraints upon private rights which are necessary for the general welfare of all and is but the power to enforce the maxim, "Sic utere tuo ut alienum non laedas."

The provisions of this act have no reference to the regulation, in any such sense, of the "grain-elevator business," and the right of the State to embark in the construction and operation of these works can not be predicated on the police power.

* * * * * * *

The time was when the policy was to confine the functions of government to the limits strictly necessary to secure the enjoyment of life, liberty, and property. The old Jeffersonian maxim was that the country is governed the best that is governed the least.

Our friends have departed from that. The maxim of the Democratic Party now is "that government is best which governs most."

At present the tendency is all the other way, and toward socialism and paternalism in government. This tendency is, perhaps, to some extent, natural as well as inevitable, as population becomes more dense and society older and more complex in its relations. The wisdom of such a policy is not for the courts. The people are supreme, and, if they wish to adopt such a change in the theory of government, it is their right to do so. But in order to do it they must amend the constitution of the State. The present constitution was not framed on any such lines.

Therefore, that act was held unconstitutional. It is true that another point was decided in the case, which had not any effect upon this principle. There was also a specific provision in the constitution which forbade the State engaging in the work of internal improvements, and it was argued that this was not a work of internal improvement. The court, however, held that it was, and held that it would be void under that provision of the constitution as well; but it was claimed upon both grounds that it was a regulation of the business and, therefore, within the police power, and also that it was not an internal improvement and, therefore, subject to the other provision. The court answered both against the contention of those who sought to sustain the law.

The State of South Carolina had a rather remarkable experience with reference to Government ownership. That State concluded some years ago to go into the saloon business, and proceeded to pass a law which gave the State control of the sale and disposition of liquor through what were called "State dispensaries." The effect of the law was practically to exclude private parties from that business. The question arose in

South Carolina as to whether or not that law was constitutional. The history of the decision of the court of South Carolina is a very interesting and somewhat remarkable one. The case first came before the supreme court, which consisted of three members, and is reported in Forty-first South Carolina, and also in Twenty-third Lawyers' Reports Annotated, at page 410, and is entitled "The case of McCullough against Brown, and some other cases," four cases altogether.

That case was elaborately argued and was decided by the Supreme Court of the State of South Carolina. Two of the judges joined in holding that the law was unconstitutional, because it undertook to put the State of South Carolina into trade, which they said was not a function of civil government. One judge dissented. The term of one of the judges who had joined in the majority opinion soon afterwards expired, and I think, under the laws of South Carolina, the legislature elects the judge. The Legislature of South Carolina, which was responsible for this law and which was desirous that it should be upheld, of course did not reelect the judge who had decided that their legislation was unconstitutional, but they proceeded to elect another judge who went upon the bench and joined with the dissenting judge in reversing the former opinion and holding the law to be constitutional.

I need say no more than that to indicate that the last decision is not entitled to quite as much weight as otherwise might have been the case. It appears also from going over these cases—and I have no other information except what I find in the cases themselves—that this matter was brought up at a special session of the court at which only this question was presented. The judge who had joined in the majority opinion having departed from the bench the new judge came in, and the new court proceeded to hold the law to be constitutional; but the remarkable thing about the last decision is that, notwithstanding the judges overruled the former decision, they agreed with all the reasoning of the former decision, to the effect that the State had no power to go into trade, but they based their decision upon other grounds. They said that if the State had undertaken to go into any other business than the saloon business the majority opinion in the former case would have been right, and they expressly approved the Minnesota case. Their whole decision is bottomed upon the proposition that the liquor business is one dangerous to society, which may be entirely prohibited, and, being within the power of the State to entirely prohibit, it may do anything short of that.

With that preliminary statement let me call the attention of the Senate to the language of the decision. I first read from the original decision, where the law was held to be unconstitutional.

Finally, the constitutionality of the dispensary act is assailed upon the ground that the legislature have undertaken thereby to embark the State in a trading enterprise, which they have no constitutional authority to do, not because there is any express prohibition to that effect in the constitution, but because it is utterly at variance with the very idea of civil government, the establishment of which was the expressly declared purpose for which the people adopted their constitution; and therefore all the powers conferred by that instrument upon the various departments of the government must necessarily be regarded as limited by that declared purpose. Hence when, by the first section of the second article of the constitution, the legislative power was conferred upon the general assembly the language there used can not be construed as conferring upon the general assembly the unlimited power of legislating upon any subject or for any purpose according to its unrestricted will, but must be construed as limited to such legislation as may be necessary or appropriate to the real and only purpose for which the constitution was adopted, to wit, the formation of a civil government. In this connection it is noticeable that the world "all" is not used in the section above referred to, but the language used is "the legislative power," meaning such legislative power as may be necessary or appropriate to the declared purpose of the people in framing their constitution and conferring their powers upon the various departments constituted for the sole purpose of carrying into effect their declared purpose. It is manifest from the numerous express restrictions upon the legislative will found in the constitution that the people were not willing to intrust even their own representatives with unlimited legislative power, but, as if not satisfied with these numerous express restrictions and perhaps fearing that some important right might have been overlooked, a general clause, not usually found in State constitutions, was inserted—

I invite particular attention to that, because it is an unusual provision in a State constitution, but a provision which exists in the Federal Constitution—

apparently designed to cover any such omissions, for in section 41 of article 1 it is expressly declared that "the enumeration of rights in this constitution shall not be construed to impair or deny others retained by the people, and all powers not herein delegated remain with the people."

I do not know that that provision exists in any other constitution except the Federal Constitution.

Now, upon well-settled principles of constitutional construction we are not at liberty to disregard this clause, but must give it some meaning and effect. It seems to us that the true construction of this clause is that, while there are many rights which are expressly reserved to the people with which the legislature are forbidden to interfere, there are other rights reserved to the people, not expressly but by necessary implication, which are beyond the reach of the legislative power unless such power has been expressly delegated to the legislative department of the Government. These views have not only the support of the highest authority in this country, as may be seen by reference to the cases of Citizens Savings & Loan Association of Cleveland *v.* Topeka (87 U. S.; 20 Wall., 655; 22 L. Ed., 455) and Parkersburg *v.* Brown (106 U. S., 487; 27 L. Ed., 238), but have been distinctly adopted by the supreme court of the State in Feldman *v.* Charleston (23 S. C., 57; 55 Am. Rep., 6), as well as by the courts of Massachusetts and Maine, as may be seen by reference to Allen *v.* Jay (60 Me., 124; 11 Am. Rep., 185) and Lowell *v.* Boston (111 Mass., 454; 15 Am. Rep., 39), and, what is more, they were applied to the vital power of taxation, a power absolutely essential to the very existence of every government. These cases substantially hold that, although there may be no express restrictions contained in a State constitution forbidding the imposition of taxes for any other purpose than a public purpose, yet such a restriction must necessarily be implied from the very nature of civil government; and hence the legislative department, under the general power of taxation conferred upon it, can not impose any tax except for some public purpose. Upon the same principle it seems to us clear that any act of the legislature which is designed to or has the effect of embarking the State in any trade which involves the purchase and sale of any article of commerce for profit is outside and altogether beyond the legislative power conferred upon the general assembly by the constitution, even though there may be no express provision in the constitution forbidding such an exercise of legislative power. Trade is not and can not properly be regarded as one of the functions of government. On the contrary, its function is to protect the citizen in the exercise of any lawful employment, the right to which is guaranteed to the citizen by the terms of the constitution, and certainly has never been delegated to any department of the government.

Now, note that—

Trade is not, and can not properly be, regarded as one of the functions of government.

That was the original case where the law was plainly held to be unconstitutional. Now I come to the case which overrules it. That is reported in Forty-second South Carolina, at page 22, and is entitled State against Aiken. After discussing the question of stare decisis, and reaching the conclusion that they were not bound to adhere to the former decision of their own court in a similar case, they say:

In the light of these cases we proceed to a consideration of the act of 1893. Before proceeding to a consideration of the specific objections urged against the constitutionality of the act, we desire to state at the outset that, in our opinion, the following propositions embody the principles governing this case—

Now, note—

(1) That liquor in its nature is dangerous to the morals, good order, health, and safety of the people, and is not to be placed on the same footing with the ordinary commodities of life, such as corn, wheat, cotton, tobacco, potatoes, etc. (2) That the State under its police power can itself assume entire control and management of those subjects, such as liquor, that are dangerous to the peace, good order, health, morals, and welfare of the people, even when trade is one of the incidents of such entire control and management on the part of the State. (3) That the act of 1893 is a police measure. We are frank to say that if we are wrong as to either of these propositions, the act should be declared unconstitutional. We will now cite authorities to sustain these propositions.

So you see the Supreme Court in this opinion held that the constitutionality of the act could be justified only upon the theory that the liquor business was one dangerous to society; that if it had not been there undoubtedly would be no power in the State to engage in it. Does anyone pretend that the carriage of goods is a business which is dangerous to morals or society? It is as legitimate a business as buying or selling merchandise or any other legitimate business.

Farther along in the case it is said:

It is contended that the foregoing section—

That is, the section which reserves the right not delegated to the people—

It is contended that the foregoing section prevents the legislature from embarking the State in a commercial enterprise. We have no doubt that if such was the object of the act, and it was not intended as a police measure, it would be unconstitutional, even in the absence of section 41, Article I. As we have said, if the act is not a police measure it is unconstitutional. It is quite a different thing, however, when trade is simply an incident to a police regulation. Buying and selling on the part of the Federal, State, and municipal Governments take place every day, and as long as the buying and selling are in pursuance of police regulations they are entirely free from legal objection. The Federal Government sells liquor and other articles that have been seized as contraband. Articles are purchased by the State to keep up the penitentiary and asylum and other public institutions and enterprises. We see it buying a farm to utilize the convict labor of the State, and selling the produce made on the farm. Municipal governments have the right to buy and dispose of property in administering their governmental affairs. The very distinction for which we contend is pointed out in the case of Mauldin *v.* City Council (33 S. C., 1). In that case the court showed it was not wrong for the city to buy and sell for a public purpose, but that the act only became illegal when it was for a private purpose.

That is what this is for, a private purpose.

We think the case was properly decided, and that the decision rested upon this distinction.

The case of Beebe *v.* State (6 Ind., 501) was upon the construction of a statute of Indiana somewhat similar to the act in question, and is relied upon as an authority to sustain the proposition that the State can not take direct control and management of the liquor traffic. In that case the court uses the following language: "The business—the manufacture and sale of liquor—was, at and before the organization of the government, and is properly at all times, a private pursuit of the people, as much so as the manufacture and sale of brooms, tobacco,

clothes, and the dealing in tea, coffee, and rice, and the raising of potatoes." This case is in conflict with the distinction made between liquor and the ordinary commodities of life, as enunciated in the case of Crowley *v.* Christensen, supra; Black *v.* Intoxicating Liquor, supra; State *v.* Turner (18 S. C., 106); and other authorities hereinbefore mentioned. If liquor is to be placed on the same footing with the articles mentioned in the Indiana case, then that decision was right; but if there is that distinction for which we contend, then the case is valueless as an authority, being decided on erroneous principles. The principles upon which that case was decided would have forced the court that rendered it to have declared null and void a statute entirely prohibiting the traffic in liquor, although there is no longer any doubt as to the constitutionality of such statutes.

The case of Rippe *v.* Becker (Minn., 57 N. W., 331)—

That is the case from which I have just read—

is also relied upon to sustain the constitutional objection to the act of 1893. The title of the act construed in Rippe *v.* Becker was, "An act to provide for the purchase of a site, and for the erection of a State elevator or warehouse at Duluth for public storage of grain." The syllabus of the case prepared by the court states: "The police power of the State to regulate a business is to be exercised by the adoption of rules and regulations as to the manner in which it shall be conducted by others, and not by itself engaging in it." The language of the court, as applying to that case, was proper, and we think—

Now, mark—

"the case was properly decided in the light of the distinction between liquor and the ordinary commodities of life which we have pointed out. There was nothing in the business dangerous to the health, morals, and safety of the people, and the act should have been declared null and void."

That is, they expressly approve the decision of the Supreme Court of Minnesota to the effect that under the power to regulate a business the State has no authority to go into the business, unless it happens to be one like the liquor business, which is dangerous to the morals of the community.

In the dissenting opinion it is said:

As a justification for the State entering into the business of buying and selling liquors, reference is made to the fact that the Federal, State, and municipal governments buy and sell articles without question as to their authority so to do; and reference is made to the practice of the penitentiary and lunatic asylum, both of which institutions buy articles for the support thereof, and sell the products of the labor of the inmates thereof—

I am reading from the dissenting opinion—

But this, as it strikes me, is a very different thing from the State's engaging in the liquor traffic. In the one case, the articles are bought for the purpose of carrying on the Government or the institutions above alluded to, and when no longer needed for such purposes, sold again, while under the dispensary legislation, liquor is bought, not for any governmental purpose, but for the express purpose of being sold again at a profit. It also seems to have escaped attention that the two institutions specifically referred to—the lunatic asylum and penitentiary—are both contemplated and provided for in the Constitution—the former expressly and the other by necessary implication, as may be seen by reference to sections 1, 2, Article XI, of the Constitution—and, therefore, any appropriate means for carrying them on may lawfully be provided for by statute.

So, taking these two cases together, it is perfectly plain that—and I have been unable, in my search, to find any to the contrary—under the power to regulate a thing the State can not do that thing. It would seem not to require any authority to sustain a proposition so plain.

Mr. SHIELDS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SUTHERLAND. Yes.

Mr. SHIELDS. The Senator has gone very exhaustively into the State cases on kindred subjects. I desire to ask him whether he has examined certain decisions of the Supreme Court of the United States on the commerce clause?

Mr. SUTHERLAND. I have examined them. The Senator refers to the case in One hundred and ninety-ninth United States Reports and the cases which preceded it?

Mr. SHIELDS. Those which I wish to call the Senator's attention to are the cases of California *v.* The Central Pacific Railway Co. (127 U. S., p. 1)——

Mr. SUTHERLAND. Yes; that case held that it was an exercise of the power to regulate commerce to provide the corporate form through which private citizens could do business.

Mr. SHIELDS. And also the case of Monongahela Navigation Co. *v.* United States (148 U. S.).

Mr. SUTHERLAND. Yes.

Mr. SHIELDS. And the case of Luxton *v.* The North Bridge Co.

Mr. SUTHERLAND. Yes. They held the same thing in those cases.

Mr. SHIELDS. The cases I have called the Senator's attention to are cited in the latest—and a very accurate and valuable—work on Constitutional Law, by Mr. Willoughby, as supporting this proposition:

The Federal Government has the undoubted power itself to own and operate, or to incorporate companies for the construction and operation of, roads, bridges, and other instrumentalities of interstate commerce.

Mr. SUTHERLAND. Does the author say there that it has the power to own and operate?

Mr. SHIELDS. Yes, sir. I will read it again.

Mr. SUTHERLAND. Mr. President, if the author means by that to assert the power of the Government to become a carrier of goods, I must take the liberty of disagreeing with him. He will search in vain for any authority which has ever held that. The authorities which I have read just now are plainly to the contrary. It is not a function of Government to engage in trade. Does the Senator think that for the United States to set up a mercantile establishment of its own in the District of Columbia would be a governmental function—to buy and sell groceries?

Mr. SHIELDS. Mr. President, I do not think so, nor does Mr. Willoughby say so, but, as held by these cases, that he practically digests it undoubtedly has the power to own and operate directly or to incorporate companies for the construction and operation of roads and bridges and other instrumentalities of interstate commerce, just as we contend it has the right to own and operate ships to facilitate the exportation of the products of the United States and the importation of such articles of commerce as we need. The primary object of this legislation is to aid and facilitate commerce in the sense of traffic and exchange of commodities, and not transportation, as a business. The latter is only an incident to the first.

Mr. SUTHERLAND. I have been standing on my feet for about an hour and a half attempting to establish exactly the contrary of that. Of course I can not assent to what the Senator has said. I assert that there is no case in the Supreme Court of the United States which holds that under the power to regulate commerce the Government of the United States may go into the business of carrying goods. It is obviously not a regulation of commerce. It is the doing of the thing which the Constitution by express terms limited the Government to regulating.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SUTHERLAND. I yield to the Senator as far as I may—for a question.

Mr. BORAH. I understand the Senator is not now arguing as to the policy of this measure, but as to the power of Congress to do that which we are proposing to do; and the Senator takes the position that, whether wise or unwise, we have not the power to purchase these ships under the commerce clause or any other clause of the Constitution, as I understand him?

Mr. SUTHERLAND. Oh, I would not say that we have not the power to purchase ships under some other power. We would have the power to purchase ships as auxiliaries to the Navy and incident to that.

Mr. BORAH. I mean to engage in commerce.

Mr. SUTHERLAND. No; not as a primary object.

Mr. BORAH. Suppose the United States had concluded, instead of having a corporation build the Pacific Railroad, the transcontinental railroad, to do it itself—does not the Senator think the Government could have done it?

Mr. SUTHERLAND. I am not sure that the Government could have built the Pacific Railroad. I am inclined to think the Government has the authority to build the railroad in Aalska, but that is under a totally different power. What I am arguing is that the Government can not engage in the business of carrying goods under the commerce clause of the Constitution. Now, we provided for building the railroad in Alaska. I doubt the wisdom of that. I voted against it. But we have the power to dispose of and make all rules and regulations for that property of ours. It is our property. We are not only in there as sovereign, but we are in there as proprietor; and we may do many things in Alaska that we can not do among the States of the Union. I may say to the Senator that the Pacific Railroad when it was authorized, with the exception of a very short part of it, ran through the Territories. Possibly that might have justified it in some particulars. It might have been justified as a military necessity.

Mr. BORAH. Exactly.

Mr. SUTHERLAND. Or as the establishment of a post road.

Mr. BORAH. Exactly.

Mr. SUTHERLAND. But that is not what this bill is.

Mr. BORAH. No; but suppose the Government conceived it to be its duty to provide for the emergency that existed by reason of the war, and that that emergency could be taken care of in part by building a road from the Atlantic to the Pacific as a military necessity, we will say, to begin with. Could not the Government have proceeded to operate that road and carry

on commerce and the ordinary duties of transportation companies?

Mr. SUTHERLAND. Mr. President, I will answer that by saying that if it could it would be in precisely the same way that a State government could sell goods which it had purchased for its institutions. Having the undoubted power to purchase goods, and having no longer any use for them in that governmental connection, it, of course, as an incident of that, could part with them. It is possible that if the Government had established a post road or a railroad under some power that would be appropriate, thereafter if it ceased to be useful under that power it could operate it. I am not prepared to say that that would not follow, but what I do say is that this bill proposes to embark the Government of the United States in the shipping business for the purpose of regulating commerce. It is not tied to any other power in the remotest way. It says so. The opening sentence of the bill says that the purpose of it is to enable them to go into the mercantile business of carrying goods from this country to foreign lands.

Mr. BORAH. I only wanted to have it appear that while I might entirely agree with the Senator, and I think I do, as to the question of policy, I want to reserve my judgment as to the question of power.

Mr. SUTHERLAND. I have the highest sort of regard for the opinion of the Senator from Idaho; but I have done some thinking and some investigation about this subject, and, if the Senator will permit me to say so, even his opinion to the contrary has not dismayed me.

Mr. BORAH. Mr. President, the reason I reserved my judgment instead of expressing it was because of my high regard for the opinion of the Senator from Utah. Otherwise I should have been very clear in my own mind that we had the power.

Mr. SUTHERLAND. I have one final authority that I desire to quote from and then I am through, so far as this branch of the discussion is concerned. It is One hundred and fifty-fifth Massachusetts, page 598. Of course I am driven to quote State authorities on this question because hitherto the question has never arisen in the Federal Government. At page 598 the legislature wanted to know of the justices of the Supreme Court of Massachusetts whether or not it would be constitutional to pass a law authorizing a certain town or towns to go into the business of buying and selling coal and wood. The majority of the court held to the contrary. One justice qualified it to some extent and one of the justices thought they had the power. This is the majority opinion, and it seems to have been concurred in, as I recall, by all but one of the justices. I observe that there were seven of them, and five of them concurred:

> Constitutional questions concerning the power of taxation necessarily are largely historical questions. The constitution must be interpreted as any other instrument with reference to the circumstances under which it was framed and adopted. It is not necessary to show that the men who framed it or who adopted it had in mind everything which by construction may be found in it, but some regard must be had to the modes of thought and action on political subjects then prevailing, to the discussions upon the nature of the government to be established, to the meaning of the language used as then understood, and to the grounds on which the adoption or rejection of the constitution was advocated before the people. We know of nothing in the history of the adoption of the constitution that gives any countenance to the theory that the buying and selling of such articles as coal and wood for the use of the inhabitants was regarded at that time as one of the ordinary functions of the government which was to be established. There are nowhere in the constitution any provisions which tend to show that the government was established for the purpose of carrying on the buying and selling of such merchandise as at the time when the constitution was adopted was usually bought and sold by individuals and with which individuals were able to supply the community, no matter how essential the business might be to the welfare of the inhabitants. The object of the constitution was to protect individuals in their rights to carry on the customary business of life rather than to authorize the Commonwealth or the "towns, parishes, precincts, and other bodies politic" to undertake what had usually been left to the private enterprise of individuals.
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> If there be any advantage to the inhabitants in buying and selling coal and wood for fuel at the risk of the community on a large scale, and on what has been called the cooperative plan, we are of the opinion that the Constitution does not contemplate this as one of the ends for which the Government was established or as a public service for which cities and towns may be authorized to tax their inhabitants.

Mr. President, there is one further thing I desire to say a word or two about.

Mr. WALSH. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield?

Mr. SUTHERLAND. Yes.

Mr. WALSH. Before the Senator passes from that, will he give us his idea about the right of the Government of the United States to purchase stock in the Panama Railway Co. and become a stockholder in that corporation?

Mr. SUTHERLAND. Mr. President, the Supreme Court itself—I have forgotten the case now—has held that that was upon a wholly different ground.

Mr. WALSH. I think the Senator did not understand me. I am not speaking about the power to build the canal, but of the right of the Government of the United States——

Mr. SUTHERLAND. I understand the Senator.

Mr. WALSH (continuing). To purchase stock in the Panama Railway Co.

Mr. SUTHERLAND. When was the Panama Railroad purchased from the French Government?

Mr. WALSH. It was purchased at the time the work was commenced, in 1901 and 1902.

Mr. ROOT. The stock of the Panama Railroad Co. was owned by the French company which was engaged in the attempt to construct the canal, and when the Government of the United States bought the rights of the French company on the Isthmus the stock of the Panama Railroad came with it, the railroad being an indispensable adjunct and agency in the construction of the canal, just as much as a steam shovel.

Mr. WALSH. Mr. President——

Mr. SUTHERLAND. I do not want to consent to this colloquy if it affects my right in any way.

The VICE PRESIDENT. Unless some Senator objects, as far as the Chair is concerned, the colloquy may proceed.

Mr. SUTHERLAND. I do not know what Senator may object. Therefore I had better pursue my remarks.

The VICE PRESIDENT. The Senator is clearly within his right.

Mr. WALSH. The Senator spoke, however, if he will pardon me, about the conclusion reached by the Supreme Court of the United States in the Panama Canal case.

Mr. SUTHERLAND. Yes.

Mr. WALSH. If the Senator has not given to the Senate the views of the Supreme Court of the United States in this connection, it may be that it would be helpful in his discussion.

Mr. SUTHERLAND. The building of the Panama Canal was like the clearing out of a harbor, or like the building of a post road; it was an instrumentality of commerce; it was not commerce itself.

Mr. WALSH. No doubt. But the Supreme Court of the United States——

Mr. SUTHERLAND. The difference I have already stated. The Senator from Montana was not in, but in reply to a similar question I stated that the difference is between the United States Government furnishing an instrumentality of commerce and becoming itself an instrumentality of commerce.

Mr. WALSH. But the Supreme Court of the United States did in that case put their decision upon the broad ground, did they not, that Congress had a right to construct a canal, and therefore had a right to construct a railroad for the purpose of facilitating interstate commerce?

Mr. SUTHERLAND. They held that they had a right to construct this canal. The railroad was another matter.

Mr. WALSH. Might I in this connection refer to a few lines——

Mr. SUTHERLAND. I think, Mr. President, I must not yield for that purpose. The Senator will have ample time, of course, to do that.

Now, Mr. President, I call attention to one of the provisions of this bill, which is that—

> Said corporation and its capital stock shall, so long as the United States owns a majority of said stock, be free from all public taxes.

In the first place, I think that provision, if it is valid, is unwise; but I think it is both unwise and invalid, and being in the bill, of course, will lead to litigation and difficulty. The corporation is to be freed from all public taxes, which means, as the Senator from Florida [Mr. FLETCHER] very frankly conceded, that no property of this corporation can be taxed. In other words, he conceded, in answer to the question which I put to him, if this corporation, although 49 per cent of its stock may be owned by private individuals and although it is engaged in a private business in competition with private citizens, buys terminal facilities in New York or in Baltimore, under this provision of the bill those terminal facilities can not be taxed by the State, although the terminal facilities of a private company lying alongside can be taxed. He also conceded, which is obviously true, that if a citizen in Montana owns a block of stock in this corporation and is living in Montana and the laws of Montana provide that the shares of stock of corporations owned by its citizens may be taxed, no tax could be levied upon the shares of stock in this corporation so held.

In the first place, the provision is utterly unfair. Why should a corporation engaged in a private business enterprise

in competition with private citizens be relieved of the ordinary burdens which are borne by its competitors? Of course, the effect of it is to make competition more onerous. The conditions are bad enough as they are. The Government is going into this enterprise backed by the whole taxing power of the United States. It may run at a loss and recoup its losses by general taxation, an opportunity which no private citizen has. Confessedly, it is going to run at a loss, as stated by the Secretary of the Treasury. It is a venture of so much doubt that he does not expect private citizens to contribute to the stock, yet after those onerous conditions, those oppressive circumstances against the private competitor are written into the bill, it must go further and exempt his property from taxation.

Here are Kuhn, Loeb, & Co.—I use their name because the name comes to me—who for some reason or other desire to purchase $4,900,000 worth of this stock. They thereby take money which otherwise might go into enterprises in the State and be subject to taxation and put it into this enterprise. They may not invest for the purpose of making profits. There may be some other object. They or somebody else who makes the investment may think it is a desirable connection to be interested with the Government in an enterprise of this kind. At any rate, they make the investment. Upon what theory of justice should that $4,900,000 of money belonging to this firm be taken from the power of the State to tax? Upon what theory should the terminal facilities in New York be exempted from taxation when everybody else's property of a similar character engaged in the same business is subject to the tax? Upon what theory should the ships be exempt from taxation in their home ports when the ships of all private citizens engaged in the same business are subject to taxation?

The provision is utterly indefensible from a practical point of view. If that may be done and this principle is extended and the Government acquires all the railroads of the country, taking over property worth eighteen to twenty billion dollars, it may exempt that property from taxation and strip the States in many instances of one of the greatest sources of their taxation, and thereby add greatly to the burdens of the ordinary taxpayers whose rate of taxation must be increased to fill the gap that has been made by these exemptions.

Mr. President, that is the practical objection to it; but if the Government of the United States has the power to go into this business, as I have been trying to argue it has not, it has not the power to exempt such property as this from taxation. It may exempt the franchise of the corporation, the franchise to be a corporation organized in the District of Columbia from taxation in another State. Indeed, it need not write that into the law. It would be exempt under general principles. But I deny the power of the United States Government to go into a private business and thereby lay aside its sovereignty, as far as that business is concerned, and withdraw the property which it utilizes in that enterprise from State taxation, withdraw it from the power of the State to tax when the property is in the State.

The authority which is likely to be cited for that clause is the case of McCulloch against Maryland, Fourth Wheaton, page 316. The court there held that the States could not tax the bank, but it was careful to sum up in this language:

> The opinion does not deprive the States of any resources which they originally possessed. It does not extend to a tax paid by the real property of the bank in common with the other real property within the State, nor to a tax imposed on the interest which the citizens of Maryland may hold in this institution in common with other property of the same description throughout the State. But this is a tax on the operations of the bank, and is consequently a tax on the operation of an instrument employed by the Government of the Union to carry its powers into execution. Such a tax must be unconstitutional.

But they held that the tax could be imposed upon the property, and that it was not deprived of the right to tax the interest which the shareholders held in the institution.

In First Dillon, page 320, the case of the Union Pacific Railroad Co. against Lincoln County, Mr. Justice Dillon said what I shall read. The claim was made there that the State could not enforce taxes upon this railroad company's property, which had been incorporated under a law of the United States:

> The argument in support of this proposition is that the corporation was created by Congress and not by the State; that it was created because deemed by Congress a fit instrumentality or means of exercising the constitutional powers of carrying on, promoting, or facilitating the operations or executing the duties of the General Government, and that if it be such instrumentality or means it is settled that it is beyond the taxing power of the State.
>
> Reliance is placed upon the cases of McCulloch *v.* Maryland (4 Wheat., 316) and Osborn *v.* The Bank of the United States (9 Wheat., 738), in which it was held by the Supreme Court that this bank, "as the great instrument by which the fiscal operations of the Government were effected," and "as a public corporation, created for public and national purposes," was not, on its capital or in its operations, taxable by the States. In a word, it is claimed by the company that as respects immunity from taxation it stands precisely in the situation of the bank, and that taxation of it by the States is unconstitutional for the same reasons that in those cases the laws of Maryland and Ohio taxing the bank were adjudged to be invalid.
>
> The defendant controverts these propositions, and contends that the Union Pacific Railroad Co., though chartered by Congress, is essentially a "private corporation, whose principal object is individual trade and individual profit, and not a public corporation created for public and national purposes," and denies that it is an instrument, agency, or means of the General Government in such a sense as, on this ground, to exempt it by necessary implication from taxation by the States.
>
> The cases referred to undoubtedly establish the doctrine that no State has the right to tax the means, agencies, or instrumentalities rightfully employed within the States by the General Government for the execution of its powers; and this doctrine is adhered to and, when understood with the necessary qualifications, declared to be sound by the Supreme Court in its latest adjudications on the subject. (Thompson *v.* Pacific Railroad, 9 Wall., 579, 591; National Bank *v.* Commonwealth, ib., 353, 361.)
>
> The doctrine of the implied exemption of Federal instrumentalities from State taxation, its rationale, and its limitations, are so clearly stated by the learned justice assigned to this circuit, in the case last cited, that his observations may be advantageously extracted to aid our present inquiries. The case related to the right of the States to tax shares of the national banks, and "it is argued," says Mr. Justice Miller, "that the banks, being instrumentalities of the Federal Government, by which some of its important operations are conducted, can not be subjected to such State legislation. It is certainly true that the Bank of the United States and its capital were held to be exempt from State taxation on the ground here stated, and this principle, laid down in the case of McCulloch against the State of Maryland, has been repeatedly affirmed by this court. But the doctrine has its foundation in the proposition that the right of taxation may be so used in such cases as to destroy the instrumentalities by which the Government proposes to effect its lawful purposes in the States, and it certainly can not be maintained that banks or other corporations or instrumentalities of the Government are to be wholly withdrawn from the operation of State legislation. * * * The principle we are discussing has its limitation—a limitation growing out of the necessity on which the principle itself is founded. That limitation is that the agencies of the Federal Government are only exempted from State legislation so far as that legislation may interfere with or impair their efficiency in performing the functions by which they are designed to serve that Government. Any other rule would convert a principle founded alone in the necessity of securing to the Government of the United States the means of exercising its legitimate powers into an unauthorized and unjustifiable invasion of the rights of the States. It is only when the State law incapacitates the banks from discharging their duties to the Government that it becomes unconstitutional." (9 Wall., 361, 362.) The State legislation, then, to come within the operation of the principle must relate not simply to an agent, but to an agency of the General Government, and must be of a character which incapacitates the agency to perform or interferes with its efficiency in performing its duties to the Government, or it must (as in the case of a tax, which, if valid at all, is valid to any extent the State may see fit to press it) assert a principle in its nature antagonistic to the Federal instrumentality and which may be exercised to destroy it.

Further on the court says:

> The Government created the corporation and both authorized and aided the building of the road. It was to be constructed within the Territories of the United States; and if Congress was not the only power which could erect said corporation and authorize it to build the road therein, it is certain that no road could have been constructed through the national domain against the will of Congress.
>
> The purpose of Congress is manifest, not only from the nature of the legislative provisions but from the plain expression of it, both in the title and in the body of the incorporating act. It is declared in the eighteenth section that "the object of this act is to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the Government at all times—but particularly in time of war—the use and benefits of the same for postal, military, and other purposes," and to this end "Congress may at any time, having due regard for the rights of said companies named herein, add to, alter, amend, or repeal this act." And to the same effect is the title, which is, "An act to aid in the construction of a railroad, etc., and to secure to the Government the use of the same for postal, military, and other purposes."

Mr. OWEN. Mr. President, I rise to a point of order. We can not hear the Senator at all on this side.

Mr. SUTHERLAND. I do not think that is a point of order.

Mr. OWEN. No Senator has a right to occupy the floor mumbling to himself words which can not be heard on this side. We have a right to know what he is saying.

Mr. SUTHERLAND. The Senator's language may be parliamentary, but it is offensive. The Senator from Utah is not mumbling to himself.

The VICE PRESIDENT. The Chair knows of no way by which the Chair can compel a Senator to raise his voice.

Mr. SUTHERLAND. Perhaps the Senator from Oklahoma knows of some way by which he could compel the Senator from Utah to raise his voice.

Mr. OWEN. I think the Senate ought to compel it.

Mr. SUTHERLAND. Well, let the Senator from Oklahoma try. Shall I proceed, Mr. President?

The VICE PRESIDENT. The Senator from Utah will proceed. The Chair has no power to decide in what tone of voice a Senator shall discuss a question.

Mr. SUTHERLAND. The court concludes:

> 1. That the Union Pacific Railroad Co. is not an instrument of the Government in such a sense as exempts it, by implication, from the taxing power of the State through which its road may be located.
>
> 2. If it be in any sense a Federal instrumentality, the rights of the Government, under the incorporating act, are fully protected and reserved, and any rights derived from a sale for taxes, under State authority, are entirely subordinate to the original, paramount, and indefeasible rights of the General Government; can not destroy the cor-

poration nor incapacitate it from discharging any of its inalienable, fundamental, and organic duties to the Government. If so, then the case falls without the principle on which the corporation relies to sustain its application for an injunction.

I think I can discover in the more recent judgment of the Supreme Court evidences of a conviction on the part of the judges that the doctrine of implied exemption of Federal agencies from State taxation has been carried quite to its limit, and that it will not be pressed to embrace a case of the character of the one now under consideration.

The only other case to which I desire to refer is that of the Railway Co. *v.* Peniston (18 Wall.), and, with the permission of the Senate, I will not stop to read the extracts, but will insert them as a part of my remarks.

The VICE PRESIDENT. Without objection, permission to do so is granted.

The matter referred to is as follows:

That the Union Pacific Railroad Co. was created to subserve, in part at least, the lawful purposes of the National Government; that it was authorized to construct and maintain a railroad and telegraph line along the prescribed route; and that grants were made to it and privileges conferred upon it under condition that it should at all times transmit dispatches over its telegraph line and transport mails, troops, and munitions of war, supplies and public stores, upon the railroad for the Government whenever required to do so by any department thereof, and that the Government should at all times have the preference in the use of the same for all the purposes aforesaid must be conceded. Such are the plain provisions of its charter.

* * * * * * *

Admitting then, fully, as we do, that the company is an agent of the General Government, designed to be employed and actually employed in the legitimate service of the Government, both military and postal, does it necessarily follow that its property is exempt from State taxation?

* * * * * * *

Nothing, we think, in the past decisions of this court is inconsistent with the opinions we now hold. McCullough *v.* The State of Maryland and Osborn *v.* Bank of the United States are much relied upon by the appellants, but an examination of what was decided in those cases will reveal that they are in full harmony with the doctrine that the property of an agent of the General Government may be subjected to State taxation. In the former of those cases the tax held unconstitutional was laid upon the notes of the bank. The institution was prohibited from issuing notes at all except upon stamped paper furnished by the State and to be paid for on delivery, the stamp upon each note being proportioned to its denomination. The tax, therefore, was not upon any property of the bank, but upon one of its operations—in fact, upon its right to exist as created. It was a direct impediment in the way of a governmental operation performed through the bank as an agent. It was a very different thing, both in its nature and effect, from a tax upon the property of the bank. No wonder, then, that it was held illegal. But even in that case the court carefully limited the effect of the decision. It does not extend, said the Chief Justice, to a tax paid by the real property of the bank in common with the other real property in the State, nor to a tax imposed on the interest which the citizens of Maryland may hold in the institution. * * * But this is a tax upon the operations of the bank, and is, consequently, a tax upon the operations of an instrument employed by the Government of the Union to carry its powers into execution. Such a tax must be unconstitutional. Here is a clear distinction made between a tax upon the property of a Government agent and a tax upon the operations of the agent acting for the Government.

In Osborn *v.* The Bank the tax held unconstitutional was a tax upon the existence of the bank—upon its right to transact business within the State of Ohio. It was, as it was intended to be, a direct impediment in the way of those acts which Congress, for national purposes, had authorized the bank to perform. For this reason the power of the State to direct it was denied; but at the same time it was declared by the court that the local property of the bank might be taxed, and, as in McCulloch *v.* Maryland, a difference was pointed out between a tax upon its property and one upon its action. In noticing an alleged resemblance between the bank and a Goverment contractor, Chief Justice Marshall said: "Can a contractor for supplying a military post with provisions be restrained from making purchases within a State or from transporting the provisions to the place at which the troops were stationed? Or could he be fined or taxed for doing so? We have not heard these questions answered in the affirmative. It is true the property of the contractor may be taxed, and so may the local property of the bank; but we do not admit that the act of purchasing or of conveying the articles purchased can be under State control." This distinction, so clearly drawn in the earlier decisions, between a tax on the property of a governmental agent and a tax upon the action of such agent, or upon his right to be, has ever since been recognized. All State taxation which does not impair the agent's efficiency in the discharge of his duties to the Government has been sustained when challenged, and a tax upon his property generally has not been regarded as beyond the power of a State to impose. In National Bank *v.* The Commonwealth of Kentucky, when the right to tax national banks was under consideration, it was asserted by us that the doctrine can not be maintained that banks or other corporations or instrumentalities of the Government are to be wholly withdrawn from the operation of State legislation. Yet it was conceded that the agencies of the Federal Government are uncontrollable by State legislation, so far as it may interfere with or impair their efficiency in performing the functions by which they are designed to serve that Government.

It is therefore manifest that exemption of Federal agencies from State taxation is dependent not upon the nature of the agents, or upon the mode of their constitution, or upon the fact that they are agents, but upon the effect of the tax; that is, upon the question whether the tax does in truth deprive them of power to serve the Government as they were intended to serve it, or does hinder the efficient exercise of their power. A tax upon their property has no such necessary effect. It leaves them free to discharge the duties they have undertaken to perform. A tax upon their operations is a direct obstruction to the exercise of Federal powers.

In this case the tax is laid upon the property of the railroad company precisely as was the tax complained of in Thompson *v.* Union Pacific. It is not imposed upon the franchises or the right of the company to exist and perform the functions for which it was brought into being, nor is it laid upon any act which the company has been authorized to do. It is not the transmission of dispatches, nor the transportation of United States mails, or troops, or munitions of war that is taxed, but it is exclusively the real and personal property of the agent, taxed in common with all other property in the State of a similar character. It is impossible to maintain that this is an interference with the exercise of any power belonging to the General Government, and if it is not, it is prohibited by no constitutional implication.

Mr. SUTHERLAND. Now, I want to call attention also and to insert an extract or two from the case of South Carolina against United States in One hundred and ninety-ninth United States, and particularly pages 454, 461, and 463. In that case, while the Supreme Court respected the decision of South Carolina that the business was one in which the State could engage, it held that the property, although the property of the State, was subject to taxation by the United States. There is some language in that case which I will insert in the RECORD, which I think conclusively establishes that neither the Federal Government, which undertakes to deal with property in a quasi private capacity, can withdraw that property from the taxation of the State, nor, conversely, can the State withdraw such property from the taxing power of the United States.

The extracts are as follows:

Mingling the thought of profit with the necessity of regulation may induce the State to take possession, in like manner, of tobacco, oleomargarine, and all other objects of internal-revenue tax. If one State finds it thus profitable, other States may follow, and the whole body of internal-revenue tax be thus stricken down.

More than this. There is a large and growing movement in the country in favor of the acquisition and management by the public of what are termed public utilities, including not merely therein the supply of gas and water but also the entire railroad system. Would the State by taking into possession these public utilities lose its republican form of government?

We may go even a step further. There are some insisting that the State shall become the owner of all property and the manager of all business. Of course this is an extreme view, but its advocates are earnestly contending that thereby the best interests of all citizens will be subserved. If this change should be made in any State, how much would that State contribute to the revenue of the Nation? If this extreme action is not to be counted among the probabilities, consider the result of one much less so. Suppose a State assumes under its police power the control of all those matters subject to the internal-revenue tax and also engages in the business of importing all foreign goods. The same argument which would exempt the sale by a State of liquor, tobacco, etc., from a license tax would exempt the importation of merchandise by a State from import duty. While the State might not prohibit importations, as it can the sale of liquor, by private individuals, yet paying no import duty it could undersell all individuals and so monopolize the importation and sale of foreign goods.

These decisions, while not controlling the question before us, indicate that the thought has been that the exemption of State agencies and instrumentalities from National taxation is limited to those which are of a strictly governmental character, and does not extend to those which are used by the State in the carrying on of an ordinary private business.

It is reasonable to hold that while the former may do nothing by taxation in any form to prevent the full discharge by the latter of its governmental functions, yet whenever a State engages in a business which is of a private nature that business is not withdrawn from the taxing power of the Nation.

Mr. President, just a final word or two in conclusion. If this bill passes, the question naturally arises, what ships can be bought? Either they must be the ships which are now in use or those which have been interned and are idle. If we buy the ships which are in use, we shall have added nothing to the sea-carrying capacity; we shall not probably have relieved the situation at all; we shall not have put more ships upon the ocean; we shall not have added to the tonnage capacity. It is not to be expected that the neutral countries, whose vessels are engaged in trade at a profit, will sell them to the United States, unless we are compelled to pay extravagant prices. Certainly it is not to be expected that England or France will sell, or that their citizens will sell their vessels with the consent of their Governments. They may be greatly needed in the carrying trade of those countries. If we do not buy those ships, if we can not buy them, or if it is thought unwise to buy them, then the only ships that we can turn our attention to are those so-called interned ships, which belong to the citizens of one or the other of the belligerent countries. It is made apparent by the testimony of Mr. McAdoo in House hearings, at page 26, that it was the intention of the Government, in proposing this bill, to purchase these interned vessels. If we undertake to do that, as has already been shown so clearly by the Senator from New York [Mr. ROOT] and the Senator from Massachusetts [Mr. LODGE], we will have bought a quarrel which may result in very serious consequences to the United States.

I want, in that connection, to call attention to the language of Mr. Lansing in his testimony before the Naval Affairs Committee. On page 205 he said:

Mr. LANSING. I think that the transportation of contraband to a belligerent port in a public ship of the United States would go much further than the mere matter of liability, and that it would be regarded an unneutral act.

And further:

Mr. TALBOTT. Would you include the South American ports?

Mr. LANSING. No, sir; I do not think there would be much difficulty about the South American countries. The only trouble is that a public ship that has on board private cargoes and private individuals is likely

to do some unneutral act on account of its cargo and on account of the people aboard.

Mr. WILLIAMS. That is, if destined to a hostile port or to a port of a belligerent?

Mr. LANSING. No; that is to a neutral port. For instance, the ultimate destination of the cargo might be a belligerent port, we do not know, and it might be taken to a neutral port for transshipment.

Mr. WILLIAMS. That is to say, if the Government or the shipper knew that was the intention, then it would be a violation of neutrality?

Mr. LANSING. Yes; if it was absolute contraband.

And further on:

Mr. TALBOTT. If German merchant ships were purchased by us and the purchase money went into the German treasury, how would that be considered by the English Government or the French Government or the Russian Government?

Mr. LANSING. The question of the transfer of vessels, I think, really rests on two conditions. If we can show in the purchase that it is a bona fide purchase and, in the second place, that it is not done to avoid capture, I believe the transfer can be made.

Again, on page 211:

Mr. WILLIAMS. Mr. Lansing, a while ago you said that the consequences of Government ownership of these vessels which might be acquired might or could be avoided by leasing. I will ask you to give us your opinion as to the liability that we would incur in a breach of neutrality by so conducting or operating these ships.

Mr. LANSING. We would not be operating them; the operation would be by private parties. Yet even in that case I can see that, if the private parties that operated them carried on a trade to a great extent in munitions of war to a belligerent country, there might be objection on the part of the other Government that the United States was actually giving aid to a belligerent.

Mr. TALBOTT. Could not that be easily obviated by not allowing munitions of war to be shipped on vessels of that character?

Mr. LANSING. Yes; but where are you going to stop in the matter of contraband?

Again, Mr. Lansing said:

Mr. LANSING. Of course, so far as that is concerned, you could limit your cargoes by providing that a Government-managed ship should not carry any contraband at all.

Mr. STEPHENS. But suppose it did?

Mr. LANSING. But a Government-managed ship could not do it and do any business.

Mark that statement.

Mr. STEPHENS. Suppose the Government loaded a ship in New York with articles not contraband when loaded and started for a foreign port, and the cargo was declared contraband before it was landed?

Mr. TALBOTT. The Government would receive that information before the cargo was landed, and it would not be subject to seizure on the high seas.

Mr. LANSING. But if you do that it would practically eliminate any mercantile transaction with belligerents, because if you carry on your trade with European countries——

And that is the proposition of this bill—

It would include conditional contraband, and conditional contraband covers nearly everything. You would not have very much trade. For instance, foodstuffs are conditional contraband; also forage and grain; even clothing. All are conditional contraband.

It is plainly apparent from the statement of Mr. Lansing that he considers that if the United States should buy and operate these interned ships it would quite likely result in serious difficulty for the United States. Mr. President, it can not be otherwise. The countries in Europe engaged in war are as much in earnest about it as we were during our Civil War. They are striving to the utmost to achieve victory for their arms. The English Government is not going, if she can help it, to permit Germany to be assisted in such way as to make her a more formidable opponent in this war. She is not going to permit contraband articles to go into Germany if she can help it. If we buy these interned ships, we buy a quarrel with these countries that are not acting in as cool blood as we ought to be acting.

The declaration of London, which was quoted here, makes it perfectly clear that the rule which was accepted and which will be put into operation in England, France, and Germany, for that matter, is—I will quote the exact language—that—

The transfer of an enemy vessel to a neutral flag effected after the outbreak of hostilities, is void unless it is proved that such transfer was not made in order to evade the consequences to which an enemy vessel, as such, is exposed.

To what consequences are these vessels that are imprisoned in our ports exposed? They are exposed to the consequences of remaining idle in our ports or of going out upon the high seas and risking the hazard of capture. So that obviously, if one of these vessels is sold, the effect of the sale is to avoid those consequences to which it would otherwise be exposed. Undoubtedly it would be held in the prize courts of these countries that that was the purpose of the sale. We are to judge the purpose of people by the normal effect of what they do, of what they accomplish; and what they do by transferring vessels that are interned is to avoid the consequences as enemy vessels by lying idle in these harbors or of going out and being captured. Mr. President, it is a dangerous thing—I might go further and say it is a wicked thing—for this Government under such circumstances to contemplate the purchase of one of these vessels. And so, sir, viewed from whatsoever angle we may, this bill, if enacted into law, will set the Government adrift upon an ocean of difficulty and danger, the character and extent of which the wisest among us can not foresee. Not only is the bill bad but the methods by which its enactment is sought are worse. In vetoing the immigration bill a day or two ago the President used the following words, which I commend to the consideration of the Members constituting the majority of this body:

If the people of this country have made up their minds to limit the number of immigrants by arbitrary tests and so reverse the policy of all the generations of Americans that have gone before them, it is their right to do so. I am their servant and have no license to stand in their way. But I do not believe that they have. I respectfully submit that no one can quote their mandate to that effect. Has any political party ever avowed a policy of restriction in this fundamental matter, gone to the country on it, and been commissioned to control its legislation? Does this bill rest upon the conscious and universal assent and desire of the American people? I doubt it. It is because I doubt it that I make bold to dissent from it. I am willing to abide by the verdict, but not until it has been rendered. Let the platforms of parties speak out upon this policy and the people pronounce their wish. The matter is too fundamental to be settled otherwise.

I have no pride of opinion in this question. I am not foolish enough to profess to know the wishes and ideals of America better than the body of her chosen representatives know them. I only want instruction direct from those whose fortunes, with ours and all men's, are involved.

Mr. President, I inquire, in the language of the President, has any political party ever avowed a policy such as is set forth in this bill? Has any political party gone to the country upon it? Does this bill rest upon the conscious and universal assent and desire of the American people? Oh, no, Mr. President; the American people have not spoken, they have not been consulted upon this subject. No party has advocated it; no platform has declared in its favor. It is a hastily conceived and defectively constructed expedient which is sought to be put through a subservient Congress, because the pride of party solidarity has become superior to the wisdom of party statesmanship. It is a measure whose constitutionality is, to say the least, in the gravest doubt; whose effect will be to discourage the investment of American capital in the shipping business, drive more privately owned ships from the sea than it will put Government-owned ships upon the sea, and which is filled with the gravest menace to the peace of the country.

Mr. LODGE. Mr. President——

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. OWEN. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. OWEN. I make the point of order of no quorum.

The VICE PRESIDENT. The Senator from Oklahoma makes the point of order of no quorum. The Secretary will call the roll.

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

Bankhead	Hollis	Owen	Sterling
Borah	James	Perkins	Stone
Bryan	Jones	Ransdell	Sutherland
Catron	Kern	Reed	Swanson
Chamberlain	La Follette	Root	Thornton
Chilton	Lane	Saulsbury	Tillman
Clapp	Lee, Md.	Shafroth	Townsend
Colt	Lippitt	Sheppard	Vardaman
Crawford	Lodge	Shields	Walsh
Culberson	McLean	Shively	Weeks
Dillingham	Martin, Va.	Simmons	White
Fletcher	Martine, N. J.	Smith, Ariz.	Williams
Gore	Nelson	Smith, Ga.	Works
Hitchcock	Overman	Smith, Md.	

The VICE PRESIDENT. Fifty-five Senators have responded to their names. There is a quorum present.

Mr. LODGE. Mr. President, it is my intent to make a few observations in regard to this bill, comparatively speaking, brief observations, and I had hoped that possibly some Senators on both sides would do me the honor to listen to me. But, Mr. President, I should not myself have made the point of order of no quorum. I should have been content to go on with the Senate comparatively empty, as it was a few minutes ago, because I realize that under this system of permanent sessions some must watch and some must sleep, and I should not have had the heart to disturb anybody's well-earned repose merely to hear a measure of great importance discussed.

I really regret, however, that I should not have the pleasure of seeing here at this moment the President's secretary, who was with us all last evening while I was present, and again this morning. I think it is of interest, while Congress is in process of conversion into a registry office, that we should have the visible symbol of this change attendant upon our debates. Of course it is too much to expect that the President should do it himself, and therefore, while the watchful waiter keeps his eyes fixed on the red panorama of Mexico, it is well

that he should have his secretary here to see that none of the lambs stray beyond the fold.

Mr. President, the senior Senator from Florida, [Mr. FLETCHER], in the long and very thorough speech which he made the other night, dwelt at the close upon the evil influence of "the interests." Whenever there is opposition to any Democratic legislation here, some combination or association of "interests" is always paraded. They come on like the stage soldiers in the old days who used to march on at one wing and across the stage and around behind the drop scene and march in again. I notice, however, that they are almost invariably American interests which serve in that capacity. In my time I have seen foreign steamship companies ably represented in Washington when immigration bills were pending. Nobody seemed particularly to object. In fact, the appearance of foreign interests, whether on the tariff or any other subject, never seems to trouble our friends on the other side; but it is always some American who is engaged in business, and perhaps is engaged also in committing the crime of being in successful business and making a little money at it, who is invariably trotted out as the sinister influence behind the opposition to some meritorious and benevolent Democratic measure.

Mr. President, I do not know whether the shipping interests in this country are against this bill or for it. None of them have been to me, and I should hesitate to deny that they had the right to come if they saw fit. It would not occur to me to suggest that this bill was being promoted because the agent of the Hamburg-American Line, as I was told by people who knew him, was about Washington this week. It would not occur to me to suggest that there were any moneyed interests behind this legislation because Mr. Max Warburg is a director of the Hamburg-American Line, I believe also one of the three directors of the German War Bank formed to finance those lines, and that he happens to be a brother, as I am told, of the distinguished head of our Federal Reserve Board. It would not occur to me to use that as an argument to show that there were sinister pecuniary interests behind this bill. Nor because the Senator from Florida saw fit to say that some great journals were controlled by Wall Street and the shipping combination, that the very few newspapers which have a good word for this are controlled by financial interests which would profit by its passage. I think, however, that although we are so considerate of foreign interests we may at least admit that there may be some honest Americans engaged in the shipping business who are honestly opposed to this bill and who have a right to be so, but who have the wisdom, knowing that they are looked on as a suspected class, to say nothing about it, which, so far as I am aware, has been the case in this instance.

Mr. President, I discussed—I was about to say the other day, but it was prior to the last adjournment; on the legislative yesterday, we will say—the value of these imprisoned German ships which it is apparently the intent of the administration to buy. I desire to-day to say a few words on another matter, and that is, first, the question of rates as presented to us, and subsequently something about the economic side of the proposition now before us.

In order to find out about rates I took the report of the Secretary of the Treasury and the Secretary of Commerce—one eminent in finance, both in the Treasury and out of it, and the other distinguished as a manufacturer. I felt that in their report I was certain to get the figures which I required for an intelligent study of the rates. So I took this document—the second part of document 673—and I turned to the first exhibit, "Increased Ocean Transportation Rates." The letter, addressed to the honorable the Secretary of the Treasury, says:

SIR: The following tables show the *sea trade* of the United States—

In my simplicity I thought that meant sea trade. I thought it meant all the sea trade. I went a little further and I noticed, at the head of the first column, the words "Exports to Europe." Then I ran down the list to get the figures that I wanted, and I found "Total exports by sea." It seemed to me that to classify exports to Europe as "total exports by sea" was rather strange, because I have not any very clear idea of how we can get exports from the United States to Europe except by sea. There is no all-land route yet that I am aware of. Therefore, I thought, when they said "total exports by sea," they meant all our exports by sea. I think the language tends that way. Then I observed that the figures given in this table did not agree with the Treasury reports, so I examined to see where the difference came, and I found these official figures were arrived at by deducting all exports to Mexico, Canada, Japan, and all other countries, which surprised me, because I had supposed that trade with Japan, at least, was "sea trade."

Mr. President, that loose language of classification, I confess, aroused my suspicion as to the accuracy of this report; so I went on to consider their comparison of freight rates, which occurs on page 23. The comparison of freight rates as made in this report between June and December, 1914, is, on the face of it, not a fair one. In making comparisons of any business we do not compare different months in the same year to reach a conclusion as to what the trade or business is over a certain period, but we compare the same months of different years, because there are different conditions affecting all trades, and especially export trade, in the different months. Of course, to make here an intelligent comparison which would be of any value, it would be necessary to make the comparison between December, 1913, and December, 1914.

The lowest freight rates on the trans-Atlantic always prevail between April and October, and June is probably the worst month in the world in the trans-Atlantic freight business. Owing to the fact that the year 1913 was one of the worst years in the freight business experienced for many years, the comparison for December of that year is not a fair one, and would not be an aevrage rate for that month. We should also take the rate for December, 1912. Therefore, I have made the following comparisons:

Taking the freight rates on various commodities for the month of December, 1912, 1913, and 1914, which can be verified, as I verified them, by reference to any newspaper publishing freight rates, for instance, the Journal of Commerce of New York, we will begin with grain rates as given in this table.

For December, 1914, it is given in the table of the Secretary of the Treasury and the Secretary of Commerce at 22.1 cents per bushel. Those are the figures given us by the Secretaries. In 1912, according to the published freight rates in the newspapers that print them, the freight rate on grain was 6½ to 10½ cents. In 1913, which was an exceptional freight year, 4 to 6 cents. In 1914, 9 to 10½ cents per bushel of 60 pounds. They compare that 22 cents with the July rate of 5 and 6. It will be seen that if you take December, 1912, for comparison, it is 10½.

Mr. POMERENE. Mr. President.

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Will the Senator from Massachusetts yield to the Senator from Ohio?

Mr. LODGE. I yield.

Mr. POMERENE. Did I understand the comparisons the Senator is giving were a part of the month of December of each of the several years?

Mr. LODGE. Yes; but there is another point. These figures, taken from the published freight rates, the Journal of Commerce and other similar business papers, show 9 to 10½ cents per bushel of 60 pounds for December, 1914. The official publication says it is 22.1 cents. That could only be arrived at by taking the highest rate probably paid during the month, not taking an average, such as the shippers quote, but taking the highest rate and putting it in here as an average in the United States.

I take flour; 18 cents per 100 pounds in 1912 and 15 cents per 100 pounds in 1913; 25 cents according to the Secretary's table.

In December, 1914, 14 to 26 cents per 100 pounds, according to the figures of these newspapers.

Cotton, $1.20 to $1.90 per bale in 1912; $2.06 to $2.40 per bale in 1913. These are the limits; $1.87 to $2.88 in 1914. According to these figures here, it was $4.57 last December.

Mr. ROOT. The Secretary's figures?

Mr. LODGE. According to the Secretary's figures it is $4.57.

Provisions, which includes meat, 22½ in 1913.

Mr. ROOT. From what?

Mr. LODGE. From the freight rates for that year, from the Journal of Commerce. The freight figures were 22½, and they were 37 according to the Secretary's figures; 33 in 1914 according to the figures given in the papers publishing freight rates. It is perfectly obvious if anyone will take the trouble to make these comparisons that the averages given here in this publication can not in the least be depended upon. Of course, you can only guess at how they are obtained, but they appear to have been reached by taking some exceptional cargo or some exceptional rate and introducing that as the average. But, Mr. President, it makes it a little difficult to deal with a question of this sort when we find even the official figures apparently so misleading and so juggled. I shall return to that in a moment.

Before comparing these figures with the figures taken from the actual manifests of ships I wish to point out that the high

rates are due largely to extra expenses incurred, such as for coal, wages, and provisions; the higher cost of insurance owing to the war risk, and very heavy delays through congestion at the ports of discharge, arising partly from a shortage of labor through so many of the men having gone to the war, and also owing to the large quantities of provisions and material for the army, which of course receives preference in discharge at the principal ports.

Grain rates to-day to the principal ports in Europe are approximately from 16 to 18 cents per bushel of 60 pounds. The price of grain itself has advanced since the war began from under $1 per bushel to $1.46¾ for the May quotation.

Mr. POMERENE. To what point is the freight rate given? To England?

Mr. LODGE. Some to England. I am coming to that. I have them to England and to the Mediterranean ports. I have not the power of the Government at my command, and I could only get manifests to certain countries. I have the Mediterranean ports and the British ports. I have not been able to get rates to Bremen, which are extravagantly high, of course, because the risk is so much greater, and it is very hard to get those. I mean that the Bremen rates fluctuate very much, but of course the bulk of our exports have been going to Great Britain and to neutral ports, like those of Holland and the Mediterranean.

It should also be borne in mind that while the freight rates at the present time are very high, the regular lines crossing the Atlantic are not getting the benefit which it is generally understood they are getting by those not acquainted with the business. All these lines have passenger boats, combination passenger and freight steamers, and purely freight steamers. The only part of the line which is getting full benefit of the high rates, therefore, is the steamer carrying only freight. The large passenger steamers carrying passengers only are largely laid up on account of lack of business, except when employed by the various Governments in the transport of troops. Where they are running in order to provide accommodations for such passengers as desire to cross the ocean at the present time and also to take care of the mail, they are running at a loss. The combination passenger and cargo steamers, while making money on their freight are losing money on their passengers, so that the loss practically offsets the profit from the advanced freight rates. To get at a fair comparison, taking all these things into consideration, it would be only fair to divide the present freight rates in half in comparing the same with the rates existing prior to the war.

That is, the war conditions have doubled rates.

Mr. President, I was told the other day by a gentleman from Boston that one of the Great White Star boats, the Cedric or the Cymric, a passenger boat, went out, I think, last month with a full cargo at the very highest rates, such rates as had never before been earned. Yet she did not make as much profit on the voyage as she made on the voyage of the same period last year, carrying freight at comparatively low rates. Her passenger business was gone, and that is a ship of the precise type which constitutes the great bulk of the Hamburg-American fleet and the whole of the North German Lloyd fleet. They are ships that lose money no matter what the freight rates are unless they can carry passengers, for whose accommodation they were primarily built.

The highest rates that have been and are being paid since the war are paid to tonnage sailing under the American flag and particularly to Bremen and Gothenburg, neither of which ports is congested and where delays are not nearly so serious as those experienced by the regular lines at their ports of discharge, even allowing for delays on account of inspection by the allies' warships.

It is obvious, Mr. President, at once why ships under the American flag get higher rates than the others. They are covered by the neutral flag. They start with an assurance of safety or comparative safety which the others can not have. Therefore they are more sought after, of course, than any others.

I should like to state in this connection why it is that they get these high rates going to ports like Bremen or Gothenburg, where there is no congestion. It arises from the extreme danger of mines or capture in a North Sea voyage.

Now, let me give just two or three instances of what this congestion at the other end of the line means when they talk about extortionate rates. These are specific instances.

Heavy delays were incurred by the *Maryland* (A. T. Line) and the *Lancastrian* (Leyland Line) and in fact by all the steamers of the Leyland, Atlantic Transport, and other lines trading to London. In Liverpool delays are equally serious. The *Etonian* arrived loaded on the 23d of December and sailed January 14, having been in port 22 days. The *Dunsley* arrived at Liverpool on January 4 and had not sailed up to January 26; in port to that date 23 days. The *Saxon Monarch* arrived on January 14 and had not sailed up to January 26; delayed 13 days. In her case the owner states that the delay will probably be about 23 days, as she will not sail for a few days after the sailing of the *Dunsley*, which steamer preceded her. It will be noticed, therefore, that 23 days seems to be the average time that steamers are held in Liverpool. Under ordinary conditions they would be turned in 7 days.

You will notice therefore that 23 days seems to be the average time that steamers are held in Liverpool. Under ordinary conditions they would be turned in 7 days. Fourteen days' demurrage, 14 days of delay in Liverpool or any other of these congested ports is an enormous bill of expense, and the rates conform to that.

Sixteen days' delay, at the price paid for American tonnage for smaller steamers, say $45,000 per month, will easily show that no matter how high the freight rate to the various European ports may be there is a very large element of risk of loss in the business. Serious delays are also arising in the case of the *Samland*, *Missouri*, *Manitou*, and *Marquette*.

The delays are so costly, I may add, that I am informed that the London lines are seriously considering diverting the steamers from their regular trade on account of the heavy loss which these delays would cause.

I now wish to take up this matter of freight rates, which I have been discussing, a little more in detail, and in connection with the report of the Secretary of Commerce upon foreign freight rates. With the utmost respect for the Secretary of Commerce, it would seem on analysis that his report is based upon information supplied by brokers and shippers, who may perhaps wish to make it appear that the tonnage available for foreign business is so scant as to have forced rates to an utterly unreasonable point, to a point which makes business practicably impossible. This has been done in this way, rather than upon figures showing accurately at just what rates the export business has been handled since the outbreak of the European war. But, however this may be, I wish to present some statements that I have obtained, which give the number of steamers dispatched by the International Mercantile Marine Co.'s Lines—that is, the White Star Lines to Liverpool and the Mediterranean, Leyland Line to Liverpool, Leyland Line to Manchester, and Leyland Line to London, and their cargo capacity measured in tons of 40 cubic feet, together with the minimum and maximum rates on certain commodities, grain, flour, tobacco, wool, cotton, and provisions included.

The comparison which the Secretary of Commerce makes between the rates which prevailed from the 1st of August and those now prevailing is of no value whatsoever for this reason, that during the summer months, when the movement of cargo is light and ships are sailing with much of their cargo space empty, rates are generally lower than at any other time of the year, whereas in October, November, and December, when the movement of grain, cotton, and other bulk cargo starts in, ships are fully loaded and rates on such bulk cargo automatically advance. A proper comparison, as I have already pointed out, should be between the rates for a given month in 1913 and those for the same month in 1914. Rates on manufactured products are, generally speaking, much more stable than those on grain, cotton, and agricultural products for this reason, that all manufacturers sell for delivery over a long period and adjust their output so as to meet the demands of our local as well as foreign requirements. The manufacturer of sewing machines, for instance, finds he will be able to sell a certain percentage of his output in England or Australia, and he makes contract with the steamship lines under which they agree to handle for a period of, say, one year from the 1st of January all the sewing machines he has to ship. With the exporter of cotton, grain, tobacco, provisions, and other agricultural or bulk cargo the situation is quite different. The demand for such cargo is based not only upon the size of the crops here and our consequent ability to meet a demand from abroad, but also upon the size of the crops in Argentina, India, Australia, and elsewhere. If these crops happen to be good and American crops poor, our export of bulk cargo necessarily falls off and freight rates decline accordingly. In other words, the point I wish to make is this, that the ordinary cargo ships is built to take care of a certain amount of regular business composed of manufactured goods at fairly stable rates, which are always the same to all shippers, with a large amount of surplus space to take care of bulk cargo, grain, tobacco, lumber, and so forth.

When our crops are large, and the crop situation in other countries is such as to create a foreign demand for our surplus raw products, the ships carry full cargoes at good rates. When the contrary is true, they sail with much of their cargo space empty and carry raw products at low rates, frequently making unprofitable voyages.

I think I can show from the tables I shall ask to print just what cargo space these liners to which I have referred had available in 1913 and 1914. The space on most of the Leyland Line steamers has been considerably reduced on account of the fact that the *Bohemian, Devonian, Canadian, Cambrian, Iberian, and Etonian* have been fitted for the conveyance of horses for account of the British Government, and after loading cargo at Boston they proceeded to Halifax to load these horses.

Mr. FLETCHER. Mr. President, may I interrupt the Senator from Massachusetts?

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

Mr. LODGE. Certainly.

Mr. FLETCHER. Do I understand the Senator to claim that the present freight rates are not unreasonably high?

Mr. LODGE. Does the Senator mean unreasonably high in view of all the circumstances?

Mr. FLETCHER. Yes.

Mr. LODGE. My impression is that the rates are very natural under the circumstances.

Mr. FLETCHER. I should like to ask the Senator what he thinks would account for this situation, which relates to one instance which I neglected to mention in my remarks the other evening: A shipper of phosphates—and I believe Florida produces about 78 per cent of all the phosphate mined in the United States and over 50 per cent of all that is mined in the world, and therefore that is an industry which is quite important to us and to the country—writes me and asks me to endeavor to get ships so that he can move phosphate, which is not contraband. I referred that matter to the Secretary of Commerce, and I find the best quotation we can get for him is 45 shillings per ton from Fernandina to Hamburg or Rotterdam.

Mr. LODGE. If the Senator from Florida will permit me, there is a vast difference between Rotterdam and Hamburg.

Mr. FLETCHER. I mean now Rotterdam; but I am going to say that the same rate obtained before the war to Hamburg as to Rotterdam.

Mr. LODGE. Yes.

Mr. FLETCHER. That is what confused me at the time; but the rate now offered is 45 shillings a ton from Fernandina, Fla., to Rotterdam. I wrote to the shipper of phosphate in Florida to learn what his rate was before the war. This was on January 18, and he wrote me a letter, which I received a few days ago, saying:

> Before the war we were paying from 12 to 13 shillings from Fernandina to Hamburg and Rotterdam.

Now the rate is $10.80 a ton on phosphates and before the war it was $2.88 a ton. The rate, of course, prohibits the shipment, because the phosphate is scarcely worth the freight. I ask the Senator from Massachusetts what brings that condition about?

Mr. LODGE. The freight rate will not prohibit the shipment if the people want to pay, for the freight is almost invariably paid by the consumer; but I am not surprised at the rate being doubled. I am far from denying that there has been a reduction in the world's tonnage, with a consequent increase in rates resting on the law of supply and demand. Of course, that is perfectly obvious. I will give an illustration of the manner in which it works in the price of ships. Take those German ships which you are trying to buy; private parties tried to buy two of them early in the war. They were given a price, but the ships were subsequently withdrawn from sale by orders from Germany. These were two of the 15 to 20 year old small freighters, the very ships we are after now. Those ships were offered them for $125,000 apiece. The would-be purchasers were told, so I am informed, that the price would be higher to the German Government, and still higher to the United States Government. Then the whole business went off on the orders from Germany of withdrawal from sale of which I have just spoken. I inquired what those ships would bring to-day, and was told that they would easily bring $250,000 apiece. The price to the United States would be still higher, and yet it is proposed to saddle the people of the United States with those old, worn-out, obsolete boats at fancy war prices. Those ships have doubled in value, and they are an example of what is happening with all cargo carriers. There is, no doubt, I repeat, that there is a shortage in tonnage. I am only trying to demonstrate that the rise in freight rates is largely natural; that it is what is to be expected under war conditions; and that it is not going to be affected by a few ships put into service by the Government to carry freight at a loss, to be reimbursed by the taxpayers, for a few favored individuals who are able to get their products on board.

Mr. TOWNSEND. Mr. President——

Mr. LODGE. I yield, Mr. President, if I do not lose the floor by doing so.

Mr. TOWNSEND. Is there anything in the bill, or does the Senator from Massachusetts have any assurance that one of these boats, should it be purchased, will be used for carrying the phosphates of Florida to Rotterdam?

Mr. LODGE. I have no idea, Mr. President, who the favored shippers are to be. Being a Yankee, I suppose I could make a guess, but I have, of course, no certain knowledge as to who the favored shippers are to be.

Mr. ROOT. May I ask a question?

Mr. LODGE. Certainly.

Mr. ROOT. Apropos of the question put by the Senator from Florida [Mr. FLETCHER] and the subject which the Senator from Massachusetts has been discussing, I ask whether a very important element in producing a necessary increase of freight rates upon the eastbound freight is not the lack of return cargoes resulting from the enormous decrease of production in Europe by reason of the war and the withdrawal of so large a proportion of the people from production?

Mr. LODGE. Undoubtedly, the falling off in the imports is very marked.

Mr. FLETCHER. May I ask the Senator from Massachusetts another question?

Mr. LODGE. Certainly.

Mr. FLETCHER. I hesitate to interrupt the Senator, but——

Mr. LODGE. I have no objection to being interrupted if I do not thereby lose the floor.

Mr. FLETCHER. I think there is no point being made as to that.

Regarding this question of favoritism, however—because I happen to give facts from my own State which are within my own knowledge—does not seem to me to warrant the suggestion that Florida is to be favored in this sort of an enterprise. If the Senator who proposes that will examine the report of the Secretary of Commerce and the report of the Secretary of the Treasury, he will find that such complaints come from all over the country. All he has to do is to read the letter, and I would ask, if the Senator will permit me, whether he is giving figures within his own knowledge or, if he does not mind, would he inform us as to how he arrived at those conclusions?

Mr. LODGE. I have figures here, taken from ships' manifests. What I asked for were the actual amounts paid, and I got them from as many lines in Boston as I had time to do. These are the actual payments as shown on the ships' manifests.

Mr. FLETCHER. I wanted to bring that fact out.

Mr. LODGE. I will come to that.

Mr. FLETCHER. Of course it will be conceded that we can scarcely depend on the statements of interested parties.

Mr. LODGE. Of course, Mr. President, I did not mean to say that the Senator from Florida would be favored in phosphate exports. My point was that the amount of freight that these Government-owned ships would carry is a trifle compared even with your $50,000,000 spent; it is but a small part of the great volume of freight exports. You may drive American ships off certain lines, and thereby contribute still further to the deficiency of tonnage, but you are not going to affect the general price. The people who are fortunate enough to get their freight on Government ships, of course, will benefit by having the Government pay their freight; but, as a matter of fact, that is a benefit to the foreign consumer in nine cases out of ten. Those who do not get the Government boats, however, of course will be left just where they are now.

In regard to the matter of complaints, of which the Senator reminds me, I have not been able to go through them all thoroughly, but I have taken a few where the complainants mentioned the ports to which they wanted accommodations. These are the complaints which are embodied in the reports of the twin secretaries. I take some of these complaints, just a few—there are many more, some perfectly vague—to show what is required to fill the wishes of these complainants. They are as follows:

Number of ships necessary to remedy some of the complaints cited in the report of the Secretary of the Treasury and the Secretary of Commerce.

Routes.	Sailings.	Number of ships required.
New York to Scandinavian ports	Bimonthly	5
New York to Holland	do	4
Texas ports to South America	3 weeks	6
Baltimore to Argentina	do	6
Philadelphia to Uruguay	do	6
New York to Barcelona	do	6
New Orleans to Havre	Bimonthly	4
New York to Denmark	do	5
Savannah to Rotterdam	10 days	6
Savannah to Bremen	do	6
Wilmington to Bremen	Bimonthly	4
New York to Havre and continental	10 days	6
New Orleans to British ports	Bimonthly	8
Pensacola to Christiania	3 weeks	4
Baltimore to British continental ports	Bimonthly	8
New York to London	10 days	5
New York to Hamburg	do	5
New York to Liverpool	do	4
New York to Rotterdam	do	5
Southern ports to Bristol	Bimonthly	4
Baltimore to Rotterdam	do	4
Boston and New York to Buenos Aires		8
Boston to Liverpool	10 days	4
Galveston to continental ports	Monthly	3
New York to Wales	Bimonthly	6
Baltimore to Amsterdam (6), Italy (6), Norway (4), Belgium (4).	do	20
Boston to continental and British ports	do	12
Galveston to Bremen	do	4
New York to Aberdeen	do	4
		172

In all 172 steamers are asked for by these complainants, and probably most of them have not freight enough to fill half a ship. They want lines and sailings to the extent indicated, and these are only a part of the complaining letters.

Now, taking the steamers—and, of course, each man who writes such a letter thinks he is going to have one, and those happy few who get them will no doubt profit—172 ships are required to run those lines, based on some of these complaints. You can not get them even for the $50,000,000 proposed to be provided by this bill. You can not begin to supply those ships for that amount. Taking the cost at $50 a ton, which I believe is the usual estimate——

Mr. ROOT. For freighters alone.

Mr. LODGE. For freighters alone, and with all the money which the bill carries you would not get more than 50 or 60 ships out of 172. So that some of the complainants are going to be disappointed—I will not say which ones; I will not say from what States they come; but I have a strong suspicion that among the disappointed ones some will live in Boston and New York.

The rates which I am about to give are those at which the cargo actually moved. They are not guesswork or the arrangement of any expert or actuary; they are the figures at which the cargo actually moved, and are taken from the ships' manifests. Where two rates are given—for instance, 6½ cents to 6¾ cents—it will be understood that the lowest rate at which grain was carried in June, 1913, was 6½ cents, and the highest 6¾ cents, per bushel of 60 pounds. Similarly, in June, 1914, 2 cents to 3 cents—the lowest rate at which grain was carried was 2 cents and the highest 3 cents. Where there is but one rate, there was no variation during the month.

The Secretary of Commerce speaks of contracts having been repudiated by at least one of the steamship companies. This is not impossible, but so far as the companies of which I am now speaking are concerned and so far as I have been able to learn with reference to the business of the other companies, all contract obligations in existence when the European war broke out have been scrupulously observed. The fact that one company may have repudiated its contracts would seem scarcely a sufficient justification for resorting to Government ownership of steamers. I believe there is an old saying about hard cases making bad law.

It may be true that shippers of grain, cotton, and bulk cargo have found it impossible to secure room from certain ports before March and April, but this is not surprising, nor is it unusual. When there is an active demand from abroad for grain and cotton, exporters sell several months in advance, and engage their freight room accordingly, and it is not at all unusual during such times for shippers who at the last minute seek room for prompt shipment from the seaboard to find that there is no room available.

The highest charter rates so far paid have been those paid for American flag steamers, and the highest freight rates appear to have been those paid to American flag steamers for cotton to Bremen. A comparison of the rates ruling to Hamburg and Bremen before the outbreak of the war and those ruling at present is, however, manifestly absurd, for insurance on a steamer navigating the mine fields facing a German port, if procurable, would be practically confiscatory. So that to take the German rate, as has been done in some of the figures in this report, in order to show what freight rates are from the United States is absolutely unfair and misleading. The bulk of the exports have gone to England, to France, and to the Mediterranean ports.

These lines which I have named have had no serious complaints from any of their shippers about their inability to take care of their export business. On the contrary, they have managed to satisfy them all, and whilst it is true that there have been times when they have not been able to take all the cargo offered at the given moment, they have been able sooner or later to handle it.

The situation has been more or less confused on account of the large offerings of material meant for use in the field, which during normal times the steamship lines do not have. This army material, on account of the fact that its prompt movement is urgently required, carries a very high rate of freight, and it would be very unnatural for any lines not to give it preference on occasions to cargo paying a very much lower rate.

However unwise and dangerous the projects of this bill may be and however loosely its provisions may be drawn, I can not conceive it possible—and I have lately learned that many things are possible that I thought were impossible—I can not conceive it possible that we should put contraband and munitions of war on board a Government-owned ship. Contraband, of course, makes any neutral, no matter what the question is about its character—it may never have been anything but an American vessel—liable to seizure; but there is no provision in this bill against using Government-owned vessels for carrying contraband of war.

There are immense masses of munitions of war of all sorts passing out of this country, as we all know. They are going to the countries which happen to have command of the sea, and very valuable freight they make.

What would be the view of Germany if she found American Government-owned ships carrying munitions of war to the Allies? She would regard it, and would rightly regard it, as an unneutral and a hostile act. Because she does not happen to have command of the seas—and those opposed to her do—we are proposing, without a word to prevent it, to make Government-owned ships go into this trade. I do not mean merely cartridges and shells, but to take horses, to take blankets, to take shoes for the soldiers, which are being made in this country in large quantities. Take such articles on board of a Government-owned ship, and that would make it like any neutral ship a good prize, and would be, according to Germany's point of view—and rightly so, in my opinion—an unneutral if not a hostile act. Yet I was told no later than this morning that we never would be permitted to put into the bill a provision that the vessels operated under it should not carry contraband or conditional contraband of war, and that in the face of the statement of the counsellor of the State Department before the House committee, that it would be an unneutral act.

The present high rates, as I repeat in this connection, are not wholly due to the shortage of steamers; and I admit the great effect of that. They are to be accounted for in large measure by the fact that the steamers now being operated, as I have already pointed out with detail examples, are being delayed at the ports of discharge in England, France, Italy, and elsewhere. Some of the steamers of the lines that I have referred to, and from whose manifests I take these figures, have been held up in London from three to five weeks; and the latest information is that there is a large number anchored in the stream waiting for discharging berths. The advices from Genoa, Italy, are to the effect that there are about 60 steamers there now awaiting their turn to discharge at the piers, and that at Bordeaux a similar situation exists.

Those delays pile up the expenses to the ship faster than anything else, and they go with that uncertainty of loss staring them in the face. The Senator from North Dakota asked me what that exact loss was. I thought I had some estimates on it, but I remember now that I found it impossible to get exact figures, because it depends so much upon the character of the cargo and the need of delivery and the time, of course, and it is very hard to say just what it would be. The loss is very great, however, and it is, I think, evident to anyone who is at all familiar with the operation of ships that when they are held up for five or six weeks at their discharging ports, where under normal conditions they remain but a week, it will

take two ships to do the work that one ordinarily does; and that, of course, adds to the shortage of tonnage.

Mr. McCUMBER. Mr. President, will the Senator permit a question?

Mr. LODGE. Certainly.

Mr. McCUMBER. Would it not be a loss for each day at least equivalent to the sum that is paid by the Government for its leased ships, now idle in our waters here, which were used to transport our sailors to Mexico? I understand that amounts to about $1,000 per day, just doing nothing, for each one of the ships. Therefore, for 30 days, in the case of a ship of the same size, requiring the same amount of care, etc., would it not amount to about $30,000 loss?

Mr. LODGE. Why, certainly. That is a very happy illustration of it, because those ships were tied up; and of course in the case of the people whose ships are held up at Genoa, for instance, because they can not discharge cargoes, it is running against them every day just as it ran against us here on ships chartered to take our troops and supplies to Mexico.

Mr. President, these are the tables to which I have referred, and which I ask leave to have printed with my remarks.

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

[The tables referred to will be found at a later point in Mr. LODGE's speech.]

Mr. LODGE. I am going to put them in the RECORD and then explain them. They are in too great detail to read to the Senate, but I will read the following comparisons of the articles.

This is a pretty good test of how far we can depend on that report. I take July, August, September, October, November, and December for 1914, and I compare the rate as given in the Secretary's report with the actual rate as given by the manifest, the amount actually paid for moving the cargo. These ships go to London, as I have said—and I wish to repeat it—to London, to Liverpool, to Manchester, and to the Mediterranean ports. The Mediterranean rates are very high, for they are much higher even in time of peace.

Now, we take grain in July, 1914. The rate as given in the Secretary's report is 5.6 cents. The actual rate on this line of ships running from Boston was 3.5 cents. Even in July, before the war had begun, the Secretary's figures are far above those rates that were actually paid in Boston.

In August on grain the Secretary's rate is 5.7, and the actual rate as per manifest is 4.1.

In September the rate as given in the Secretary's report is 7.7; the actual rate, as given by the manifest, 4 cents.

In October the Secretary's report was 7 cents per bushel of grain; 6 cents is the actual rate.

In November, 16.1 cents, according to the Secretary's report; 7.2 cents for grain, according to the manifests.

In December, 22.1 cents, according to the Secretary's report; 11.4 cents according to the manifests.

Mr. TOWNSEND. Mr. President, does the Senator know where the Secretary got his information?

Mr. LODGE. That, of course, is mere conjecture. I think they got some information in New York. They asked for information from Boston. I can not find that they used it in making their so-called averages, but they certainly got information from New York, and it seems to me that what they did was to take the highest price of the highest cargo to the most dangerous port, where the greatest rate was charged, and gave that as the average rate per month. Now, none of these are ships going to Bremen, and if they had been ships going to Bremen the rate would have been very much higher. I quite understand that. I do not mean to say that the total rates would not show somewhat higher figures when averaged; but the trouble with the Secretary's figures, as I analyze them, is that the lower rates have been left out of the calculation.

[At this point a message was received from the President of the United States, which appears under its appropriate heading.]

Mr. LODGE. I now take flour per hundred pounds. The rate as given in the Secretary's report for July is 11.5 cents. The actual rate, as per manifest, is 12 cents. There they got the July rate lower than the actual rate, and July is their month for comparisons.

August, 13.6 cents in the Secretary's report; 13.1 cents in the manifest.

September, 22.3 cents in the Secretary's report; 17.8 cents in the manifests.

October, 26 cents in the Secretary's report; 18.5 cents in the manifests.

November, 26 cents in the Secretary's report; 19.3 cents in the manifests.

December, 35 cents in the Secretary's report; 19 cents in the manifests.

There is no explanation of those different discrepancies.

The figures of the manifests, which are the actual amounts paid, can not be disputed on those lines where there is a cargo capacity ranging from 100,000 to 50,000 tons, on which it is based. There can not be any mistake about those figures. Of course, there were variations. I have only taken a few lines, taking them entirely at haphazard; but such discrepancies as exist here show that you can not rely on the figures of the report, and yet they are what are furnished us officially.

Cotton, per bale, July, $1.15 according to the Secretary's report; 88 cents according to the manifests.

August, $1.15 according to the Secretary's report; $1.20 according to the manifests.

September, $1.26 by the Secretary's report; $1.44 according to the manifests.

There you see, these manifests show a higher rate than the Secretary gives.

Mr. SIMMONS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. LODGE. Certainly.

Mr. SIMMONS. Mr. President, I understand the Senator from Massachusetts is reading altogether from the manifests of the ships sailing from Boston Harbor; is he not?

Mr. LODGE. Yes.

Mr. SIMMONS. I do not see, in the Secretary's statement, the rates from Boston.

Mr. LODGE. No; they were suppressed, apparently. Perhaps they did not conform to the official view of what the average freight rate ought to be.

Mr. SIMMONS. He gives the rates; but the Senator is reading the Boston rates, and then comparing them with the rates given by the Secretary.

Mr. LODGE. Ah, but the Secretary says these are the average rates from the United States to Europe. He does not say they are the average rates from New York.

Mr. SIMMONS. I was going to call the attention of the Senator to the fact that the Secretary gives the rates from New York, Baltimore, Philadelphia, Norfolk, New Orleans, and Galveston upon grain and cotton and meat and lard and probably some other products; but if the Senator will examine the rates from these different ports they vary very much.

Mr. LODGE. Certainly; they vary. I have said that.

Mr. SIMMONS. And I did not understand that the Senator was giving the average rate.

Mr. LODGE. I am giving the average rate from Boston; yes.

Mr. SIMMONS. The Senator is comparing the Boston manifests with the average rates given by the Secretary for the——

Mr. LODGE. In the table on page 23.

Mr. SIMMONS. I was reading from pages 13 and 14 of the Secretary's statement.

Mr. LODGE. I am taking what he says is the average increase in freight rates from the United States to Europe; and although he does not seem to have paid much attention to Boston, it is in the United States.

Mr. SIMMONS. I notice in the secretary's table on grain from New York to Liverpool, the rate on July 1st is 5 cents, and on the 19th 20 cents. The rate from Baltimore on grain is very different from that. It is 30 cents in January, and likewise the difference runs through the whole table. If the Senator is giving the average, of course the point I am making does not apply.

Mr. LODGE. Mr. President, I have taken the table which is the one the country would look at first, the average from the United States to Europe, and I am comparing it with the average from the second port of the United States as they appear in the absolute manifests; and I merely say that there are discrepancies which seem to me to indicate that these figures were not made up on the best information.

In October, for cotton, the secretary's figure is $2.10, and the actual rate from Boston was $1.44.

In November the rate given in the secretary's report is $3.39, and the rate from Boston was $1.74.

In December the rate as given by the secretary is $4.57, and the rate from Boston was $2.34.

Meats—I will ask to have that printed. The discrepancies exist there also, but they are not so very large, and I will not take the time of the Senate by reading them.

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

The table referred to is, in full, as follows:

	Grain (per bushel of 60 lbs.).		Flour (per 100 lbs.).		Cotton (per bale 480 lbs.).		Meats (per 100 lbs.).	
	Rate as given in Secretary's report.	Actual rate as per manifests.	Rate as given in Secretary's report.	Actual rate as per manifests.	Rate as given in Secretary's report.	Actual rate as per manifests.	Rate as given in Secretary's report.	Actual rate as per manifests.
1914.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Dollars.*	*Dollars.*	*Cents.*	*Cents.*
July	5.6	3.5	11.5	12	1.15	0.888	25	28.1
August	5.7	4.1	13.6	13.1	1.15	1.20	24.2	30
September	7.7	4	22.3	17.8	1.26	1.44	36	33.7
October	7	6	26	18.5	2.10	1.44	36.7	33.7
November	16.1	7.2	26	19.3	3.39	1.74	37	33.7
December	22.1	11.4	35	19	4.57	2.34	37	33.7

Mr. LODGE. Now, to show one or two other little variations from facts in the report. I have not had time to go into the details of this report; I merely wish to suggest the necessity of caution in dealing with it and its untrustworthiness as a basis for argument. On page 18 it says:

It has been stated that if the shipping bill is passed additional tonnage for our foreign trade can not be quickly obtained. This is incorrect. While we have made no effort to test the market for ship offerings, we have been assured by no less an authority than Mr. Bernard N. Baker, of Baltimore, a man of the best character and standing, who developed to a high degree of prosperity the American Transport Line, of which he was for many years president, and who is thoroughly familiar with the shipping trade, that many suitable and admirable ships for the purpose can be promptly secured.

That is dated January 27.

On January 27 I clipped this from a Baltimore dispatch:

BALTIMORE, *January 27, 1915.*

That the proposed shipping bill now being fought in the United States Senate was intended to create a permanent fleet and that not 10 really fit and suitable ships are now on the market, is the summing up to-day of this important legislation by Bernard N. Baker, who has been in frequent consultation with the administration leaders, both in the Cabinet and in Congress.

"It is not my idea," said Mr. Baker, "that safety and fitness in the character of the vessels should be sacrificed to any speed or hurry"—

Mr. Baker understands the shipping bill—

"I do not believe there are more than 10 vessels now for sale which are worthy of being included in any purchase to be made by the Government under the proposed act. I am in favor of building them here or having some built abroad."

That is what Mr. Bernard N. Baker said in a published report in the newspapers, but he appears in the Secretary's report as saying that many suitable and admirable ships for the purpose can be promptly secured.

Again, at the end there is attached to this report as Exhibit 76 a list of ships offered by the Merchant Marine Agency, J. V. McCarthy, manager, Boston, Mass., from which it will be seen there are 15 ships of English registry and 7 of German registry which he proposes to sell. I made some inquiries about Mr. McCarthy, who had 22 ships to sell, and I find that he has nothing substantially different from what he sent to Mr. McAdoo, but that when offers have been made for these ships from men interested in getting the ships Mr. McCarthy has been informed from abroad by the people whom he represents that the steamers have been withdrawn from sale. Those 22 ships which figure so handsomely in the report vanish when you try to buy them.

Mr. President, there are ships to be had; not ships that will add to the total tonnage of the world—that you can bring about only by building—but ships which will add to the tonnage between this country and the Atlantic, the North Sea, and Mediterranean ports, just where it is wanted. There are ships which can be taken from lines where they are not now profitable and added to the congested routes where there is a shortage of tonnage—between the United States, the North Sea, and the Mediterranean.

In the first place, we are doing something in the way of exports. Everything is not tied up here. I take from the Chicago Tribune of January 15 this extract from a news article:

Last week, for instance, there were exported from the seaports on both coasts of the United States a total of 8,000,000 bushels of wheat. During the same week one year ago the total exports were only 2,000,000 bushels. The demand from abroad has multiplied by four. Why should not the price be expected to jump?

These are initial prices in the Chicago market. But last week—this extract is dated January 15—we actually exported from the ports of the United States four times as much wheat as we did in the same week of last year. Somebody is carrying that wheat abroad. It is not going over by itself in sacks across the ocean. Somebody is carrying it, and they carry four times as much as they did last January one year ago.

Illustrating what I have said about getting ships from one route where business is light to routes where it is greatly needed, I quote from a letter from the secretary of the Boston Maritime Association, who says:

Since writing Senator WEEKS last we learned that the ships *Vincent* and *Pass de Balmaha*, both steel ships, which have been lying here for some time unchartered, have been sold to southern merchants for the cotton trade. They have in the last few days also come into the market for sailing tonnage, and there is some inquiry in that direction.

There were two ships in Boston lying idle. Somebody bought them, and the Government could have bought them if they wanted to buy ships like those that have been used in other trades. Those are ships of our coastwise trade, and they would not buy a quarrel with each of them.

I take from an article in the Boston Herald of January 16 on that point the following:

America's great coastwise tonnage steadily continues to furnish ships for the relief of our overseas commerce, left in the lurch by so many foreign carriers because of the European war. It is proving, just as the Herald predicted, that this coastwise fleet is worth far more than any wild scheme of Government ownership.

I am trying to demonstrate now that it is not necessary to go to these imprisoned German ships if the Government is to go into the shipping business; that there are other places she can buy. The Government can not buy quickly for an emergency and at the same time add to the world's tonnage. That can be done only by building ships, but the Government can get ships out of our coastwise trade, and if the Government did that then the people who had sold would build new ships, replace those which they had sold, and thus give much-needed employment in our shipyards.

The Boston Herald also says:

Within a few days after the Bremen cotton trade was opened, 12 American steamers were chartered from southern ports to Germany. Now an American sail ship, the *Vincent*, of Boston, has been secured for the same trade. The Boston-owned steamers, *Pacific* and *George E. Warren*, are leaving the coast for Transatlantic service. So is the steamer *Pleiades*, formerly of Boston, and a considerable fleet of New England schooners has been engaged within two or three weeks for the export of lumber to the United Kingdom, the Mediterranean, and South America. The Boston steamer, *Peter H. Crowell*, has taken a charter for West Indian trade, and the firm which owns this ship has ordered another of a like type from the Newport News shipyard.

Just what I said would happen. They take them out of the coastwise trade and put them into another route, as they can easily do by getting a foreign-trade license, and then they build new ships at home.

I ask that the rest of the article be printed without reading.

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

The rest of the article is as follows:

Moreover, the Coastwise Transportation Co., it was stated yesterday, had closed an order for two modern freight steamers with a capacity of 8,000 tons, one to be delivered in 10 months and the other in a year from date.

If the ill-starred Government-ownership bill were not impending, there is no doubt that many more new American ships would be under construction. But the idea of the Government as a competitor is not encouraging to private capital and enterprise. Nevertheless the American people are finding that they are not wholly helpless, and that they have a maritime reserve of the utmost value in their coastwise fleet, incomparably the largest and most efficient in the world. American cargo steamers designed within the past two or three years have all been built with reference to the Panama Canal and the 5,000-mile voyage between our Atlantic and Pacific seaboards. This means that these ships are fit for any service in any ocean.

The pity of it is that when this European war broke out last August our Government did not take some decisive step to assure the immediate construction of a large fleet of American steamers. American yards were half empty then; they would have been glad to undertake the work, and a month or two hence many new cargo craft could have been in readiness.

But instead of such a straightforward, practical policy the mischievous Government-ownership bill was launched. Instead of building American ships with American labor and manning them with American officers and crews, foreign ships are to be bought and foreign labor utilized—if the scheme is not vetoed by Great Britain and France.

Mr. LODGE. Here is a statement from the American United Fruit Company. It is the statement of Mr. Andrew W. Preston, the president.

I was surprised to note that, in attempting to justify this bill after an ex parte hearing, Senator FLETCHER undertook to reflect upon the character of the ships recently given American registry by stating that the cargo space of most of those ships was employed by their owners exclusively for the transportation of their own goods and added nothing to the facilities of the American merchant marine for the transportation of general cargoes. While it is true that the United Fruit Company, to a large extent, furnishes its own northbound cargo, a tremendous advantage in competition with other lines, Government or otherwise, yet our company furnishes no part of the return cargo to ports of Central America.

AVAILABLE FOR EXPORTS.

The company's banana business requires frequent and regular trips to the United States, and the American merchants have the entire ships available for the goods which they export to Central America. Therefore, Senator FLETCHER's statement, like practically every argument that I have seen advanced in favor of this bill, is misleading and will not stand the test of a careful examination.

There has been a great deal of talk respecting the difficulty in procuring transportation to various ports. If anybody in any part of the country has any goods which they wish transported to any part of Central America, I wish they would communicate with our traffic department. We have had, still have, and expect to have, ample space for all cargo offered to us for transportation.

That is illustrative of the fact that there is unoccupied tonnage now on the Central and South American lines, and the Government could transfer from those routes where there is but little to do to the congested routes where there is more trade than there is cargo space.

Mr. President, to go from these questions of detail to a somewhat larger question, I want to say a few words on the general economic question of the merchant marine.

The existing conflict between the great European Nations, involving as opponents the two principal international maritime carriers, Great Britain and Germany, has served as an impressive object lesson to the American people of the troubles resulting from a policy of easy-going dependence upon the ships of foreign Nations to transport overseas the constantly expanding volume of their international commerce. We have had several such lessons within recent times, though none of them has been so vividly brought home to the whole people as this. At the time of the Boer War the commandeering of her merchant ships for Government service by Great Britain led to a dearth of cargo carriers, and freight rates went up all over the world. When the American fleet of war ships went around the world, we had the mortifying spectacle of an armada belonging to one Nation accompanied throughout its entire journey by a host of the merchant ships of other Nations converted into auxiliaries, colliers, and supply vessels.

The editorial and other articles appearing continuously in all our newspapers, and the legislation recently enacted by Congress, as well as that now pending, all bear evidence that the attention of the whole Nation is at present aroused on the question of the restoration of the American merchant marine, so that we may be relieved from the apprehension of preventable crippling of our agricultural, industrial, and commercial interests by reason of international disputes over which we have no control. As this comes just as the United States has gradually developed its agricultural and industrial organization to the point where it is economically self-sufficient internally, it only remains for us to address ourselves to that which is the complement of this development by determining how to make ourselves completely self-sufficient externally through the organization of our transportation facilities on the high seas, so that hereafter we shall be able to minimize the effect upon us of international disturbances in which we are not participants. It needs no demonstration to show that it is as essential for us to be self-sufficient in shipping as in manufacturing and agriculture. Just how best to accomplish this is the problem which confronts us.

The numberless propositions which from time to time are submitted through the columns of the press, and the multitude of bills constantly being introduced into Congress, suggest a bewildering confusion of ideas upon the subject. Nor is this surprising when we consider its magnitude and complexity, and the possibilities and limitations of the construction, management, and operation of modern vessels. Even our system of government, admirable as it is in most respects, does not conduce to a solution of the problem. The reference of proposed legislation to congressional committees, whose membership, with few exceptions, changes every two years, as is the case in the House, does not provide us with a body of men trained to understand even the rudiments of the factors controlling the problem of the world's competition for the international carrying trade. This difficulty is aggravated by the fact that a large preponderance of our legislators come from communities far removed from the sea, who, in the nature of things, have had no opportunity either to understand or actually to realize the situation.

During the period from about 1860 to the present time the tonnage under our flag engaged in international trade has been relatively decreasing. It is a peculiar coincidence, however, that it is almost precisely during the same period, at least from 1870 to the opening of hostilities in the war now raging in Europe, that another nation, Germany, which previously had almost no merchant marine, has gradually become the second greatest international carrier, even threatening the supremacy of Great Britain, the leading maritime nation. This result has been attained by Germany through the efficient work of her legislative machinery, combined with the enterprise of her citizens. Her permanent national boards on marine, industrial, and commercial affairs include a number of the leading men in these fields of endeavor working in conjunction with representatives of the legislature, with a staff whose world-wide researches are made the basis of constructive legislation. Somewhat analogous is the policy of the British Government with its world-renowned board of trade. These permanent organs of government are cruelly practical, look facts squarely in the face, realize that the world is dynamic, not static, a process, not a structure, and recognize that the country looks to them to formulate policies which shall keep pace with the evolution of commerce and of transportation and communication, which has been going on with ever-accelerating speed within the past 40 years. The results which have accrued from the settled policy of these two nations should commend the attention of the American people to their methods of procedure. Our past experience shows that the greatest obstacle to a large increase in our international tonnage is a lack of the proper agencies to secure accurate information on a problem surrounded with forces in a state of ceaseless ferment.

While it is true that the total tonnage of the ships flying the American flag engaged in trade between the nations is scanty in comparison with that of vessels of Great Britain and Germany engaged in the same occupation, yet, contrary to public belief, the aggregate tonnage of the United States employed in all trades, including that between the ports of our enormous extent of seaboard on the oceans (including Porto Rico and Hawaii) and on the Great Lakes is great, so great, indeed, that this country takes rank as easily the second maritime nation of the world, surpassed alone by Great Britain. The figures compiled by the United States Government show the total tonnage of all craft over 100 gross tons now carrying our flag to be in round numbers over 8,000,000, of which about 3,500,000 trade between Atlantic and Gulf ports; about 3,000,000 on the Great Lakes; about 1,000,000 between Pacific ports, the remainder being engaged in trade between this and other countries. This is about one and one-half times as great as the combined foreign-going and coastwise tonnage of Germany, more than three times the total tonnage of Norway, and twice the total tonnage of France and Italy combined. While it is likewise true that Germany's tonnage is almost exclusively engaged in international trade—her coastwise tonnage being practically negligible—and that the coastwise tonnage of Great Britain is small relatively to the tonnage of that country engaged in international trade, yet the assumption is fallacious that because over six-sevenths of the gross tonnage of the United States is engaged in our coastwise trade the coastwise routes and shipping of this country are comparable to the coastwise routes and shipping of other countries. As a matter of fact, almost all the trades in which our coastwise tonnage operates bear a close analogy in length of routes and size of ships operated thereon to many of the international routes and to the size of ships operated thereon of foreign nations, and bear no resemblance to the coastwise shipping of Great Britain even, which has the greatest coastwise tonnage in the world outside of our own. The steamers engaged in the coastwise trade of Great Britain are almost all under 1,000 gross tons, the large majority being much under this, and but few of the routes approximate 300 miles in length.

A tabulation of some of the distances between American ports to and from which our steamers operate direct, and the size of the ships employed on these routes, will illustrate this:

	Miles.	Gross tonnage of ship.
New York to Honolulu	6,700	12,000
New York to San Francisco	5,217	12,000
San Francisco to Honolulu	2,031	12,000
San Francisco to Alaskan ports	2,000	3,500
New York to Galveston	1,742	6,000
New York to Porto Rico	1,407	10,000
New York to New Orleans	1,344	10,600
New York to Jacksonville	979	4,500
New York to Savannah	708	6,200
New York to Charleston	736	4,500
New York to Norfolk	320	3,800
Baltimore to Jacksonville	772	3,600
Boston to Savannah	844	6,200
Boston to Baltimore	705	3,600
Boston to Norfolk	533	3,600
San Francisco to Portland, Oreg.	400	5,000

Many of our coastwise routes exceed the distance of the routes traversed by British ships plying between ports in Great Britain and the ports of Norway, Sweden, Germany, Holland, Belgium, France, Spain, and even the Mediterranean ports, as well as the Baltic ports of Russia, the steamers covering these routes being classed, of course, by Great Britain as in the foreign trade.

The ships under the American flag in the international trades, excluding small craft, comprise less than 1,000,000 gross tons,

almost exclusively steamers engaged in line traffic running regularly between the same ports. In the trans-Atlantic trade there are six and in the trans-Pacific trade the same number, all very large ships. There are lines on the Atlantic and Pacific coasts trading between American and Cuban, Mexican, South American, and Canadian ports.

International carrying trade is a bargain in which no one can assume successfully to dictate all the terms. It is open to all nations, and it is impossible to compete there except on an equal basis. It behooves us, therefore, first of all to ascertain if our citizens are on a footing of equality with those of other countries, and if not, we must, perforce, so adjust ourselves as to overcome our disabilities if we may hope to fulfill the expectations of the country at large, and cease our search for a nostrum that will by magic produce a state of health. This should be done with sober consideration, and whatever legislation is enacted should be based on information accurately ascertained by men capable of grappling with the complexities of the problem without regard to the frantic and feverish clamors of amateurs charged with ardent emotionalism, and with less regard to the traditional dogmas of political parties adapted to economic conditions which belong to a dead era, otherwise no permanent headway will be made.

It is unfortunate that most of our people whose ideas form what is commonly designated as public opinion think in terms of the large Atlantic liners whenever they give consideration to merchant-marine affairs. Such steamers are most in evidence to the traveling public who pass through our large eastern seaports, and the size and magnificence of these craft make an emotional appeal to the eye and mind. Most of the large liners to-day in the international trades all over the world are under the British or German flags; in fact, Germany has a greater number of these large liners in proportion to her total tonnage than her rival.

Great Britain stands unrivaled, however, as the world's cargo carrier, and it is the tremendous number of her large and first-class tramp steamers, with their enormous cargo-carrying capacity, which gives her such a preponderance over every other country as a maritime nation. In all the seaports of this country, on both the Atlantic and Pacific, away from the usual berths of the large passenger steamers, the red ensign of Great Britain is everywhere in evidence, though hardly ever noticed by our traveling public. It would indeed be gratifying to every American to behold the United States flag at the stern of more of the large passenger liners than is now the case, but the most immediate need of this country is for cargo carriers, such as Great Britain possesses in abundance, so that our cotton, wheat, corn, and other products shall be carried in our own ships and the United States cease to be entirely dependent on the ships of other countries for this service. It is merely to scratch the surface of the problem to attempt to solve it by the acquisition of a few steamers running on regular routes with fixed schedule. The ship of the type of the tramp is the prime necessity in the international carrying trade, and the ownership and operation of this type of ship require a commercial machinery extremely complex. The tramp has no schedule. If a bad harvest in the United States cuts off the grain export, the tramp that has done the work in the North Atlantic may seek freight at the mouth of the Danube or South Russia, or in the Indian Ocean or the East Indies. Wherever freight is offering there she may go; for rice to Rangoon, for jute to Calcutta, or for sugar to Java. Much of the work of these vessels is of a seasonal character, a certain region shipping its products at a particular time only; California wheat is ready to ship at a different season from that of the Argentine Republic or India; the corn of the Mississippi Valley is ready to ship later than the wheat from the same region; there is a different sugar season for Hawaii, Peru, Java, Germany; there is a cotton season and a nitrate season, the latter being decided by the great demand for nitrate in the spring planting time of the Northern Hemisphere. It would be absurd, of course, to contemplate engaging in the international trade with this type of ship and to confine its operations to the carriage of our own exports and imports, for then the greater part of her time she would be proceeding in ballast, while her competitor of other nations roaming all over the world, with full cargoes most of the time and consequent greater earning power, would be able to underbid her in rate quotations on American cargoes.

Disregarding the numerous and spectacular theories submitted with complete assurance for public consideration by well-meaning but uninformed persons, a consideration of some of the plausible remedies advanced by reputable newspapers, prominent men, important chambers of commerce, and maritime associations, as well as practical steamship operators, amply demonstrate the difficulties encountered in any attempt to arrive at a diagnosis and obtain an infallible prescription for a cure of our present humiliating shipping status. These may be summarized as follows: (a) A revision of our antiquated navigation laws and the removal of all Government restrictions which handicap American shipping; (b) preferential duties on goods imported in American bottoms; (c) payment of subsidies, bounties, subventions, or mail contracts to American ships; (d) Government ownership and operation of ships.

In the present crisis in international relations the people of this coutry are in no mood to view complacently the familiar arguments which urge that it would be an economic loss to attempt to undertake to do for ourselves what the foreigner is able to do for us cheaper than we can. Even Great Britain, the great protagonist of free trade, has seen fit to abandon that cardinal principle of her economic policy when her interests were vitally in jeopardy, and has never adopted it where her shipping was concerned. The object lesson taught her by our Civil War, when her supply of raw cotton was cut off from the only source from which it could be procured, and the operatives of her cotton mills were starving from enforced idleness owing to a quarrel in which she had not interest and over which she had no control, has not been lost on her, judging by the strenuous efforts she has ever since been putting forth through grants of money by the National Government and by local commercial associations to stimulate the cultivation of this staple in her possessions in India, Egypt, and Africa. The opponents of this free-trade argument contend that while apparently sound it is based on too narrow a view of the problem, claiming that the ships of a nation are like the delivery wagons of a storekeeper, and no department store in the country would dream of intrusting to a rival the delivery of its own goods to its own customers. They furthermore point out that during the Napoleonic wars in Europe, when, between the Milan decrees of 1806 and the Berlin decree of 1807 of Napoleon, and the orders in council of the British Government of the same years, the United States, a neutral nation, suffered immensely in its trade at the hands of both contestants, although in no way involved in the issues at stake, demonstrated to the people of the United States that it was not advantageous to them to continue dependent upon European nations for most of their manufactured articles of consumption, contenting themselves with the production of raw materials, even though the foreigner could produce manufactured articles cheaper than they could themselves, in consequence of which they speedily readjusted their economic policy to overcome this.

Our navigation laws are contained in the national statutes pertaining to shipping and the rules of the supervising inspectors of steamboats made pursuant thereto, which have the force of law when approved by the Secretary of Commerce. Since the enactment of the statute of June 6, 1872, and subsequent amendments thereto, all materials of foreign production necessary for the construction of vessels built in the United States for the purpose of being employed in the foreign trade, or in the trade between the Atlantic and Pacific ports of the United States, or generally in the coastwise trade of the United States for not more than six months of each year, and all such articles necessary for the building of their machinery and all articles necessary for their outfit and equipment, may be imported free of duty. Until the passage of the act of August 24, 1912, all ships flying the American flag had to be built in American shipyards. By this act foreign-built ships were permitted to fly our flag if not more than five years old at the time of application for registry, but such ships had to confine their operations to trade with foreign countries or with the Philippine Islands. By the act of August 18, 1914, the restriction as to the limitation of five years has been removed, so that to-day foreign-built ships, regardless of age, are eligible to American registry to be engaged in the foreign trade. In the complete construction of but one large steel ship, the *Dirigo*, built by Arthur Sewall & Co., at Bath, Me., has the privilege of free foreign materials been availed of, and the results in this instance have not proven satisfactory. During the interval between the enactment of the statute of 1912 and the passage of the act of 1914 not a single foreign-built vessel made application for American registry, and thus far, January, 1915, during the operation of the latter act almost all of the 111 foreign-built ships, with an aggregate measurement of 396,990 gross tons, admitted to American registry are and have been owned by Americans. All of these ships have been operating from American ports, and notwithstanding that they have been officered by foreigners, these foreign officers have, perforce, been largely domiciled with their families in the United States, and as a necessary consequence the owners have been obliged to pay and feed them on a scale commensurate with that of the officers of similar ships under the American flag. In other words, the only reason for these American-owned foreign-going vessels being under foreign flags is due to the lower cost of foreign construction, from 30 to 40

per cent less than if built in American shipyards, with all that that involves in the way of earning dividends, providing for depreciation, and covering by insurance on the excess cost, and this having now been removed, there was nothing to interfere with the natural preference of the owners for their own national flag. To this limited extent the recent legislation has increased our tonnage without injury to our shipbuilding industry; but to claim this as even an approach to a solution of the problem is, of course, ridiculous, in view of the fact that more than 92 per cent of our exports and imports is carried in foreign bottoms. Furthermore, these foreign-built ships admitted to American registry by no means represent even the total number of vessels owned wholly or partially by Americans, a census privately taken a short time ago revealing 1,213,965 gross tons of shipping engaged in international trade owned and operated by Americans.

There are other legal restrictions which still remain as a handicap on American shipping, and though each is of minor importance yet it is contended that in the aggregate they interpose a formidable barrier against our capturing the share of the world's carrying trade to which we may legitimately aspire. By the statute enacted June 26, 1884, all the officers of vessels of the United States who have charge of a watch (which embraces all the licensed deck and engineer officers) must be United States citizens. British law has no such restriction, and aliens who have acquired certificates as officers can be employed on British ships, except those receiving allowances from the British Government by virtue of their being available in case of war as auxiliary cruisers, which are exceedingly few in proportion to the number of ships under the British flag. The effect of this statute is to restrict the number of licensed officers for American ships, and this inevitably tends to increase wages, so that the cost of operating an American ship owing to this legal restriction is increased. American ship officers, while admitting the greater liberality of British laws, insist that notwithstanding this practically all British licensed officers are citizens of Great Britain, few foreigners being able to avail themselves of the liberality of the law, owing to a lack of technical proficiency in the English language and the poor chance of securing a position even where able to qualify, or to retain a position when secured except under intolerable conditions. We should not be willing to change the law and lower thereby the pay of American officers, so that this provision of our statutes must be accepted as one of our conditions.

Under United States regulations there are 16 grades of marine engineer licenses for merchant steamers, varying according to routes and the type of engine. In Great Britain there are but two grades of certificates for licensed engineers required by law, with no variation as to routes and type of engine. It is significant that in the United States Navy, before the abolition of the Engineer Corps, but four grades of engineer certificates were provided for. To comply with legal requirements it takes at least six years to qualify for the position of chief engineer in the merchant marine of the United States, whereas in Great Britain this can be accomplished in a minimum of five years. As a matter of fact, it actually requires a longer period to qualify for this position on an American steamer than it would take the same man to become a physician or a lawyer even in those States where the requirements for admission to these professions are the most drastic. This, of course, likewise tends to restrict the market.

By the act of March 2, 1895, the admeasurement laws of the United States were brought into substantial accord with the laws of Great Britain and other maritime nations. They are not, however, precisely alike. The difficulty seems to arise not from lack of uniformity of the laws themselves, but from the varying constructions put by administrative officials in all countries upon certain phrases of marine architecture, such as "upper deck," "permanent closed-in space," "shelter space," "open to the weather," "under cover," etc., for which allowances have to be made in deducting from the ship's gross tonnage to arrive at her net tonnage. Mr. Robert Dollar, operating steamships on the Pacific coast and between Pacific ports and the Orient, some of which are under the American flag and others under the British, testified before a congressional committee that under the British rating one of his ships was classed as being 2,797 net tons, whereas if it were under the American flag it would be placed at 3,679, and that such a difference as this sometimes meant as much as $5,500 a year in wharfage, light, and other harbor dues, according to the foreign ports visited. In rebuttal the administrative officials of the United States Department of Navigation submit that according to American standards of measurement many ships are classed lower than they would be under foreign flags, dependent upon the build of the ship, and that British marine architects design ships to meet the requirements of the British administrative officials' methods so as to minimize the ship's tonnage.

American requirements as to the annual and other inspection of vessels are more or less mandatory, whereas the merchant shipping act of Great Britain is considerate, surveyors of ships in the performance of this duty being enjoined not unnecessarily to delay or detain a ship from proceeding on her voyage. This may mean a matter of considerable expense to an owner, for a ship when delayed for inspection is earning nothing to meet interest on investment or insurance and is under heavy expense for wages and subsistence of crew.

A ruling of the United States Steamboat Inspection Service of July 30, 1909, made it compulsory to have an auxiliary feed line enter all boilers of steam vessels through an opening and fitting entirely independent of the fitting and opening of the main feed. This requirement cost one steamship line $18,000. This is not required on foreign ships.

A ruling of the same bureau of June 30, 1914, requires fusible plugs fitted in all boilers of steam vessels except water-tube boilers. On one of our steamship lines it will be necessary to fit 1,160 plugs during the ensuing year at an initial cost of $5,120 and $2,500 annually for renewal, as they must be renewed every four months, not to mention the expense incident to the delay in carrying out these periodic requirements. No foreign country requires these fusible plugs.

American steamship operators complain that they are constantly being menaced with such governmental interference; that no sooner is one sweeping change precipitated, involving an expenditure of thousands of dollars per ship, than another order is promulgated, or a statute enacted by Congress, which necessitates the replacement of equipment just installed by other and different equipment, which, in turn, may as soon be ordered to be thrown aside and some other substituted; that it is impossible to expect to be able to compete with the ships of other nations under such conditions; and that the dread of these heavy expenditures makes American shipowners timid in their ventures. The Steamboat-Inspection Service retorts that these requirements develop as the result of actual experience in accidents aboard ship and that they are judged necessary for the safety of life at sea. The response to this is that Great Britain, Germany, France, Norway, and other nations are as much interested in the safety of life aboard their ships as we are aboard ours, and that if such requirements are absolutely necessary they should be made a matter of international agreement, so that all nations would be on a parity; otherwise, when we can not compete, the freight and passengers will be carried by the ships of other nations, and thus in an effort to regulate business ethics our purpose of building up our merchant marine will have been defeated.

By the act of March 3, 1913, American ships capable of engaging in international trade are required to carry one more licensed deck officer and one more licensed engineer than are required on British vessels. Repeated testimony was given before the Merchant Marine Commission that when vessels were transferred from the British to the American flag, or vice versa, the number of the unlicensed members of the crew were increased in the former case and decreased in the latter, showing that the local inspectors of steamboats at American ports invariably prescribe larger crews for American vessels than the Board of Trade Supervisors of Great Britain prescribe for similar ships when under their flag. It is contended, however, that while British law does not require these extra officers, British ships, as a matter of fact, carry them though they are not necessarily certificated officers. The license requirement, however, tends to limit the number of available men and thereby to enhance their wages. Where Chinese or coolie crews are carried an intelligent man of these races can be employed for such work, whereas if a licensed man is required such men would not be available. I point out this difficulty simply to show the obstacles and competition we must meet, not to suggest that we should lower our seamen's wages or employ Chinese or lascars, to which I am inherently opposed. An American marine manned by Chinese or lascars or by underpaid seamen would be of little worth. But we must find other ways of meeting such competition as that which I have described.

In addition to these legal impediments, there are other natural and artificial handicaps which weigh heavily on the American shipowner. Wages throughout the United States are higher than in any other country. This needs no demonstration. That the purchasing power of the American wage scale in the United States may or may not be greater than the purchasing power of the foreign wage scale in foreign countries does not help the American shipowner, who must pay higher wages to American ship officers and crews and at the same time compete with the ships of countries whose officers and crews

receive lower wages. The higher rates of wages prevailing in this country are doubtless in a measure due to our protective system, while the shipowner seeking to engage in the overseas trade has no protection in his favor. It is true that the American manufacturer has finally obtained a foothold in foreign markets in competition with foreign manufacturers, notwithstanding the higher wages paid the American operative, but this would not be possible were the Government to enact laws requiring a standard of employee with a certificate from the Government and regulating the number of employees in excess of that required by the foreign manufacturer. The American manufacturer's employees, if high-priced, are more efficient than the foreign lower-priced employees, and fewer of them are therefore required, and it is by this means and by improved standardization, by domestic competition, and by superior organization, that the difference in wages is counteracted. The fact remains, however, that Great Britain pays the highest wages in the world outside the new countries, such as the United States, Canada, Australia, and South Africa, and yet none of the other European nations with which she competes, all of which pay lower wages than herself, and some of which are almost as well developed commercially, has so far been able to wrest from her her supremacy.

The statutory standard scale of provisions on American ships is higher than those of other nations and must be and ought to be maintained. On American ships the food furnished generally has been much in excess of that prescribed by law, and is much better than the average workman ashore can afford to indulge in for himself and family, this being found necessary to attract and hold competent crews. Food is a matter of national taste, and doubtless the German, Italian, Japanese, or Chinaman is as well satisfied with the diet furnished him as he would be with the American bill of fare, but the higher standard of living obtaining throughout the United States, due to climatic conditions and the abundance and variety of our food supplies, imposes an expenditure upon the American shipowner that his competitor for the world's trade is not compelled to meet. This is another fixed condition which can not and ought not to be changed, but must be met by help in other ways.

It is even contended that a free trade or protective policy has no bearing on this problem, for while Great Britain is on a practically free-trade basis, her greatest rival on the high sea, Germany, is on a highly protective basis.

The statement and the tables which I have presented cover the points in the navigation laws which I wish to put into the RECORD, so that what our difficulties were may be seen. Some are of a character growing out of our condition, which we would not change if we could and which we could not if we would. As to others, there could be valuable modifications made in the law.

I now come to the second alternative proposed for the upbuilding of our merchant marine.

To overcome these disabilities of the American merchant marine the policy of exacting lower tariff rates of duty on goods imported in American vessels is extensively advocated, the leader of the Democratic Party in the lower house of Congress, Mr. UNDERWOOD, being particularly enamored of this remedy. This has the disadvantage that it might lead to retaliation on the part of foreign nations discriminated against, though a greater objection is that most of the commodities imported by us from South American countries, particularly, whose trade we seem to be most eager of all to capture, are on the free list; and, of course, there can be no such discrimination in our exports for the reason that the United States Constitution prohibits a tariff of any kind on these. It is even claimed by statisticians that, despite our high protective tariff, about 45 per cent in value and about 65 per cent in bulk of all our imports are nondutiable. If these figures are correct it is difficult to understand the potentialities of this scheme. The discriminating duties, as the report of the Mercantile Commission shows, are practically out of the question and would be wholly fruitless. They would be enormously expensive, by loss of revenue, which they would occasion, and they would bring no result, because they would be, as I have said, met at once by retaliatory duties in other countries.

The next alternative, providing for the payment of subsidies of large mail allowances, has been for a long time in issue between our political parties, and upon this they seem to have arrived at a deadlock. I wish to dwell here for a moment on the general question of subsidy.

I have heard it stated here and there that it was the duty of the Republicans not only to oppose this Government ship ownership bill, but to propose a measure in its stead. Memories are short. Why, Mr. President, the Republican Party for the last 20 years has been doing nothing in this direction, except presenting measures for the encouragement of the merchant marine, and the method and policy they have adopted has been the method and policy of subsidy. Such American ships of consequence in the foreign trade as to-day fly our flag are there solely because they receive very modest mail subsidies. That is all that ever put them there or ever kept them there. That is the policy of the Republican Party; it always has been; and it is to-day. We offer that as a policy in contradistinction to the one proposed of Government ownership.

The United States to-day pays no direct subsidies to steamship lines, but does indirectly subsidize, as I have just said, some of her steamship companies by liberal mail allowances. Under the general statute for the sea conveyance of United States mails, steamers flying the American flag are paid 80 cents a pound for letters and postcards and 8 cents a pound for other articles, as against 35 cents a pound for letters and postcards and 4½ cents a pound for other articles when carried by ships under foreign flags. Under the ocean-mail act of March 3, 1891, contracts are made for the carriage of mails on American steamers, the remuneration being on the basis of mileage and the speed of the steamers, regardless of the quantity of mail carried. There are at present six of these contracts—two being from New York to Venezuela, one from New York to Southampton, England, one from New York to Mexico and Havana, Cuba, one from Boston to Jamaica, and one from San Francisco to Australia. The total payments for these six contracts for last year amounted to $1,144,630, an excess of $157,818 over the sum that would have been allowable to the beneficiary companies even at the 80 cents and 8 cents rates under the general statute if they had not been under contract arrangement and had conveyed the same amount of mail matter, and, of course, a much larger excess if these mails had been carried at the rates paid to foreign steamship lines. Certain burdensome conditions, considered to be of advantage to the Nation, have to be fulfilled by the steamers participating in these mail contracts, which it is claimed offset the excess amount paid for the service.

Let us now consider what is done by foreign countries in this direction. Great Britain pays $1,500,000 annually to merchant seamen enrolled in her naval reserve, $350,000 as annual retainers for the seamen who drill seven days a year with the fleet, and $95,000 a year to merchant seamen as Royal Naval Volunteers. These appropriations, while intended primarily to provide a supply of seamen upon which the navy may draw to obtain the crews to man the war vessels during hostilities, are of much assistance to the merchant marine. Great Britain also pays admiralty subventions amounting to about $400,000 annually to about 20 fast steamers, built according to Government plans and specifications, so that they can be readily converted into auxiliary naval cruisers. In addition to this, the Cunard Line receives an annual subvention of $729,999, in return for which the Government requires the right to purchase or lease any vessel owned by that company; and when the fast ships of the German lines had eclipsed the Cunard steamers in speed and the supremacy of British shipping on the north Atlantic was challenged, the British Government lent to the Cunard Co. $12,660,000 at 2¾ per cent for the construction of the steamers *Lusitania* and *Mauretania*. All of these allowances by the British Government are exclusive of payments made for the carriage of mails, which are on a liberal scale. In Germany the North German Lloyd Co. receives about $800,000 annually for maintaining a service between Germany and East Asia, and over $500,000 annually for a service between Germany and Australia; the German East Africa Co. receives $321,300 annually for a service between Hamburg and Cape Town; in return for these payments these companies carry mails, though there is no pretense that the cost of doing so is commensurate with the sums paid. France disburses over $6,000,000 annually in payment of bounties to shipowners and shipbuilders; Italy pays navigation bounties of over $60,000 annually; and Spain, $1,300,000 annually; Austria and Russia refund all Suez Canal dues disbursed by their steamers, amounting to $375,000 and $334,750 annually, respectively; and France makes a special allowance to her ships for canal tolls. Not a single British or German tramp ship receives monetary assistance from the Government. These vessels, however, share in the general policy of national encouragement of shipping, as they have been constructed in shipyards and their engines built in machine shops developed by the grants to the large steamship lines.

Whether the payments made by Great Britain and other foreign countries to their shipowners and seamen can be termed subsidies has been a subject of much debate in this country. It is doubtless true that the British contract mail system, in operation in some of its features for about 80 years, is theoretically political and military, but it has none the less helped to develop British shipping, shipbuilding, and commerce, as it was intended that it should do. Bounties, subsidies, or sub-

ventions are all terms used for payments made for some kind of value received, irrespective of the policy which may be involved—in one case the carriage of mails, in another the maintenance of national defense, or yet another the encouragement of trade—and it sometimes occurs that where a given sum is granted as a subsidy it is very difficult to analyze it into its component parts and say that so much of it is paid as a postal subsidy, so much for admiralty purposes, or so much for the encouragement of trade. British policy has usually been to subsidize ships for postal or admiralty purposes only and to exclude all consideration of trade interests, but even in the British case rapid postal communication has mainly, and in fact necessarily, followed the lines of great commercial traffic. There seems to be little doubt that a general result of these mail subsidies has been that the fast mail ships have developed a trade for the company which warranted the employment later on of intermediate passenger and cargo steamers.

It is odd that the greatest opponents of subsidies to American ships, the residents of the interior of the country, are unanimously in favor of the maintenance and extension of our rural post delivery, although the Post Office Department reports that this service now costs $53,000,000 annually and returns but $10,000,000; and with similar inconsistency these same people are demonstratively enthusiastic for the construction at national expense of mammoth reclamation projects for the benefit of the farmers of the arid West.

Some writers contend that as a nation's merchant marine increases so her commerce expands; that trade follows the flag, and that every ship is a missionary of trade. Belgium, however, has imports and exports which reach about $1,750,000,000 a year, yet she has no navy and her merchant marine comprises but 97 steamers, with a total gross tonnage of 176,000; Holland has a small navy, and its merchant marine consists of but 376 steamers of 576,000 gross tons, yet she has a foreign trade of about $2,500,000,000 annually. Even our own experience would seem to contradict the aphorism, in that with an export and import trade of about $4,250,000,000 annually, we have less than 1,000,000 gross tons of shipping engaged in overseas trade.

The remedy proposed in the Government ownership and operation of ships put forward by the present administration, with the naïve announcement that the project is submitted as a substitute for the alternative methods of subsidy, bounty, subvention, etc., which the Democratic Party is and always has been uncompromisingly opposed to, may seem exceedingly specious on the surface, but is simply a pretext and a disguise. That such a scheme is not akin to a subsidy is, of course, pure subterfuge, not entitled to serious refutation. Only the most unsophisticated could fail to perceive this. Practical men are under no delusions as to ventures of this kind. However, it is unnecessary to speculate upon this point. The Government is already in the steamship business in its ownership and operation of the steamship line of the Panama Railroad Co. This line operates six large steamers between New York and Colon, the Atlantic entrance to the Panama Canal, and does not confine its operations to the carriage of canal supplies, but carries on a general steamship business, connecting with other steamship lines for the through carriage of freight and passengers.

The vice president of this line testified last August, before the Committee of the House of Representatives on Naval Affairs, that four of the steamers operated by the line, two of which cost $650,000 each and the other two $750,000 each, had been lent to the steamship company for a period of years by other Government departments without charge for charter, or without any obligation on the part of the steamship line to provide for depreciation, insurance, or interest on the value of the ships, in consideration that the rates on cement carried by the line for the construction of the canal would be at a figure lower than could be secured from outside foreign lines. He also stated that on the two steamers owned by the line no provision had ever been made for insurance or interest on investment. In explanation of the terms under which the four Government ships had been lent to his line, he stated that it had been considered that the difference between the normal and the reduced rate of freight charged on Government supplies equaled the charges of interest and depreciation (of course, the Government never insures any of its property; losses being made up by appropriations where there is no accrued surplus), and there was therefore no necessity for taking money out of one pocket of the Government and putting it into another. An analysis of the relations of this steamship line with the Government in this transaction demonstrates that, in its most successful year, with a preference in the carriage of supplies for the construction of the canal assuring constantly full cargoes, and even allowing to the steamship line on the large quantities carried by it the highest rates charged by outside lines on smaller quantities, with large mail payments at more than double the rates payable to foreign lines for the same service, and a complete control of a large passenger traffic embracing canal employees on recurring furloughs, the Panama steamship line, if it had to provide for depreciation, interest, and insurance on all its floating equipment, can not make a better showing than other American steamship lines with few, if any, of these advantages. This is all the Government ownership and operation of steamship property has to offer in return for its destruction of individual initiative, a Nation's greatest asset. Furthermore, the most extreme advocates of the necessity of governmental assistance to American steamship lines to enable them to compete successfully with foreign lines, need theorize no longer; the Government has furnished in the operation of this Panama steamship line the most complete and conclusive demonstration that without such assistance it is impossible to earn a living wage. This doubtless explains the absence of shipowners at the recent hearings of the Committee on Merchant Marine and Fisheries of the House of Representatives on the Government ownership bill now pending before Congress, when not a single one appeared in response to the invitation sent out by the committee; apparently, shipping men are waiting for the activities of the Government in the domain of commerce to be diminished, rather than increased. The maintenance of a merchant marine and the exploitation of the markets of the world, correlated activities, attract the minds of men versed in the intricacies of business enterprise, but with the threat of Government competition private capital will inevitably retire from an unequal contest. The most sincere votaries of Government ownership and operation of public utilities shrink from the proposition that the Government embark in this world-competitive enterprise, realizing that either the public would have to face an enormous deficit to sustain it, or that the wages of crews would have to be reduced.

The many bills before Congress in relation to our shipping attest the lack of proper coordination. It is one thing to set forth a policy for the stimulation of the American merchant marine—I believe in the subsidy policy, which every other civilized maritime nation except ours has adopted—but there is a great deal more to do in order to build up that marine, and it is for that reason that I say that we need better coordination of the authorities called upon to deal with the marine. It is for that reason I am going to point out what the two great maritime nations, Great Britain and Germany, have done in this direction.

In Germany the quays and wharves, sidings, railway connections, warehouses, arrangements for loading and unloading, with special areas set aside for industrial plants adjacent to the wharves, are treated as a comprehensive whole. The German method of having a proportion of its governmental boards appointed from the membership of chambers of commerce or kindred bodies is not adapted to our system of administration; there are historical and traditional reasons which would prevent the people of this country from accepting this idea, even though the functions of such appointees were merely consultative. It savors too much of the relation of guardian to ward or counsellor to client. The British system, which is a compromise between our own and the German method, would be more acceptable to the people of this country. The Board of Trade of Great Britain is practically the censor of the lawmaking power of that nation in connection with its merchant marine, and we never hear of any friction between that body and Parliament, for the reason that the latter has confidence in the experts of the former, who are selected for their experience and special fitness. The work now being performed by our Department of Labor, since its dissociation from the Department of Commerce, in its investigations already completed and those now being undertaken, are evidence of what might be expected by a similar policy in favor of our merchant marine. That all the marine affairs of our Nation might be properly correlated there should be a bureau or a department which should have jurisdiction not only of the work now being performed by the Bureau of Navigation, Steamboat-Inspection Service, and shipping commissioners, but also that of the Bureau of Life Saving, Lighthouses, Marine Hospitals, Anchorage Grounds, Coast and Geodetic Survey, Weather Bureau, hydrographic work, and even over our rivers and harbors.

I have advocated no particular method in what I have said as to how to overcome the difficulties which for the past 50 years have proved an insurmountable obstacle to this country regaining its former ascendancy on the ocean.

I have stated the Republican policy in general terms. I have no time to go into the details in support of it, but I wish to

make this one further suggestion, that complex as the conditions are—and I am now going beyond the remedy of subsidies—they are not beyond the possibility of comprehension or remedy; Great Britain and Germany have not found them so. The one suggestion, apart from the Republican policy which I have mentioned, is that this country should have a permanent bureau or department of marine. Should the investigations of such a department as is here outlined demonstrate that it would be impossible to realize our national aspiration for the restoration of our merchant marine to a point commensurate with our importance as a world power except under conditions which we would not be willing to incur, it would thereafter be incumbent upon us to cease bewailing our maritime impotence and to resign ourselves to an acceptance of all that the consequences imply. The country would then, however, at least understand the problem, which there is abundant contemporary evidence is not now the case. It is certain, at least, that such difficult conditions and such complex problems can not be met by a crude bill hastily prepared by men who have never investigated the subject. Whatever else this bill may do, it will not build up the American merchant marine.

There will never be any private competition where Government-owned ships run. On those routes American private vessels would be excluded. It is impossible to compete with a competitor who is willing to incur indefinite losses, because the taxpayers of the country pay the losses.

Mr. President, I had intended to ask leave to put in some extracts from the report of the Merchant Marine Commission as showing the difference in costs with which we had to contend; but I have spoken more than two hours, and I do not mean to burden the Senate or myself this afternoon by going further into statistics of that kind. I shall reserve them for another opportunity. I wish, however, in conclusion, to make one or two observations of a general character.

In the first place, I wish to emphasize the absolute futility of this bill as a means to give any real relief whatever to the present situation except to the favored few who succeed in getting their products on board Government-owned ships. Unless the real purpose of this bill is simply to buy the German ships in order to give to the German lines, the German war bank, which has taken them over, and the bankers interested in them on both sides of the Atlantic, thirty or forty millions of the money of the American people—which I am slow to believe, because it would be an unneutral act of a flagrant kind, and due to the worst possible motives—if this is not the case, then the only ships in the German collection in any degree or under any possible pretense fit for the alleged purposes of this bill would be the freight boats of the Hamburg-American Line.

The total tonnage of those boats, 10 in number—I gave the list the other day—is 56,504 tons. If we add the two Hanser boats, 10,621 tons, we have 67,125 tons as the total tonnage of the German ships, for the most part too old, too small, and too obsolete for the trans-Atlantic trade, as all that are available among the German ships for the alleged purposes of this bill. As a mere business proposition it would be monstrous to load the taxpayers of the United States with such boats as these, unfit for the service desired and bought at war prices, twice or three times their real value.

Mr. President, in what I have said to-day I have tried to discuss the question of freight rates. I have also tried to show very inadequately, because it is an immense subject, something in regard to the economic features of this proposition. I have sought to point out that it would have no effect in building up American shipping; that on the contrary it would contract it; that it would be run at a loss to the Government, and the losses would be paid by the taxpayers. But, Mr. President, all these objections, the deep objections which I have to Government ownership, the grave objections which every consideration of this bill from the economic point of view presents, all these are as nothing, as dust in the balance, compared to the dangers involved in this bill by the plan of buying those German ships or any of them, or English ships or any of them, or any belligerent ships at all. Whatever relief you could give to a small number of shippers would be nothing in comparison with the ills which you will bring upon the country by this attempt.

Mr. President, I am no alarmist by nature, but I am alarmed, deeply alarmed, by the possibilities contained in this bill. Here we are in the last days of a dead Congress, whose successors have been elected, trying to crush through, with all the force of a majority reckless of consequences, a bill which uncontradictedly proposes to buy ships which have escaped to our ports for the purpose of avoiding capture. The President can find no popular mandate for a literacy test in the immigration bill, and stated, out of the abundance of his knowledge, that it had never been proposed by a political party. It was proposed in precise terms, as the Senator from New Hampshire [Mr. GALLINGER] has shown, by the Republican Party in 1896. We went to the country on that and the other issues of the day and were not defeated. The test has received the support of overwhelming majorities in two Congresses of both Houses and Senate, but apparently in the President's mind the Members of the House and Senate are men who get together here and vote their own fanciful opinions without any regard to the constituencies behind them.

It has been my observation, Mr. President, extending over a number of years now, that the Members of the House and Members of the Senate generally try to represent what they believe to be the opinions of their constituencies. Perhaps an occasional thought of reelection drifts across their minds and leads them to seek to fulfill the wishes of their constituency. The view of the President, however, seems to be that we represent nothing, and that is a very natural view for him to take in the process of converting us into a machine of record.

There certainly is no popular demand that I know of behind this bill, and no party ever suggested it, for this condition of a world war and no American merchant marine never existed in conjunction before. That is the measure and those are the circumstances under which we are asked to pass a bill which, if carried out by the purchase of belligerent ships, imprisoned German ships escaping from capture, will bring us into international complications of the gravest kind. Great Britain has protested against the sale of the *Dacia* and the transfer of her flag; and her view of the transfer of belligerent flags to neutrals in time of war has been a liberal view, like our own. Her view and ours upon this question have always been much the same.

Mr. GALLINGER. Mr. President, will the Senator permit a question?

Mr. LODGE. Certainly.

Mr. GALLINGER. I will ask the Senator if he knows why the *Dacia* does not sail?

Mr. LODGE. Mr. President, it is not fair for the Senator from New Hampshire to ask me, ignorant as I am of the purposes of this administration, to rend the veil of mystery and secrecy which overhangs the conduct of our foreign relations covering them with a darkness which is not equaled, I think, in any European Government to-day. I do not know why they do not let the *Dacia* go; but I know that Great Britain has taken a position, as stated in the newspapers this morning, against the *Dacia's* being allowed to go. England holds that it is not at all a question of whether the sale of the *Dacia* is a bona fide sale for commercial purposes. She is an imprisoned ship. By taking our flag she escapes from the danger of capture under which she now rests; and that, to the extent to which it goes, is a change in the balance of conditions created by the war, and on those sound grounds England would not recognize it.

Russia and France have made a protest—I think they made it more than once—a formal protest, going much further, adhering to the old doctrine of France, Russia, and Germany that after the outbreak of hostilities the transfer of a belligerent flag to a neutral can not be recognized. Those protests are here in the State Department. It means that if those ships go out of our ports after the Government has bought them, flying the American flag, France and England and Russia will decline to recognize that they are American ships, but will regard them as German ships, good prize, liable to be captured, or to be sunk if they resist.

The Senator from Montana [Mr. WALSH], in his very able speech—and he always speaks with great clearness and force and cogency in dealing with a large question of international law—after demonstrating what I think we all admit, that the English doctrine and our doctrine have been much more liberal in this respect than the continental doctrine, the French, German, and Russian doctrine, then said—I do not pretend to quote him exactly, but substantially—that it was unbelievable that England, at a moment's notice, would change her attitude. All these powers are now operating, be it remembered, under the terms of the declaration of London—that is, as between themselves; and under the specific terms of the declaration of London, as the Senator from Utah showed only a little while ago, every one of these ships that were avoiding capture in our ports is liable to be treated as a ship whose flag has not been transferred after we as a Government or some of our citizens have purchased her. But more than that, Mr. President, how can anyone say that England would not change her long-maintained doctrine? Have we so utterly forgotten our own history?

Why, Mr. President, there are plenty of men in this Chamber who can recall, as boys at least, the *Trent* affair, which brought

this country to the very verge of war with England. Lord Palmerston began by saying—supposing at the moment that a vessel with the envoys was likely to be stopped in the Channel—that he did not see how England could make any objection, because that was English doctrine for which they had gone to war with us in 1812. Then came news of the *Trent* affair. Under the stress of that incident they first shifted to the extraordinary proposition that it would have been no breach of international comity, no hostile act, if Commodore Wilkes had captured the ship and taken it into port; but even English Crown lawyers could not stand on that theory very long, and they came in a few days straight to the ground for which we had gone to war in 1812, that the flag covered the ship, and that we could not permit a belligerent to take men out of her. The ministry adopted our doctrine, and we were on the verge of war with England during those bitter 40 days when Lincoln was trying to extricate us, as he did extricate us by his wisdom and courage. England had shifted in a moment the doctrine for which she had fought and which she had maintained ever since 1812.

When nations are fighting for their lives, when they think their most vital interests are endangered, they are not likely to permit an enemy to receive the most powerful aid which a neutral is capable of giving. They will take a great risk before they will accept it.

I have heard it said that it is the belief of this administration that if we should buy those ships and send them abroad, when it came to the point England and France and Russia would not do what they say they will do, because they will be afraid of offending us. Why, Mr. President, that is the same idea that took us down to Vera Cruz—the idea that nobody in Vera Cruz would fight. Any man who did not think the facts ought to be made to suit his will would have known that the people of Vera Cruz would fight, and they did fight, and we floundered into bloodshed there, with the loss of 19 American lives and about a hundred Americans wounded, and two or three hundred Mexicans killed and wounded. If you are going to depend upon the theory that people will not resist when all that is dear to them is at stake, you are making a most fearful mistake. If we go on under this bill and buy those ships, I say in all soberness—for it is this which makes me so intense in my opposition to this bill—if we go on and buy those German ships and try to sail them under the American flag when they are ships escaping capture in an American port, you have started this country on the highway to war, not with one nation, but with four.

Tables referred to in speech giving rates taken from actual manifests of ships sailing from the port of Boston.

LIVERPOOL.

		Number of sailings.	Cargo capacity (tons of 40 cu. ft.).	Grain (cents per 60 lbs.).	Flour (cents per 100 lbs.).	Knit goods (cents per 40 cu. ft.).	Wearing apparel (cents per 40 cu. ft.).	Boots and shoes (cents per 40 cu. ft.).	Leather (cents per 100 lbs.).	Meats (cents per 100 lbs.).	Hog products (cents per 100 lbs.).	Butter (cents per 100 lbs.).	Cheese (cents per 100 lbs.).	Eggs (cents per 40 cu. ft.).	Fish, canned (cents per 100 lbs.).	Cotton (cents per 100 lbs.).	Wool (cents per 100 lbs.).	Cotton waste (cents per 100 lbs).	Tobacco (cents per 100 lbs.).	Machinery (cents per 40 cu. ft.).
June	1913	5	70,500	6½–6¾	16	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	25	28.13	33–40	37	4.10–6.30
	1914	7	97,000	2½–3	10	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	12–15	42.19	43–50	None.	4.10–6.30
July	1913	7	96,000	3–6½	14	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	25	28.13	33–50	37	4.10–6.30
	1914	4	54,000	3–4	10–12	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	12	42.19	43–50	None.	4.10–6.30
August	1913	6	85,000	4–5½	14–16	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	None.	28.13	33–40	37	4.10–6.30
	1914	4	54,000	4–8	12–14	4.10	5.68	4.42	45–50.63	33¾	33¾	50.63	45	None.	33¾	None.	42.19	33–40	None.	4.10–6.30
September	1913	5	69,000	2½–6	14–16	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	25–30	28.13	33–40	37	4.10–6.30
	1914	3	32,600	3	12–23	4.10	5.68	4.42	45–50.63	33¾	33¾	50.63	45	None.	33¾	None.	42.19	43	None.	4.72–6.30
October	1913	5	69,000	3–5½	15	3.46–3.78	4.42	3.78–4.42	33¾	22½	22½	33¾	28.13	None.	22½	25	33¾	33–40	37	4.10–6.30
	1914	4	59,500	4–6½	12–21	3.46–4.42	5.68	4.42	45–50.63	33¾	33¾	50.63	45	6.30	33¾	30	59–67	42–43	31	4.72–6.30
November	1913	5	70,000	4½–6	15	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	24–30	33¾	33–40	37	4.10–6.30
	1914	4	41,800	6½	18–20	4.10–4.72	5.68	4.10–5.04	45–56¼	33¾	33¾	50.63	45	6.30	33¾	30–35	59–67	43–53	31–40	5.33–7.55
December	1913	4	53,000	4–6	15	3.46	4.42	3.78	33¾	22½	22½	33¾	28.13	None.	22½	20–30	33¾	43–50	37	4.10–6.30
	1914	4	44,900	10–10½	14–18	5.04	5.68	5.04	56¼–67½	33¾	33¾	50.63	45	6.30	33¾	30–55	65–75	53–60	40	5.98–10.08

LONDON.

		Number of sailings.	Cargo capacity (tons of 40 cu. ft.)	Grain (cents per 60 lbs.).	Flour (cents per 100 lbs.).	Knit goods (cents per 40 cu. ft.).	Wearing apparel (cents per 40 cu. ft.).	Boots (cents per 40 cu. ft.).	Shoes (cents per 40 cu. ft.).	Leather (cents per 100 lbs.).	Meats (cents per 100 lbs.).	Hog products (cents per 100 lbs.).	Butter (cents per 100 lbs.).	Cheese (cents per 100 lbs.).	Eggs (cents per 40 cu. ft.)	Fish, canned (cents per 100 lbs.).	Cotton.	Wool (cents per 100 lbs.).	Cotton waste.	Tobacco (cents per 100 lbs.).	Machinery (cents per 40 cu. ft.).
June	1913	2	27,000	6½–7	14	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.52	30.94	4.42	22½	(1)	33¾	(1)	35	4.10
	1914	2	20,000	3	10	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.56	30.94	4.42	22½	(1)	33¾	(1)	35	4.10
July	1913	2	20,000	3½–3½	14	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.56	30.94	4.42	22½	(1)	33¾	(1)	35	4.10
	1914	2	22,000	3–4½	13	3.46	4.42	3.78	3.78	28.13–33¾	28.13	28.13	36.56	30.94	4.42	28.13	(1)	39.38	(1)	35	4.10
August	1913	2	22,000	4–5	16	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.56	30.94	4.42	22½	(1)	39.38	(1)	35	4.10
	1914	1	10,000	3	13–16	3.46	5.68	4.42	4.42	28.13–33¾	28.13	28.13	53.44	47.81	4.42	28.13	(1)	45	(1)	45	4.10
September	1913	2	22,000	4	18	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.56	30.94	4.42	22½	(1)	39.38	(1)	35	4.10
	1914	1	10,000	5	16–18	4.10	5.68	4.42	4.42	45	33¾	33¾	53.44	47.81	6.30	33¾	(1)	45	(1)	45	4.42
October	1913	3	32,000	4–5½	18	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.56	30.94	4.42	22½	(1)	45	(1)	35	4.10
	1914	1	10,000	7	18–20	4.10	5.68	4.42	4.42	45	33¾	33¾	53.44	47.81	6.30	33¾	(1)	56¼	(1)	62	5.04
November	1913	2	22,000	4½–6½	18	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.56	30.94	4.42	22½	(1)	45	(1)	35	4.10
	1914	3	29,000	7–10	18–20	4.72	5.68	5.68	5.68	45–56¼	33¾	33¾	53.44	47.31	6.30	33¾	(1)	56¼–67½	(1)	62	5.04–6.30
December	1913	2	20,000	5–6	20	3.46	4.42	3.78	3.78	28.13–33¾	22½	22½	36.56	30.94	4.42	22½	(1)	45	(1)	35	4.10
	1914	2	22,000	10–14	18–22	5.68	5.68	5.68	5.68	67½–78¾	33¾	33¾	53.44	47.31	6.30	33¾	(1)	90	(1)	62	6.30–7.56

[1] Not shipped to London.

MANCHESTER.

		Number of sailings.	Cargo (capacity tons of 40 cu. ft.).	Grain (cents per 60 lbs.).	Flour (cents per 100 lbs.).	Knit goods (cents per 40 cu. ft.).	Wearing apparel (cents per 40 cu. ft.).	Boots (cents per 40 cu. ft.).	Shoes (cents per 40 cu. ft.).	Leather (cents per 100 lbs.).	Meats (cents per 100 lbs.).	Hog products (cents per 100 lbs.).	Butter (cents per 100 lbs.).	Cheese (cents per 100 lbs.).	Eggs (cents per 40 cu. ft.).	Fish, canned (cents per 100 lbs.).	Cotton (cents per 100 lbs.).	Wool (cents per 100 lbs.).	Cotton waste (cents per 100 lbs.).	Tobacco (cents per 100 lbs.).	Machinery (cents per 40 cu. ft.).
June	1913	2	15,000	3	14	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	25	33¾	50	37	4.10
	1914	2	15,000	2½	10	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	25	33¾	40	31	4.10
July	1913	1	10,000	3	14	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	25	33¾	50	37	4.10
	1914	2	15,000	3–3½	12	3.46	4.42	3.78	3.78	22½	28.13	28.13	50.63	45	3.76	22½	25	33¾	40	31	4.10
August	1913	3	22,000	3½–4½	16	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	25	39.38	50	37	4.10
	1914	1	7,800	3½	12	3.46	5.68	4.42	4.42	22½	28.13	28½	54.63	45	3.76	28.13	25	39.38	40	31	4.10
September	1913	2	15,000	3	16	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	26	45	50	37	4.10
	1914	1	3,400	4	19	3.46	5.68	4.42	4.42	45	33¾	33¾	50.63	45	6.30	33¾	30	45	40	31	4.42
October	1913	1	8,000	5–6	18	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	26–30	45	50	37	4.10
	1914	1	7,800	6	20	4.10	5.68	4.42	4.42	45	33¾	33¾	53.44	47.81	6.30	33¾	30	56¼	40–60	31	5.04
November	1913	2	15,000	6	18	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	25–30	45	50	37	4.10
	1914	3	27,000	6½–7	20	4.10	5.68	5.68	5.68	45–67½	33¾	33¾	53.44	47.81	6.30	33¾	30–50	67½	40–70	40	5.04–6.30
December	1913	2	15,000	5½–6	18	3.46	4.42	3.78	3.78	22½	22½	22½	33¾	28.13	3.76	22½	21–30	45	50	37	4.10
	1914	3	20,000	10–14	21	5.68	5.68	5.68	5.68	67½–78¾	33¾	33¾	53.44	47.81	6.30	33¾	50–60	90	40–75	60	6.30–7.56

Tables referred to in speech giving rates taken from actual manifests of ships sailing from the port of Boston—Continued.

GIBRALTAR, NAPLES, AND GENOA.

		Number of sailings.	Cargo capacity (tons of 40 cu. ft.).	Grain (cents per 60 lbs.).	Flour (cents per 100 lbs.).	Knit goods (cents per 40 cu. ft.).	Wearing apparel (cents per 40 cu. ft.).	Boots and shoes (cents per 40 cu. ft.).	Leather (cents per 100 lbs.).	Meats (cents per 100 lbs.).	Hog products (cents per 100 lbs.).	Butter (cents per 100 lbs.).	Cheese (cents per 100 lbs.).	Eggs (cents per 40 cu. ft.).	Fish, canned (cents per 100 lbs.).	Cotton (cents per 100 lbs.).	Wool (cents per 100 lbs.).	Cotton waste (cents per 100 lbs.).	Tobacco.	Machinery (cents per 40 cu. ft.).
June	1913	2	10,000	.....	19.12–30.12	.....	(1)	7.56	(1)	33¾–39.38	33¾–39.38	None.	None.	None.	28.13	None.	None.	40	.....	6.30
	1914	2	10,000	None.	None.	.....	(1)	7.56	(1)	33¾–39.38	33¾–39.38	None.	None.	None.	22½	27½	None.	40	.....	6.30
July	1913	1	4,000	.....	30.94	.....	(1)	7.56	(1)	33¾–39.38	33¾–39.38	None.	None.	None.	28.13	None.	None.	None.	.....	6.30
	1914	1	4,000	.....	30.94	.....	(1)	7.56	(1)	33¾	33¾	None.	None.	None.	22½	None.	None.	40	.....	6.30–7.56
August	1913	None.	None.	None.	None.	None.	(1)	None.	(1)	None.	None.	None.	None.	None.	None.	None.	None.	None.	None.	None.
	1914	1	4,000	(1)	None.	(1)	(1)	7.56	(1)	None.	None.	None.	None.	None.	33¾–39.38	None.	None.	None.	(1)	8.20
September	1913	2	10,000	(1)	None.	(1)	(1)	7.56	(1)	33¾–45	33¾–45	None.	None.	None.	28.13	35–40	None.	40	(1)	6.30
	1914	None.	None.	(1)	None.	(1)	(1)	7.56	(1)	33¾	33¾	None.	None.	None.	33¾	None.	None.	None.	(1)	6.30–8.82
October	1913	1	4,000	(1)	28.13	(1)	(1)	7.56	(1)	33¾–45	33¾–45	None.	None.	None.	None.	40	None.	40	(1)	6.30
	1914	1	4,000	(1)	28.13	(1)	(1)	8.82	(1)	None.	None.	None.	None.	None.	33¾	None.	None.	None.	(1)	6.30–8.82
November	1913	2	10,000	(1)	30.94	(1)	(1)	7.56	(1)	33¾–39.39	33¾–39.38	None.	None.	None.	33¾	30	None.	40	(1)	6.30
	1914	2	10,000	(1)	30.94–36.56	(1)	(1)	11.34	(1)	56¼	56¼	None.	None.	None.	39.38	70–80	None.	75–90	(1)	9.45
December	1913	1	6,000	(1)	None.	(1)	(1)	7.56	(1)	33¾–45	33¾–45	None.	None.	None.	28.13	30	None.	40	(1)	6.30
	1914	1	4,000	(1)	36.56	(1)	(1)	11.34	(1)	50.63–56¼	61.88	None.	None.	None.	39.38	None.	None.	1.00–1.75	(1)	10.08

[1] Not carried.

Mr. KERN. Mr. President, I ask unanimous consent that at 12 o'clock to-night the Senate take a recess until 10 o'clock Monday morning.

The VICE PRESIDENT. Is there objection? The Chair hears none. It is so ordered.

Mr. PERKINS. Mr. President, I send to the desk two telegrams, which I ask to have read.

The VICE PRESIDENT. The Secretary will read the telegrams.

The Secretary read as follows:

SAN FRANCISCO, CAL., *January 26, 1915.*

Hon. GEORGE C. PERKINS,
United States Senate, Washington, D. C.:

Shipowners' Association of Pacific Coast, comprising vast majority of owners and managers of vessels engaged in Pacific coastwise trade, although not affected directly by so-called ship-purchase bill, protest most strongly against this bill or any bill of like character, deeming its proposals to be most dangerous and un-American—Government competition surely antagonistic to private enterprise. Urge your valuable aid and influence against such bills.

SHIPOWNERS' ASSOCIATION OF PACIFIC COAST,
OLIVER J. OLSON, *President,*
W. F. SULLIVAN, *Secretary.*

SAN FRANCISCO, CAL., *January 26, 1915.*

Hon. GEORGE C. PERKINS,
United States Senate, Washington, D. C.:

We respectfully protest against passage ship-purchase bill in present form as being too radical departure from established customs of Government and having too strong tendency toward discouraging private interests from building and operating American ships for foreign trade, as no private company could compete with Government lines. Believe this would be fully confirmed if public hearings would be held before any further action by Government.

SAN FRANCISCO CHAMBER OF COMMERCE.

Mr. PERKINS. Mr. President, the membership of those two organizations represent nine-tenths of the shipping interests of the Pacific coast, comprising the State of California, the State of Oregon, the State of Washington, and a portion of Alaska. I have prepared an address on the bill, and if I were in good health I would deliver it, but I feel that I can not do justice to it, and I will therefore ask my friend from South Dakota [Senator CRAWFORD] to read for me the address which I have prepared. I beg leave to state that I have not received one letter or telegram favoring the passage of the pending bill.

The VICE PRESIDENT. The Chair assumes that there will be no objection, and the Senator from South Dakota will read the address of the Senator from California.

Mr. FLETCHER. Mr. President, I desire to say that we are very glad on this side to accommodate the distinguished Senator from California, whom we love quite as much and as sincerely on this side as he can be loved and revered on the other side.

Mr. PERKINS. I thank the Senator from Florida.

Senator CRAWFORD read Mr. PERKINS's speech, as follows:

Mr. PERKINS. Mr. President, throughout the 22 years that I have been in Congress I have earnestly supported and voted for every measure which I regarded as practical for the benefit of our merchant marine. I would gladly vote for any bill, even though offered by Senators on the other side, if it appealed to me as a business proposition and as one calculated to upbuild the merchant marine of the United States. But I can not support the measure now pending because it fails to commend itself to my judgment as a business man and as one not unfamiliar with ocean trade and navigation.

I was born in a region which for nearly 300 years has been famed the world over for its ships and sailors—in the State of "hundred-harbored Maine." Nature designed Maine and all maritime New England for shipbuilding and ship owning, and there on the coast of New England year after year up to a recent period were launched annually one-half or more of all the ships constructed on the seacoast of the United States. The first American line of battleship—it bore the proud name *America*—was built for Commodore Paul Jones in Portsmouth, N. H., only a few miles from my native town. There, too, the famous *Kearsarge* was launched, and Boston, but 50 miles away, produced *Old Ironsides*, the immortal *Constitution*, and Admiral Farragut's flagship, the *Hartford*.

The sea and its ships mean much to the people of New England. The ocean is their heritage, and nowhere has there been keener regret or heavier loss because of the years of decline of American shipping in the over-seas trade. This has involved the crippling of a noble and profitable industry. It has meant the driving of brave and hardy men from their natural calling into unfamiliar and often uncongenial employment. It is a sad and significant fact that while population has grown elsewhere, it has actually decreased in many of the coast towns and counties of Maine and New England. Ports that were once active are now idle and empty. Ships and yards are gone, and young men, who with a proper opportunity would be shipwrights and sailors, as their fathers were before them, have been prevented by the loss of our ocean fleet from following the vocation which they loved, wherein they preferred to gain their livelihood.

SHIPBUILDING IN MAINE AND CALIFORNIA.

It is true that Maine and all New England long since ceased to produce ship timber in the former abundance, but there are yards in Maine and many more yards in the other States of New England where ships were built of iron and are now built of steel. When this change was made and new materials and new methods came in the master builders found that many of their best mechanics in the construction of metal ships were men who had wrought in wood before. The art of the shipbuilder, of the shipowner, and of the sailor has been handed down with pride generation after generation in New England, from father to son. In no other part of the world could one find a more thoroughly skilled maritime population inured to the sea, to its hazards and hardships.

Many of the shipbuilders and seamen of New England went years ago, as I did, to our Pacific coast, and there in the pursuit of their calling have been joined by active and enterprising men from other maritime nations. American shipping, mostly engaged in foreign commerce, now documented on the Pacific coast amounts to 1,084,640 tons, of which by far the greater part, or 580,506 tons, belongs to the State of California, which now owns more ocean shipping than any State in the Union, with the single exception of New York.

Shipyards have sprung up on the Pacific seaboard, the largest of which are on the Bay of San Francisco and on Puget Sound. It was a California yard, the Union Iron Works, of San Francisco, which launched the two most famous vessels of the Span-

ish War, one Admiral Dewey's flagship, the *Olympia*, and the other the immortal *Oregon*.

Shipbuilding and navigation would have grown and flourished to a far greater extent in New England, New York, and other States of the Atlantic seaboard, and on the Pacific coast also, if the national policy of the United States toward ships employed in foreign commerce had been favorable and not hostile. We have protected nearly everything else by national laws in the last 60 years, but we have neglected our maritime industry, and we are facing to-day in the crisis of this great war the natural results of our national shortsightedness.

For years, as Senators know, the building of vessels for trade overseas has almost ceased in the United States. The building of smaller ships for coastwise commerce has continued and the coastwise navigation laws, often assailed but never repealed, have saved a remnant of shipbuilding and navigation in America. Though we have almost lost our ocean fleet, we have kept our coast fleet, and for that some building has continued in New England. It is a source of employment and prosperity in some communities, though less in Maine now than in her sister State of Massachusetts. It is still advantageous to build ships for coastwise commerce in New England, because the climate is favorable during most of the year. There are deep ports, and, above all, an abundance of skilled labor. Good wages are commanded by the workers in the shipyards of the New England States, and almost every mechanical trade is represented in the construction of a vessel. Pattern makers, machinists, boiler makers, riveters, calkers, carpenters, painters, riggers—these are some of the callings that are employed. They demand intelligence and faithfulness, and these mechanics are good citizens, an honor to any community and of great value to our country in peace or war. Equally valuable also are the services of the officers, the engineers, and the seamen who navigate and drive the ships.

I can recall the time when half a million tons of shipping were built in a year in the United States, the greater part of this for foreign commerce. In the year 1852, when, a sailor boy from Maine, I shipped before the mast for foreign voyages, no fewer than 255 sailing ships and barks of a type especially designed for over-seas commerce were launched in the United States. In the following year, 1853, 270 ships and barks were built; in 1854, 334; and in 1855, 381. The total product of our shipyards in 1855, the high-water mark of our maritime commerce was 583,450 tons.

AMERICA SUPREME IN SAIL AND STEAM.

Those were years when a young man was proud to be a sailor beneath the American flag, which floated triumphantly over the best ships in the world, in every ocean. Those were the years when American vessels carried three-fourths or more of our own country's commerce and a considerable part of that of other nations. In the four years during which I followed the sea I made several voyages out of New Orleans and Mobile to Great Britain, Norway, Sweden, and France. On two of the voyages the ship on which I was serving brought cargoes of iron rails, one from Gothenberg, in Sweden, and one from Cardiff, in Wales; both cargoes were landed at New Orleans. Another cargo was of salt, from Liverpool to New Orleans, and another of lumber, from St. John, New Brunswick, to Ireland. I only mention this to show the great difference between then and now in exports and imports. The ships I sailed on were in competition with the famous Black Ball Line from New York to Liverpool, the White Star Line, the Anchor Line, and other sail ships plying out of New York to Europe, while the celebrated Collins Line of American trans-Atlantic steamers was making its swift trips across the ocean, regularly beating the British Cunarders and carrying under the American flag the best passenger traffic and the most valuable merchandise.

In that period the United States stood supreme both in sail and in steam. American steam lines ran to the West Indies and up the Pacific coast from the Isthmus of Panama, and the British Government was sending naval officers to the United States to discover why American steamships, as American sail ships had been before, were so superior to British steamships in their speed, power, and efficiency.

During those years at sea I made a voyage around Cape Horn to the Pacific on the good ship *Galatea*, built by the McKays at Chelsea, Mass. Later I became associated with the shipping firm of Goodall, Perkins & Co. in San Francisco, with which I continued to operate steamships and sailing vessels until my election to the Senate in 1893.

I count myself fortunate to have lived and to have borne some modest part in the most glorious era in the maritime history of the United States. I was a sailor by choice and profession, a merchant trader by necessity, and a politician by accident. If I have been successful in the shipping business on the Pacific coast, it has been due entirely to my association with my partners, men of long experience as seafaring men. I recall the great losses suffered through the destruction of American ships by the Confederate cruisers *Alabama*, *Florida*, and *Shenandoah*, whose depredations frightened shipowners into transferring many noble vessels from the Stars and Stripes to the King George's red ensign of Great Britain. Our shipping suffered terribly because of the Civil War, but the loss need not have been irretrievable. Other industries suffered, but were soon restored, and it might have been the same with our merchant marine if the policy of national protection that has done so much for manufacturing and for agriculture had only been extended to it many years ago.

GOVERNMENT OWNERSHIP AN UNWISE POLICY.

Passing now to the pending bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia, to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes—the bill introduced by the senior Senator from Florida and proposed amendments by the senior Senator from Missouri—I regret that I can not believe that it is constructed on lines that will restore maritime commerce to the United States. It involves a radical innovation in the policy of the American people, who have hitherto preferred that their Government should not embark in business undertakings which could be left to private capital and individual enterprise. The proposed bill is not to be compared with the ocean-mail act of 1891, fathered and advocated by that splendid statesman and devoted patriot, the late Senator William P. Frye, of Maine, or with the proposed bills amending and strengthening the act of 1891, introduced and advocated by Mr. GALLINGER, the distinguished senior Senator from New Hampshire. This legislation for the encouragement of American steamship service, carrying the United States mails in naval-reserve ships to the ports of other countries and other continents, is framed on lines that have proven successful in the maritime experience of our own Government. I am profoundly convinced out of a lifelong study of the question that the best interests of our country would be most surely served by the enactment of the bills long and ably urged here by Senator GALLINGER, whose devotion to the restoration of our merchant shipping and whose knowledge of the subject have never been surpassed by any of the public men of the United States.

I do not believe that private capitalists will deem it wise or expedient to invest their funds in a shipping corporation in partnership with the United States Government, for the reason that success must depend upon the economy, the knowledge, and the skillful management of those engaged in the conduct of the business. In my opinion, it would be just as unreasonable for the Government of our country to go into partnership in manufacturing with the owners of factories or into partnership with the farmers. We have not applied this principle of Government ownership and control to those other businesses which have been protected by the Government and have become great and prosperous. Why should we put our Government in competition with ocean shipowners and shipbuilders of the country, who have been denied protection and encouragement and are less able to compete with the United States Treasury than almost any other class of business men in the land?

SHIPOWNERS HAVE HAD NO FAIR CHANCE.

I have heard it said that the Government ought to go into this ocean shipping business because the shipowners and shipbuilders of the country have been given an opportunity and have not taken advantage of it. This is most untrue and unjust. The reason why, with all our factories, all our farms, we have few or no ocean ships is because the shipowners and shipbuilders of America have not been given an equal opportunity with our fellow citizens in other great industries. I believe in the Republican policy of protection alike to manufacturing and to agriculture. It has produced wonderful results in both fields of endeavor. It has been applied to our coastwise shipping, including that on the Great Lakes, and it has produced wonderful results there also. Our coastwise tonnage under the American flag to-day is $6,852,536, or, next to the fleet of Great Britain, the very largest mercantile tonnage in the world, surpassing the entire tonnage of the German Empire and amounting to about three times the tonnage of France, Norway, or Japan.

When I was a boy and a young man at sea our American shipping employed in distant voyages to foreign countries and around Cape Horn to the Pacific Ocean equaled the tonnage of our coastwise fleet on the Atlantic, the Pacific, the Great Lakes, and the rivers combined. Our deep-sea tonnage ought

naturally to be equal to-day to our coastwise tonnage, which has had the constant and active competition of the greatest railroad systems in the world. The reason, and the only reason, why American ocean shipping has not increased as American coastwise shipping has grown is that our ocean shipping has not been protected or encouraged by the Government of the United States.

It is sometimes urged on the other side of this Chamber that for this neglect the Republican Party is responsible. It is true that during most of the years since 1861 the Republican Party has controlled our National Government. But the leaders of the Republican Party have not forgotten or neglected the merchant marine. They have endeavored again and again, as did Senator Frye and as Senator GALLINGER has long been doing, to apply to ocean shipping in some way the principle of protection that has been so constantly and successfully applied to agriculture and to manufacturing. Unfortunately, in these efforts a small part of the Republican Senators and Representatives have not followed their party and have not been willing to apply to the ocean shipping industry of America the protection which they demanded and received for the agricultural industries of their constituents.

I trust that this great war in Europe has brought a wider vision to some of our Republican friends of the Middle West and the Northwest, and that they may be willing now and hereafter to recognize ocean shipbuilding and navigation as American industries of some value even to the farmers who grow wheat and corn and cotton in the interior and Southern States of the United States.

JUST WHAT WAS PREDICTED.

It is affirmed by the advocates of the proposed bill for a Government-owned merchant marine that there is a great shortage of ships for the export trade of the United States and that there has been an enormous increase in the rates of freight demanded by the ocean shipping companies, which are chiefly foreign. A report upon this subject, in which very emphatic language is employed, has recently been presented to the Senate by the Secretary of the Treasury and the Secretary of Commerce I am not going to combat the assertions of that report, though some of them may seem extreme and unwarrantable. But I do wish to remind the Senators on the other side that one argument advanced on this side year after year for some reasonable national protection and encouragement to American ocean shipping has been that in the event of a great foreign war, in which the foreign Governments that were our principal ocean carriers might be involved, their ships would be withdrawn and we should be left without the means of delivering our own goods to our own customers.

Again and again have I stated this argument and uttered this warning in this Senate Chamber. Very much to my regret and disappointment, it has appeared to fall on deaf ears. Sometimes it has even been denied that any such great war was possible. We have lived and we have learned. We are now face to face with the consequences of the greatest and most terrible conflict which the world has ever known, and every word that was said by the distinguished and lovable Senator Frye, of Maine, by Senator Hanna, of Ohio, by Senator GALLINGER, of New Hampshire, and other Senators on this side of the Chamber, has been overwhelmingly confirmed in the far-reaching results of this European struggle. The ears that were deaf are deaf no more.

When the Senator from Florida, the chairman of the Committee on Commerce, who has introduced this bill, was advocating it the other day in this Chamber it was a matter of interest and gratification to observe how fully and earnestly he quoted and indorsed the reports of the Senator from New Hampshire on the importance of a merchant marine in peace and war. There is no difference, no dispute, now on this question between the two sides of this Chamber. All doubters are silenced. It is impossible for any honest and patriotic public man to deny, in the light of what has happened since August last, that the possession of merchant ships, of shipyards, of skilled mechanics, of seagoing officers and sailors, is indispensable to the security and prosperity of the United States.

On this great truth we are all at last agreed. Our difference now is only as to the means by which an all-essential result shall be accomplished. The Senator from Florida, and those Senators on his side who stand with him, contend that a merchant fleet can be created for the exigencies of this war only through Government purchase, building, ownership, and operation. I believe, on the contrary, that this would be a slow, a wasteful, and an ineffective way. I believe that the Government can not move so quickly or strongly in this matter as can experienced and competent ship-owning corporations, which, fortunately for us, do exist on both the Atlantic and the Pacific seaboards.

UNWISE PROVISIONS OF THE BILL.

This proposed bill has already been much amended. It originally provided that the shipping board should be made up of the Secretary of the Treasury, the Postmaster General, and the Secretary of Commerce—three members of the Cabinet who would almost certainly be gentlemen without the slightest experience in ocean trade. This was so unwise and unworkable that the provision has been changed, and the shipping board is now to be composed of the Secretary of the Treasury, the Secretary of Commerce, and three civilians experienced in the shipping business to be appointed by the President. To this extent the bill has been improved, but it is still imperfect and unsatisfactory.

The proposed compensation of $6,000 a year for each civilian member of the board will not properly compensate ship managers of the requisite ability and experience. To undertake this work they should be the foremost men of their calling in America. Such men can not be obtained for the compensation stipulated in this bill, unless they are to be asked to make a great personal sacrifice when they enter the service of the Government.

Moreover, the proposed shipping board must create the requisite executive and technical organization from the very beginning. This would almost inevitably be a matter of months. A great steamship business demands an organization not unlike that of a great railroad system. It can not be improvised in an emergency.

Such organizations already exist in the coastwise and foreign-going steamship service in this country. There are trained and capable expert managers this very day in charge of American steam fleets in coastwise and foreign commerce on the Atlantic and Pacific Oceans. Some of our coastwise shipping companies are among the largest, strongest, and most ably administered steamship establishments in all the world. They are organizations that, receiving their orders to-day, can act to-day and to-morrow. But week after week must elapse before a shipping board like that contemplated in this bill can organize its force, arrange its methods, and prepare to render efficient service. The only Government shipping organization that exists in ordinary trade is the Panama Railroad Steamship Co., operating a few steamers between New York and Balboa, and this fleet and its organization are very much smaller than most of the coastwise steamship organizations of the United States.

Valuable time will be lost if this bill is passed and the creation of our merchant marine is left to the inexperienced and cumbrous methods of the Government. There are men, American citizens, in New York, Boston, Philadelphia, Baltimore, New Orleans, San Francisco, and Seattle and other Puget Sound ports, who know the steamship business in every detail and are operating day after day fine steamships that successfully ply in foreign and domestic commerce. If it is true that grain and cotton and provisions are piling up on our seaport wharves, unable to find cargo room, unable to move because foreign shipping companies will not or can not carry them, why wait upon the tardy and uncertain organization of a semipolitical shipping board? Why not give reasonable national protection and encouragement at once to informed and able American citizens who know the shipping trade, and thus make it possible for them to do what can be done in the quickest and surest way and arrange shipping services that will serve the need of the American people?

If there are any ships in existence beyond those ships now employed that can be secured in this emergency, it will be just as lawful and just as practicable for these experienced American shipowners to secure and use them as it would be for the Government itself. These men already know by heart the business which the Government would be slowly and painfully learning. The proposed shipping board would contain two gentlemen of high political rank who, however able and distinguished they may be in other things, are without experience in and knowledge of the different trade of ocean shipowning and navigation. With these gentlemen are to be joined three others who may have experience, but are supposed to give the benefit of it for a wholly inadequate compensation—only three from among the many practical and capable ship managers of the United States.

If the emergency is as serious, as appalling, as the report of the Secretary of the Treasury and the Secretary of Commerce represents, it would justify the immediate summoning to Washington of all the best shipowners and shipbuilders of the Nation from all alongshore, down the Atlantic, along the Gulf

of Mexico, up the Pacific. But Government ownership and control would not help and encourage such men as these. Rather would it paralyze their energies. If prompt and great results are to be achieved, give these men the encouragement of the Government, give them its good will, its help where help is needed, but leave them free to act in details as their own initiative and judgment may best determine.

UNEQUAL TO A REAL EMERGENCY.

I can but insist that not only is the plan of the proposed bill a wrong one, but that it is wholly inadequate for a real emergency. The amount which is set aside for the acquisition of vessels is $30,000,000. This sum may seem a large one, but it should be remembered that the proposed ships are to be bought outright if they can be discovered. Indeed, a sum of $30,000,000 at the present time, with ocean steamers everywhere commanding enhanced prices because of the needs of commerce and the requisition of hundreds of ships for the auxiliary service of belligerent Governments, would probably secure no more than about 60 steamers, costing $500,000 each, with a cargo capacity each of not more than 10,000 tons. A fleet of 60 steamers may seem a large fleet to those not familiar with ocean business, but, as a matter of fact, it would be a smaller fleet by far than is controlled by any one of several of the various trans-Atlantic steamship companies. It would not be a dominating factor in ocean trade; indeed, under present circumstances it would scarcely be an appreciable factor.

With 60 ships at its disposal the Government of the United States could not begin to hope to control the shipping situation at all the seaports on the Atlantic and Gulf coasts, to say nothing of those on the Pacific Ocean. These 60 steamers might enable some fortunate, favored shippers to secure temporarily reduced and preferential rates, but when these Government ships had sailed on their long voyages, rates would go up again, and the net result would be utterly ineffective and disappointing.

But where, it may be asked, are 60 additional steamers to be secured? As other Senators have shown and as foreign Governments have warned us, they can not safely be taken from the interned fleets of belligerents, and all neutral ships—American and foreign—that are fit and available for the carrying of our commerce are already open to charter for that commerce, or are actually engaged in carrying it. All that the Government of the United States could do in pursuance of the policy of purchase, ownership, and operation would be to take over into the Government service 60 steamers of those that are now employed.

This would be no net gain—no real advantage. We should have embarked upon a very radical and dangerous experiment without any real gain to our country, any large relief to our commerce, any enduring power to our flag. If we took American ships of over-seas or coastwise companies, we should be taking ships already available. Not a day now passes without the announcement that some of the larger steamers of the coastwise organizations have been chartered for export commerce—for provisions or grain or lumber or cotton. Not only are these coastwise steamers being steadily employed, but large drafts are being made upon the heavier sail craft under the American flag—upon our remaining ships or barks or schooners. Scores of these vessels, regularly employed in coastwise trade, are now loading or have already cleared for the United Kingdom, the Continent, or South America. The American merchant marine which we do possess—the merchant marine that owes its existence to our prudent and beneficent coastwise laws—is responding loyally in this emergency. Why interfere with it—why force these brave and enterprising men to face the disastrous business competition of their Government.

It is asserted that the freight rates charged, particularly by foreign shipping companies, are excessive—far higher than those rates were before the war began. But in fairness it should be remembered that the cost of coal, provisions, wages, has enormously increased, that insurance has risen, and that floating mines are a deadly menace in the waters around the United Kingdom and along the coasts of northern Europe. These extraordinary costs, these hazards, must be faced by Government-owned ships no less inevitably than by the ships of private owners.

THE BILL WOULD FAIL OF ITS PURPOSE.

I am opposed to this proposed measure because the very principle of Government purchase, ownership, and operation of merchant shipping is an unsound principle, contrary to our traditions, repugnant to our business sense. I am opposed to it, moreover, because the adoption of such an expedient is absolutely unnecessary, and will not create any additional tonnage that might be secured in some other sounder and safer way. The international difficulties and dangers involved have been ably considered by distinguished students of international law, Senator ROOT, of New York, and Senator BURTON, of Ohio, and by other Senators. I speak from the standpoint of one who has been a sailor, a shipowner, a business man.

It seems to me too much emphasis can not be given to the international complications which may arise should this pending bill become a law. Should the pending bill pass the vessels thereby placed under the control of a shipping company (of which company the United States Government will own more than 50 per cent of stock) will have to be placed under one of three classes: The class of private vessels; the class of public vessels; or a class hitherto unknown or recognized, a class of vessels that are partly public and are partly private.

In case the vessels are placed in the class of private vessels, pure and simple, the vessels will have none of the immunities of public vessels, but will be subject to all the restrictions, searches, detentions, appearances in prize courts, and so forth, to which other private vessels (that is, merchant vessels) are subject, and will be liable to the same sources of pecuniary loss. Being private vessels, pure and simple, and being therefore under the command of merchant captains and manned by merchant crews, the Government will not be able to guarantee their cargoes any more than it is now able to guarantee the cargoes of ordinary merchant ships. If our Government is willing to have vessels in which it has a majority of ownership treated in this way, it may be that international conflict may be averted; but, in this case, it would seem necessary, in the interests of fair dealing, to inform the Congress and the people clearly of this fact before the bill is put to vote, in order that they may decide intelligently whether or not they wish their ships to be treated as ordinary merchant ships.

In case the vessels are classed as public vessels, they will enjoy the rights and immunities which all public vessels, such as naval vessels and Government transports, enjoy, and will be exempt from search by our law. But if they carry cargo, our Government will not be able to guarantee those cargoes any more than the Government can now guarantee the cargoes of merchant ships unless they are placed under the command of naval officers, which it will be impracticable to do, because we have not enough officers for our distinctively naval ships. Therefore, belligerents will insist on searching them as merchant ships. The United States will then be forced to go to war, as it did in 1812, or to reverse its policy and permit its public vessels to be searched.

This principle was acknowledged when Secretary Seward immediately responded to the demand of the British Government for the surrender of Mason and Sidel, who were taken from an English ship by one of our naval vessels.

In case the vessels are put in the new class, in which each vessel is partly public and partly private, they will form a class of which, as yet, international law has no cognizance. In international law vessels are classed as either public or private. If it be attempted to class these vessels as both public and private, with the intention that they should have the special privileges and exemptions of public vessels and yet have the money-making attributes of merchant vessels, the various foreign countries, especially those now engaged in war, would probably protest, and assert, with reason, that here is an attempt to take away their right of search by disingenuously claiming a public character for vessels that are essentially merchant vessels, because they are assumed to be money-making vessels. In this case the United States would be put in exactly the same quandary as they would be put in if they declared the vessels to be wholly public vessels. In other words, this attempt would result in the United States claiming for the ships a public character and in foreign Governments denying that public character. One side or the other would have to yield or the United States would be forced into war. It is inconceivable that foreign belligerent Governments would surrender their right to search vessels of this character.

No Senator in this Chamber can be more desirous than I am of the creation of a great merchant marine. I have myself seen our merchant shipping in the height of its strength and glory, and I have grieved at its long and humiliating decline. I am not disposed to insist on any particular method to restore our shipping. I should be glad to join with my fellow Senators in any honest method that gave promise of success. I am utterly opposed to considering such a great and urgent question as a mere party question. It is a subject which always—and all the more now, in the shadow of this great war—we should treat as a matter of patriotism, not of partisanship.

But this radical proposal of Government purchase, ownership, and operation is so offensive to me that I can not assent to it. I can not agree that the Government of the United States should be hastily launched into one of the most difficult and technical of all business undertakings, when there are private

citizens who are competent and willing to assume the task if our Government will give them the equivalent of the protection and encouragement which it has successfully bestowed upon other national industries.

I can not assent to this bill, because I profoundly believe that it would utterly fail to justify the hopes and expectations of its authors. It can not appreciably add to the amount of shipping available. It can not operate that shipping any more economically than—or so economically as—experienced and able private shipping managers. It will inevitably plunge us into serious difficulties with foreign Governments, and thus retard our commerce instead of increasing it, if it does not actually embroil us in the war.

WHY NOT A BETTER PLAN?

It is not even now too late for a sane and safe course to be adopted. For a great many years the Senators on the other side of this Chamber have been urging a policy of "free ships" for the upbuilding of our merchant marine. In the month of August last, in the pressure of an emergency, their policy was embodied into law in a form so liberal that foreign-built ships can now be admitted to American registry for over-seas commerce, retain their foreign officers, and be exempt, moreover, from compliance with our inspection and measurement laws. That policy has proved a disappointment in the number of ships which it has brought under our flag, but it is the law of the land; it has had and will continue to have a fair and honest trial.

Why can not the Senators on the other side of this Chamber yield some of their prejudice in this critical hour, and join with us on this side in legislaton requisite to make a fair and honest trial of the policy of national mail subsidies or subventions to regular lines of steamships or to steamships approved by the Navy Department as fit for auxiliary use in time of war?

This is the policy of other Governments. In a small, inadequate way, under the ocean mail law of 1891, it has been the policy of our own Government. It has succeeded thus far wherever it has been tried. If the Senator from Florida had brought out from the Committee on Commerce any proposal less radical than that of Government purchase, ownership, and operation of a merchant marine, I am certain that he would have been met half way by the Senators on this side of the Chamber. Why can not he and his colleagues meet us half way now? The opportunity is a great one; the need is urgent. The creation and restoration of American ocean shipping can be made to date from this year 1915. Nobody can know how long this unhappy war will last, what suffering it may involve, to what necessities it may finally drive us. But one thing must be certain, that whether the war is a short war or a long one, we shall need American ocean ships for the security of our commerce, for the strengthening of our Navy, for the perpetuation of the race of American ship mechanics and American sailors, who now, as always, are an honor to their country, the best men of their profession in the world. Give our shipyards a chance to build our ships; give our officers and sailors a chance to sail them. Give them equality of opportunity with their foreign competitors—the same equality of opportunity which our laws have long sought to give to the millions of Americans engaged in agriculture and manufacturing. Trust the enterprise, the courage, the perseverance, the skill of individual American citizens, and you will not be disappointed.

Government control, Government ownership of our merchant marine means a paralysis of individual effort, a destruction of personal ambition, and an indefinite postponement of the day we all desire, when the Stars and Stripes shall stream victoriously again on every ocean of the world.

[Mr. SMITH of Michigan addressed the Senate. See Appendix.]

Mr. STONE. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. SMITH of Michigan. For a question, of course.

Mr. STONE. Not for a question. I wish to ask the Senator if he desires to go on further to-night?

Mr. SMITH of Michigan. I do not desire to go on further; I am very tired.

Mr. STONE. I should like to have a short executive session, the Senator retaining the floor.

Mr. SMITH of Michigan. And then a recess?

Mr. STONE. Oh, yes.

Mr. SMITH of Michigan. All right; I have no objection, the understanding being that I still have the floor.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed with the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session, the doors were reopened.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented petitions of sundry citizens of Los Angeles, Cal., praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented petitions of the Central Labor Union of Alameda County and of Street Car Men's Local Union of Oakland, in the State of California, praying for the passage of the immigration bill over the President's veto, which were ordered to lie on the table.

Mr. GALLINGER presented a petition of the congregation of the Methodist Episcopal Church of West Rindge, N. H., and the petition of Samuel H. Drury, of St. Paul's School, Concord, N. H., praying for the enactment of legislation to regulate interstate commerce in the products of child labor, which were referred to the Committee on Interstate Commerce.

He also presented a memorial of the Central Labor Union of Portsmouth, N. H., remonstrating against any change being made in the locomotive-boiler-inspection law, which was referred to the Committee on Interstate Commerce.

He also presented the petition of Emil Ramig, of Bedford, N. H., praying for the passage of the so-called immigration bill, which was ordered to lie on the table.

He also presented the petition of Albert Artzt and 59 other citizens of Manchester, N. H., praying the enactment of legislation to prohibit the exportation of ammunition, etc., which was referred to the Committee on Foreign Relations.

Mr. McLEAN presented petitions of sundry citizens of Danbury, Bethel, Hartford, and Clinton, all in the State of Connecticut, praying for the enactment of legislation to prohibit the exportation of ammunition, which were referred to the Committee on Foreign Relations.

Mr. BRISTOW presented a petition of sundry citizens of Lebo, Kans., praying for national prohibition, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Arma, Kans., praying for the extension of the work of the Bureau of Mines, which was referred to the Committee on Mines and Mining..

He also presented memorials of sundry citizens of Newton and Cleburn, in the State of Kansas, remonstrating against excluding certain publications from the mails, which were referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of sundry citizens of Rosedale, Kans., remonstrating against the enactment of legislation proposing to exempt Catholic publications from the mails, which was referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of Bird City, Cheney, Herington, Bremen, Marysville, and Netawaka, all in the State of Kansas, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

Mr. BRANDEGEE presented petitions of Torrington, Danbury, and Rockville, of Local Branch No. 84, Workmen's Sick and Death Benefit Fund, of Meriden, and of Schiller No. 117, F. of A., of Meriden, all in the State of Connecticut, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of Chester, Clinton, Saybrook, Deep River, Essex, Westbrook, Old Saybrook, and Madison, all in the State of Connecticut, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of the Trades Council of New Haven, Conn., praying for the enactment of legislation to regulate the interstate shipment of convict-made goods, which was ordered to lie on the table.

Mr. BURLEIGH presented a petition of the German-American Alliance of Waterville, Me., praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which was referred to the Committee on Foreign Relations.

Mr. O'GORMAN presented petitions of sundry citizens of Rome and Dunkirk, in the State of New York, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented a memorial of the Holy Name Society of St. Patrick's Church, of Watervliet, N. Y., remonstrating against the existing conditions in Mexico, which was referred to the Committee on Foreign Relations.

Mr. TOWNSEND presented petitions of sundry citizens of Michigan, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented memorials of sundry citizens of Michigan, remonstrating against the exclusion of certain matter from the mail, which were referred to the Committee on Post Offices and Post Roads.

He also presented a memorial of Pomono Grange, Patrons of Husbandry, of Rosedale, Mich., remonstrating against any change being made in the free rural delivery system, which was referred to the Committee on Post Offices and Post Roads.

Mr. ROBINSON presented petitions of sundry citizens of Batesville, Ark., praying that an appropriation be made for the construction of seven locks and dams on the upper White River, which were referred to the Committee on Commerce.

Mr. ROOT presented petitions of sundry citizens of New York, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented memorials of sundry citizens of Buffalo and Niagara Falls, in the State of New York, remonstrating against the exclusion of certain matter from the mail, which were referred to the Committee on Post Offices and Post Roads.

He also presented petitions of sundry citizens of New York, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. POINDEXTER presented petitions of George Valar, Henry Wegner, Herman F. Weber, Gottlieb Ellinger, and sundry other citizens of Tacoma; of Henry Nickels, of Odessa; of Joe Kress, of Enumclaw; of F. Gerstmann, of Puyallup; and of R. Fechtner, of Chehalis, all in the State of Washington, praying for the enactment of legislation to prohibit the exportation of ammunition, etc., which were referred to the Committee on Foreign Relations.

He also presented a petition of West Union Grange, No. 527, Patrons of Husbandry, of Willapa, Wash., praying for the enactment of legislation to place an embargo upon foodstuffs shipped to belligerent nations engaged in the present war in Europe, which was referred to the Committee on Foreign Relations.

He also presented a petition of Local Lodge No. 7, Independent Order of Odd Fellows, of Seattle, Wash., praying for the enactment of legislation to provide pensions for civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented memorials of A. Pavot, Edward Israel, George W. Gaynor, and sundry other citizens of Grant County, Ind., remonstrating against prohibition in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. SHIVELY presented petitions of the Ladies' Aid Society of the Evangelical Church, of the Young People's Christian Endeavor of the Elkhart Castle United Brethren Church, of the Ladies' Aid Society of the First Evangelical Church, and of the Castle United Brethren Church, all of Elkhart, in the State of Indiana, praying for the enactment of legislation to provide Federal censorship of motion-picture films, which were referred to the Committee on Education and Labor.

He also presented a petition of the Federal Central Labor Union, of Elkhart, Ind., praying for the enactment of legislation to regulate the interstate shipment of convict-made goods, which was referred to the Committee on Interstate Commerce.

BILLS INTRODUCED.

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

By Mr. NORRIS:

A bill (S. 7490) granting an increase of pension to John Jenkins; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 7491) granting an increase of pension to Catherine Goodwin (with accompanying papers); and

A bill (S. 7492) granting an increase of pension to Abbie Sloggy (with accompanying papers); to the Committee on Pensions.

By Mr. GALLINGER:

A bill (S. 7493) granting an increase of pension to Helen D. Longstreet; and

A bill (S. 7494) granting an increase of pension to Charles Woodward (with accompanying papers); to the Committee on Pensions.

By Mr. WALSH:

A bill (S. 7495) for the relief of Kate Canniff (with accompanying papers); to the Committee on Claims.

By Mr. McLEAN:

A bill (S. 7496) granting an increase of pension to Elizabeth Propson (with accompanying paper); to the Committee on Pensions.

By Mr. BRISTOW:

A bill (S. 7497) granting an increase of pension to Todd L. Wagoner (with accompanying papers); to the Committee on Pensions.

By Mr. BURLEIGH:

A bill (S. 7498) granting an increase of pension to Daniel D. Anderson; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 7499) granting an increase of pension to William H. Terwilliger; to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 7500) granting an increase of pension to Oliver P. Lockhart (with accompanying papers); to the Committee on Pensions.

By Mr. COLT:

A bill (S. 7501) granting an increase of pension to Hattie E. Lawton (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 7502) granting an increase of pension to John L. Epperson; to the Committee on Pensions.

ADVISORY COMMITTEE FOR AERONAUTICS.

Mr. TILLMAN. Mr. President, I ask unanimous consent to introduce two important joint resolutions, which I shall ask to have read or not, as the Senate desires. I want to have one printed in the RECORD anyway and referred to the Committee on Naval Affairs, and ask that the other be referred to the Committee on Military Affairs.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the joint resolution will be printed in the RECORD and referred as requested.

The joint resolution (S. J. Res. 229) to authorize the appointment of an advisory committee for aeronautics was read twice by its title and referred to the Committee on Naval Affairs and ordered to be printed in the RECORD, as follows:

Joint resolution (S. J. Res. 229) to authorize the appointment of an advisory committee for aeronautics.

Whereas the United States is the only Nation of the first class that does not have an advisory committee for aeronautics to advise and direct in relation to experimental work of the Government and to provide for the cooperation of governmental and private activities in relation to the unsolved problems of aeronautics; and

Whereas the United States invented and led in the early development of the heavier-than-air flying machines, but nothing being done by the Government to develop the art and to encourage and assist American inventors and manufacturers beyond the purchase of a few flying machines and the establishment of a small plant at the Washington Navy Yard, it has fallen behind owing to the policy of inaction and the lack of appreciation of the wisdom of utilizing all of the technical ability and the inventive genius of the Nation; and

Whereas under the guidance of an advisory committee for aeronautics continuity of purpose and action in the development of this science and art is practically guaranteed, unaffected by the change of individuals in administrative positions in the executive departments of the Government; and

Whereas the expenditure of money appropriated could be more wisely made, and economies secured by the prevention of duplication of investigation and experiment, and the development of aeronautics in America placed upon a strong foundation through the influence of a suitable advisory committee; and

Whereas the establishment of such committee would be in the line of the best practice of European nations, such as Great Britain, France, and Germany, all of which have made remarkable progress in aviation under the spirit of cooperation of governmental and civil agencies; and

Whereas under existing law—section 9 of the act approved March 4, 1909 (35 Stat., p. 1027)—it is unlawful for the President or any Government official to appoint a committee, commission, or board on aeronautics without authorization by Congress: Therefore be it

Resolved, etc., That an advisory committee for aeronautics is hereby established, and the President is authorized to appoint not to exceed 14 members, to consist of 2 members from the War Department, from the bureau in charge of military aeronautics; 2 members from the Navy Department, from the bureau in charge of naval aeronautics; a representative each of the Smithsonian Institution, of the United States Weather Bureau, and of the United States Bureau of Standards, together with not more than 7 additional persons who shall be acquainted with the needs of aeronautical science, either civil or military, or skilled in aeronautical engineering or its allied sciences, 3 of whom may be residents of the District of Columbia, and the others shall be inhabitants of some State, but not more than 1 of them from the same State: *Provided*, That the members of the advisory committee for aeronautics, as such, shall serve without compensation: *Provided further*, That it will be the duty of the advisory committee for aeronautics to supervise and direct the scientific study of the problems of

fight with a view to their practical solution, and to determine the problems which should be experimentally attacked, and to discuss their solution and their application to practical questions. In the event of a laboratory or laboratories, either in whole or in part, being placed under the direction of the committee, the committee may direct and conduct research and experiment in aeronautics in such laboratory or laboratories: *And provided further*, That rules and regulations for the conduct of the work of the committee shall be formulated by the committee and approved by the President.

SEC. 2. That the sum of $5,000 a year, or so much thereof as may be necessary, for five years is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be immediately available, for experimental work and investigations undertaken by the committee, clerical expenses and supplies, and necessary expenses of members of the committee in going to, returning from, and while attending meetings of the committee: *Provided*, That an annual report to the Congress shall be submitted through the President, including an itemized statement of expenditures.

By Mr. TILLMAN:

A joint resolution (S. J. Res. 230) to authorize the appointment of an advisory committee for aeronautics; to the Committee on Military Affairs.

AMENDMENTS TO AGRICULTURAL APPROPRIATION BILL (H. R. 20415).

Mr. JONES submitted an amendment proposing to appropriate $2,140 for investigations of fruit rot and spot and apple mildew, intended to be proposed by him to the agricultural appropriation bill, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. GALLINGER submitted an amendment proposing to appropriate $3,000,000 for the examination, survey, and acquisition of lands under the provisions of the act of March 1, 1911, etc., intended to be proposed by him to the agricultural appropriation bill, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

RIVER AND HARBOR APPROPRIATION (H. R. 20189).

Mr. SAULSBURY submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. MARTINE of New Jersey (for Mr. SMITH of South Carolina) submitted an amendment intended to be proposed to the river and harbor bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

RECESS.

Mr. KERN. Under the previous order of the Senate, I move that the Senate take a recess until Monday morning next at 10 o'clock.

The motion was agreed to, and (at 11 o'clock and 15 minutes p. m. Saturday, January 30, 1915) the Senate took a recess until Monday, February 1, 1915, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate January 30 (legislative day of January 26), 1915.

UNITED STATES MARSHAL.

Stanley H. Trezevant, of Memphis, Tenn., to be United States marshal for the western district of Tennessee, vice J. Sam Johnson, whose term has expired.

ASSAYER IN CHARGE OF THE MINT.

Ed Ryan, of Goldfield, Nev., to be assayer in charge of the mint of the United States at Carson, Nev., in place of Andrew Maute, superseded.

APPOINTMENTS, BY TRANSFER, IN THE ARMY.

Second Lieut. Walter C. Gullion, Twelfth Cavalry, to be second lieutenant of Infantry, with rank from June 12, 1914.

Second Lieut. John B. Thompson, Fourteenth Infantry, to be second lieutenant of Cavalry, with rank from June 12, 1914.

APPOINTMENTS IN THE ARMY.

CHAPLAIN.

Rev. Clifford Lore Miller, of Vermont, to be chaplain, with the rank of first lieutenant, from January 28, 1915, vice Chaplain Frederick L. Kunnecke, Second Field Artillery, wholly retired September 28, 1914.

MEDICAL DEPARTMENT.

Acting Dental Surg. James Francis Feely, Dental Corps, to be dental surgeon with the rank of first lieutenant from January 27, 1915, to fill an original vacancy.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

William E. Stevens, a citizen of California, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 23d day of January, 1915.

Anderson C. Dearing, a citizen of Kentucky, to be a second lieutenant in the Marine Corps from the 26th day of January, 1915.

Ensign Ernest J. Blankenship to be a lieutenant (junior grade) in the Navy from the 5th day of June, 1914.

POSTMASTERS.

ARIZONA.

G. Lindley Gollands to be postmaster at Chandler, Ariz. Office became presidential January 1, 1915.

E. F. Thompson to be postmaster at Kingman, Ariz., in place of J. N. Coheneur. Incumbent's commission expired January 10, 1915.

ARKANSAS.

Henry Clay Maples to be postmaster at Green Forest, Ark., in place of Andrew J. Tabor. Incumbent's commission expires February 1, 1915.

John B. Thompson to be postmaster at Sulphur Springs, Ark., in place of Laura C. Hutton. Incumbent's commission expired January 19, 1915.

CALIFORNIA.

Charles B. Fair to be postmaster at Lindsay, Cal., in place of Matthew W. Grace. Incumbent's commission expires February 23, 1915.

Ralph P. Giddings to be postmaster at Turlock, Cal., in place of John L. Brown. Incumbent's commission expired January 11, 1915.

Luella Mann to be postmaster at Boulder Creek, Cal., in place of Daniel R. Trout, removed.

Johnnie L. Murphy to be postmaster at Madero, Cal., in place of W. L. Williams. Incumbent's commission expires February 14, 1915.

C. D. Radcliffe to be postmaster at Merced, Cal., in place of C. F. Neumann. Incumbent's commission expires March 2, 1915.

E. W. Wilson to be postmaster at Fowler, Cal., in place of Josephine Priest. Incumbent's commission expires February 14, 1915.

CONNECTICUT.

Charles F. Greene to be postmaster at Bridgeport, Conn., in place of W. H. Marigold. Incumbent's commission expired February 1, 1914.

FLORIDA.

F. Bartow Swearingen to be postmaster at Fort Meade, Fla., in place of Leslie D. Roberts, removed.

GEORGIA.

Frank L. Asbury to be postmaster at Clarkesville, Ga., in place of Oscar M. Mauldin. Incumbent's commission expired December 19, 1914.

Julien V. Frederick to be postmaster at Marshallville, Ga., in place of Julien V. Frederick. Incumbent's commission expired January 19, 1915.

Josephine M. Gray to be postmaster at Adairsville, Ga., in place of Clifford H. Dyar. Incumbent's commission expires February 6, 1915.

IDAHO.

Patrick T. Sweeney to be postmaster at St. Maries, Idaho, in place of Edgar T. Hawley, removed.

ILLINOIS.

William M. Cannedy to be postmaster at Greenfield, Ill., in place of Carson T. Metcalf, removed.

J. W. Clendenin to be postmaster at Monmouth, Ill., in place of Clarence F. Buck. Incumbent's commission expires February 1, 1915.

Albert E. Gent to be postmaster at Brighton, Ill., in place of M. Spencer Brown. Incumbent's commission expires February 23, 1915.

James Lafayette Molohon to be postmaster at Divernon, Ill., in place of William W. Taylor. Incumbent's commission expires February 16, 1915.

Conrad Scheer to be postmaster at Crete, Ill., in place of George Hoffman, deceased.

George W. Spunner to be postmaster at Barrington, Ill., in place of Henry K. Brockway. Incumbent's commission expires February 17, 1915.

Frank P. Williams to be postmaster at Carrollton, Ill., in place of Joseph H. Pierson, resigned.

INDIANA.

Frank Billings to be postmaster at Morocco, Ind., in place of James P. Clark. Incumbent's commission expires February 6, 1915.

R. William I. Boggs to be postmaster at Veedersburg, Ind., in place of Edward Patton. Incumbent's commission expires February 6, 1915.

Thomas C. Dowling to be postmaster at New Haven, Ind., in place of Willard Lucas. Incumbent's commission expires February 6, 1915.

Eugene Kelley to be postmaster at Waterloo, Ind., in place of Norman T. Jackman. Incumbent's commission expires February 16, 1915.

Charles K. Lewis to be postmaster at Russiaville, Ind., in place of Eli W. Sherwin. Incumbent's commission expires February 23, 1915.

William L. McMillen to be postmaster at Brook, Ind., in place of Fred B. Snyder. Incumbent's commission expires February 16, 1915.

Winfield S. Sanders to be postmaster at Westport, Ind. Office became presidential January 1, 1915.

IOWA.

Eliza Ann Butler to be postmaster at North English, Iowa, in place of J. W. Hadley. Incumbent's commission expires February 1, 1915.

Peter H. Goslin to be postmaster at Clarion, Iowa, in place of Robert P. Osier, resigned.

S. M. Hutzell to be postmaster at Victor, Iowa, in place of William H. Bowman. Incumbent's commission expired January 19, 1915.

Maurice Moroney to be postmaster at Earlville, Iowa, in place of Philip M. Cloud. Incumbent's commission expired January 18, 1915.

Caroline Y. Smith to be postmaster at Leon, Iowa, in place of Millard F. Stookey. Incumbent's commission expired December 20, 1914.

KANSAS.

Harry M. Brodrick to be postmaster at Marysville, Kans., in place of Samuel Foster. Incument's commission expires February 8, 1915.

J. A. Carson to be postmaster at Erie, Kans., in place of J. T. Coles. Incumbent's commission expired January 10, 1915.

Oscar Lundy Clarke to be postmaster at Washington, Kans., in place of C. E. Ingalls. Incumbent's commission expires February 23, 1915.

Michael A. Frey to be postmaster at Junction City, Kans., in place of Jacob B. Callen. Incumbent's commission expires February 1, 1915.

George Harman to be postmaster at Valley Falls, Kans., in place of O. F. Falls. Incumbent's commission expires February 23, 1915.

Harlan W. Marmon to be postmaster at Barnes, Kans., in place of Connie Collins. Incumbent's commission expired January 19, 1915.

Charles A. Taschetta to be postmaster at Leavenworth, Kans., in place of W. I. Biddle. Incumbent's commission expired January 19, 1915.

LOUISIANA.

Burnside Capers to be postmaster at Arcadia, La., in place of Paunie Glover. Incumbent's commission expired January 13, 1915.

Ulysses J. Marcotte to be postmaster at Cottonport, La., in place of Leo J. Roth. Incumbent's commission expires March 2, 1915.

Joseph P. Trosclair to be postmaster at Opelousas, La., in place of G. L. Lassalle. Incumbent's commission expires February 8, 1915.

MARYLAND.

William J. Ford to be postmaster at Lonaconing, Md., in place of John McFarland. Incumbent's commission expires February 1, 1915.

David H. Hastings to be postmaster at Lutherville, Md., in place of David H. Hastings. Incumbent's commission expires March 2, 1915.

MASSACHUSETTS.

Anthony J. Crean to be postmaster at Turners Falls, Mass., in place of Frank E. Briggs. Incumbent's commission expires February 1, 1915.

Josiah W. Earle to be postmaster at Cohasset, Mass., in place of Josiah W. Earle. Incumbent's commission expired January 6, 1914.

George W. Jones to be postmaster at Falmouth, Mass., in place of George W. Jones. Incumbent's commission expired January 24, 1914.

Thomas G. O'Connell to be postmaster at Wakefield, Mass., in place of Stanley B. Dearborn. Incumbent's commission expires February 1, 1915.

George L. Olivier to be postmaster at New Bedford, Mass., in place of Frank C. Barrows. Incumbent's commission expired December 14, 1914.

Charles D. Smith to be postmaster at Gloucester, Mass., in place of Charles D. Brown. Incumbent's commission expired January 10, 1915.

Sidney M. Towle to be postmaster at Duxbury, Mass., in place of Elisha Peterson. Incumbent's commission expired June 25, 1913.

MAINE.

Guy H. Hunt to be postmaster at Newport, Me., in place of William M. Stuart. Incumbent's commission expired January 23, 1915.

MICHIGAN.

Charles Davidson to be postmaster at Richmond, Mich., in place of Charles H. Heath. Incumbent's commission expires February 1, 1915.

John C. Downing to be postmaster at Vermontville, Mich., in place of H. H. Curtis. Incumbent's commission expires February 1, 1915.

Edward G. Scott to be postmaster at Iron River, Mich., in place of Robert H. Barnum. Incumbent's commission expired January 11, 1915.

MINNESOTA.

Adolph C. Gilbertson to be postmaster at Ironton, Minn. Office become presidential July 1, 1914.

Andrew Rotegard to be postmaster at New Richland, Minn., in place of Anton O. Lea, resigned.

Thomas Zeien to be postmaster at North Branch, Minn., in place of George W. Powell. Incumbent's commission expires February 1, 1915.

MONTANA.

William C. Bernard to be postmaster at Harlem, Mont., in place of Louden Minugh. Incumbent's commission expired January 13, 1915.

Mary Bonham to be postmaster at Ismay, Mont. Office became presidential January 1, 1915.

Presley L. Herring to be postmaster at Glasgow, Mont., in place of Mary L. Boehnert, removed.

George C. Milburn to be postmaster at Darby, Mont. Office became presidential January 1, 1915.

Hans A. Nelson to be postmaster at Joplin, Mont. Office became presidential January 1, 1915.

Stephen J. Rigney to be postmaster at Cut Bank, Mont., in place of Bruce R. McNamer, resigned.

MISSISSIPPI.

Joseph E. Saucier to be postmaster at Bay St. Louis, Miss., in place of Richard Mendes. Incumbent's commission expires March 3, 1915.

MISSOURI.

Harry B. Adkins to be postmaster at Weston, Mo., in place of James H. Turner. Incumbent's commission expires February 23, 1915.

Thomas C. Bassore to be postmaster at Rogersville, Mo. Office became presidential January 1, 1915.

Samuel T. Breckenridge to be postmaster at Bosworth, Mo., in place of Taylor Ray. Incumbent's commission expired January 18, 1915.

John Gable to be postmaster at Browning, Mo., in place of Charles E. Rinehart. Incumbent's commission expires February 23, 1915.

George P. Hicks to be postmaster at Callao, Mo., in place of John W. Ayers, resigned.

Samuel J. Jamison to be postmaster at Rich Hill, Mo., in place of George P. Huckeby, resigned.

Horrell Johnson to be postmaster at New Madrid, Mo., in place of George H. Taylor. Incumbent's commission expires February 1, 1915.

Nesbert W. Lemasters to be postmaster at Oak Grove, Mo., in place of Eugene E. Wyatt. Incumbent's commission expires February 1, 1915.

John H. Taylor to be postmaster at Chillicothe, Mo., in place of John L. Schmitz. Incumbent's commission expires March 2, 1915.

Francis M. Traughber to be postmaster at Centralia, Mo., in place of Edward J. Schmidt. Incumbent's commission expires February 1, 1915.

Robert K. Wilson to be postmaster at Jackson, Mo., in place of Henry Puls, resigned.

NEBRASKA.

Anton J. Glodowski to be postmaster at Platte Center, Nebr. Office became presidential January 1, 1915.

Frank Howard to be postmaster at Ravenna, Nebr., in place of Charles Miner. Incumbent's commission expired February 2, 1914.

NEW JERSEY.

Hunn Livingston to be postmaster at Allentown, N. J., in place of Emma Cafferty. Incumbent's commission expires February 16, 1915.

William T. Nash to be postmaster at New Egypt, N. J., in place of William Chambers. Incumbent's commission expired December 14, 1914.

Marcellus Parker to be postmaster at Manasquan, N. J., in place of James P. Van Schoick. Incumbent's commission expired January 26, 1915.

David A. Power to be postmaster at Metuchen, N. J., in place of Howard I. Campbell. Incumbent's commission expires March 3, 1915.

Addison Robbins, jr., to be postmaster at Hightstown, N. J., in place of Charles E. Stults. Incumbent's commission expires February 1, 1915.

Alexander H. Sibbald to be postmaster at Park Ridge, N. J., in place of Erving Van Houten. Incumbent's commission expires March 3, 1915.

Carl Shurts to be postmaster at Lebanon, N. J. Office became presidential October 1, 1914.

NEW YORK.

George F. Cornell to be postmaster at Rosebank, N. Y., in place of John J. Roehrig. Incumbent's commission expired February 25, 1914.

H. Blake Stratton to be postmaster at Monticello, N. Y., in place of Harrison Beecher. Incumbent's commission expired December 13, 1914.

NORTH CAROLINA.

W. M. Goodson to be postmaster at Marion, N. C., in place of Clarence M. McCall. Incumbent's commission expired January 27, 1915.

C. F. Mitchell to be postmaster at Winton, N. C. Office became presidential January 1, 1915.

N. Henry Moore to be postmaster at Washington, N. C., in place of Hugh Paul. Incumbent's commission expires March 3, 1915.

Thomas J. Orr to be postmaster at Matthews, N. C. Office became presidential January 1, 1915.

Christopher H. Peirce to be postmaster at Faison, N. C. Office became presidential January 1, 1915.

William J. Roberts to be postmaster at Shelby, N. C., in place of Barnabas A. Baber. Incumbent's commission expires March 2, 1915.

NORTH DAKOTA.

A. O. Dahl to be postmaster at Plaza, N. Dak., in place of Ben H. Wilkins, resigned.

OHIO.

Levi E. Bierer to be postmaster at McComb, Ohio, in place of Samuel H. Bolton. Incumbent's commission expired January 23, 1915.

Joseph E. Blackford to be postmaster at Martins Ferry, Ohio, in place of George G. Sedgwick. Incumbent's commission expired January 23, 1915.

Edward L. Hauser to be postmaster at Girard, Ohio, in place of Edward J. Lewis. Incumbent's commission expires February 23, 1915.

Horace E. McConnell to be postmaster at Milford Center, Ohio, in place of Louis C. Burnham. Incumbent's commission expires February 23, 1915.

James W. Stoneburner to be postmaster at Roseville, Ohio, in place of Elmer Sagle. Incumbent's commission expires February 1, 1915.

Roscoe Vance White to be postmaster at Middlefield, Ohio, in place of Albert A. White. Incumbent's commission expires March 3, 1915.

William A. Zellars to be postmaster at Freeport, Ohio, in place of Delmer M. Starkey, removed.

OKLAHOMA.

H. E. Derwin to be postmaster at Guthrie, Okla., in place of Wilburn M. McCoy. Incumbent's commission expires March 3, 1915.

Lee B. Fitzhugh to be postmaster at Sand Springs, Okla. Office became presidential January 1, 1915.

Frederick McDaniel to be postmaster at Bartelsville, Okla., in place of Millard T. Kirk. Incumbent's commission expired January 27, 1915.

C. D. Snider to be postmaster at Waurika, Okla., in place of John L. Morgan, removed.

OREGON.

Lizzie M. Perkins to be postmaster at Gardiner, Oreg. Office became presidential January 1, 1915.

PENNSYLVANIA.

George J. Eppley to be postmaster at Hershey, Pa., in place of Martin L. Hershey, removed.

RHODE ISLAND.

John B. Sullivan to be postmaster at Newport, R. I., in place of Robert S. Burlingame, resigned.

SOUTH CAROLINA.

Micheal P. Healy to be postmaster at Navy Yard, S. C. Office became presidential January 1, 1915.

TENNESSEE.

J. T. Patten to be postmaster at Dickson, Tenn., in place of Albert S. Scott, removed.

TEXAS.

Andrew Barton to be postmaster at Kilgore, Tex., in place of Evans H. Angell. Incumbent's commission expires February 6, 1915.

B. G. Edwards to be postmaster at Forney, Tex., in place of Walter S. Yates. Incumbent's commission expired December 16, 1914.

Sam H. Little to be postmaster at Eagle Lake, Tex., in place of George S. Ziegler. Incumbent's commission expires February 6, 1915.

B. H. McKinnon, jr., to be postmaster at Canton, Tex., in place of Jacob J. Utts. Incumbent's commission expires February 16, 1915.

C. C. Powell to be postmaster at Clarendon, Tex., in place of Charles J. Lewis. Incumbent's commission expires February 1, 1915.

W. A. Smith to be postmaster at Gatesville, Tex., in place of Harry Harris. Incumbent's commission expires February 23, 1915.

W. B. Stradley to be postmaster at Paducah, Tex., in place of Auguste Dumont. Incumbent's commission expired June 21, 1914.

VERMONT.

John J. Gallagher to be postmaster at Hardwick, Vt., in place of John E. Sullivan. Incumbent's commission expires February 1, 1915.

Daniel H. Gray to be postmaster at Bellows Falls, Vt., in place of Joshua H. Blakley. Incumbent's commission expired January 20, 1915.

VIRGINIA.

Levi B. Davis to be postmaster at Roanoke, Va., in place of Luther G. Funkhouser. Incumbent's commission expires February 1, 1915.

Wirt Dunlap to be postmaster at Blacksburg, Va., in place of Byrd Anderson, deceased.

WASHINGTON.

Richard H. Lee to be postmaster at Wilsoncreek, Wash. Office became presidential January 1, 1915.

Freeborn S. Lewis to be postmaster at Port Angeles, Wash., in place of E. E. Fisher. Incumbent's commission expires February 1, 1915.

Elmer McBroon to be postmaster at Chehalis, Wash., in place of Dan W. Bush. Incumbent's commission expires February 1, 1915.

J. H. McCourt to be postmaster at Sequim, Wash. Office became presidential January 1, 1915.

Fenton Smith to be postmaster at South Bend, Wash., in place of Frank R. Wright. Incumbent's commission expires February 14, 1915.

WEST VIRGINIA.

Margaret McGugin to be postmaster at Ravenswood, W. Va., in place of William H. Latham. Incumbent's commission expires February 1, 1915.

George H. Merchant to be postmaster at Cairo, W. Va., in place of J. E. Overton. Incumbent's commission expires February 1, 1915.

Hayes Sapp to be postmaster at Newburg, W. Va., in place of W. Osborne Parriott. Incumbent's commission expired January 20, 1915.

WISCONSIN.

E. F. Butler to be postmaster at Mosinee, Wis., in place of W. N. Daniels, resigned.

WYOMING.

Thomas W. Keenan to be postmaster at Pinebluff, Wyo., in place of Charles W. Johnson. Incumbent's commission expires March 3, 1915.

W. M. Wolfard to be postmaster at Encampment, Wyo., in place of Henry D. Ashley, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 30 (legislative day of January 26), 1915.

UNITED STATES ATTORNEY.

James A. Smiser to be United States attorney for the district of Alaska, division No. 1.

PROMOTIONS IN THE REVENUE-CUTTER SERVICE.

Third Lieut. Russell Lord Lucas to be second lieutenant.
Third Lieut. Wilmer Hake Eberly to be second lieutenant.
Second Lieut. Howard Eugene Rideout to be first lieutenant.
Second Lieut. Frank Lynn Austin to be first lieutenant.

POSTMASTERS.

ALABAMA.

C. L. Cleveland, Centerville.

CALIFORNIA.

Fred M. Kelly, Needles.

COLORADO.

Robert E. Norvell, Hayden.
Sarah J. O'Connell, Georgetown.

DELAWARE.

Edwin V. Ocheltree, Greenwood.
J. Frank Starling, Dover.

FLORIDA.

Thomas E. Blackburn, Bowling Green.

GEORGIA.

Albert S. J. McRae, McRae.

IDAHO.

Emily B. Davis, Milner.

INDIANA.

Theodore Hoss, Fowler.
J. Bruce Pessell, Butler.
Lewis Phillippe, Bicknell.
Henry E. Snyder, Atlanta.
Charles Van Arsdall, Hymera.

KANSAS.

Carl E. Hallberg, Courtland.
Virginia H. Kinyon, Fall River.
W. E. Mattison, Mount Hope.
Frank E. Munger, Atwood.
Thomas Pore, Cedar Vale.
Ferdinand Scharping, Hillsboro.

IOWA.

Cary C. Beggs, Moulton.
Charles A. Britch, Ida Grove.
Peter J. Cool, Baxter.
Madge Fell, Fremont.
Carl L. Little, Ames.
William F. Oehmke, Larchwood.
Max Mayer, Iowa City.
Frank B. Wilson, Greenfield.

KENTUCKY.

C. E. Beeler, Calhoun.
L. T. Doty, Owenton.
B. M. Powell, Corydon.

MASSACHUSETTS.

Bernard Campbell, Millville.
Marianna J. Cooke, Milford.
John T. Dolan, Avon.
Nathaniel A. Eldridge, Chatham.
Thomas F. Hederman, Webster.
James T. Hennessy, Wareham.
William B. Mahoney, Westfield.

NEW JERSEY.

Richard J. Fox, Grantwood.
Isaac Klein, Salem.
Charles C. Stewart, Mays Landing.

OREGON.

W. R. Cook, Madras.
Gaphart D. Ebner, Mount Angel.
Mary E. Fitzpatrick, Beaverton.
J. J. Gaither, Toledo.
Charles O. Henry, Athena.
Mary T. Mangold, Gervais.
George C. Mason, Jefferson.
Lovie R. Watt, Amity.
W. C. Wilson, Joseph.

PENNSYLVANIA.

Joseph P. McMahon, Susquehanna.
Joseph A. Shoff, Madera.
William W. Van Eman, Grove City.

SOUTH CAROLINA.

Dana T. Crosland, Bennettsville.
G. B. Stackhouse, Mullins.

TEXAS.

Horace C. Blalock, Marshall.
Robert G. Bransom, Burleson.
Joe H. Campbell, Matador.
Hugo J. Letzerich, Harlingen.
Joseph W. Singleton, Waxahachie.

UTAH.

T. L. Sullivan, Eureka.

VERMONT.

David P. MacKenzie, Island Pond.

VIRGINIA.

William A. Byerly, Bridgewater.
Crandal Mackey, jr., Rosslyn.

WASHINGTON.

Calvin W. Stewart, Tacoma.

WEST VIRGINIA.

Fred S. Hathaway, Grantsville.

HOUSE OF REPRESENTATIVES.

FRIDAY, *January 29, 1915.*

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

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

We bless Thee, Almighty God, our heavenly Father, for the degree of civilization which, under Thy providence, as a people we are permitted to enjoy, but we realize that with every advance toward a higher order come new and complicated problems which must be solved; but, as our fathers met the problems of their day and solved them, help us, we beseech Thee, with patriotic fervor and a high conception of statesmanship to meet the questions of our day and adjust ourselves to the new conditions in accordance with Thy will. In the name of Jesus Christ our Lord. Amen.

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

EXTENSION OF REMARKS.

Mr. BARTLETT. Mr. Speaker, I ask unanimous consent to extend my remarks upon the amendment that I offered on yesterday to the appropriation bill, on page 72, line 2.

The SPEAKER. The gentleman from Georgia [Mr. BARTLETT] asks unanimous consent to extend his remarks in the RECORD on the amendment which he offered to the bill yesterday, as designated. Is there objection?

There was no objection.

Mr. HAY. Mr. Speaker, I ask unanimous consent to extend my remarks on the subject of the Army.

The SPEAKER. The gentleman from Virginia [Mr. HAY] asks unanimous consent to extend his remarks on the subject of the Army. Is there objection?

There was no objection.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short speech delivered night before last by Congressman SLOAN, of Nebraska, on William McKinley. I think it is appropriate on the anniversary of his birth to publish it.

The SPEAKER. The gentleman from Iowa [Mr. TOWNER] asks unanimous consent to extend his remarks by printing a short speech by the gentleman from Nebraska [Mr. SLOAN] on William McKinley. Is there objection?

There was no objection.