By Mr. BRUCKNER: Petitions of Ralph Savino, of New York City; Fred C. Sceeneck, of New York City; and H. Schlandohorn, of New York City, favoring the Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of James Sponza, Charles J. Sully, and George D. Schott, favoring House bill 6915, the Griffin bill; to the Committee on the Post Office and Post Roads.

Also, petition of William P. Appleton, of Boston, favoring the Chamberlain-Hayden game-sanctuary bill; to the Committee on Agriculture.

By Mr. DALE of New York: Petition of Swedish Evangelical Free Church of North America, in session at Chicago, favoring an embargo on arms to Europe; to the Committee on Foreign Affairs.

By Mr. FULLER: Petition of the National Confectioners' Association, for House bill 17350, the Webb bill; to the Committee on the Judiciary.

Also, petition of Max Loeb, of the board of education of the city of Chicago, favoring the Smith-Hughes vocational education bill; to the Committee on Education.

Also, petition of railroad employees of La Salle County, Ill., against a strike; to the Committee on Interstate and Foreign Commerce.

Also, petition of sundry citizens of Rockford, Ill., against additional tax on insurance companies; to the Committee on Ways and Means.

Also, petition of the National Retail Dry Goods Association for adequate salaries for members of the Tariff Commission; to the Committee on Ways and Means.

Also, petition of the National Foreign Trade Council for House bill 17350, the Webb bill; to the Committee on Interstate and Foreign Commerce.

Also, petitions of Inland Daily Press Association and the Illinois Daily Newspaper Association concerning the increased cost of paper; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Swedish Evangelical Church of North America for an embargo on the exportation of arms and ammunition to the belligerent nations of Europe; to the Committee on Foreign Affairs.

Also, petition of Chicago & Alton Railroad Co., concerning the revenue bill; to the Committee on Ways and Means.

Also, papers to accompany a bill granting an increase of pension to James S. Barber; to the Committee on Invalid Pensions.

By Mr. LAFEAN: Memorial of Philadelphia Bourse referring to employees of public-service corporations; to the Committee on Interstate and Foreign Commerce.

By Mr. LOBECK: Petition of G. M. Jenkins and 20 other citizens of Lincoln, Nebr., favoring Government ownership of railroads, telegraph, and telephone lines; to the Committee on Interstate and Foreign Commerce.

Also, petition of ministers and laymen of the Swedish Evangelical Free Church of North America, in session assembled in Chicago, Ill., June 7 to 11, 1916, protesting against the shipment of munitions of war to nations in Europe, with reasons therefor; to the Committee on Foreign Affairs.

By Mr. LOUD: Petition of Carl E. Falnelt, of Tawas City, Mich., and 22 others protesting most vigorously against the denial by Great Britain of the rights of the sea; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, *September 5, 1916.*

(Legislative day of Friday, September 1, 1916.)

The Senate reassembled at 10 o'clock a. m., on the expiration of the recess.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

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

The PRESIDENT pro tempore. The Senator from New Hampshire suggests the absence of a quorum. Let the Secretary call the roll.

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

Ashurst	Culberson	Hardwick	Lane
Bryan	Cummins	Husting	Lea, Tenn.
Chamberlain	Dillingham	Johnson, S. Dak.	McCumber
Clapp	Fletcher	Jones	Martin, Va.
Clarke, Ark.	Gallinger	Kenyon	Martine, N. J.
Colt	Gronna	La Follette	Myers
Norris	Reed	Smith, Ga.	Taggart
Overman	Shafroth	Smith, Mich.	Thomas
Penrose	Sheppard	Smith, S. C.	Thompson
Phelan	Sherman	Smoot	Underwood
Pittman	Simmons	Sterling	Vardaman

The PRESIDENT pro tempore. The second roll will be called.

The Secretary called the names of the absent Senators, and Mr. LEE of Maryland, Mr. POMERENE, and Mr. WEEKS answered to their names when called.

Mr. BRADY and Mr. RANSDELL entered the Chamber and answered to their names.

Mr. GALLINGER. I desire to announce that the Senator from Wyoming [Mr. WARREN] is detained from the Senate on account of illness.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. A quorum of the Senate is present.

Mr. SMOOT. I ask the Senator having the bill in charge if he will not allow me to offer an amendment at this time, as I am compelled to leave the Chamber to attend a conference?

Mr. SIMMONS. I will be very glad to yield to the Senator for that purpose. I would not like to violate the rule I have followed, but the Senator has to attend a conference committee, and I yield to him to offer the amendment.

Mr. SMOOT. The amendment proposes to amend section 3354 of the Revised Statutes. All it provides is that any unfermented and partially fermented liquors may be transferred from the vat to the brewery by a pipe line. The law now provides that fermented liquors may be so transferred, but near beer that is being manufactured now can not under the law be transferred from the vat to the bottling department by pipe line. By changing the law the process will be much cleaner, and the department recommends the change. I therefore offer the following amendment.

The PRESIDENT pro tempore. The Secretary will read the amendment.

The SECRETARY. It is proposed to add at the end of the bill the following additional section:

SEC. —. That section 3354 of the Revised Statutes of the United States, as amended by the act approved June 18, 1890, be, and is hereby, amended to read as follows:

"SEC. 3354. Every person who withdraws any fermented liquor from any hogshead, barrel, keg, or other vessel upon which the proper stamp has not been affixed for the purpose of bottling the same, or who carries on or attempts to carry on the business of bottling fermented liquor in any brewery or other place in which fermented liquor is made, or upon any premises having communication with such brewery, or any warehouse, shall be liable to a fine of $500, and the property used in such bottling or business shall be liable to forfeiture: *Provided, however,* That this section shall not be construed to prevent the withdrawal and transfer of unfermented, partially fermented, or fermented liquors from any of the vats in any brewery by way of a pipe line or other conduit to another building or place for the sole purpose of bottling the same, such pipe line or conduit to be constructed and operated in such manner and with such cisterns, vats, tanks, valves, cocks, faucets, and gauges, or other utensils or apparatus, either on the premises of the brewery or the bottling house, and with such changes of or additions thereto, and such locks, seals, or other fastenings, and under such rules and regulations as shall be from time to time prescribed by the Commissioner of Internal Revenue, subject to the approval of the Secretary of the Treasury, and all locks and seals prescribed shall be provided by the Commissioner of Internal Revenue at the expense of the United States: *Provided further,* That the tax imposed in section 3339 of the Revised Statutes of the United States shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit, at the time of such removal, by the cancellation and defacement, by the collector of the district or his deputy, in the presence of the brewer of the number of stamps denoting the tax on the fermented liquor thus removed. The stamps thus canceled and defaced shall be disposed of and accounted for in the manner directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. And any violation of the rules and regulations hereafter prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in pursuance of these provisions, shall be subject to the penalties above provided by this section. Every owner, agent, or superintendent of any brewery or bottling house who removes, or connives at the removal of, any fermented liquor through a pipe line or conduit, without payment of the tax thereon, or who attempts in any manner to defraud the revenue as above, shall forfeit all the liquors made by and for him, and all the vessels, utensils, and apparatus used in making the same."

The PRESIDENT pro tempore. The question is on the adoption of the amendment.

Mr. SIMMONS. The amendment covers a bill which has already passed the House. There was an omission, however, in the bill which passed the House. The Senator has included that in the amendment?

Mr. SMOOT. That is included in the amendment.

Mr. SIMMONS. This amendment was suggested to the committee. I transmitted it to the department to see if there were any administration or revenue objections to it, and under date of August 28 I have a letter from the Acting Secretary, Mr. Malburn, in which he says that the department has no objection to the adoption of the amendment.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. PENROSE. I should like to ask the Senator from Utah or the Senator from North Carolina what is the purpose of the amendment.

Mr. SMOOT. I will state the purpose to the Senator. Under the section that is proposed to be amended fermented liquors can be transferred from the vat to the bottling department in a pipe line. The department has held that near beer is not a fermented liquor and can not be transferred by pipe line under the law. The amendment simply adds to the law so as to allow near beer, so called, or unfermented liquors to be transferred through pipe lines from the vat to the bottling works.

Mr. PENROSE. It strikes me very favorably.

Mr. SIMMONS. In connection with what I have stated I desire to have the letter from the Assistant Secretary of the Treasury printed in the RECORD.

The letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, August 28, 1916.

Hon. F. M. SIMMONS,
Chairman Committee on Finance, United States Senate.

SIR: I have the honor to acknowledge the receipt of your letter of this date, inclosing a bill (H. R. 17601) introduced in the House by Representative BRITTEN, which you forward for a report by me as to its possible effect upon the revenue and also with reference to frauds.

In reply I have the honor to call attention to what was probably an oversight in drafting the bill in omitting all the latter part of section 3354 in the restatement of that section as proposed. The portion omitted reads as follows:

"*Provided further*, That the tax imposed in section 3339 of the Revised Statutes of the United States shall be paid on all fermented liquor removed from a brewery to a bottling house by means of a pipe or conduit at the time of such removal, by cancellation and defacement, by the collector of the district or his deputy in the presence of the brewer, of the number of stamps denoting the tax on the fermented liquor thus removed. The stamps thus canceled and defaced shall be disposed of and accounted for in the manner directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. And any violation of the rules and regulations hereafter prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, in pursuance of these provisions shall be subject to the penalties above provided by this section. Every owner agent, or superintendent of any brewery or bottling house who removes or connives at the removal of any fermented liquor through a pipe line or conduit without payment of the tax thereon, or who attempts in any manner to defraud the revenue as above, shall forfeit all the liquors made by and for him and all the vessels, utensils, and apparatus used in making the same."

The omission of this portion of the section might operate as a repeal of such portion, which I am sure was not the intent of the author of the bill.

The purpose and effect of the bill, assuming the omitted portion of section 3354 to be restored, is to extend to brewers the same pipe-line facility for the bottling of beverages containing less than half of 1 per cent of alcohol by volume, which are held to be nontaxable, as they now enjoy with respect to the fermented liquor manufactured on their premises. The extension of the privilege as to these beverages would not affect the revenue adversely, inasmuch as the same are not taxed, whether removed by pipe line or otherwise.

I am satisfied that regulations can be framed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, as provided for in the bill, which will fully protect the revenue from any attempts to fraudulently use the new facilities for the transmission of the taxable article without properly taxpaying the same.

It is true that under any regulations likely to be made some additional expense to the Government might be incurred, arising from the necessary cost of additional supervision. This, however, is a minor matter, and I do not believe it would overbalance the benefits to be derived from the standpoint not only of the brewer but from that of the Government and the public as well.

From an administrative point of view, I see no objection to the passage of the bill, always assuming, as above suggested, that the portion omitted after the last proviso to section 3354 be restored in the restatement of the section in the text of the bill.

Respectfully,
WM. P. MALBURN,
Acting Secretary.

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

Mr. SIMMONS. I have not yielded the floor.

Mr. MARTINE of New Jersey. I ask the Senator from North Carolina if he will permit me just a moment.

Mr. SIMMONS. I will yield to the Senator if the purpose for which he rises will lead to no debate.

Mr. MARTINE of New Jersey. I can not think that it will lead to any debate.

Mr. SIMMONS. Very well.

SIR ROGER CASEMENT.

Mr. MARTINE of New Jersey. Mr. President, on July 29, 1916, a resolution was passed by the Senate of the United States requesting the President to use his kindly offices with the Government of Great Britain to stay the execution of Sir Roger Casement. Mr. President, it is currently stated and generally believed that through some one's failure or carelessness this resolution, weak as it was, was not officially forwarded to the British Government until after this martyr to the cause of liberty had been placed in his coffin. If this be true, it is too shocking to contemplate.

Hence I offer this resolution of inquiry (S. Res. 264):

Resolved, That the State Department of the United States is hereby requested to convey to the Senate the exact date and hour that the Senate resolution regarding Sir Roger Casement's sentence of death was placed in the hands of the British authorities.

If delay or carelessness existed in the transmission of that resolution, I feel that the people of this country should know the fact and upon whom the blame belongs.

I press the adoption of this resolution.

The PRESIDENT pro tempore. Unless there is objection, the resolution is agreed to.

Mr. SIMMONS. I suggest that the resolution go to the Committee on Foreign Relations.

The PRESIDENT pro tempore. The Senator from North Carolina objects to the present consideration of the resolution.

Mr. GALLINGER. Let it go to the Committee on Foreign Relations.

Mr. POMERENE. Mr. President——

Mr. SIMMONS. I will yield to the Senator from Ohio.

Mr. PENROSE. Let the resolution go to the committee.

The PRESIDENT pro tempore. The request of the Senator from New Jersey is for unanimous consent for the present consideration of the resolution. The Senator from North Carolina objects.

Mr. SIMMONS. I object, and move that the resolution be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Objection is made, and it goes over under the rule for a day. It can not even be referred.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The PRESIDENT pro tempore. The question is on the adoption of the amendment of the Senator from Utah.

The amendment was agreed to.

RESERVE OFFICERS' TRAINING CORPS.

Mr. POMERENE. Mr. President, without intending to interfere with the consideration of the pending bill except for a moment, as I shall be obliged to be absent from the Chamber a portion of the day. I wish to ask unanimous consent to call up the joint resolution (S. J. Res. 169) interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

The PRESIDENT pro tempore. The Senator from Ohio asks unanimous consent to temporarily lay aside the pending bill, in order to take up Senate joint resolution 169. Is there objection?

Mr. PENROSE. Let the joint resolution be read subject to objection.

The PRESIDENT pro tempore. The Senator from Pennsylvania asks that the joint resolution may be read before the request for unanimous consent is disposed of. The Secretary will read the joint resolution.

The Secretary read the joint resolution, as follows:

Resolved, etc., That in the interpretation and execution of section 50 of the act of Congress approved June 3, 1916, credit shall be given as for service in the senior division of the Reserve Officers' Training Corps to any member of that division for any period or periods of time during which such member has received or shall have received at an educational institution under the direction of an officer of the Army, detailed as professor of military science and tactics, a course of military training substantially equivalent to that prescribed by regulations under this section for the corresponding period or periods of training of the senior division, Reserve Officers' Training Corps.

Mr. PENROSE. Mr. President——

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

Mr. PENROSE. I should like to ask the Senator from Ohio whether this joint resolution is recommended by the War Department?

Mr. POMERENE. It is recommended by the War Department, and I shall be glad to make a very brief explanation of it to the Senate.

Mr. PENROSE. I am not objecting to the consideration of the joint resolution, but I should like to have the Senator's explanation.

The PRESIDENT pro tempore. The Chair hears no objection to the present consideration of the joint resolution.

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

Mr. POMERENE. Mr. President, under the recent Army reorganization act, section 50 of that act provided for the senior division of the reserve officers' training corps. There was also a junior division of the reserve officers' training corps provided for. It was intended by the act that, before a student

could be admitted to the senior division, he should have two years' training under a course of study which would meet the approval of the War Department. Under a strict construction of section 50, it is said that this would only apply to students who shall receive two years' training from and after the date the act went into effect. If so construed, a young man who has heretofore had two years of military instruction would not be entitled to the commutations the law authorizes. It was clearly the intention of the War Department, as it was of both the Senate and the House of Representatives, as I believe, that if a student had two years' training, even prior to the date of the passage of that act, in a course of study that had met the approval of the department, then he would be admitted to the senior division and would be entitled to the commutations.

The purpose of this amendment is so to construe section 50 of the act as to give students who have heretofore received two years' training, or who may hereafter receive it, the privilege of these commutations. I am quite sure it was the intention of the Senate and of the House to grant that privilege to such students, provided they passed the necessary examinations on a course of study which met the approval of the War Department.

The PRESIDENT pro tempore. The joint resolution is before the Senate, as in Committee of the Whole, and open to amendment. If there be no amendment, the joint resolution will be reported to the Senate.

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

DISTRICT COURT IN MAINE.

Mr. OVERMAN. Mr. President, on behalf of the Senator from Maine [Mr. JOHNSON] I ask unanimous consent for the present consideration of House bill 15807, which simply provides for the holding of court in a certain district in Maine. There is no provision in the bill for the appointment of a judge or anything of that kind.

The PRESIDENT pro tempore. The Senator from North Carolina asks unanimous consent for the present consideration of the bill named by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 15807) to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside; which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, in section 1, page 1, line 7, after the words "first Tuesday of," to strike out "June" and to insert "February"; in line 8, after the words "first Tuesday of," to strike out "December," and to insert "June"; in the same line, before the word "sessions," to strike out "two." and to insert "three"; on page 2, line 2, after the word "April," to strike out "and," and to insert "on"; and in the same line, after the word "September," to strike out "in the year A. D. 1916 only, a term of said court shall also be held at said city of Portland on the second Tuesday of December," and to insert "and on the second Tuesday in December"; so as to make the section read:

That hereafter, and until otherwise provided by law, two sessions of the United States district court for the district of Maine shall be held in each and every year in the city of Bangor, in said district, beginning, respectively, on the first Tuesday of February and the first Tuesday of June, and three sessions of said court shall be held in each and every year in the city of Portland, in said district, beginning, respectively, on the first Tuesday of April, on the third Tuesday of September, and on the second Tuesday in December.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 21, after the word "marshal," to insert:

And such field deputy, before he enters on the duties of his office, shall give bond before the judge of said district of like tenor, effect, and amount and of similar form and condition, with like sureties, and to be approved in like manner, as now or may hereafter be required by law of the marshal of said district.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 8, after the word "and," to strike out "Franklin," and to insert "Somerset," so as to make the section read:

SEC. 3. That for the purpose of holding terms of the United States district court the district of Maine as heretofore constituted shall be divided into two divisions, to be known, respectively, as the northern and southern divisions. The counties of Aroostook, Penobscot, Piscataquis, Washington, Hancock, Waldo, and Somerset shall be known as the northern division, the court for which shall be held in the said city of Bangor. The remaining counties in said State and district of Maine shall constitute the southern division, the court for which shall be held in the said city of Portland.

The amendment was agreed to.

The next amendment was, on page 5, to strike out section 8, as follows:

SEC. 8. That grand and petit jurors summoned for service at the term of said court to be held in said city of Bangor on the first Tuesday of December, A. D. 1916, may if in the opinion of the court or judge the public convenience so requires, be directed to serve also at the term of said court to be held in said city of Portland on the second Tuesday of December, A. D. 1916, as provided in section 1 of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HEARINGS BY COMMITTEE ON FINANCE.

Mr. SHAFROTH. Mr. President, I ask unanimous consent for the present consideration of Senate resolution 244, which was submitted by the Senator from North Carolina [Mr. SIMMONS] on August 5, referred to the Committee to Audit and Control the Contingent Expenses of the Senate, and reported from that committee on August 12 by me, with an amendment. It proposes to grant the right to the Committee on Finance to employ a stenographer to take testimony before that committee.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Colorado?

Mr. SMOOT. Mr. President, I shall not object to the consideration of this resolution, but I shall object to anything further now being taken up from the calendar and considered.

The PRESIDENT pro tempore. The Chair hears no objection to the present consideration of the resolution.

The Senate proceeded to consider the resolution, which had been reported from the Committee to Audit and Control the Contingent Expenses of the Senate on August 12, 1916, with an amendment on page 1, line 3, after the word "Congress," to strike out the words "to send for persons, books, and papers," so as to make the resolution read:

Resolved, That the Committee on Finance, or any subcommittee thereof, be, and hereby is, authorized, during the Sixty-fourth Congress, to administer oaths, and to employ a stenographer, at a cost not exceeding $1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

The amendment was agreed to.

The resolution as amended was agreed to.

THE REVENUE.

Mr. SIMMONS. Mr. President, I now call for the regular order.

Mr. STERLING. Mr. President, I wonder if the Senator from North Carolina would not yield to me to ask unanimous consent to call up order of business No. 324, being House bill 407.

The PRESIDENT pro tempore. The Senator from South Dakota asks unanimous consent for the present consideration of the order of business named by him. Is there objection?

Mr. SIMMONS. I wish to ask the Senator a question about it. Does the Senator anticipate that it will lead to any discussion?

Mr. STERLING. I hardly think it will.

Mr. SMITH of Georgia. It is the stock-raising homestead bill, and undoubtedly will lead to discussion; so I object.

Mr. SIMMONS. Mr. President, I am going to reserve the right to object if the bill leads to any discussion.

The PRESIDENT pro tempore. The Senator can not reserve the right to object. If he does not object now, he can not object at all. Is there objection?

Mr. SMITH of Georgia. Yes; I object.

The PRESIDENT pro tempore. There is objection. The Senator from North Carolina [Mr. SIMMONS] has called for the regular order.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The Secretary resumed the reading of the bill, and read Title VII, creating a tariff commission.

Mr. UNDERWOOD. Mr. President, under the rule of procedure which we have adopted in connection with this bill that committee amendments should have precedence, I do not know whether it is in order to make the motion at this time which I desire to make. I desire to move to strike out the sections relating to the tariff commission, and I desire to ask the Chair whether that is in order?

The PRESIDENT pro tempore. Certain amendments have been proposed by the committee. The rule is that where a motion is made to strike out a proposition the friends of the proposition have the right to perfect it before the motion to strike out is submitted. A motion to strike out can not be put until all pending amendments to perfect the provision have been presented and disposed of.

Mr. UNDERWOOD. At this time, are there committee amendments pending?

The PRESIDENT pro tempore. Three committee amendments appear to have been presented, one in line 12 and two in line 13, on page 142.

Mr. GALLINGER. Has the entire provision been read?

The PRESIDENT pro tempore. The tariff-commission provision has been read. Is that the provision to which the Senator from Alabama directs his inquiry?

Mr. UNDERWOOD. Yes, sir.

The PRESIDENT pro tempore. The Chair thought the Senator referred to the provision on page 142, which the Secretary was just beginning to read.

Mr. UNDERWOOD. I desire to move to strike out the provisions the Secretary has just read relating to a tariff commission.

The PRESIDENT pro tempore. The Chair will inform the Senator that the meaning of the rule is that no individual amendments can be entertained until the committee amendments have been disposed of, and there are still other committee amendments to be considered. After they are acted upon the Chair will be glad to recognize the Senator for the purpose indicated.

Mr. STERLING. Mr. President, does that mean the committee amendments to the entire bill or committee amendments to the several parts or titles of the bill?

The PRESIDENT pro tempore. Amendments may be offered at the proper time to any part of the bill a Senator may think needs amendment. There is no limitation upon the right of an individual Senator to offer amendments.

Mr. STERLING. I inquire if it would be in order to offer an amendment to the tariff-commission provision of the bill at this time?

The PRESIDENT pro tempore. Not at this time, as the committee amendments to the bill have not all been disposed of. The Senator from Alabama has just indicated that he desires to make a motion to strike out the entire provision relating to a tariff commission, but before that motion is put amendments looking to the perfection of the provision will be in order. At present, however, there remain committee amendments to be considered. The Secretary will proceed with the reading.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 142, line 7, in the headline after the word "Title," to strike out "VII" and insert "VIII," so as to read:

Title VIII.—Unfair competition.

The amendment was agreed to.

The next amendment was, on page 142, in line 12, after the name "United States," to strike out "to," in the same line, after the word "systematically," to insert "to import"; and in line 13, before the word "sold," to insert "imported or," so as to make the clause read:

SEC. 99. That it shall be unlawful for any person importing or assisting in importing any articles from any foreign country into the United States, commonly and systematically to import, sell, or cause to be imported or sold such articles within the United States at a price substantially less than the actual market value or wholesale price of such articles, at the time of exportation to the United States, in the principal markets of the country of their production, or of other foreign countries to which they are commonly exported, after adding to such market value or wholesale price, freight, duty, and other charges and expenses necessarily incident to the importation and sale thereof in the United States: *Provided*, That such act or acts be done with the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry in the United States, or of restraining or monopolizing any part of trade and commerce in such articles in the United States.

The amendment was agreed to.

The next amendment was, on page 143, line 24, after the word "duty," to insert: "*Provided*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer." So as to make the clause read:

SEC. 100. That if any article produced in a foreign country is imported into the United States under any agreement, understanding, or condition that the importer thereof or any other person in the United States shall not use, purchase, or deal in, or shall be restricted in his using, purchasing, or dealing in, the articles of any other person, there shall be levied, collected, and paid thereon, in addition to the duty otherwise imposed by law, a special duty equal to double the amount of such duty: *Provied*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer.

Mr. SMOOT. Mr. President, in section 100 the committee report an amendment to the House provision, as follows:

Provided, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer.

I believe that that amendment is a proper one; but I believe we ought to go further than the amendment of the committee, by adding to that amendment these words:

Nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the articles of any other person.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. Certainly.

Mr. THOMAS. The amendment presented by the committee was prepared with a good deal of care by an attorney who represented certain importers in the city of New York, and the purpose designed to be covered by it was so obvious that it was accepted by the committee. Afterwards the amendment just suggested by the Senator from Utah was brought to the committee's attention, and after due consideration it was rejected, because we feared it might be the basis of a practice—that, however, was an apprehension rather than a certainty—which would result in defeating the proviso altogether. We therefore concluded that it was better to reject it.

Mr. SMOOT. I will say to the Senator from Colorado that I fully agree with the amendment that has been agreed to by the committee and that has just been reported to the Senate; but if we go that far, it seems to me we ought to go a step farther and provide:

Nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the articles of any other person.

In other words, Mr. President, an exclusive agency in this country for a foreign article should not prevent that person from acting as an agent for an entirely different line of goods, and it seems to me that he is restricted under the language of the committee. If he is dealing in any article of a foreign manufacturer, unless the provision as suggested by me is adopted, I can not see how he can become the agent of any other person or firm; and I do not think we want to go that far in this bill.

Mr. THOMAS. Mr. President, I believe that this amendment, as it appears in the bill, would not preclude an agent appointed under it from doing what is intended to be permitted by the suggested amendment of the Senator from Utah. On the other hand, I do not think it is prudent to invest the exclusive agent of a foreign firm with authority to become also the exclusive agent of other foreign firms, either in the same line or some other line of business.

Mr. SMOOT. But I can not see why that should not be done; and I believe if this amendment is not adopted no person in the United States can act as an exclusive agent for two foreign firms that may make entirely different goods.

Mr. THOMAS. If that is the objection of the Senator, I do not think it applies at all. The exclusive agent of one line of goods certainly would not be precluded from becoming the exclusive agent for another line of goods that were entirely different from the first.

Mr. SMOOT. This is what the section provides:

That if any article produced in a foreign country is imported into the United States under any agreement, understanding, or condition that the importer thereof or any other person in the United States shall not use, purchase, or deal in, or shall be restricted in his using, purchasing, or dealing in, the articles of any other person, there shall be levied, collected, and paid thereon, in addition to the duty otherwise imposed by law, a special duty equal to double the amount of such duty.

Mr. THOMAS. Yes; and then we make an exception with regard to exclusive agencies for foreign goods.

Mr. SMOOT. Yes; certainly you do, in relation to foreign goods; but my amendment goes further, and says:

Nor to prevent such exclusive agent—

That is, of foreign goods—

from agreeing not to use, purchase, or deal in the articles of any other person—

Whether it be in the United States or whether it be in a foreign country. I do not believe the Senator will undertake to defend the position that if a person is an exclusive agent for a foreign manufacturer he can not also make an agreement to sell here goods made by any other person.

Mr. THOMAS. Oh, I do not defend any part of it. This whole section is repulsive to my notions of what we ought to do, Mr. President.

Mr. CUMMINS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Iowa?

Mr. SMOOT. I do.

Mr. CUMMINS. The exception is not quite as broad as indicated by the Senator from Utah, and I fear that it will not have the effect that the committee has in mind. It will be observed that it is limited to a foreign producer; that is, a foreign merchant can not establish an exclusive agency.

Mr. THOMAS. If the Senator will permit me to call the attention of the chairman to the phraseology of the proviso, I agent of other foreign firms, either in the same line or in some different or better expression than the word "producer" the committee will be glad to accept it. With regard to the suggested amendment of the Senator from Utah, if the chairman does not object, I am perfectly willing to accept it and let it go to conference, where the matter can be adjusted.

Mr. CUMMINS. The thought in my mind, and I want to ask the Senator from Colorado——

Mr. SIMMONS. Will the Senator let us finish this amendment before we go on to that one? The Senator from Utah has offered an amendment, as I understand.

Mr. CUMMINS. What I was about to say has to do with the amendment.

Mr. SIMMONS. Well, then, let me simplify it by saying that I think the suggestion of the Senator from Colorado is a very good one. Let it go in the bill, and in conference we can consider it.

Mr. SMOOT. That will be satisfactory to me, as far as my amendment is concerned.

The PRESIDENT pro tempore. What is the proposition of the chairman of the committee?

Mr. SIMMONS. What I said, Mr. President, was that I thought the suggestion made by the Senator from Colorado, who has charge of this part of the bill, was a very good one, and that I saw no objection to allowing the amendment offered by the Senator from Utah to go into the bill, with the understanding that the matter would be taken up in conference.

The PRESIDENT pro tempore. Unless there is objection, that course will be adopted. The Chair hears none, and it is so ordered. The Senator from Utah has not yet sent his amendment to the desk.

Mr. SMOOT. I will say to the Chair that I will write out the amendment and hand it to the Secretary.

The PRESIDENT pro tempore. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 144, after line 6, to insert:

SEC. 102. That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals, the President, within his discretion, shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles, the products of such country, dependency, or colony.

And the Secretary of the Treasury, with the approval of the President, shall make such rules and regulations as are necessary for the execution of the provisions of this section.

The amendment was agreed to.

The next amendment was, on page 144, after line 18, to insert:

TITLE IX.

SEC. 103. That from and after 90 days after the passage of this act no fresh or frozen halibut or salmon from the north Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country, except when the same shall be in bond from an American port.

The amendment was agreed to.

Mr. CHAMBERLAIN. Mr. President, I do not intend to address the Senate on this particular provision. It was proposed as an amendment to the bill by me, referred to the Finance Committee for consideration, and reported back as a part of the bill now being considered.

Through the courtesy of Hon. CLAUDE KITCHIN I have been furnished two letters bearing upon the subject and giving a complete history of the necessities which have made the provision necessary in order to protect a great and growing industry off the banks of Alaska and American vessels and seamen engaged in this industry. One of these letters was addressed by the Secretary of Commerce to the President of the United States, and the other was addressed by the Commissioner of Fisheries to the Secretary of Commerce, both dealing with the conditions to which this amendment refers and the interests which it is intended to protect.

These communications were referred to Mr. KITCHIN by the President and deal so completely with the subject that I request that they may be printed in the RECORD as a part of the history of the provision under consideration.

The PRESIDENT pro tempore. The request of the Senator from Oregon will be complied with unless there is objection. The Chair hears none.

The matter referred to is as follows:

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, May 6, 1916.

MY DEAR MR. PRESIDENT: I beg respectfully to inclose original report of the Commissioner of Fisheries to me on the conditions which threaten serious economic loss, if not disaster, to the important town of Ketchikan in southeastern Alaska. A copy of this has been submitted to the Department of State who advise under date of May 1 as follows:

"As you probably already know, there is no legal objection to the proposed legislation. There is a question of policy involved, and as to that it would seem that the Treasury Department had better be consulted. As far as this department is concerned, I can see no objection to the proposed legislation."

The above is signed by Mr. Lansing. Pursuant to the above suggestion the matter was submitted to the Treasury Department, who under date of May 4 advise as follows:

"I have received your letter of May 3 inclosing a memorandum from the Commissioner of Fisheries to you, dated March 30, 1916, in regard to the effect of the order in council of the Canadian Government of March 9, 1915, relaxing restrictions previously in effect in respect to the landing of and transshipping of fresh fish by American vessels at Canadian-Pacific coast ports on the industries of Ketchikan and other towns in the United States, and asking if the enactment of a proposed law as follows would be objectionable from the viewpoint of this department:

"'No fresh or frozen halibut or salmon from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country except when the same is in bond from an American port.'

"This is a matter which does not affect the revenues of the Government and I can see nothing objectionable in the proposed legislation."

I beg respectfully to ask that the report of the Commissioner of Fisheries with copy of this letter which is sent for that purpose in duplicate, may be transmitted to the chairman of the Committee on Ways and Means of the House of Representatives for incorporation, if possible, in the proposed revenue bill. If, however, this matter should in your judgment be treated otherwise, I shall be glad to be advised and will follow your wishes.

Let me add to what the Commissioner of Fisheries has stated that the subject has been discussed between the counselor for the State Department, Mr. Frank L. Polk, the British ambassador, and myself, and I have also taken it up briefly with the deputy minister of fisheries of the Canadian Government at a recent call upon me.

Mr. H. C. Strong, of Ketchikan, advises me that the Grand Trunk Pacific Railway has informed him that they would take steps to put Ketchikan on a satisfactory basis as regards Prince Rupert if and when they were forced to do so. This would mean running a ferry steamer three times a week at present for the 90 miles from Ketchikan to Prince Rupert. They are not now doing so, however, with the result that by reason of the specially tempting privileges extended to fishermen at Prince Rupert the commercial existence of the port of Ketchikan is seriously threatened. I have tried to make clear through the British ambassador the unwisdom on the part of the railroad authorities of antagonizing our Alaskan interests, to whom they must inevitably look in the future for a considerable part of their business, but they show no sign of action.

Yours, very truly,

WILLIAM C. REDFIELD, *Secretary.*

The PRESIDENT,
The White House.

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DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, March 30, 1916.

The SECRETARY OF COMMERCE:

In compliance with the instructions in your letter of the 15th instant to prepare a report, for consideration, if necessary, by committees of Congress, upon the halibut fishery of the Pacific coast, particularly in respect to conditions which have developed within the last year or two in the way of diverting the industry from American ports to Prince Rupert, British Columbia, it seems not inappropriate to review briefly a few of the more important historical facts and submit a statement of the methods pursued in regard to the halibut fishery of the Pacific coast.

From the records it appears that beginning about 1888 there was some desultory halibut fishing, chiefly on banks which were beginning to become known in the vicinity of Cape Flattery, on the northern coast of Washington, and extending from there northward, most of the fish being landed at Seattle and Tacoma. It was not until 1894 that the industry assumed any noteworthy commercial importance. From that time until the present its growth has been such that now approximately 95 per cent of the halibut consumed in the United States comes from the Pacific coast, where the catch amounts to more than 65,000,000 pounds a year. Only a small part of the output has come from waters south of Cape Flattery, although in recent years increased attention has been given to grounds lying off the Oregon and Washington coast, and considerable quantities of fish have there been taken. The more important banks, however, are to the northward, and now the larger proportion of the entire catch is from the banks off the coast of Alaska. It is the Alaskan banks to which attention is now chiefly directed, for it is believed that upon these banks there exists the greatest supply of halibut known to the world.

METHODS.

In describing briefly the methods pursued in the Pacific halibut fishery, it may be noted that halibut are caught on hooks attached to long lines or trawls and baited with herring. The lines are set from dories operated from steamers or power schooners of commodious and seaworthy capacity, so as to enable the vessels to weather gales while out on the fishing banks. There are now upward of 150 American vessels thus engaged. Halibut fishing is generally conducted in water of from 40 to 100 fathoms in depth, although halibut are sometimes taken at a depth of 250 fathoms. The steamers are generally equipped with 12 to 14 dories, while the power schooners as a rule carry from 4 to 8 dories. Each dory is manned by two fishermen. The fishermen on

steam vessels usually receive 1¼ cents a pound for the halibut caught, clear of all expense of operation, board, etc. As a rule, in schooner operations the vessel takes one-fifth of the gross catch, while from the remaining four-fifths there is deducted all cost for fuel, stores, supplies, and other items, and the remainder is then divided equally among the crew. Sometimes the captain receives in addition a small commission.

A modification of dory fishing has been adopted recently to a rather limited degree. It consists of setting the trawl lines directly from the deck of the vessel and hauling them in by means of a power winch. This enables vessels to operate when the weather is too stormy to permit of dory fishing.

CENTERS OF INDUSTRY.

The halibut industry of the Pacific Coast has always centered at Seattle, Wash. The greater portion of the catch has been brought to Seattle by the fishing fleet, but there have been approximately 14,000,000 pounds per annum discharged at Alaska ports, and there iced, boxed, and shipped to dealers in Seattle; but the unsatisfactory steamer service and the disadvantages arising from the inability of the fishermen to deal in person with the buyers have made this practice unpopular. The price in the year 1915 has varied from about 12½ cents per pound in winter to 2½ cents per pound in the late spring, when the catches have been heaviest, the average for the year being about 5½ cents a pound. This is the price received by the independent fishermen for halibut as delivered at the docks in Seattle, and is for first-grade fish in good condition. The average weight of the best grade of halibut is about 30 pounds per fish. The so-called chicken halibut, those running usually about 10 to 15 pounds in weight, and the larger halibut, weighing from 50 to 100 pounds or more, are not regarded with as much favor as those averaging about 30 pounds.

The cold-storage plants at Juneau, Sitka, Wrangell, and Ketchikan receive some fish throughout most of the year, but it is chiefly when halibut are plentiful that most of the freezing is done. The largest of these plants is that of the New England Fish Company at Ketchikan. This establishment was completed in 1909 and was enlarged three years later, so that at present it has a storage capacity of approximately 4,000,000 pounds of frozen halibut and represents an investment of about $300,000. The other plants referred to are smaller and depend upon independent fishermen for receipts of halibut, whereas the New England Fish Company operates vessels on its own account.

At Seattle and Tacoma there are five cold-storage establishments where halibut are handled, and in addition there are several buyers who receive the fish as landed by the fishing vessels. At certain seasons of the year the fish are frozen and stored, but at other times they are iced for immediate shipment, the chief distributing centers being Boston and New York. In the winter months when the arrivals of fresh fish are comparatively limited—so small in fact at times that it is only the local demand or requirements of the western States that can be supplied—the shipments of frozen halibut are made to the eastern markets.

For many years halibut have been landed at Tacoma, Wash., though in nothing like the quantity landed at Seattle, and also in a less degree at Grays Harbor and Everett, Wash., and Stevenson, Hayesport, and Vancouver, British Columbia.

The foregoing is an outline of the halibut fishery of the Pacific coast as it existed up to a year or two ago, when Prince Rupert, British Columbia, came to the fore and now bids fair to become the chief center of the industry, unless early steps of a definite character are taken to retain it in American ports.

ENTRY OF PRINCE RUPERT AS HALIBUT CENTER.

It is understood that dominant Canadian interests for a number of years had been carrying out a logically conceived policy to make Prince Rupert one of the chief fishery centers of the Pacific coast. This carefully arranged plan had its culmination in the completion of the Grand Trunk Pacific Railway, followed by the order in council of March 9, 1915. It is reported that the Canadian Government subsidized the Grand Trunk Pacific Railway and in addition gave a subsidy for the construction of a fish-freezing establishment at Prince Rupert, which is said to be the largest of its kind on the Pacific coast.

With the completion of the Grand Trunk Pacific Railway through to Prince Rupert, British Columbia, the halibut situation became acute. Since that time an active campaign has been waged between the American cities on the one hand and Prince Rupert and, to a less degree, Vancouver on the other hand for control of the industry. The seriousness of the situation as seen from the American point of view may be recognized from the fact that during the year 1914 American fishing vessels landed no fish at Prince Rupert, but from March, 1915, to the end of the year American vessels landed more than 7,000,000 pounds of halibut at that port and Canadian vessels 8,000,000 pounds. It is reported that 80 per cent of the Canadian-caught fish were shipped to American markets.

This active entry of Prince Rupert into the field for the trade in American as well as Canadian-caught halibut was made possible through a Dominion order in council on March 9, 1915, relaxing restrictions previously in effect in respect to the landing and transshipping of fresh fish by American vessels at Canadian Pacific coast ports.

This order was as follows:

"During the present calendar year (1915) foreigners or foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia shall be permitted to land such fresh fish at such port without payment of duties and transship the same in bond to any port in the United States, or to sell such fish in bond to such local dealers or dealer as may be properly and duly licensed therefor, under the regulations and conditions in compliance with the bonding requirements (without the right, however, in either instance, to sell in Canada for consumption therein, or otherwise except in bond, any of such fresh fish so landed); and such foreigners and foreign corporations bringing fresh fish in vessels registered in the United States of America to any port in British Columbia, shall be permitted to purchase supplies, and ship crews for such vessels, at any port in the said Province of British Columbia, the whole under such regulations and conditions as the minister of customs may determine."

The chief feature of this order is that it altered Canadian regulations to such an extent as to make it possible for Canada to receive the benefits of the American fishing industry, and yet it does not benefit American trade, as the fish so landed by American vessels are prohibited from going into consumption in Canada.

Although Seattle has felt to a certain extent the new order of things, it has nevertheless, by reason of being the headquarters of the large fishing firms owning their own steamers, held a considerable volume during the year 1915; but three of these companies have announced that they will find it necessary to establish themselves at Prince Rupert in 1916 unless conditions change.

So far, Ketchikan has suffered most. Prior to the promulgation of the order in council, hereinabove cited, Ketchikan enjoyed a profitable halibut fishery. In fact, it was regarded as the center of the industry in Alaska. At certain seasons of the year many cargoes of halibut were landed at Ketchikan, and there was the incidental industrial activity due to the purchase of supplies and the outfitting of the vessels as well as paying off crews. It is reported that soon after the Canadian order in council became effective the American fishermen almost entirely discontinued the landing of cargoes at Ketchikan for shipment to Seattle, finding it advantageous to accept the inducements offered at Prince Rupert where they were able to meet and do business directly with buyers for the American markets. Thus the Canadian port became their headquarters.

The present hold of Prince Rupert, by reason of its more direct transportation facilities to the halibut markets of the East and because of privileges and inducements offered to American fishermen through the order in council of March 9, 1915, is so firmly established that American fishermen and American companies handling fresh halibut have literally been forced to transfer their chief activities to Prince Rupert. American fishermen are taking up their residence there, and the United States is thus suffering the loss of a class of citizens who have done considerable toward the development of Alaska, particularly southeastern Alaska. At the same time there is the attendant loss which other lines of industry suffer as the result of the removal of these fishermen and their families to Prince Rupert.

INVESTMENT IN THE HALIBUT FISHERY.

Exact figures as to the investment in the halibut fishery of the Pacific coast are not available. Upon the basis of very careful estimates, however, the total investment in the American halibut fishery on the Pacific coast may be stated as approximately $3,500,000, which sum includes the packing and refrigerating plants valued in excess of $1,500,000, and a fishing fleet of approximately 150 vessels worth about $2,000,000. These vessels include both large and small, varying in value from $5,000 to $100,000 each. Approximately 2,000 persons are engaged and the value to the fishermen of the American-caught fish in 1915 is estimated to be $2,500,000. The estimated investment in the Canadian halibut fishery is $1,000,000, and it gives employment to about 500 persons, the value of the product to Canadian fishermen being about $750,000. At the present time the Canadian fleet numbers about 30 vessels. Combining these estimated figures covering the American and Canadian halibut fishery, there is a total investment of $4,500,000, employment is given to 2,500 persons, and the annual value of the product to the fishermen is $3,250,000. The retail value is four times this amount.

COMPARISON OF HALIBUT CATCH OF 1914 AND 1915.

The total catch of halibut from Pacific waters landed at both American and Canadian ports was approximately 64,000,000 pounds in 1914 and 66,000,000 pounds in 1915. Less than one-fourth of these catches was made by Canadian vessels. Of the 1914 catch arrivals in British Columbia ports amounted to about 17,000,000 pounds, but in 1915 when the total production of all Pacific waters was only a little larger than the previous year the arrivals of halibut in British Columbia increased to nearly 28,000,000 pounds, an increase in receipts for British Columbia in 1915 of 11,000,000 pounds. This increase represents halibut landed by American vessels as a result of concessions made by the Canadian Government to draw the American fleet to its ports. As was obviously intended by Canada, Prince Rupert has been the chief beneficiary, for it was at that port that American fishing vessels landed more than 7,000,000 pounds of halibut in 1915 as against nothing in 1914. Vancouver also shows a notable gain in 1915, when American vessels landed about 4,000,000 pounds. These gains in trade for Canada have been at the direct expense of American ports, chiefly Ketchikan and Seattle.

FROZEN SALMON.

There is also a trade in frozen salmon that is passing from southeastern Alaska to Prince Rupert that demands consideration in order that it may be continued as an American industry. At present it is small as compared to the halibut trade, but it may be developed considerably. It is estimated that it produces a quarter of a million pounds of frozen salmon annually, valued at $25,000, and gives partial employment for two or three months in the year to about 1,000 persons, whose catch, however, is chiefly used for mild curing. Most of the salmon frozen are caught in waters contiguous to the Alaskan coast, and the trade rightfully belongs to Alaska.

GENERAL RATHER THAN LOCAL INJURY TO AMERICAN INTERESTS.

The opening of the Grand Trunk Pacific Railway to Prince Rupert, which prompted the order in council of March 9, 1915, has in reality been the all-important cause back of this loss of American trade, and as its effect is felt both at Ketchikan and Seattle as well as other less important American ports, the injury may with propriety be regarded as of a general character rather than of a local nature. It is not only the American fishing industry which is harmed, but there are extensive collateral interests represented by firms engaged in outfitting and supplying the fishing fleets with ice, bait, foodstuffs, fishing gear, and distillate, the trade in which is lost to the United States when vessels land their catch at Canadian ports. It is estimated that the loss of such collateral trade to America in 1915 amounted to $500,000. Unless conditions are changed speedily, this diversion will increase rapidly. Already one large Seattle firm, whose chief business has been the outfitting of halibut vessels, has been forced to establish a branch at Prince Rupert. Two large American corporations operating cold-storage plants at Seattle have recently stated in communications that the Bureau of Fisheries has seen that unless prompt action is taken to relieve the existing condition it will be necessary for them to build plants and make other heavy investments at Prince Rupert. These companies have clearly indicated that they do not care to enter this field, preferring to make their northern investments in Alaska, but that they will be forced to do so in order to retain their share of the business unless the situation changes.

Another serious phase of the situation is the fact that America is losing a valuable citizenry in those who will move to Canada and in the course of a few years will be assimilated completely by that country. Thus the diversion of Pacific halibut trade through Canadian ports means not only a pecuniary loss to American interests, but also the loss of good citizens and their families, who will eventually become alienated from the United States. There may be stout denials of this alienation, but the insidious workings of time and environment will unquestionably produce this result.

SUGGESTED REMEDIES.

Various suggestions more or less important have been made to improve conditions affecting the Pacific coast halibut fishery, but at the present time and after full and careful consideration of the problem it is believed that the enactment of the following measure offers the best solution:

"No fresh or frozen halibut or salmon from the North Pacific Ocean or its tributary waters shall be admitted into the United States through any foreign country except when the same is in bond from an American port."

This measure seems simple in its terms and easy of application, and its adoption is believed to be an efficient means of reserving the halibut fishery to American cities on the Pacific coast and at the same time will not admit readily of retaliatory masures or acts of reprisal by the Canadian authorities. Its effect on the fishermen will simply be that the fish they now land at Canadian ports will be landed chiefly at Ketchikan, where they will have market facilities equaling those now at Prince Rupert, and they will save the 90-mile trip to the Canadian port. It will necessitate the inauguration by the Grand Trunk Pacific Railway of a ferry service suitable for the transportation of fish from Ketchikan, where the shipments would be accepted in bond for our eastern markets. The Grand Trunk Pacific Railway will, if the measure hereinabove suggested is adopted, undoubtedly grant such facilities, as it needs the business of southeast Alaska. Prince Rupert is bound to benefit by the shipment of halibut even though originally landed at Ketchikan, but over and above this the fact stands forth plainly that the Grand Trunk Pacific Railway undoubtedly needs this business as halibut is the road's most profitable factor in the eastbound freight.

It is not deemed expedient that the United States Government should adopt measures which will mean that fresh Alaskan halibut can not or will not be shipped to Eastern markets over the Canadian railroads, but it is believed that such fish should go in bond from an American port. The Grand Trunk Pacific Railway is undoubtedly a shorter line to the east, probably saving at least 48 hours between Alaska and the chief distributing centers for halibut, Boston and New York. Any means which will permit of more prompt delivery of a perishable food product is of advantage to the consumer. This situation, however, only slightly affects halibut shipped to Seattle; and, as a matter of fact, according to the present schedule halibut can be laid down in Chicago more quickly from Seattle than from Prince Rupert, but shipments to Boston and New York can be made from Alaska more quickly through Prince Rupert than by way of steamer to Seattle and thence over an American railroad.

Under present regulations American fishing vessels are barred from discharging fish at Canadian ports for consumption in Canada, but Canadian vessels have the privilege of selling their catch in the United States in addition to selling in Canada. In other words, Canada discriminates against American vessels, but the United States does not place similar restrictions upon the sale of fish caught by Canadian vessels. This means that Americans are forced to add vessels of Canadian registry to their fleets if they want to participate in the Canadian trade, and without effective legislation the tendency will be to increase the Canadian fleet at American expense.

The American shipping laws require that if a foreign fishing vessel enters a port in the United States and discharges its cargo it can not clear for the fishing banks and return with its catch to an American port. Instead the vessel after landing its catch must clear for its home port. After entering there it may proceed to the fishing banks and again land its cargo at an American port. The measure herein suggested, that no fresh or frozen fish from the North Pacific shall be admitted into the United States through any foreign country except when the same is in bond from an American port, would not work a hardship upon Canadian vessels as, after discharging their catch, they can easily enter a Canadian port before returning to the fishing grounds.

So far as this office is aware no practicable plan has yet been suggested whereby the bureau, the town of Ketchikan, or the Territory of Alaska, can take any action that will be helpful. The only solution seems to be congressional action, and the best remedy that has yet been developed for consideration by Congress is the passage of a law worded as hereinabove suggested. It is not thought that this measure is open to international complications, the only possibility along this line being an attempt on the part of Canada to modify the present reciprocal relations in respect to the bonding of goods in transit through the respective countries, which is not at all probable. Such an act on the part of Canada would not only deprive her railroads of revenue, but equally inconvenience her own people.

H. M. SMITH,
Commissioner.

The reading of the bill was resumed.

The next amendment was, on page 145, line 1, in the headline, to strike out "VIII" and insert "X," so as to read:

Title X.

The amendment was agreed to.

The next amendment was, on page 145, after line 9, to strike out:

SEC. 701. That unless otherwise herein specially provided, this act shall take effect on the day following its passage, and all provisions of any act or acts inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

The reading of the bill was concluded.

Mr. THOMAS. Mr. President, the committee offers the amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Colorado, on behalf of the Finance Committee, proposes an amendment which will be stated by the Secretary.

The SECRETARY. On page 144, at the end of line 18, following *the amendment* heretofore agreed to——

Mr. THOMAS. I think the words "at the end of line 18" should be excluded, because an amendment has been adopted—the amendment of the Senator from Kentucky [Mr. JAMES]—which is inserted after the end of line 18. This amendment will succeed the amendment of the Senator from Kentucky.

The SECRETARY. Following an amendment heretofore agreed to, it is proposed to insert a new section to read as follows:

SEC. —. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight, or passengers, or in any other respect whatsoever, he is hereby authorized and empowered, in his discretion, to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure and to revoke, modify, or renew any such direction as in his opinion the public interest may require.

That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or Government American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is hereby authorized and empowered, in his discretion, to withhold clearance from one or more vessels of such belligerent country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may, in his discretion, direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation as in his opinion the public good may require; and any person or persons who shall furnish or attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than $2,000 nor more than $50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court.

In case any vessel which is detained by virtue of this act shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than $2,000 nor more than $10,000, or to imprisonment not to exceed two years, or both, and in addition such vessel shall be forfeited to the United States.

That the President of the United States is hereby authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PHELAN. Mr. President, I desire to submit an amendment at this time.

The PRESIDENT pro tempore. The Chair will announce that if no further committee amendments are to be presented the amendment offered by the Senator from California will be stated.

Mr. SIMMONS. Mr. President, I wish to offer certain additional amendments.

The PRESIDENT pro tempore. The Senator from California presents an amendment, which the Secretary will read.

Mr. SIMMONS. Why, Mr. President——

The PRESIDENT pro tempore. The Chair does not know what it is until it is read. Then it will appear whether it is a committee amendment or not.

Mr. PHELAN. It is not a committee amendment.

The PRESIDENT pro tempore. Then it is not in order. The Senator from North Carolina.

Mr. SIMMONS. Mr. President, on page 34 of the bill, at the end of line 11, under the exemptions in reference to securities of farm and Federal land banks, and so forth, I desire to offer a new paragraph in these words:

Joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank.

That is an amendment suggested by the Secretary of the Treasury.

The PRESIDENT pro tempore. The Senator will send the amendment to the desk and it will be read.

The SECRETARY. On page 34, paragraph "thirteenth," proposed by the committee, was passed over at the instance of the Senator from Utah. After that paragraph which has been passed over it is proposed to insert:

Fourteenth. Joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank.

The PRESIDENT pro tempore. Unless there is objection, the amendment offered by the Senator from North Carolina on behalf of the Finance Committee will be agreed to. The Chair hears no objection, and it is so ordered.

Mr. SIMMONS. On page 8, line 10, after the word "possessions," I move to add "or securities issued under the provisions of the Federal farm-loan act of July 17, 1916."

The amendment was agreed to.

Mr. SIMMONS. On page 49, line 16, after the word "title," I move to insert the words "and the acts of August 5, 1909, and October 3, 1913."

The PRESIDENT pro tempore. Without objection, the vote by which the amendment of the committee at that place was agreed to will be reconsidered. The Senator from North Carolina offered an amendment to the amendment, which will be stated.

The SECRETARY. In the amendment on page 49, line 15, after the word "title," insert "and the acts of August 5, 1909, and October 3, 1913."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Secretary informs the Chair that one of the committee amendments was passed over without being disposed of. It will be stated.

The SECRETARY. On page 34, after line 2, the committee report to insert the following:

Thirteenth. Federal land banks and national farm-loan associations as provided in section 26 of the act approved July 17, 1916, entitled "An act to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes."

Mr. SMOOT. Mr. President, I asked that that paragraph might go over, but I am quite sure that nothing I might say would change the determination of the committee to keep it in the bill. It is an exemption perhaps warranted under past practice of our legislation in behalf of Government institutions, but it takes a step toward discriminating against individual enterprise in the loaning of money to the farmers of the country not only by individuals but by State corporations. I shall not make any objection further.

The PRESIDENT pro tempore. The question is on the adoption of the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. This completes the committee amendments.

Mr. SIMMONS. As far as I know at present, those are all the amendments to be suggested by the committee.

Mr. GALLINGER. I have two amendments, which I propose to submit to the provision for a tariff board. Before doing so I ask unanimous consent that the Secretary read the letter I send the desk.

The PRESIDENT pro tempore. Such will be the order unless there is objection. The Chair hears none.

The Secretary read as follows:

WASHINGTON, D. C., *August 31, 1916.*

MY DEAR SENATOR: I am glad of the opportunity to submit to you observations upon the tariff commission section of the revenue bill.

The demand for handling the tariff with the aid of a nonpartisan tariff commission comes from all parts of the land with great unanimity, and no group of citizens are more in earnest in this than those living on the farms of our country.

There are actively supporting us in this measure over 700 organizations comprising labor, agriculture, business, and other activities, and it is noteworthy that 96 per cent of all organizations considering it came out strongly in support of it. There has probably never been in the history of the country a more universal and insistent demand than there is for this pending measure.

The need for such a board is obvious. The industrial and commercial world will be remade when the great war is over and undoubtedly the sharpest competition ever known will be inaugurated for the markets of the world. The various countries will use their tariffs as a means to aid it in this struggle, which will become probably the most important factor in the game which we must play, and play it against the most highly trained intellects in the world. A strong and highly efficient tariff commission that has the confidence of our people and the respect of the world will be a vital factor in the preparedness for peace, and it is quite as necessary to prepare for peace as it is for war.

The tariff commission the people want is a big job for big men, and the people are ready to pay the bill. If the commissioners at the outset are discredited by lower rank and pay than other commissioners, some of which will be charged with less duties and responsibilities, the country will resent it. To say that the proposed pay is the same that Members of the Senate receive is not to the point. Senators hold positions of very high rank and of great honor. The pay is only incidental. One of the most distinguished majority Members said: "While I am not convinced a tariff commission would accomplish what its friends predict, it is clear that the people want to try the experiment and are ready to pay the bill, and it should be tried out with the best commission that can be had. Therefore I am for it and for compensation equal to that paid any other commission." This is a true interpretation of public sentiment.

If in its wisdom Congress shall hereafter determine that the salaries of all the commissioners are too high, would it not be more equitable to place the tariff commission at the outset upon the same basis as other commissions, and if a reduction is afterwards made no one can charge that the tariff commission had been discriminated against and discredited by being treated differently from other commissions.

Sincerely, yours,

HOWARD H. GROSS,
President Tariff Commission League.

Mr. GALLINGER. I offer the following amendment to the text of the bill. I trust the Senator from North Carolina will give it careful attention, and the Senator from Georgia [Mr. SMITH] as well.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The SECRETARY. On page 136, lines 12 and 13, after the word "commission," insert the words "to conserve the industrial and commercial interests of the United States, to safeguard the American standards of wages, and"; and after the word "fiscal," in the same line, insert the words "and industrial." In line 22, on the same page, after the word "revenues," insert the words "their effect upon the industries and labor of the country"; and on page 137, line 12, after the words "preferential provisions," insert the words "economic alliances."

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I simply want to say in a word, because I am not going to be guilty of detaining the consideration of the bill, I feel very sure that this strengthens the act and gives to the commission important duties that are not provided for in the bill as it now stands. It surely can do no harm to let it go to conference at least for the careful consideration of the conferees.

Mr. SMITH of Georgia. Mr. President, the first one of the amendments, I think, is quite objectionable. I think it changes the character of the commission. I think it is the duty of Congress to consider legislation and not this commission. I think, therefore, the provision "that it shall be the duty of said commission to conserve the industrial and commercial interests of the United States, to safeguard the American standard of wages and to investigate the administration of fiscal effects," and so forth, ought not to be in the bill. It is the object of the commission to gather information primarily for the use of the Senate and the House, and I object to the provision. I think it is a duty that ought not to rest upon them, but which rests upon us after the information is gathered.

Mr. GALLINGER. What has the Senator to say about the other proposed amendment? Does the Senator object to those words?

Mr. SMITH of Georgia. I should like to dispose of the first one first.

Mr. GALLINGER. I will withdraw that, of course, if the Senator objects to it.

The PRESIDENT pro tempore. The Senator from New Hampshire withdraws the first part of the amendment.

Mr. SMITH of Georgia. I do not object to the other suggestion going in; we will see in conference about it; but to the first I object.

Mr. GALLINGER. Very well.

Mr. SMITH of Georgia. It seems to me to evade our responsibilities.

Mr. GALLINGER. That has been withdrawn, I will say to the Senator.

The PRESIDENT pro tempore. That part of the amendment has been withdrawn by the proposer of it. The question is on the adoption of the remainder.

The amendment was agreed to.

Mr. GALLINGER. I offer an additional amendment and then I am through.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 135, lines 19 and 20, strike out the words "a part of the classified civil service" and substitute the words "appointed from lists of eligibles to be supplied by the Civil Service Commission and in accordance with the civil-service law."

Mr. SMITH of Georgia. My view has been that the language used by the House means exactly the same as the language used by the Senator from New Hampshire and I do not object to the amendment.

The amendment was agreed to.

Mr. PHELAN. I call for the reading of the amendment I presented.

The PRESIDENT pro tempore. The Senator from California presents an amendment which the Secretary will state.

The SECRETARY. Add at the end of the bill a new section as follows:

SEC. —. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or Government, American ships or American citizens or firms composed in part of American citizens, or American companies or corporations are not accorded any of the facilities of commerce, including the unhampered traffic in mails, which the vessels or citizens, firms, companies, or corporations of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens, firms, companies, or corporations of any nationality other than that of such belligerent, the President is hereby authorized and empowered, in his discretion, to deny to the citizens, firms, companies, or corporations of such belligerent countries the use of the United States mails, or the facilities of any express company engaged in interstate commerce, or of any telegraph, wireless, or cable company; and in such case he shall make a proclamation stating the denial of the use of the mails, or of the facilities of such express, telegraph, wireless, or cable company, or any or all of them, and the name of the country to whose citizens such privilege or privileges are denied.

Upon the making of such proclamation the use of said mails or facilities of such express, telegraph, wireless, or cable company by any citizen, firm, company, or corporation so prohibited shall be unlawful; and the President may change, modify, revoke, or renew such proclamation as in his opinion the public good may require.

Any person, firm, company, or corporation and its servants and employees who shall make such prohibited use of the mails or express, telegraph, wireless, or cable companies or either of them or shall furnish such facilities of either mails or express, telegraph, wireless, or cable company to such person, firm, company, or corporation contrary to such proclamation shall be guilty of a misdemeanor and shall be punished by a fine of not less than $2,000 nor more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

Mr. THOMAS. Mr. President, the committee accepts the amendment offered and will let it go to conference.

The amendment was agreed to.

Mr. STERLING. I offer the following amendment.

The PRESIDENT pro tempore. The Secretary will state it.

The SECRETARY. On page 136, strike out section 90 and in lieu insert:

SEC. —. That it shall be the duty of said commission to investigate the cost of production at home and abroad upon all articles which are or might be, now or hereafter, the subject of tariff legislation, with special reference to the prices paid for domestic and for foreign labor, the hours of service, and the standard of living; also the prices paid for raw materials, whether domestic or imported, entering into manufactured articles, for the purpose of determining the differences between the cost of manufacturing such articles in the United States and articles of foreign manufacture of similar kind and quality; the importing cash price plus expenses and the tariff thereon at the United States port of entry; and shall tabulate and set forth all detailed information obtainable with respect thereto, and particularly as to the amount of revenue that the several articles, respectively, have produced under the various tariff acts of the United States, the amount of revenue at the time being produced thereon under any existing tariff act, and, so far as the same can be determined or estimated, the effect upon the revenue of raising or lowering the tariff rate a stated amount, and all other information that may be useful to enable Congress to ascertain as nearly as possible whether or not a tariff duty thereon is necessary or expedient, and if so, what the rate should be. In reaching its conclusion the commission may take into account the difference in the cost and standard of living at home and abroad by the workers engaged in the industry.

It shall be the duty of the commission to make, or cause to be made, a study of the classification of the various items that appear in the existing tariff enactment and the classification of similar articles in any tariff schedule of the principal commercial countries of the world, for the purpose of ascertaining whether the several items are fairly and properly classified, and if not, to make such recommendations as will properly fix the status of such items in the tariff schedules.

The commission is hereby empowered and directed to formulate, publish and establish such rules and regulations as it may deem expedient for receiving persons who desire to present to the commission any matter of business pertinent to or coming within the scope of its duties.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from South Dakota.

Mr. STERLING. Mr. President, I simply wish to say that the language of this amendment is not original with me. The language is taken from a tariff-commission bill proposed by the Chamber of Commerce of the United States, which, by a referendum vote of 715 to 9, declared in favor of a tariff commission.

It seems to me, Mr. President, that the language of this proposed amendment is incomparably superior to the language of the bill prescribing the duties of the tariff commission. If we will examine that language, we will find that it is very general, that it is in instances vague and indefinite, and it is hard to determine just what the commission is to do from the very general language of section 90 as found in the bill.

The amendment I propose suggests an investigation in regard to a most important subject, that of the difference between the cost of production abroad and the cost of production at home. Otherwise, too, the amendment is very full and explicit and states exactly what information we want, what information Congress should have from the efforts and from the investigations made by the tariff commission.

I think any impartial reader of the two provisions will see that the one I suggest as a substitute for the one in the bill is far superior. I hope it will receive favorable consideration.

Mr. SMITH of Georgia. Mr. President, I hope the amendment of the Senator from South Dakota will be rejected. Sections 90 and 92 together cover the scope of the general work of the commission, and they are amply broad enough to make an investigation upon these lines.

The commission is furthermore subject at all times to the direction of the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives to furnish information that we require for legislative purposes. They are also subject to the direction of the President to furnish information to aid in certain lines of diplomacy or in the enforcement of our rights of trade as they may be affected by foreign countries. Without further discussion, I urge that the amendment be rejected.

Mr. STERLING. Mr. President, if I may be permitted a word, section 92 covers for the most part an altogether different subject. It is not referred to in the substitute which I suggest to section 90. Section 92 has for its main object the investigation of treaties and the consideration of preferential provisions in treaties with foreign countries. The language confers power, among other things, to investigate—

the effect of export bounties and preferential transportation rates, the volume of importations compared with domestic production and consumption.

It further states, as a part of the powers of the commission, the power to investigate—

conditions, causes, and effects relating to competition of foreign industries with those of the United States—

Now, note—

including dumping and cost of production.

That is the only reference whatever in all this bill to a consideration of the cost of production, and there it is simply incidentally mentioned. The natural inference would be that the cost of production is to be considered in connection with the dumping of foreign goods upon the American market, and that is all. No comparative study in the cost of production is anywhere required.

Mr. President, we have always considered that as one of the most important subjects connected with tariff revision, namely, the difference between the cost of production at home and abroad, and the regulation of our tariff rates accordingly. Why should not this provision, prescribing the duties of a tariff commission, make it a part of their duty—a great part of their duty—to ascertain the difference between the cost of producing here at home and abroad?

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from South Dakota. [Putting the question.] The "noes" seem to have it.

Mr. STERLING. I ask for a division, Mr. President.

The PRESIDENT pro tempore. The "noes" have it.

Mr. CUMMINS. Mr. President——

Mr. STERLING. Mr. President, is it too late to call for the yeas and nays on this proposition?

The PRESIDENT pro tempore. Yes, sir; the matter has been disposed of.

Mr. STERLING. I bow to the decision of the Chair.

Mr. CUMMINS. I desire to offer two amendments, which I send to the desk.

The PRESIDENT pro tempore. The Senator from Iowa offers an amendment, which will be stated.

The SECRETARY. On page 134, in lines 21 and 22, it is proposed to strike out the words "the President shall also designate biennially the chairman and vice chairman," and to insert after the word "succeed," in line 1, on page 135, the words "the President shall designate annually the chairman and vice chairman of the commission," and on page 135, line 9, strike out the figures "$7,500" and to insert "$10,000."

Mr. CUMMINS. Mr. President, I recognize that I have offered two amendments. I do not ask that they both be voted on at the same time. I call the attention of the chairman of the committee to the obvious error in lines 21 and 22, on page 134. The language is:

The first members appointed shall continue in office for terms of two, four, six, eight, ten, and twelve years, respectively, from the date of the passage of this act, the term of each to be designated by the President. The President shall also designate biennially the chairman and vice chairman, but their successors shall be appointed for terms of 12 years.

A single glance at the language as at present arranged shows that what I ask shall be lifted out of its connection there and transferred to the top of page 25 ought to be concurred in. Certainly the successors of the chairman and vice chairman are not to be appointed for terms of 12 years.

Mr. SMITH of Georgia. The language in lines 21 and 22 evidently has gotten a little out of place.

Mr. CUMMINS. Precisely. One way to correct it is to transfer the words "the President shall also designate biennially the chairman and vice chairman" to another point in the paragraph; and a good point is after the word "succeed," on line 1, page 135.

Mr. SMITH of Georgia. I think that is right, and I accept the amendment. Then, after the word "President," in line 21, there should be a comma instead of a period.

Mr. CUMMINS. Yes. I assume that so much of the amendment would be readily accepted.

Mr. SMITH of Georgia. I think that that transposition should be made.

The PRESIDENT pro tempore. If the Senator from Iowa and the Senator from Georgia have come to some agreement about the matter, will they state it sufficiently plain that it may be understood at the desk?

Mr. SMITH of Georgia. I ask that the change suggested by the Senator from Iowa [Mr. CUMMINS] be approved by the Senate.

The PRESIDENT pro tempore. That part of the amendment proposed by the Senator from Iowa, which is referred to by the Senator from Georgia, will be agreed to, unless there is objection. The Chair hears none.

Mr. CUMMINS. Mr. President, I do not want to get anything under a misapprehension. My amendment in its entirety means really more than the mere transposition of the phrase. The amendment provides that the designation by the President of the chairman and vice chairman shall be annually instead of biennially. Does the Senator from Georgia also think that is wise?

Mr. SMITH of Georgia. I should like to ask the Senator from Iowa why he thinks it is more desirable that the appointment should be made annually?

Mr. CUMMINS. It is thought desirable for this reason: The effort in this bill—and I am entirely in sympathy with it, so far as that point is concerned—is to create a commission which shall reflect the varying political or economic opinions of the political parties. It is, therefore, to be composed of persons no more than three of whom shall be members of one political party. It seems, therefore, that it is wise as nearly as possible, to get the chairman of the commission in political or economic harmony with the President of the United States, and it would, as it seems to me, be wise to permit the President to designate the chairman and vice chairman every year.

Mr. SMITH of Georgia. I do not see any special objection to that. I suppose the theory of their being appointed every two years was that Congress would work with the board, and the bill having been brought into the House that the same chairman and vice chairman would act through an entire Congress. I am perfectly willing, however, for the change suggested by the Senator from Iowa to be made providing for their appointment annually. We shall in conference ascertain why the House wanted the appointment to be made biennially. The usual rule here is an annual appointment.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 134, lines 21 and 22, it is proposed to strike out the words "The President shall also designate biennially the chairman and vice chairman" and insert after the word "succeed," in line 1, page 135, the words "The President shall designate annually the chairman and vice chairman of the commission."

The PRESIDENT pro tempore. Unless there is objection to the amendment offered by the Senator from Iowa, it will be agreed to. The Chair hears none.

Mr. CUMMINS. Now I offer the second amendment contained on the paper which I sent to the desk.

The PRESIDENT pro tempore. The amendment offered by the Senator from Iowa will be stated.

The SECRETARY. On page 135, line 9, it is proposed to strike out "$7,500," the amount of the salary of each commissioner, and insert in lieu thereof "$10,000."

Mr. CUMMINS. Mr. President, I can hardly hope that the distinguished Senator from Georgia will agree with me with respect to the amendment now before the Senate. If I had not discussed the matter with him personally, I would have assumed that his wise, comprehensive judgment and liberal view of public affairs would lead him to the conclusion that the Tariff Commission ought to be paid as liberally as any commission we have organized, but, having heard his view of it, I am compelled to say a word in support of the amendment I have offered.

I do not think it can be said that this Congress has been disposed toward the utmost economy. There has been a liberal spirit prevailing, which has met with some criticism now and then, but which at least is sure evidence that we are looking at national affairs from a broad and generous standpoint. The effort here to reduce the salaries of these commissioners, if successful, will save $15,000 per year, but it will be saved, Mr. President, at tremendous cost; it will be saved by disparaging from the very beginning the dignity and position of this commission in the affairs of the country.

We have an Interstate Commerce Commission, the members of which, I believe, receive $10,000 annually. I do not say that the Tariff Commission will be a more important body than the Interstate Commerce Commission, but I do assert that if the Tariff Commission fulfills the expectation of those who have advocated that method of dealing with this intricate subject in the past, it will be fully as important a body as the Interstate Commerce Commission. Many of us here have passed through two revisions of the tariff—many Members of the Senate have passed through more than two revisions of the tariff—and granting the utmost industry, the immense, if not impossible, difficulties encountered by those who are charged with the duty of framing tariff laws will be remembered by everyone who has had anything whatsoever to do with the subject.

We need, Mr. President, a commission that can take the most comprehensive view of the commercial affairs of the United States, that can understand the relation which the people and the commerce of other lands bear to our people and our commerce, a commerce which will be constantly growing, a commerce which is daily becoming more intricate, a commerce which every year surpasses in volume and value the commerce of any other country in the world.

We are creating a commission which we hope will be helpful to the people of this country, and especially helpful to Congress in dealing with foreign countries. The commission really rises above, in point of dignity—or, if not in dignity, at least, in importance—the Department of State. While the Department of State deals with the subject diplomatically, the tariff commission will deal with it commercially; and if we intend to create it at all, let us give it the standing, let us give it the position, let us give it the reputation which will make it influential in the legislation which is to follow.

We gave the members of the Interstate Commerce Commission $10,000 a year. When we organized the Federal Reserve Board, a board which, in my opinion, while, of course, important, as all these boards and commissions are, does not approach in the value of its work and the difficulty of its work the tariff commission, we gave the members of that board $12,000 per year. We organized the Federal Trade Commission; and without speaking of its work or its value, both of which I think are great, we gave to each member of that commission $10,000 a year, and it was not until the other day, when we were creating a still further commission, known as the Shipping Board, that we reduced the compensation below $10,000. I have not any idea that that standard of compensation will be permanent. I think we ought to give the members of the Tariff Board $10,000 a year, and if we do not do it it will be conclusive evidence to me that my friends on the other side of the Chamber are not altogether sincere in the establishment of the Tariff Commission, or, at least, do not comprehend or appreciate the character of the work which the commission should do.

I desire, Mr. President, inasmuch as it is fashionable here to argue through the newspapers, to insert as part of my remarks upon this subject an editorial found in the Washington Herald of Monday, September 4, headed "The Tariff Commission."

I also desire to append to my remarks, as a part of them, an article in the New York Times of September 4, entitled "The Tariff Commission"; also a very short editorial in the New York World of September 1, entitled "Salaries to Fit the Work," and a still briefer editorial in the New York Times of August 25, entitled "The Tariff Commission." All these editorials are persuasive arguments in favor of establishing a fair and reasonable compensation for the commission we are about to create. I send them to the desk and ask leave to publish them as part of my remarks.

The PRESIDENT pro tempore. The request of the Senator from Iowa will be complied with, unless there is objection. The Chair hears none.

The matter referred to is as follows:

[From the Washington Herald of Monday, Sept. 4, 1916.]

THE TARIFF COMMISSION.

Congress is finishing a notable session. Within the next day or two it will dispose of the revenue bill that carries with it the Rainey tariff commission measure. All parties are fully committed to this feature, for which there has been and there is an insistent and country-wide demand. The Rainey bill, as it was reported by the Ways and Means Committee, fully and fairly met the need of the Government and the demands of the people. It carried, with the approval of the President, of the general public, and practically the entire press, a permanent appropriation of $300,000, one that by the terms of the bill would automatically go on

from year to year until changed by an act of Congress. Hence in all discussion of this body the word "permanent" attaches. When we recall the experience of the Civil Service Commission in its early career, how it was badgered and mauled about and its appropriation held up and its life made a burden by political pressure coming from all sides, the need of protecting the tariff commission with a permanent appropriation is apparent.

There can be no doubt that the country wants a tariff commission of the highest rank and as well paid certainly as other commissions.

It looks to the President and the Democratic Party to fully and fairly meet the obligation. To discredit and demote this body in creating it will raise the question of good faith. The proposition to cut the salaries of the tariff commission from 25 to 40 per cent below other boards created by this administration is unjust and indefensible. The psychological effect will be to discount in advance the standing of the commission and belittle its work. To attempt to justify this cut from $10,000 to $7,500 on the plea that this is all the Members of Congress are paid is inane and pointless. No Member of either House would admit he was serving for the salary.

The tariff commission is a man's-size job, it calls for the best talent available, and the public is ready to pay the bill. The Republicans should aid in restoring this measure and not content themselves by throwing monkey wrenches into the machinery.

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[From the New York Times of Monday, Sept. 4, 1916.]

THE TARIFF COMMISSION.

This Congress has appointed a baker's dozen of commissions. The standard of pay beginning with the tariff commission is to be not more than what Senators receive. Even the Senators are not agreed about this innovation. The Democratic caucus has voted two ways about it, and the difference of opinion has been referred to the full Senate. Perhaps the Senators think that both themselves and the future commissions ought to be paid more.

One way of arriving at a standard of pay is comparison with the pay of other commissions. The tariff commission is to be tagged with the lowest of the lot, either the creation of this Congress or of other Congresses. The Taft Tariff Commission had the use of $250,000 in a lump sum. The salary charge of the next tariff commission is to be $45,000. After voting a couple of billions the Senate thought that economy was a necessity, and it resolved to save $15,000 in the salaries of half a dozen commissioners who are charged with functions rivaling even those of the Interstate Commerce Commission in importance to every industrial enterprise. At every angle the productive resources of this country will be concerned with the competence of the tariff commission, and hardly less with the common estimate of its prestige. It is good Republican doctrine that a cheap man is worse than a cheap coat. It is on the point of being enacted Democratic doctrine that no commissioner can be too cheap to make a tariff, since Congress will make the tariff according to its own judgment, anyway.

In that case, why have any tariff commission? Why not save all the salaries? The other way would be to have a tariff commission worth while and paid accordingly. No salary in reason would be excessive for a tariff commission which should speak with the authority of the Federal Reserve Board, or the Rural Credit Board, and so through the long list of this Congress's commissions. But this tariff commission is belittled by the act of appointment. When it is underpaid it is underrated, and notice is served that its recommendations will be lightly esteemed.

The country may be so fortunate as to get a tariff commission which shall impose its views by the strength of their reason, but Congress, if it adheres to its present ideas about the market value of talent of that sort, will have done its best to make it unlikely, and to make it difficult to discover it, if it shall be so. If it was Republican perfidy and dishonor to fail to fulfill the people's mandate to revise the tariff in the manner which they intended, it is something of the same quality to begin the Democratic revision in a manner equally promising of unworthy results. The country wants a tariff worth its cost, not the cheapest sort of tariff the cheapest commission can produce for the mangling of Congress.

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[From the New York World of Sept. 1, 1916.]

SALARIES TO FIT THE WORK.

If the purpose of Congress in creating a tariff commission is to obtain the service of first-class men whose investigations shall command respect, that end will not be furthered by providing for the payment of inadequate salaries. Second-rate men will be dear at any price.

Members of the Interstate Commerce Commission, the Federal Trade Commission, and the Rural Credits Commission receive salaries of $10,000 each, and members of the Federal Reserve Board salaries of $12,000. It would be a poor kind of economy to discriminate against the tariff commission, whose duties will be no less important.

The salary of tariff commissioner in the new revenue bill was fixed by the House Ways and Means Committee at $10,000, but was reduced by the House to $7,500. In turn, the Senate Finance Committee recommended $10,000, but for unknown reasons in the Democratic caucus it was cut to $7,500. It is late in the day, if Congress is sincere, to enforce this form of retrenchment, in view of the part the commission is destined to take in future revisions of the tariff.

Both parties are committed to the principle of a tariff commission. The establishment of a permanent Government agency competent to make a thorough, impartial study of all aspects of the tariff question and the tariff relations of the United States and other countries has been insistently demanded by leading commercial associations of the United States. As far as possible it gives promise that the tariff shall be divorced from partisanship and raised to the plane of a fiscal and trade problem. But it is not through low salaries that a commission qualified to serve Congress as it needs to be served will be secured.

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[From the New York Times of Aug. 25, 1916.]

THE TARIFF COMMISSION.

A commission which should speak upon tariff subjects with such authority that they would be taken out of politics would be of great value. A commission of caliber so small that Congress should feel free to slight if not to insult it would be dear at any price. According to present arrangements the country is to be supplied with the worthless sort of commission upon a false plea of economy. The reason is plain. The tariff is a subject which concerns the entire country, but no Congressman represents the country. The Congressmen represent local districts, each of which takes a selfish view of its own interests regarding the industries situated there. Individually the Congressmen take even a narrower view, many of them voting regarding the tariff with reference to such unrelated subjects as how the Germans in any given district are likely to vote. Moreover, there is a regrettable abundance of evidence that Congress intends to retain the control of the tariff legislation in its own hands for what there is in it.

Never has the advice of a tariff commission been effective. There is no new way of making a tariff. The present tariff proposals, whatever their merit, have been reached in the old bad way of closet negotiations, with resultant benefit to producers in the name of patriotism, but at the cost of consumers, and without benefit to wage earners. It would be easy to argue for or against a tariff commission upon theory, but it is not possible to sustain on the merits Congress's treatment of the subject. Practically, notice is given in advance that the commission contemplated is held so cheap that the investment in it is waste, except for the incidental political benefits.

The members of the Federal Reserve Board receive $12,000 each and are worth more. The Federal trade commissioners have $10,000 and are working hard on a difficult subject. The tariff commissioners are thought worth no more than $7,500 apiece, $45,000 for the commission. This from a Congress which found $20,000,000 for a nitrate plant. Moreover, the tariff-commission appropriation is not made permanent, and its power to lease premises is restricted to two years. If the office were honorary and honored, public spirit might lead to acceptance of the positions for nothing. If the salary were adequate, men worth more money might be induced to make a sacrifice for the opportunity of influencing public affairs. But when Congress practically advertises that it holds the commission in disesteem, and proposes to act independently of its advice, even men worth $7,500 would hesitate to accept the duties so cheapened. The sort of tariff commission which confronts the country is one of political hacks, for campaign purposes only.

The PRESIDENT pro tempore. The question is on the adoption of the amendment offered by the Senator from Iowa.

Mr. SMITH of Georgia. Mr. President, I wish to assure the Senator from Iowa that my insistence that the salary fixed by the House shall remain as the salary of this commission is in no sense a reflection upon the commission. A few days ago we had before us the creation of a shipping board, a commission to take charge of the utilization of the $50,000,000, with many other duties in regard to shipping and commerce by water transportation. Upon my motion the salary of $10,000 provided by the bill was reduced to $7,500. I really desired to cooperate to reduce the salaries of the Farm Loan Board, and intended to do so, but I found that as to parts or the whole of the legislation I was perhaps committed, and did not feel myself free to reduce it. I shall vote to reduce that salary to $7,500 just as soon as a bill can be presented. I think the salaries of the members of the Federal Trade Commission should be reduced to $7,500. I think that is ample. I think we will get the same men to serve gladly at $7,500 who serve at $10,000 on each of these boards. I would, perhaps, make an exception in the case of the Interstate Commerce Commission. I do not think the labors of any of these boards, including the tariff board, will be in any way commensurate with those of the Interstate Commerce Commission.

We only pay judges of the United States circuit court of appeals, I believe, $7,500. They are the very ablest men in the land, or should be. The time is past when the service of a Senator or a Member of the House is confined to a few months each year. Men who serve in these bodies, and really do their work, must give up everything else and devote their whole time to the service. I believe we will do our work better here in Washington, and we will have better service from these commissions, if we do not pay them over $7,500 a year. I think they will listen better to the advice of a Senator if they have not been put on a financial pedestal above a Senator. I think that when a Senator comes with information about affairs in his State he ought not to have to hang around one of these bureau men and try to persuade him as to a State problem. I think they should realize their responsibility to the legislative body and to the representatives from the States to Washington, the Members of the United States Senate.

I am opposed to paying any of these new boards that we have created over $7,500 a year. We have not bettered the service by doing so. We will get better service if we do not do it, in my judgment.

The Senator says he wants them to be influential. Why, we will select just as able men at $7,500. Their work is that of statisticians. I have no doubt some of them will be drawn from the colleges of the country—men who have devoted their lives to the study of problems of this kind. I am sure you will not improve the men by making the salary $10,000. What is their work? Not to legislate, not to pass finally upon the great problems of tariff taxation, but, as statisticians, to make investigations for us.

I wish just as able men of that class as can be found in the land. I object to this salary going to $10,000, because I wish to keep up the precedent we started when the shipping bill reached us, and then go back just as soon as we meet in Decem-

ber and reduce some of the salaries that we have improperly placed too high in the case of these commissions. I confess the blunder. I went along and only realized it when we had reached the Farm Loan Board; and I could not vote as I wished to, because I concluded that I would perhaps be breaking faith if I did it. But I intend to vote for a bill, if I have a chance, to reduce them to $7,500.

I wish to reiterate that it is not a reflection upon these men. I understand the Senator from Iowa has an amendment that he will offer to make the compensation continuous. I think we can accept that. I want this board as a permanent board. I believe in the necessity of such a board. I am most cordially in favor of it. I was in favor of it before an intimation came from the White House that the President was for it. I became in favor of it as the result of over three months of hard work, and not very valuable work, three years ago on the Finance Committee, when I realized my own need on that committee of some such permanent board to help members of the committee to know how to write schedules. We may know generally, but it is utterly impossible for us, with the other duties resting upon us as Senators, to make investigations that fit us at all to vote upon many of the propositions that come before the Finance Committee when tariff schedules are considered.

I want to insist that my view upon this subject does not involve any reflection upon this board. I believe we will have an able board, and I do not believe the salary we pay them will affect the character of the board at all.

Mr. GALLINGER. Mr. President, I never have been very keen in behalf of a tariff board or a tariff commission. In fact, I have believed that a board of that kind would make more trouble than it would do good in the matter of legislation; but in looking over this little book I find that the Republican Party in its national convention declared in favor of a tariff commission, and for that reason I shall support it.

I am very glad, in looking at the bill, to note that the House of Representatives carefully avoided declaring in favor of a "nonpartisan" commission. In some remarks I made a few days ago I took occasion to say that in my judgment no man outside of a home for the feeble-minded could be nonpartisan on the question of the tariff, and I still hold to that view.

Mr. President, I hope this board will be composed of the very best men that can be found for the place, but I have grave fears that my hope will prove disappointing. The President of the United States, whom I quote sometimes approvingly and sometimes not, in an address delivered at St. Louis on February 3, 1916, said:

> Personally I look forward to the establishment of a tariff board with some misgivings, because I will have to choose the men that make it; and I tell you that men without prepossessions are hard to find, and when you find them they are generally empty of everything else. Gentlemen who have not done a lot of thinking and formed some very definite convictions are not very serviceable in public affairs; and, knowing that I have my due quota of prejudices and prepossessions myself and that I hold even my untested convictions in fighting spirit, I am not sure that I would be a suitable member of a tariff board.

Mr. President, that declaration is a sound one; and I sincerely trust that when the President of the United States comes to appoint this board he will forget that men have prepossessions and prejudices on this great question. They will have convictions to a greater or less extent, beyond a doubt, but it seems to me that this board should be largely composed of strong, able, vigorous, intelligent business men, and I hope that will be the result.

The Senator from Georgia [Mr. SMITH] suggests that doubtless some of them will be taken from colleges. I have no prejudice against college men, but I could point the Senator to some colleges where the teaching on the question of protection and free trade is of a character that I think would disqualify those men from acting on a board of this kind.

I rose simply to say that I am glad the House carefully avoided, and that the Senate has likewise avoided, that catch phrase that we so frequently hear, "a nonpartisan commission," and, further, to express the hope that the President in appointing this board will follow precisely the line of reasoning in which he indulged in the speech that he made in St. Louis, but the President changes his mind so often that there is no assurance that his words will be crystallized into deeds.

Mr. THOMAS. Mr. President, I shall detain the Senate for only a moment. I merely wish to express my approval of the sentiments which have been uttered just now by the Senator from Iowa [Mr. CUMMINS]. I think the members of a board of this kind should receive salaries commensurate with its importance; and I am unable to understand or appreciate the system of reasoning which measures the compensation for every place by that received by Senators of the United States.

Generally speaking, a Senator is not entirely confined to his duties here. He has other opportunities, and perfectly legitimate ones, for adding to his salary, particularly if he is a member of the legal profession.

If we are to have the highest and the best talent of the country, which I hope will be secured, and if we are in earnest, as I know we are, in the establishment of this board—and I speak of the majority—we certainly should not even seem to withhold our complete and cordial sympathy and support of the board by reducing the salary to the sum of $7,500.

I trust, therefore, that the amendment offered by the Senator from Iowa will be adopted.

Mr. OWEN. Mr. President, I believe it will be for the better public interest to provide a salary of $10,000 rather than a salary of $7,500. The opportunities for men of ability in this country are so vast that it is a sacrifice in a pecuniary way for men who are really qualified to serve on this board to serve for a smaller salary, and however attractive the honor and opportunity to serve the public, men will be restrained by the feeling that it is not fair to their own families and dependents to sacrifice their own earning power to the public in exchange for position in public affairs.

It is natural, of course, that Members of the Senate should set the standard of compensation for other public servants at the same price fixed for Members of the Senate; but every Senator knows it is extremely difficulty for a Senator to live on the salary he receives in the dignity which modern social life seems to impose on a Senator. Many Members of this body, without any extravagances at all, expend twice the amount of their salaries in living here in Washington. I think it would be better for the dignity of this tariff commission to have a salary at least commensurate with the salaries paid to the other great commissions that are handling these most important administrative services. I do not think any of these services will prove to be more important than the service of this tariff commission, and for that reason I should support the salary of $10,000. This sum would be saved to the people thousands of times if this commission should meet the highest expectations and hopes of the country. It would not be an extravagance but an economy to make the savings of the larger by the expenditure of the less.

Mr. SHAFROTH. Mr. President, I must differ from the Senator from Oklahoma [Mr. OWEN] with relation to the amount of the salaries to be paid. There has been a tendency in later years to increase salaries of high officials to a point abnormally high, and it seems to me this tendency is demoralizing to the subordinate officers throughout the entire United States. We find that there is a continual stream of people trying to get increases of salary, due to a large extent to the high salaries we pay to members of commissions and boards. It is easy to spend other people's money. We do not seem to take into consideration the fact that these are high and honorable positions, and that there ought not to be in a republic extraordinarily high salaries.

Of course, some men who come here as Senators may expend $15,000 or $20,000 a year for living expenses, and yet at the same time we could not provide salaries by any gauge of that kind. The salaries of the Senators of the United States are large enough. These are high and honorable positions, and we will not get better service by an increase of salary.

Mr. President, this tariff commission which is being created is not a board whose members have any discretionary power of deciding anything of consequence. All that they do is to make reports as to facts without being permitted to make recommendations. Is it possible that you can compare the importance of that board with that of the Interstate Commerce Commission, whose decisions involve millions and sometimes hundreds of millions of dollars? Can it be compared with the Federal Reserve Board? I must say that I wanted the salaries of the Federal Reserve Board to be $10,000 each, and I wanted the salaries of the Federal Farm Loan Board to be $7,500 each.

Mr. President, there are a number of officers in the United States that perform greater duties with greater responsibilities, and who get insignificant salaries. If we are to increase salaries, I believe in increasing the lower ones instead of the higher ones. Why, Mr. President, take the Interior Department. Assistant Secretaries of the Interior get $5,000 or $4,500 a year—the First Assistant $5,000, and the Second Assistant $4,500 a year—and yet each year they pass upon questions involving millions of dollars to the Government. Is it fair to those men, unless you are going to change their salaries, to give to the members of a commission that has no responsibility so far as determining questions is concerned $10,000 salary, and yet give to the Assistant Secretaries of the Interior $5,000 or $4,500 a year?

Mr. President, it is not fair unless you go down and increase the entire schedule of salaries. Senators may think it is popular to have men in office at high salaries, but I will warrant you that if you should submit the question to a vote of the

people you would find that no $10,000 salary would be given to this board or perhaps to any other board that has been created in the United States.

When this Government was organized, it started upon the principle of economy. It commenced with a salary for the Chief Justice of the Supreme Court of the United States of $3,500 a year. John Marshall, one of the greatest of all of the Chief Justices, served for 30 years for $3,500 a year. Nearly all the governors of our States get only $5,000 per year. Judge Cooley, one of the greatest judges of America, received only $3,000 per annum. The idea that because the salary is low you are not going to get good men is absolutely exploded. There has to be patriotism back of the office. There must be a feeling on the part of the applicant or on the part of the holder of the position that he wants to do something for his country; and then you will get the service, even if the salary is not as great as some other boards may draw.

Mr. President, I would have a good board. I am not very favorable to a tariff commission, yet I have acquiesced in it because I think some information can be obtained that would be valuable. I would not want a commission that would determine and fix tariff rates. I think that is a question which is always to remain with the Congress of the United States.

But, Mr. President, to say that these salaries shall be $10,000 would mean that no other boards ever will be created by Congress unless you fix the salary of the members at $10,000. As to the theory that the farmers or the people will not think that this board which gets for its members a salary of $7,500 is of as high dignity as one that gets $10,000, I do not believe the farmers entertain any such view. We have heard no protest about the members of the shipping board, recently created, receiving $7,500.

I agree with the Senator from Georgia that instead of salaries being kept up they ought to be reduced. The taxpayers have to pay large sums of money, and we should not set the standard at $10,000 a year when the assistant secretaries throughout all the departments of the Government have just as much work and just as much responsibility as two-thirds of these commissions, and yet they only draw half as much. If you are going to increase such salaries, you will have to make an increase in the Government expenditures that will be great indeed.

Mr. President, I hope that the provisions contained——

Mr. SMITH of Georgia. And the salaries of circuit judges and district judges would have to be raised.

Mr. SHAFROTH. Of course, we would have to do that because they are men who are especially educated for such purpose. As the Senator from Georgia says, circuit judges who get $7,500 a year and judges of the United States district courts who get $6,000 a year, are men of great ability and they are holding those offices because they put into the service a degree of patriotism to try to make this Government give justice in the administration of the law. The man who goes into an office purely for making the money that is in it, solely to get a sum that he can spend easily, does not give the service that a man does who is prompted by patriotism to aid and assist his Government in its good work of administration.

Mr. CUMMINS. Will the Senator from Colorado answer a question?

Mr. SHAFROTH. I yield to the Senator.

Mr. CUMMINS. When John Marshall was getting $3,500 a year what did Senators get?

Mr. SHAFROTH. I think they were getting $7 per day; that is my impression; but of course we started as a young republic and set out with the idea of economy, and that principle ought to prevail in a republic everywhere, because salaries of a gigantic amount tend toward monarchy. Monarchs always have had the theory of paying their high officers extravagantly and paying their subordinate officers exceedingly low. That widens the difference between the officeholder and clerk, between the aristocracy and the plain people. I believe more in equalizing these things and letting the men who have the low salaries have some increase and the men who are having such high salaries having a little reduction.

Mr. President, I hope that the House provision providing $7,500 will prevail.

Mr. SMOOT. Mr. President, if this tariff commission is to be a permanent one, and if it is going to do what the advocates of the commission think it will accomplish, it must have a personnel of the very highest character.

I tried in this body to reduce the salaries of the members of the Federal Farm Loan Board from $10,000 to $7,500. I asked for the yeas and nays upon the amendment I offered reducing those salaries and it was overwhelmingly defeated. Nearly every Senator upon the other side of the Chamber voted against it. To compare the work that will be done by a tariff commission with the work that will be done by the Federal Farm Loan Board is to compare the work of a man with that of a child.

The Senator from Colorado says that the commissions and boards now created have millions of dollars to pass upon. Mr. President, if a tariff commission is to be anything more than a farce, and if the recommendations of that commission are to be considered seriously by Congress, and Congress is to act upon the recommendations or findings of the commission, then not only are millions but billions of dollars involved and the happiness and prosperity of the American people are involved.

Mr. UNDERWOOD. Will the Senator yield to me?

Mr. SMOOT. I yield.

Mr. UNDERWOOD. I should like to get some information. The Senator may be right in what he says. Are there any findings to come from this board? As I read and have read the provisions of the bill, so far as they relate to this board, it is a board of statisticians; they are to accumulate data; but I do not find anything in it that they are to report a procedure to Congress. If the Senator has discovered something of that kind in the bill I should like to have him point it out to me.

Mr. SMOOT. I want to say to the Senator from Alabama, I think the provision creating a tariff commission ought to be amended. I believe if a tariff commission is to be created it ought to be a permanent commission.

Mr. UNDERWOOD. But I am talking about the work laid out for the commission. If there is anything in the bill authorizing the commission to report findings of fact in reference to what Congress should do or to make recommendations, I do not know of it, and if it is in there I would like to find it.

Mr. SMITH of Georgia. Is it not perfectly clear that the commission is not to make any recommendation but simply furnish facts?

Mr. SMOOT. The Senator refers not to recommendations but reports?

Mr. SMITH of Georgia. Nothing but facts.

Mr. SMOOT. That is, reports. Whether they are facts or not, it is a report.

Mr. UNDERWOOD. As to merely accumulating statistical data, we pay men down here in the bureaus $2,500 a year to do that, and they make good reports.

Mr. SMOOT. If that is all the members of this commission are to do, and if that is the class of men to be appointed by the President, and if appointed for the purpose of collecting statistics as now published monthly by the Department of Commerce, then the creation of this commission is an absolute waste of money, and we ought to strike out the whole provision from the bill.

Mr. GALLINGER. If the Senator will permit me, in some observations I made a few days ago, one of the criticisms I made on the bill was that there was no provision for a report; that it did not say to whom the report should be made. I have not read the bill carefully, and I will ask the Senator from Georgia if there is such a provision.

Mr. SMITH of Georgia. They are to furnish the facts to Congress, to report to Congress.

Mr. SMOOT. I am fearful that it is the intent to create this a temporary commission.

Mr. GALLINGER. Let the Senator from Georgia answer me.

Mr. SMOOT. Certainly.

Mr. SMITH of Georgia. If the Senator will permit me, my view of this commission is that they are to become students of the questions that are involved in our tariff legislation, and they are to be ready to furnish the Ways and Means Committee of the House and the Finance Committee of the Senate detailed and prompt information on all the lines, even suggested by an inquiry, if either view is entertained by a Senator. Both parties are represented, half and half, and the facts as far as they can work them out are to be gathered to help us determine what on each particular item we ought to do.

Mr. GALLINGER. Then they are to report to the two committees of Congress, and that would suggest that that will be when we are considering a tariff bill, which might not be more than once in five years. I think they ought to make reports to the Senate which would be printed for the information of the country.

Mr. SMITH of Georgia. They are required to report annually.

Mr. UNDERWOOD. I will ask the Senator, if the Senator from Utah will allow me, if he contends that this commission is required to report anything but statistical facts? Is there anything in this proposed law requiring the commission to reach a conclusion and report upon it?

Mr. SMITH of Georgia. On the contrary, I understand they have no such business.

Mr. UNDERWOOD. Very well.

Mr. SMITH of Georgia. I would myself not be favorable to have that a part of their business. I think that responsibility rests upon Congress, and it ought to remain there.

Mr. UNDERWOOD. It is merely creating an additional statistical bureau?

Mr. SMITH of Georgia. One that is broader and more responsible and more permanent.

Mr. CUMMINS. May I interrupt the Senator from Utah?

Mr. SMOOT. I yield to the Senator.

Mr. CUMMINS. Because, if the Senator from Alabama is right, I can not understand why the Senator from Georgia supports the measure. If the bill creates a mere statistical board, it is, of course, a pretense and a sham. But I think it does much more than that. I call the attention of the Senator from Utah to it in order that he may reply to the Senator from Alabama. A part of section 90 provides:

That it shall be the duty of said commission to investigate the administration and fiscal effects of the customs laws of this country now in force.

I do not read that to mean simply that it is to return to Congress the amount of revenue produced by the tariff law during the course of a year.

Mr. SMITH of Georgia. It does not mean that at all.

Mr. CUMMINS. Certainly not. It requires the opinion of the board as well as its report upon the facts; and that is true of the entire section. But that is very narrow as compared with section 92, in which it is declared—

That the commission shall have power to investigate the tariff relations between the United States and foreign countries, commercial treaties, preferential provisions, the effect of export bounties and preferential transportation rates, the volume of importations compared with domestic production and consumption, and conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping and cost of production.

If that does not give to the commission the authority to do something more than to collect tables of figures and to report to Congress I do not understand the English language.

Mr. SMITH of Georgia. It does more; it gives them the right to make a study of these questions, to make an investigation and comparison of them, to gather all the information involved in section 92, but I do not understand that they are to recommend the kind of legislation we are to pass.

Mr. CUMMINS. I suppose not, but it takes the biggest kind of a man to find out the facts in regard to those subjects. They are not confined to figures.

Mr. SMITH of Georgia. I am not asking for a legal man. I believe we can get just as capable men at $7,500 as at $10,000, and in all probability exactly the same men for the lower amount that we would get for the larger salary.

Mr. SMOOT. Mr. President, as I stated when interrupted I am fearful that the tariff commission that is being created in this bill is to be a temporary affair. I am fearful that soon after the election the belief on the part of our Democratic friends will return, and that the tariff commission created by this bill will be as short lived as the commission which was created under the Republican administration, because of the refusal to make an appropriation for their work to continue.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I wanted to get through very soon, but I will yield.

Mr. POMERENE. I want to ask, if I may, a question. The Senator expresses a fear that this is only to be a temporary measure. I have not seen or heard anything that would lead me to believe it was to be a temporary measure, and I should like to know what is the foundation of the Senator's fear?

Mr. SMOOT. Perhaps it would be just as well for me to quote some of the remarks made by leading Democrats of the country, from the President down, to which I called the attention of the Senate the other day.

Mr. SIMMONS. Mr. President——

Mr. SMOOT. If the Senator will just let me go on, I should like to answer the question of the Senator from Ohio, and then I will gladly yield to him.

THE PRESIDENT'S DEMAND FOR A TARIFF COMMISSION.

The President's demand for a tariff commission, the result of a sudden change of mind, his party has found difficult to understand. The chairman of the Ways and Means Committee stated in the House that the party, of which he is the leader in that body, until about two months before he brought in this remarkable bill was opposed to a tariff commission. But in this matter, as in many others, it promptly changed its mind on demand of the President. There was no call for reasons and no serious consideration given to the change, it being sufficient that the President asked for it. In his canvass in 1912 the President said, "I will not have any commissions playing Providence to me." Not long ago, in his Indianapolis speech, the President said that the establishment of a tariff commission was unnecessary, as the power had already been given to the Federal Trade Commission. The President said that in framing the Trade Commission law they had "slipped one over" on the Republicans in securing such power for the commission. That statement was not true, as the Republicans had not been deceived in the least in the matter; but while the President opposed such a commission and was in accord with his party in forcing out of existence the bipartisan commission that was in office at the time he was elected, he now asks for a commission.

The Democratic Party has always opposed a tariff commission. The one appointed by President Taft was indirectly authorized by the tariff law then in existence, as the Democrats prevented the passage of a bill to create such a commission. A tariff board, the Democrats held, was a useless expense, and such a conclusion was the only consistent one to accord with their theory of a tariff for revenue only.

The Democratic platform denounced a protective tariff as unconstitutional; and if the only object in framing a tariff law is to secure revenue, there is no necessity for any information from a tariff board. The present Speaker of the House of Representatives stated that "such a thing as a nonpartisan board is an impossibility in nature," and he declared that a tariff board was useless. Another leading Democrat in the House declared that the bill to create a tariff commission "violates a well-established and venerated principle in the doctrine of the Democratic Party." Another leading Democrat asked, "Why do men who believe in a tariff for revenue only want to know what it costs to make or not to make foreign goods that come in competition with our own?" The Senator from Alabama, former chairman of the Ways and Means Committee of the House, stated that he was "not in favor of a tariff commission and never had been." And from what I understand, the Senator is not in favor of one now and intends to move to strike the provision out of the bill.

Mr. UNDERWOOD. The Senator is correct.

Mr. SMOOT. The Senator added:

I am thoroughly opposed to a tariff commission in any form whatever.

The present Governor General of the Philippines, a former Member of the House, declared his belief that a tariff commission was—

a useless expenditure of public money.

Adding:

I do not see any place in the framing of a Democratic tariff bill for revenue only for an inquiry into the difference of cost between production here and abroad. The purpose of such a commission bill is to harass and delay.

The present chairman of the Ways and Means Committee of the House declared that he had never known a Democratic district convention, a Democratic State convention, or a Democratic national convention to declare in favor of a tariff board or tariff commission of any kind. That was true enough until the last Democratic national convention adopted a plank, written by the President, in favor of this proposed commission. The junior Senator from Georgia said:

For one I stand on the traditional ground of opposition to these commissions, of opposition to legislation encroaching on the constitutional functions of Congress.

A Representative from Alabama, an associate of the junior Senator from that State, declared that a tariff board was "a makeshift and a false pretense." A leading Democratic Representative from Indiana [Mr. Cox] declared that the tariff board was "wrong in principle and wrong in policy."

A prominent Democrat from Mississippi [Mr. SISSON] declared a tariff board—

would be a surrender of the dearest of Democratic principles.

The Senator from Kentucky [Mr. JAMES] said:

I have always been against boards and commissions. I believe that the fathers of the Republic were wise, even wiser than they knew, when they lodged with the great House of Representatives of the people the right to formulate tariff legislation.

Another eminent Democrat quoted the well-known lines:

The Devil was sick, the Devil a monk would be;
The Devil was well, the devil a monk was he.

From which it would appear that that Member, now chairman of the Committee on Printing, thinks that the President is a pretty sick man politically, which is no doubt the case.

If we want to improve the system of tariff making we can do it by having Congress appoint a body of practical men who have had experience in business to aid in drawing up tariff schedules.

Such a body, however, should be merely a legislative auxiliary. It should work under the direction of the Ways and Means Committee of the House and the Finance Committee of the Senate, and aid these bodies in drawing up the tariff schedules.

The German system is to appoint a commission composed of leading business men, captains of industries, and agriculturists, and other experts. The last tariff commission consisted of 24 members, one-half nominated by the German Government, avowed and consistently protectionist in its policy, and one-sixth each being named by the Central Association of German Industrialists, the German Agriculture Council, and the German Commercial Diet, respectively. For the purpose of strengthening the commission there were appointed a great number of experts, representing all the principal industries and occupations, who took part in the proceedings relating to their respective interests.

The commission also received the hearty support of manufacturing, agricultural, and commercial associations all over the German Empire, all of whom freely placed their organizations, statistics, and so forth, at the disposal of the commission. That commission had no political complexion whatever, being entirely nonpartisan in its make-up. Political parties of Germany are not based on the tariff belief of individuals, as protectionists are found in all the great parties. Whenever the people of this country are united on the tariff, as are the people of Germany, such a commission could be appointed here. But as long as the Democratic Party is opposed to a protective tariff and holds it to be unconstitutional, although it protects various industries for sectional and political reasons, we can not have in this country the system of preparing the tariff that is followed in Germany. Whatever commission or board may be appointed must be for the purpose of gathering information for the assistance of Congress, which alone has the right to legislate on this subject, a right that can not be passed over to any other body.

The tariff can not be taken out of politics, for the simple reason that the tariff is politics. It has been the leading issue in this country for a great many years, and will continue to be until the Democrats give up their old free-trade views. The national revenues are vitally affected by the tariff.

The Democrats are aiming to enforce in this country the British free-trade system, which was referred to with approval in the report on this bill in the House of Representatives. Their legislation ever since they came into control of the Government under President Wilson has been in the direction of raising the revenue from direct taxation instead of imposing taxes on foreigners who sell in this market. If they are continued in power, they will keep on in that same direction and we will have the English system, including the enormous number of paupers which are characteristic of that system.

The provision in regard to the tariff commission requires that it shall—

investigate the administration and fiscal effects of customs laws now in force or to be hereafter enacted, the effects of ad valorem and specific duties, and the operation and effects of tariff laws, including their relations to the Federal revenues.

A report on the "effect" of a tariff law can only be an expression of opinion of the men making the report.

The Senator from Illinois [Mr. LEWIS] in a published article regarding the Russo-Japanese pact says that the proposed tariff commission is to deal with this question and also with the arrangement between France and England and the other allied powers in regard to trade in Europe. Imagine a commission made up of such experts as those publicly mentioned for members of this commission dealing with such exhaustive subjects as those mentioned by the Senator, subjects which would require the closest attention of the Secretary of State and the President.

The Baltimore platform of the Democratic Party told us about all the "effects" of the tariff; how it caused the high cost of living, the trust evils, the extravagant appropriations, and so forth, all of which were to be reformed by the Democratic tariff. Well, we have had the Democratic tariff for some three years and more; the cost of living is immensely higher, expenditures have been enormously increased, while taxes have been piled so high that an ordinary man finds difficulty in paying his share. Each session of Congress we have bills to still further increase these taxes, and what the end will be if the Democrats remain in power no man can tell. The people know from experience of the vast thousands of empty freight cars, the closed factories, the millions of idle workmen, the soup kitchens, and other such things that accompany Democratic tariff laws. The sad experience under the existing law before the war in Europe changed things is a lesson that will not be forgotten.

DEMOCRATIC INCONSISTENCY.

The President thinks that this Tariff Commission that he is to appoint can in a short time solve the problems that have aroused the attention of Congress for over a century. It is such vain ideas that explain the President's sudden change of mind. The reports of the Taft bipartisan Tariff Commission, which were signed by all the members of the commission, were contemptuously kicked aside in both the House and Senate, on the theory that cost of production at home and abroad had nothing to do with the revenue tariff. If a protective tariff is unconstitutional and immoral, if the National Government has, as the Democratic national platform in 1912 asserted, no right to foster private enterprise by tariff adjustments, and if the duty on imports is added to the price paid by the consumer, and is therefore an unjust form of taxation, how senseless it is to create a tariff commission to look into foreign and domestic production cost. Mr. Bryan declares in the Commoner that the party in power gained ascendancy through a pledge to the people that it was against the protective policy. He wants the party to be honest and stand by that issue, asserting that if it equivocates on the tariff question it will be "laughed out of court." That is true enough, but it does not appeal to the President, or the party he controls. This tariff commission clause in the bill, the duty on dyes, the antidumping provision, and other things show that votes and not consistency govern the Democratic Party at the present time.

The head of the Bureau of Foreign and Domestic Commerce does not always speak with the authority of the President, but in a recent address he seems to have been using some information from the White House. He declared that the proposed tariff board would gather such information and furnish such data as would be necessary for reciprocity treaties with other nations. He says that this will make it possible for the United States to bargain actively for foreign trade, particularly with Latin America. If any such result were possible the Underwood tariff law would have to be materially changed, and the President has recently declared his opposition to any such change.

That law has not only been a miserable failure as a revenue producer, but it practically made it impossible to negotiate reciprocity treaties which the Democrats have opposed. Nearly all the important products of Latin America are either admitted free or else at such low rates of duty as to close the way to any reciprocity agreement. The Democratic leaders at the time of the passage of that law took particular pains to inform the public that the rates were revenue rates only; that there was not a line of protection in the bill. If a rate is laid for revenue only, how can we bargain with a country by making a rate still lower or abolishing it altogether when the revenue is so notoriously inadequate?

The talk about a scientific tariff has no sound foundation. There really is not anything in existence known as a scientific tariff anywhere. Tariffs are imposed either for revenue or protection, and plain business judgment is used, or should be, in fixing rates. Free trade has been England's popular method of the best way to carry forward its business as the middleman and skilled artisan to use other nations' raw materials. A "fighting" or "trading" discriminatory tariff is the exponent of Germany's commercial genius. The American tariff as it at present exists is a hodgepodge production of the Democratic Party, which is getting ready to change it. France has a tariff devised to suit her own particular interests. A national body to act in an advisory capacity to the French Government is now being formed under the auspices of the Chamber of Commerce of Paris, with a view of tariff changes. The association of all important lines of industry will be represented by technical experts in this French body. Russia is preparing to arrange her tariff and commercial treaties so as to bring about "economic independence" and to develop new industries. All of the European nations excepting England are on a protective bases. All South America is rearranging tariffs, some countries temporarily putting on duties, and nearly all considering complete revisions within a few years, with a view of getting better results in stimulating feasible industries. Even England is making changes, and is seriously talking about tariffs to build up her chemical industry and others, and to use in connection with her political and financial arrangements with other countries. No nation has a tariff commission such as that proposed by the President. The German commission is not in any sense, when it is in existence, similar to that proposed by the President. Austria-Hungary has ministeries of commerce in both kingdoms which have jurisdiction over internal and external industry and commerce, with broad regulatory powers covering the field of our Interstate Commerce

Commission, Federal Trade Commission, and Departments of Commerce, Labor, Interior, and Post Office.

The ministers are virtual heads of the commercial organizations of the kingdoms, which are autonomous but semiofficial, and so responsible to the Government. Regular parliamentary sessions are held at frequent intervals of a body consisting of 75 representatives from each half of the dual monarchy, part elected by technical associations of industry, part appointed by the Government from the membership of chambers of commerce. The two ministers of commerce, the minister of justice, the minister of finance, and the minister of foreign relations, with a subordinate especially delegated to specialize upon commercial diplomacy, are also part of this parliament, whose recommendations regarding tariffs and commercial diplomacy are almost invariably followed by the legislative body and by the foreign relations minister of Austria-Hungary.

Holland has a commission that consists of the heads of the "waterstaat," commerce, industry, colonial affairs, and justice ministers, together with officially appointed members selected by the Government from commercial, industrial, and shipping circles of the country. It supplies information to the Government in regard to all changes of the tariff. The English Board of Trade, which is a Government department, does like work for the United Kingdom. Russia has been developing machinery to operate in regard to new tariffs, and there are a number of influential organizations which may be called upon in a semiofficial advisory connection.

There never has been a really scientific tariff, for the reason that these laws are devised for specific purposes in the different countries, and views differ in other countries, as they do in the United States, as to what is best to accomplish the purpose sought. But the United States is the only great country in the world in which the two leading parties make the tariff their principal dividing line.

Mr. President, I could go on and quote from the Democratic leaders of the House and Senate all day long. It is for that reason I say with the actions that have manifested themselves at this time the tariff commission proposed in the bill is in danger of being but a temporary affair.

Mr. THOMAS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I yield to the Senator.

Mr. THOMAS. I ask the Senator if he could not quote similar sentiments from the speeches of some of the Republican Senators in 1911 during the consideration of the tariff board bill?

Mr. SMOOT. There were perhaps three Republican Senators at that time who made speeches in opposition to the tariff commission, as the Senator has stated.

Mr. THOMAS. Is it not a fact that the Senator from Iowa [Mr. KENYON] forced a vote upon that measure by preventing the reaching of an agreement for a vote upon the Lorimer resolution until that matter was disposed of?

Mr. SMOOT. I do not remember as to the details.

Mr. THOMAS. I refer the Senator to the CONGRESSIONAL RECORD.

Mr. SMOOT. But it makes no difference whether it was or was not, as far as my argument is concerned or as far as the particular Tariff Commission that is to be created under the bill is concerned.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. SMOOT. I yield.

Mr. McCUMBER. I wish to ask the Senator from Utah what authority or what duty has this board to perform that is not included within the law which created the Trade Commission? Are we not in fact duplicating the same labors that were imposed upon the Trade Commission? Are they not required to report on all these matters pertaining to our trade, and that means the cost of production, and so forth, in other countries, and to advise Congress concerning them?

Mr. SMOOT. The President thought so; and as far as the law itself is concerned I believe it authorizes the Trade Commission to do so. But there has been a sentiment in this country, growing very rapidly of late, for the creation of a tariff commission.

Mr. McCUMBER. If we have created a commission that is supposed to do this work——

Mr. SMOOT. It is not doing the work.

Mr. McCUMBER. Why should we duplicate it in providing another commission to do the same thing before we have changed our law?

Mr. SMOOT. I will say, as far as the Federal Trade Commission is concerned, they are not doing that class of work.

Mr. McCUMBER. But they are authorized to do it, are they not?

Mr. SMOOT. Perhaps there is no appropriation made to do it.

Mr. SMITH of Georgia. If the Senator will allow me——

Mr. SMOOT. I yield to the Senator.

Mr. SMITH of Georgia. I think it could hardly be claimed that that law contemplates the study of our foreign trade relations and the detailed work that this bill puts upon the tariff board. I want to say that after serving on the Committee on Finance of the Senate for the past three years and a half I myself believe it is as much as six of the ablest men we can find, excluding all other kinds of work from their study, can do to master the details of this problem.

Mr. McCUMBER. I will agree with that.

Mr. SMOOT. Of course I can not agree with the Senator from Georgia in relation to just what the Federal trade act authorizes. I think myself that under that act the Federal trade board could go into every question that is really incorporated in the creation of this commission, but everyone knows that it was not created for that purpose. Everyone knows what the people of the United States expect that board to do. They are not expected to investigate questions involved in our fixing rates of duty on importations.

Mr. SMITH of Georgia. It is as much as any six men can do.

Mr. UNDERWOOD. If the Senator from Utah will yield while we are on this subject, there is not a line in the bill that is not a duplication. If it is not the duty of the Federal Trade Commission then the law establishing the Bureau of Foreign and Domestic Commerce of the Department of Commerce covers everything, because this bill is almost copied from the language creating the Bureau of Foreign and Domestic Commerce; and then there is the work of the Census Bureau in gathering facts. Everything that this commission is called on to do is absolutely duplicated either in the Federal Trade Commission or the Bureau of Foreign and Domestic Commerce or the Census Bureau.

Mr. SMOOT. Of course, Mr. President, I have to admit that what the Senator from Alabama has just stated is in the main true, and I will say frankly to the Senator that that is the only excuse I think he can give for the striking out of the provision; and yet, on the other hand, there has been a sentiment in this country, as I stated, for a tariff commission whose only and sole duty shall be the collection of the information as directed in the pending bill.

Mr. UNDERWOOD. Now, if the Senator will just yield a moment, I will not interrupt him further. Is not that sentiment throughout the country really for a commission that would fix tariff rates? Of course the Senator and I know that such a commission could not be created, but from what I read in the papers and from what I hear from business men's speeches and what I read in magazine articles they all reach the conclusion that these men want a tariff commission with the idea that it is going to fix rates, not give information.

Mr. McCUMBER. All of them, if the Senator will allow me, declare that the subjects should be taken out of politics.

Mr. UNDERWOOD. Certainly.

Mr. McCUMBER. That is exactly what they mean.

Mr. SMOOT. I will admit that is the sentiment of a great many people of the country, but we all know, of course, we can not legislate any power to any board or commission to fix the rates that will be imposed upon our imports.

I do not believe the time will ever come when the tariff will be out of American politics. It will never come, Mr. President, unless the people of the United States believe in protection the same as the people of Germany do to-day. I would advise my Democratic friends to reform as quickly as possible. They took the first step yesterday. I remember the Senator from Mississippi [Mr. WILLIAMS] stated that about the hardest pill he ever had to swallow was on his sixty-fourth birthday when he was compelled to vote for the provision in the pending bill imposing a tariff duty upon dyestuffs.

Mr. THOMAS. His sixty-second.

Mr. SMOOT. He said sixty-fourth, and he was corrected in the Democratic caucus by stating that it was only the sixty-second.

Mr. GALLINGER. Then, he has two years in which to repent before he reaches 64.

Mr. SMOOT. Or else abandon his position. Now, Mr. President, if we want to improve the system of tariff making, we can do it by having Congress appoint a body of practical men, not mere statisticians.

Mr. REED. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. I will yield in a moment; just as soon as I finish the sentence.

I say, Mr. President, that this question of rates of duty upon imports into our country is a business proposition, and that we must have practical business men, who know what effect the rates will have upon the business interests of the country. Now, I yield to the Senator from Missouri.

Mr. REED. I suppose that the "practical men," whom the Senator from Utah would suggest, would be the managers or representatives of the gentlemen who run the big industries.

Mr. SMOOT. Oh, well, the Senator from Missouri supposes a good many things that are not true.

Mr. REED. So that the man who is to collect the tax would also have the pleasant privilege of writing the law specifying its amount. That is the way you used to write these bills; notably in the case of the American Woolen Manufacturers' Association, which sent its man North down here to prepare the woolen schedule. Is that the kind of "practical men" the Senator would suggest?

Mr. SMOOT. Well, this is about the tenth time I have heard the Senator from Missouri refer to Mr. North. Mr. President, the Senator from Utah, in what little experience he has had in helping to frame tariff legislation in the past, has always taken the position that wherever an industry in this country needs protection that that protection ought to measure the difference between the cost of making the goods in this country and in foreign countries; and I want it distinctly understood that that is all that I desire.

I also want it distinctly understood that whatever influence I may have toward securing tariff legislation by Congress will be used along that line. I say to the Senator from Missouri, that, no matter what rates have been heretofore written into Republican tariff acts, there has been secured at the same time prosperity to all of the people of the United States.

Mr. President, I had expected to speak but a few moments, and I shall close simply by saying that I shall vote for the amendment making this commission permanent, and I am going to vote for the increase of the salary of its members to $10,000 a year, for I believe the work of this commission will be more important than that of any commission which has heretofore been created by Congress.

Mr. GALLINGER. Mr. President——

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

Mr. SMOOT. I do.

Mr. GALLINGER. There seems to be an opinion, quite commonly held, that this proposed law does not make this commission permanent. The chairman of the Committee on Appropriations of the House, Mr. FITZGERALD of New York, had the word "permanent" stricken from the bill, and that created the impression that the commission was not to be permanent; but, as I read section 97, the commission is made permanent. The provision is very brief and I will read it. It provides:

SEC. 97. That there is hereby appropriated, for the purpose of defraying the expense of the establishment and maintenance of the commission, including the payment of salaries herein authorized, out of any money in the Treasury of the United States not otherwise appropriated the sum of $300,000 for the fiscal year ending June 30, 1917, and for each fiscal year thereafter a like sum is authorized to be appropriated.

Of course a future Congress can repeal that provision; but the terms of the bill itself, it seems to me, make the commission permanent.

Mr. SMOOT. Mr. President, I will say to the Senator that the original House provision specifically provided for a permanent commission; but the word "permanent" was stricken out.

Mr. GALLINGER. Yes; but section 97 was not stricken out.

Mr. SMOOT. No; but I will say to the Senator from New Hampshire that the life of the commission depends upon an appropriation being made each year. Therefore, I think it is not a permanent commission in the sense that other commissions, which have been created, are permanent.

Mr. SIMMONS. Mr. President, I do not wish to take up the time of the Senate unnecessarily in the discussion of the reasons for the creation of a tariff board, nor do I care to take up the time of the Senate in discussing the attitude of the two parties in reference to this question in the past. I do wish to say, however, in passing, that since I have been a member of this body, and before the advent of the present administration, numerous bills were introduced in the Senate and numerous resolutions were offered in the Senate providing for the establishment of a permanent tariff commission; but none of those bills and none of those resolutions were enacted into law by the present minority party, which was then the majority party.

I recall very well when, I believe, we were discussing the Payne-Aldrich bill that the brilliant Senator from Indiana at that time, Mr. Beveridge, made a great fight here in behalf of a tariff commission—a comprehensive and permanent commission; but that effort of the then Senator from Indiana received very scant attention and very meager consideration from the other side of the Chamber. Notwithstanding his earnest efforts, Mr. President, aided by many other able Senators on both sides of the Chamber, the net outcome of it all was the authorization to the President to appoint, I think, two or three persons to aid him in applying the minimum and maximum provisions of the tariff law of 1909. Subsequently the authority of this temporary board, with limited powers, was somewhat enlarged, not by an enactment in the form of permanent law, however, but by a simple paragraph in an appropriation bill.

If the Republican Party while it was in power had been in favor of the creation of a tariff board, such as they now profess to favor, surely they did nothing to that end during the long years of their control of all branches of the Government, notwithstanding the advocacy and insistency of many earnest and sincere friends of an effective commission in both branches of Congress.

Mr. President, that much in passing. I do not understand why our friends upon the other side of the Chamber, in the vague manner of the Senator from Utah [Mr. SMOOT], should attempt, in the face of the provisions of this bill, to produce the impression upon the country that in its attempt at creating this tribunal the Democratic Party have the purpose of making it a mere temporary commission. Not only here, but outside, an effort has been made to create that impression.

When this bill was first printed it contained a provision with reference to leasing or contracting for quarters for this commission. It contained a provision that they should not be authorized to make a lease of more than two years' duration. That was seized upon by certain newspapers sympathizing with the Republican Party and by certain Republican Senators to try to create the impression that there was a secret purpose on the part of the majority party to limit the life of this tribunal. As a matter of fact, Mr. President, the committee, in incorporating that provision in the bill, took no thought with reference to the life of the commission. It was a suggestion that grew entirely out of the fact that the committee thought it was unwise to authorize a long lease in view of the probability in a short time of securing suitable quarters in publicly owned buildings. We therefore put that provision in the bill because we believed that it was bad policy to lease for long periods buildings for governmental purposes. The committee desired to limit the time of the lease to as short a period as seemed to be practicable under the circumstances.

Mr. President, that is a mere incident, showing a disposition to try to create a false impression with reference to the purposes of the Democratic Party in creating this board. If there is any purpose on the part of anyone connected with the present administration or connected with the framing of this bill that this commission should be other than a permanent institution, it has never come to my knowledge; but, Mr. President, that question ought to be absolutely foreclosed by the provisions that are incorporated in the bill. If there ever was a piece of legislation that upon its face bore its purpose with respect to a particular thing, the provisions of this bill show a clear and unmistakable purpose on the part of its authors and its sponsors with reference to the permanency of this board.

Mr. SMITH of Georgia. We make this service 12 years.

Mr. SIMMONS. Yes; in the very first section of that part of the bill which relates to the tariff commission we provide that—

The first members appointed shall continue in office for terms of 2, 4, 6, 8, 10, and 12 years, respectively, from the date of the passage of this act, the term of each to be designated by the President. The President shall also designate biennially the chairman and vice chairman, but their successors shall be appointed for terms of 12 years.

Mr. President, not only that, not only is there a provision for the appointment of a commission the members of which are to be appointed for a term of 12 years, but in that very same section there is a provision that no member shall engage actively in any other business function or employment.

Senators say that we intend this to be a board with certain perfunctory duties with regard to getting up statistics and making such reports as clerks who are competent statisticians, but whose abilities and knowledge do not justify salaries in excess of $2,000 a year, could compile and make. Mr. President, that seems to me, in the face of the language contained in this bill, to be a very far-fetched conclusion. It is evident

from the very language of the bill that the Democratic Party not only expects this board to be a permanent board, but expects it to be a board of great powers, of broad jurisdiction, and one that in the judgment of the Democratic Party will call for men of large ability, and that its work will be of such importance and of such volume that it is necessary that the men who are appointed on this board shall eschew absolutely while they are serving upon it all other occupations and give their whole time, attention, and abilities to the working out of the matters which are referred to them in this bill.

Now, why, in the light of these circumstances, should Senators impugn the motives of the dominant party simply because some members of that party have in the past held a different view from those they now profess with reference to a tariff commission? Let me call the attention of Senators on the other side of the Chamber to the fact that some members of their party in recent years have likewise held different views with reference to a tariff commission.

Senators say that the duties of this board are to be of a limited and circumscribed character. Why, Mr. President, if you will take the two sections conferring power upon and defining the scope of the work of the commission and put them side by side—they are separated in the bill—and give to the broad, general language used constructions that are generally placed upon general language in statutes and in laws, with the implied power that we always understand expressed powers to carry, I think you will find that the functions of this commission are exceedingly broad. I myself think it is very much better to describe these powers in general terms rather than in specific terms. If in writing a law conferring powers you can find suitable general terms, I think it is the experience of lawyers and of judges that it is preferable to do so rather than to be specific. That was the course pursued by our fathers when they adopted the Constitution of the United States. They did not particularize; they did not go into detail; they purposely used general terms, and thereby secured that elasticity which has made that great instrument adjustable to changing conditions and circumstances and enables the courts to give full efficacy to the implied powers conferred by the general language and adapt those powers to the requirements and the needs of the times.

As the Senator from Iowa [Mr. CUMMINS] has very justly said, the powers that are conferred in section 92, which seems to have escaped the attention of some Senators, very greatly broaden and enlarge the powers given in section 90. I want to read section 92:

That the commission shall have power to investigate the tariff relations between the United States and foreign countries—

That is a very broad phrase—"tariff relations." It embraces a great many things. It embraces most things that are connected with our trade relations with foreign countries—

commercial treaties—

Our trade relations with foreign countries are in a very large measure defined and limited or enlarged by our commercial treaties. I believe we have some 20 or 30 such treaties, or we did have, defining our trade rights and exemptions in dealing with other countries. So that the two words "commercial treaties" in themselves embrace a volume; in fact, they embrace all things that are specified and agreed to in our numerous trade compacts with the other countries of the world.

Preferential provisions—

Mr. President, we understand what an important effect such provisions in the tariff laws of certain countries have upon our trade relations with those countries. We understand what an important effect the preferential rate given in the Canadian tariff to the British Government has upon our trade relations with Canada. We understand what an effect the preferential rates given by our treaty with Cuba has upon the trade relations of other countries with us and with Cuba. There we have again a broad term. I proceed—

The effect of export bounties and preferential transportation rates—

Those are things that very materially affect our trade relations with other countries. Germany, for a long time, Austria, and other countries in Europe granted export bounties to the producers of certain of their agricultural products which have affected the markets of the whole world with respect to such products.

The question of preferential transportation is also important. Only a few days ago some Senator in this Chamber referred pointedly and forcefully to the fact that Germany, as one means of combating world competition in world markets, had a provision by which exports from her borders were given preferential railroad rates from inland points to the seashore, thereby giving her people an advantage over other competitors in the markets of the world—a very important subject.

The volume of importations compared with domestic production and consumption—

"The volume of importations compared with domestic production and consumption" is a most fundamental factor, and one upon which, as I understand, the Senator from Alabama declared he based the application of the principle of a competitive tariff in the present law. In order that you may know what rates to fix in writing a competitive tariff, you want to know the importations into this country as compared with domestic production and consumption. That is provided for here.

Then, Mr. President, to further enlarge these broad grants of powers and jurisdiction, the section adds, in the nature of a summary—

And conditions, causes, and effects relating to competition of foreign industries with those of the United States, including dumping and cost of production

I undertake to say that no tariff-commission bill that has ever been written and proposed to the Senate or to either branch of Congress since I have been a Member of it has carried with it broader or more general powers than this bill carries. Some of them have specified more, some of them have particularized more, but none of them has conferred broader powers than these upon a tariff board.

Mr. President, some Senators have said that the proposed tariff commission has no power to and it is not required to submit reports. Why, Mr. President, it is specifically provided in the bill that they shall submit "reports of its investigations as hereinafter provided." How "hereinafter provided"? I read the provision from the bill:

SEC. 91. That the commission shall put at the disposal of the President of the United States, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, whenever requested, all information at its command, and shall make such investigations and reports as may be requested by the President or by either of said committees or by either branch of the Congress, and shall report to Congress on the first Monday of December of each year hereafter a statement of the methods adopted and all expenses incurred, and a summary of all reports made during the year.

Mr. President, I did not expect when I took the floor to consume the time that I have. I wanted only to make it clear that this is to be a permanent commission. The majority party has no other purpose. I wanted to make it clear that the powers of this commission are broad and will enable it, if it exercises them to the fullest extent, to investigate every important question in connection with our foreign trade relations and in connection with our imports and exports. I wanted also to make it clear that when these labors have been performed the result of their efforts and investigations will be at the command and service of the Congress; but I wanted more especially, Mr. President, to make it clear that the Democratic Party not only wanted a permanent institution but that it wanted men who were able to efficiently perform the duties of the position; and to that end they have provided that the men who are appointed on that board shall, for the time being and as long as they remain members of it, give up all other avocations in life and confine themselves solely and exclusively to the performance of the duties and functions of their office.

Mr. SIMMONS subsequently said: I ask unanimous consent to attach as a part of the remarks that I submitted with reference to the tariff commission a short time ago a statement of various and sundry bills that have been introduced in Congress during the last ten or dozen years proposing to create a tariff commission, and the fate of those bills.

The PRESIDING OFFICER. In the absence of objection, consent will be granted.

The statement referred to is as follows:

ABORTIVE EFFORTS TO CREATE TARIFF BOARDS.

At the session December 4, 1904–March, 1905: In the House Mr. Spalding offered H. R. 15596 to provide for a tariff commission. Referred and not reported back.

There was also a House resolution, No. 380, to appoint a commission by the House

At the session December 4, 1905–June 30, 1906, there was H. Res. 523 to appoint a committee to investigate tariff schedules. No action.

At the session December 3, 1906–March 4, 1907: In the House Mr. STEENERSON (H. R. 2504), creating a tariff commission. Referred; no action.

By Mr. CAMPBELL of Kansas, H. J. Res. 199, for the appointment of a tariff commission, providing for the appointment of the commission to inquire into relation of the tariff to trusts and monopolies and the industrial and labor interests of the United States, and to recommend such changes, if any, in the existing schedules as will better promote the common welfare. No action.

At the session December 21, 1907–May, 1908, in the Senate: Senator Beveridge offered S. 3163 to create a tariff commission. Senator LA FOLLETTE offered S. 6256 to create a tariff commission.

In the House: Mr. STEENERSON (H. R. 162) and Mr. MILLER (H. R. 13098), to create tariff commissions.

At the session December 7, 1908–March 4, 1909: Mr. Fowler offered two bills (H. R. 243 and H. R. 28050) to establish tariff commissions. Referred; no other action.

At the session of March 4, 1909–August 5, 1909, Mr. Fowler offered in the House H. R. 38 to provide for maximum and minimum tariff schedules and to establish a commission which shall investigate all duties on imports and fix the rates within said maximum and minimum tariff schedules, negotiate reciprocal treaties and recommend the adoption of the same, and collect such information with regard to products, manufactures, and commerce as will aid in the performance of its duties and promote and provide for the general welfare. No action.

By Mr. GARDNER, H. Res. 6517 to create a tariff commission.

In the Senate: Senator LA FOLLETTE offered S. 1747 to create a tariff commission.

Senator Beveridge offered S. 1820 and also S. 3095 to create a tariff commission. No action.

In the second section of the tariff bill of 1909 there was a provision "to secure information to assist the President in the discharge of the duties imposed upon him by this section and the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required," the duties referred to being to make treaties of reciprocity.

Mr. POMERENE. Mr. President, the Senator from Utah is very greatly disturbed because the word "permanent" was stricken from the bill. If the word "permanent" were there, it should be stricken from the bill, because it is unnecessary. If the word "permanent" were there, it would be a very easy matter to make the board a temporary one by the denial of appropriations.

When the Federal Trade Commission bill was passed, we did not say it was to be permanent in character. When the Interstate Commerce Commission was created, the bill did not say it was to be permanent in character. When we created the United States Circuit Court of Appeals, we did not provide that it was to be permanent in character. When we create an additional United States district judge, we do not say the place is to be permanent in character, because so to designate it is unnecessary.

Mr. President, I have no doubt of the good faith of those who are responsible for this legislation. I have no doubt that they intended that this board should be permanent in character. I have been a believer in a tariff commission for long years; and if I may be permitted to be personal I may say that in an address before the joint session of the General Assembly of Ohio, after my election to the Senate, I then declared my faith in a tariff commission, and in the Sixty-second Congress I voted for a tariff commission.

I am one of those who believe that exact information on any subject is not going to hurt legislation. I care not whether we look at the subject from the standpoint of the high protectionist or from the viewpoint of the Democrat who believes in a revenue tariff. The difficulty on both sides of the Chamber is that we never have been exactly candid with one another when we discuss this subject.

If we look at it from the standpoint of the protectionist, it is necessary that we have this information. I remember, during the Sixty-second Congress, when we were discussing the reciprocity legislation, that a high protectionist, the senior Senator from North Dakota [Mr. MCCUMBER], proved, to his own satisfaction, that if that bill were to become a law it was going to destroy the wheat industry of the Dakotas, because the price of wheat north of the Canadian line was less than it was south of the Canadian line; and in the course of the same debate another high protectionist, the junior Senator from Michigan [Mr. TOWNSEND], proved that the price of wheat north of the Canadian line was as high, if not higher, than it was south of the Canadian line. The debate conclusively demonstrated that one or the other or perhaps both of these high protectionists were wrong in their figures.

On the other hand, if we look at it from the standpoint of the Democratic Party, there never has been a tariff bill enacted which was purely and simply a revenue bill. In the discussions which have taken place on the floor of the Senate and on the floor of the House the Republicans have said that they were opposed to a measure which had been proposed by the Democrats, because of its effect upon wage. The Democrats, on the other hand, have insisted upon their measure because, in their judgment, it would not interfere with the wages of the workingman. Truth compels the statement that there never has been any law fathered by the Republican Party, high though it may have been in protective character, that was not at the same time a revenue-producing bill; and equal candor suggests that there never has been a revenue measure proposed by the Democrats which was not pro tanto also protective in character, and often highly protective. For this reason why should any man say, "We do not care what the wage cost is or what the material cost is, we are going to frame a law without respect to the information and conclusions which we may draw from given established facts"?

So that I care not from what standpoint we approach tariff legislation, both sides of the Chamber, both schools of thought, will be benefited by having information which is reliable and which is exact.

Some Senators say: "We believe in protection. We must know the cost both of wage and of material." I have been interested to observe that most Senators are able to get statistics to prove anything they want, on any side of a question. I believe that if we have a permanent board composed of men who will use discretion, talent, and experience in the investigation of these subjects, they will be able to furnish data which will receive more credit from both sides of the Chamber than any that we have heretofore had.

Mr. President, it is said that the Bureau of Foreign and Domestic Commerce is already clothed with the power to collect this information, and that the Federal Trade Commission likewise has the power. I believe they both have; but, at the same time, it is my judgment that this subject is of such very grave importance that there ought to be a special commission whose sole duty it would be to study and investigate this subject.

Mr. STERLING. Mr. President——

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

Mr. POMERENE. I do.

Mr. STERLING. If the Senator from Ohio will permit me, I should like to call his attention to the provision of the Federal Trade Commission law, under which I think the Federal Trade Commission has its only power in regard to the investigation of trade conditions abroad. This seems to be the provision:

To investigate, from time to time, trade conditions in and with foreign countries—

Now comes the limitation—

where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, and to report to Congress thereon, with such recommendations as it deems advisable.

It would seem that their only power lies where there are "associations, combinations, or practices of manufacturers, merchants, or traders," and so forth, which call for such investigation.

Mr. POMERENE. Mr. President, I recognize that there may be room for honest difference of opinion as to the construction which should be given the language the Senator quotes; but I am not concerned about that. Whether the power exists there as broadly as we believe or not, the pending bill is broad enough; and whether the Federal Trade Commission has this power or not, surely the Bureau of Foreign and Domestic Commerce have it, and they have been acting upon it.

Mr. STERLING. Mr. President, will the Senator permit another question?

Mr. POMERENE. Yes.

Mr. STERLING. The Senator makes the statement that the pending bill is broad enough. Does the Senator believe that the pending bill is specific enough relative to the investigation of the question of cost of production at home and abroad?

Mr. POMERENE. Mr. President, I do not know what definition the Senator intends to give to the word "specific." Its terms are general enough, and in that sense specific enough, to confer upon this board the widest power of investigation.

Mr. President, personally I do not believe in high salaries for Government officials. I do not believe that the salary attached to any official position should be the first desideratum of the officeholder. But we have heretofore, by other legislation, set a standard of compensation. It may be right, or it may be wrong. For myself, I attach just as much importance to this tariff commission as I do to any of the other commissions we have created. The functions which they will exercise are just as important, and if their work is well done it will be of just as much benefit to the public as the work which is to be performed by any other commission. For that reason I am disposed to think that the salaries should be increased to $10,000.

Mr. COLT. Mr. President, the question before the Senate is whether the salaries of the tariff commission should be $10,000 or $7,500. I am in favor of the amendment offered by the Senator from Iowa [Mr. CUMMINS], making the salary $10,000, because of the importance of the duties which will fall to this commission, and for the further reason that I do not believe you can obtain men of the character and standing which would be necessary to fulfill these duties unless you pay a sufficiently high salary.

Mr. President, the question of protection has reached a new phase, depending upon new industrial and economic conditions.

That the question of protection has reached a new phase is plainly shown by the attitude of the Democratic Party in the provisions contained in this bill with respect to the duty upon dyestuffs and the appointment of a tariff commission. I maintain that the question of protection has changed fundamentally owing to changes in economic conditions. A nation is now obliged to adopt protection in self-defense in order to preserve its economic position. Why do I say this? I say it because free trade is based upon the fundamental proposition of fair and just competition, and if such competition does not exist among the great commercial nations there is no solution of the problem except through protection.

If Germany has adopted a system of organizing her industries into vast syndicates for the sole purpose of capturing foreign trade by dumping her products into the foreign market at any price which will effectually stifle foreign industries, there is no way of meeting that situation except by protection. If a nation ambitious to become a world power pursues the policy of obtaining control of the raw materials of the world and thereby monopolizes these materials and the industries dependent upon them, there is no way of meeting this situation except through a system of protection.

Mr. President, we have reached a new stage so far as the protective principle is concerned. Why, England has become a protectionist for self-preservation; and if England has become a protectionist by reason of the economic methods of Germany, and to some extent of other nations, how can we any longer defend the doctrine of a tariff for revenue only?

Therefore, the duties of this tariff commission, to my mind, are more important than the duties of any commission which has been appointed by this Congress. They have to investigate a question which vitally concerns the business interests of this country, which concerns in a larger point of view the national welfare and safety. When I look at the duties which this commission have to perform, when I see the matters which they are to investigate, I feel that no body of men in the country will be clothed with greater or higher responsibilities. We know the trade conditions which will confront us at the close of the war. We also know that we need all the light we can have upon the difficult and complex economic problems which will then present themselves, and we also know that we need men of the highest intelligence and business attainments to solve these problems.

Mr. President, $7,500 a year may appear to be a fair salary. It has always seemed to me that there was nothing upon which men honestly differ so much as the question of what is a proper salary. What is a proper salary depends a great deal upon circumstances. It might depend somewhat upon whether these commissioners lived in a large city like New York or Washington, or whether they lived in the country; it might depend upon whether or not they have large families. I know that you get the best work out of a man when he does not have to worry over the sufficiency of his salary. There is certainly a feeling of independence that a man possesses when his salary is more than adequate to meet all ordinary and reasonable expenses.

Mr. President, we must judge of things in the age in which we live, and not in the time of John Marshall. Probably the purchasing power of a dollar has declined several times since Marshall was Chief Justice of the United States. It has been said that in the time of Queen Elizabeth an English pound would purchase fourteen times what it will to-day. Men of the proper intelligence and standing to serve on a commission of this kind, especially if you select business men, undoubtedly would receive very much higher salaries in their business; and the same is true with regard to professional men.

Mr. President, this is not a case where we ought in the least to be governed by any narrow or prejudiced notions as to what is a proper salary. It is a great position. We should appoint men of the highest ability. They have to investigate the most important question now before the American people. If we should consult the public opinion of this country—and that ought to influence us—I believe that $10,000 is not an excessive salary for this commission.

For these reasons, I am in favor of the amendment proposed by the Senator from Iowa.

Mr. PENROSE. Mr. President, I do not intend to detain the Senate for more than a few minutes in discussing the Tariff Commission provision of the pending bill. I do not take it seriously I look on it merely as a catch phrase to take advantage of whatever popular sentiment there may be in favor of a real bona fide tariff commission to render this bill, carrying this burden of direct taxes upon the American people, more palatable, if it were possible to do so.

The Tariff Commission, as constituted in the bill, means nothing, as I view it. It is declared that such a tariff commission is proposed to carry out a pledge of the Democratic national convention at St. Louis on June 16, 1916. As is the case in nearly every other legislative or administrative act under the present administration, the necessity for it, and the utter change of attitude on the part of the majority, is blamed upon the requirements and the necessities of the war in Europe; and so we contemplate a tariff commission in the pending bill, the purpose of which, it is declared, is—

> To make an impartial and thorough study of every economic fact that may throw light either upon our past or upon our future fiscal policy.

Just what this means, Mr. President, is difficult to determine; but the framers of the bill are to be congratulated that they have omitted to embody in the paragraph the overridden, threadbare phrase "nonpartisan." There is no pretense that this commission shall be nonpartisan. There seems to be a suggestion that it shall be composed of members who have no preconceived ideas whatever about what might be the proper fiscal or economic policy of the United States.

As a matter of fact, Mr. President, I am one of those who believe that it will always be impossible to keep these questions outside of the realm of political discussion. I know that the average business man pictures in his mind a tariff commission which shall have the power of fixing rates, and so fixing them without the political discussion antecedent thereto in a presidential campaign or in the election of Members of Congress. But that thought on his part to my mind is an evanescent dream. It is impossible to take these great economic questions outside of the arena of political discussion. The Republican business man who pictures this blissful condition of fiscal and economic settlement takes it for granted that there shall be a protectionist commission, and that the members of the commission shall be prepared to impose upon imports adequate protective rates. The free trader and the importer picture a commission which will place the country largely upon a free-trade basis. When the question is brought up to them as to what would be the real result, there is not one of them who can fail to see at once that the picture which they have painted is impossible and, in my opinion, undesirable.

From the beginning of the history of the country down to the present time a large part of our political contests and controversies have had the question of free trade or protection as the leading and absorbing issue. In fact, this has been the case nearly always, except when some matter of an acute character arose, such as the controversy over slavery in the ante bellum days, but always the pendulum has swung back and the tariff has appeared upon the scene.

This question has been preeminently paramount in the American Republic, largely due to our Federal system, which was presumed to apply itself first to the resources of the customhouse for raising of revenue for the expenses of the Nation, but the same contests have been waged in other countries, varying from generation to generation as the economic needs of any particular country brought about a change. England at one time was the most highly protected nation in the world, and its merchant marine was entirely built up by the most oppressive system of navigation laws that was ever devised by human ingenuity; but when the time came that England had an altered position in the affairs of the world and had outstripped other nations by reason of the inventions of a line of brilliant inventors in the textile and other manufacturing industries and no longer required her navigation laws, then she changed, after a long and strenuous political discussion, her protection notions and became a free-trade country, and so continued for a period of some 100 years, until to-day, as the result of the conditions brought about by the war in Europe she is coming around again to a condition of protection and to an advocacy of all kinds of restriction upon merchant marine and trade, calculated for their further protection, equal in their drastic character to any that was proposed prior to the wars in Europe in the first quarter of the last century. So while these economic discussions are perhaps more prominent in our Federal Union than they are abroad it is only a difference in degree. They must always be a matter of discussion before the people, and the verdict must lie with the popular decisions upon these questions.

How a nonpartisan tariff board can adjust the differences between a free-trade Democrat and a protectionist Republican has always been a difficult problem for me to solve. There is no guiding suggestion laid down in the present provision regarding a tariff commission. I would have added to the paragraph that it should be the principal duty of the commission to investigate the difference in wages and labor conditions between here and abroad, but this important element in the welfare of our people apparently has not been considered in any way as a part of the purpose of the tariff commission. If the

nonpartisan character of the commission is to be put in evidence by the appointment of Republicans such as have been generally selected by the present administration for nonpartisan boards, the Republican Party will not get very much consolation out of the kind of protectionist Republicans that are likely to be selected.

We have only to examine the debates in the CONGRESSIONAL RECORD up until this session of Congress to realize the fact that the Democrats in the House and Senate have been unanimously opposed to a tariff commission.

The subject has been treated with sneers, with contempt, and with ridicule. I do not recall a case where it has found favor on the Democratic side, either in the Senate or in the House of Representatives, so far as we can learn from the spoken words of Democrats in either branch of Congress.

A tariff commission is doubtless well enough to collect data and furnish information and even to suggest rates, but the value of this information and these suggestions will depend entirely upon the point of view. If the point of view is that of an ad valorem low-duty direct-tax Democrat, it will hardly receive acceptance should the Republicans be in control of the Congress; and in the same way if the recommendation comes from a board having the point of view of specific duties and adequate protective duties, we have only to recall the fate of the wool schedule and the recommendation of the tariff commission under President Taft to know what indifferent treatment a nonpartisan tariff commission report receives from a party in power of opposite view regarding fiscal legislation. There never was a more voluminous or illuminating report than that made by the last tariff commission upon the wool schedule. The field was exhausted; many thousand dollars were spent in gathering the information; the recommendations regarding differences in costs and differences in industrial conditions were full and exhaustive. And yet the Democratic Party had determined on free wool, and having gone so far during the campaign in proclaiming their intention to have free wool that they could not have avoided to reverse themselves, even had they been convinced and persuaded to the contrary, the Democratic majority in Congress completely ignored the report of the tariff commission and put wool on the free list; and I regret to say that even on the Republican side it seemed impossible to get unanimity upon a wool schedule, notwithstanding the elaborate report of the tariff commission upon wool, available for every Member of the Senate and the House.

I say it with all due respect to my colleagues on this side of the Chamber, but the fact remains and will be recalled by those who were in the last and in the Congress preceding that several bills relating to the wool schedule were introduced on the Republican side in the Senate, and several were also introduced in the House of Representatives by Republicans, differing materially in most essential details and all claiming to be based on the report of the Taft Commission upon the wool schedule.

As I recall it, the senior Senator from Utah [Mr. SMOOT] and the senior Senator from Wisconsin [Mr. LA FOLLETTE] had a bill, and I had a bill. The Representative from Connecticut [Mr. HILL], I believe, had a bill; and there were several other bills. Many of these bills the manufacturers of New England and Pennsylvania informed me would be absolutely useless as practical measures and they would rather have the original Underwood bill passed than have several of them which they specified enacted into law. Yet all of them were introduced by Republicans and were urged as being based upon the findings of the Taft Tariff Commission upon schedule K.

So that after all, while a tariff commission may be useful, just as the reports of the consular agents are useful and the statistics of the Treasury experts are useful, yet anyone who persuades himself that their report can ever be conclusive or relieve Congress of the ultimate responsibility of solving the problem, in my opinion, fails to appreciate the lessons in the recent past.

It is nothing new to state that the President has vacillated and changed his mind on this question, as he has on numerous other questions, since he was an author of books of history and political discussion, or even since he has occupied the high office which he now holds. In his address at Indianapolis he said what I will ask the Secretary to read from Mr. Wilson's address.

The Secretary read as follows:

> But if by scientific treatment of the tariff they mean adjustment to the actual trade conditions of America and the world, then I am with them, and I want to call their attention, for though they voted for it they apparently have not noticed it, to the fact that the bill which creates the new trade commission does that very thing. We were at pains to see that it was put in there. That commission is authorized and empowered to inquire into and report to Congress not only upon all the conditions of trade in this country, but upon the conditions of trade, the cost of manufacture, the cost of transportation—all the things that enter into the question of the tariff—in foreign countries as well as in the United States, and into all those questions of foreign combinations which affect international trade between Europe and the United States. It has the full powers which will guide Congress in the scientific treatment of questions of international trade. Being by profession a schoolmaster, I am glad to point that out to the class of uninstructed Republicans, though I have not always taught in the primary grade.

Mr. PENROSE. My experience is that when you get into the practical affairs of life you have to unlearn a great deal that is taught by the schoolmaster.

Just what is meant by a trade commission, with power to bring about an adjustment to the actual trade conditions of America and the world, I am at a loss to understand. The language partakes of that rhetorical vagueness too often characteristic of similar utterances.

Later on, however, the President shows his conversion to the tariff-commission proposition in his letters to the chairman of the Committee on Ways and Means of the House of Representatives. In that connection he declares in favor of—

> some such instrumentality as would be supplied by a tariff board.

And he further declares that the board should be—

> free from any strong prepossession in favor of any political policy, and capable of looking at the whole economic situation of the country with a dispassionate and disinterested scrutiny.

And follows with a number of general statements calculated to impress anyone having practical experience with matters of legislation that the kind of tariff board he intended to describe would be of about as useless and impracticable a character as is well possible for any board or commission to be.

The tariff-commision paragraph in the pending bill is not of any very great importance. It apparently is put in merely as a measure to attract and mislead Republicans. In fact, there has been a propaganda conducted throughout the country in favor of a tariff commission. This provision in the pending bill supplies a popular catchword which is meaningless and ineffective in this connection. Should the Republicans be restored to power, they will doubtless provide for a tariff commission which will produce practical and effective results in the direction of reasonable and adequate protective rates, based upon a thorough examination of the difference in cost here and abroad.

Not only was the present Trade Commission supposed to be an agency to investigate the tariff question, but when the Bureau of Foreign and Domestic Commerce was created by the consolidation of the Bureau of Foreign Commerce of the State Department and the Bureau of Statistics of the Department of Commerce and Labor, a weapon was thought to have been thus created by the Democrats with which to investigate business men who claimed that a Democratic tariff injured their business. Mr. UNDERWOOD on May 8, 1913, stated in the House:

> We have established a Bureau of Foreign and Domestic Commerce * * * when a great manufacturing institution is ready to frighten its laborers with a reduction of wages because they say there has been adverse action and legislation in Congress * * * that bureau has the power to walk into their offices and ascertain whether there is real reason for their cutting the wages of their labor or whether it is merely a selfish attempt to put money into their own pockets.

A few days before this statement the chairman of the House Ways and Means Committee also declared—

> This House within a year has created the machinery of government by which the President of the United States can ascertain the facts desired and through that medium already established can give the Congress not only the information that we call for in this bill but can give Congress the information called for in the Tariff Board amendment. The Bureau of Foreign and Domestic Commerce was builded for that purpose.

Both the Trade Commission and the Bureau of Foreign and Domestic Commerce have failed as agencies for tariff investigation.

And now we have the proposal of a commission which will necessarily prove to be more ineffective and useless than either the other two boards, because this proposed tariff commission is provided for on lines almost identical with the provisions of the law providing for the two bureaus to which I have referred. I have said that the bureaus already authorized have failed in their purpose as far as tariff investigations are concerned. Perhaps I am wrong.

I have here the report on trade and tariff in Brazil, Uruguay, Argentina, Chile, Bolivia, and Peru, published by the Federal Trade Commission, issued as late as June 30, 1916. I have no doubt this is a very elaborate, illuminating, and interesting report. What tariff commission upon any line suggested in the pending revenue bill can do any more than duplicate the work which it is evident from this report the Federal Trade Commission is already performing?

The only service is, as I have said, to afford a catch phrase in the bill to make, perhaps, a certain number of Republicans

in the country think that something has been down toward the creation of an effective tariff commission upon protective lines.

I do not intend to pursue this matter further. I do not want to be supposed to be in opposition to a proper tariff commission, and an effective one. I would be foolish to array myself in opposition to any agency which can collect information for both branches of Congress when every five or six or eight or ten years this tariff question comes up requiring the adjustment of our tariff schedules to the changing needs of the country.

I feel that we already have many agencies collecting this information for the benefit of Congress. We have the reports of our consular agents all over the world, the reports of the Treasury Department through its various bureaus and agencies, the reports of the Department of Commerce through its bureaus and agencies, and the elaborate hearings which are always held when tariff measures are up particularly by the Ways and Means Committee of the House of Representatives.

I am not one of those, Mr. President, who belittle or underrate the value of the information and the hearings furnished by the business men and the manufacturers of America when a tariff bill is under consideration. I can only recall the methods of the German Government in framing tariff laws when the business men of Germany are taken by their Government officials into their full confidence and cooperation, and with their help the tariff laws are framed for the German Empire, which have resulted, in my opinion, in enabling Germany to stand self-sustaining, cut off from the rest of the world, in this the greatest war of our history. And I also welcome at such hearings and conferences the wage earners and workers of the land interested in upholding the high standard of American wages.

Had Germany ignored the information and advice of the business men, had she not protected the products of her farms and mills, surrounded and confined as she is by hostile forces cutting her off from supplies from everywhere else, she would long ago have been obliged to succumb to the forces which are opposing her.

In concluding, however, Mr. President, I wish to call attention to a brief extract from a speech delivered in Congress by William McKinley in reference to a tariff commission. Before I ask the Secretary to read it I will say in conclusion that I shall advocate an amendment to this paragraph instructing the commission to investigate the differences in wages and cost of production here and abroad, and that I shall at all times support a tariff commission proposed for a bona fide purpose and with a sincere intention; but this commission to me is meaningless; it is simply a duplication of two other commissions for which large appropriations have been allowed, and has no other purpose, in my opinion, than to mislead the people of the country when they come to visit their condemnation upon this monstrous measure of direct taxation.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

I can not refrain from saying that we are taking a new and somewhat hazardous step in delegating a duty that we ought ourselves to perform—a duty confided to us by the Constitution, and to no others. It is true that a commission does not legislate, and therefore its work may or may not be adopted by Congress. This is the safety of the proposition. The information it will furnish will be important, and its statistics of rare value, but the same sources of information are open to Congress and to the Committee on Ways and Means as will be available to a commission; and as the former will ultimately have to deal with the question practically in Congress, it has seemed to me if that committee were willing to undertake the task, and had the requisite time to perform it, it would be the wisest and most certain course to the accomplishment of results desired by all. Certainty and stability are essential elements to the success of trade, and as long as we are doing reasonably well experiments should be avoided.

Mr. SIMMONS. Mr. President, the Republican Party to-day, as in the past, is the special representative in legislation and in Government of the so-called interests. The disaster which that party suffered in the election of 1912 has not weaned it from this odious copartnership. Events now transpiring make it clear that if that party is restored to power this old copartnership will not only continue, but the alliance will be even more strongly knit together than in the past.

Out of this alliance sprung what came to be known throughout the country as the invisible government.

These interests wrote our tariff laws; they wrote our financial laws and controlled our financial policies. The Republican Party could deny them nothing which they demanded and could do nothing which they opposed. Our legislation became a system of special privileges and governmental favors to these privileged classes. They demanded that they be protected from competition from abroad and that they be permitted to protect themselves against competition at home, and it was granted. At their dictation a financial system had been built up which placed the money of the country in the hands of a few great financiers, who made money plentiful or scarce as their selfish interests required. The people's interest was forgotten or considered of minor or secondary importance.

When this exploitation of the people through the agency of the Republican Party had reached a point where it became unbearable the protest against that party became so strong that its candidate for President in 1912 carried only two small States in the Union, and a Democratic President and Congress were elected upon the promise to put an end to these outrageous abuses and usurpations and to reestablish government by the people and for the people.

The Democratic Party in response to this demand of the people has put an end to these shameful, scandalous prostitutions of governmental functions. The special interests no longer control at the White House or in the Halls of Congress. They no longer dictate and control our economic, fiscal, and commercial policies. Their special privileges have been taken away from them, and in truth and in fact the rule of the people has been restored.

But for the power and influence and almost exhaustless resources of these great special interests which the Democratic Party in 1912 unhorsed and have since stripped of their privileges, the crushing defeat then administered to the Republican Party would have eliminated it as a factor in the coming election, and the contest this year would be between the Democratic and Progressive Parties. But these powerful interests, with exhaustless resources, ready to dare and do everything, have in a last desperate effort to regain the scepter then wrested from their hands again rallied around the old guard of that party as their only hope, and have enabled the stand-pat and reactionary wing of that party to capture the Progressive wing, and the old fight between government by the few in the interest of the classes and the special interests and government by the people in the interest of the people is again on, and it goes without saying that these interests will fight with the desperation of a monarch who has lost his throne and thinks he sees a last desperate chance to win it back. They fight not for a throne but what to them means more than a throne—the privilege of exploiting at will 100,000,000 people for their selfish ambitions and greed. Their plethoric pocketbooks are wide open to regain these lost privileges, and it is for the purpose of making the purchase safe that the Republicans in Congress have announced their determination and purpose to defeat the corrupt practices act, thereby giving them a free hand in their effort to buy the election and again install themselves in their old position of dictation at the White House and in Congress.

There can be no concealment of the fact that the Republican Party as organized and controlled to-day is more thoroughly representative of the special interests and if again placed in power would be more thoroughly under the control of those interests than in the days of Aldrich and CANNON. The men who control that party to-day in Congress and in the country, the men who controlled and brought about the nomination of the Republican candidate for the Presidency, are as close to the special interests, as representative of those interests, and as sympathetic with their demands as were the men who controlled the policies of that party during the Taft and Roosevelt administrations, when special privilege and monopoly were more rampant and dominant in this country than in any period of our history.

Only a few days ago the Senate heard with amazement the bold declaration of the Senator from New Hampshire [Mr. GALLINGER], one of the strongest and most ardent champions of special privilege and governmental favoritism through legislation in the Republican Party, criticizing the so-called concessions of the Payne-Aldrich Tariff Act, and impliedly, almost directly, attributing the misfortunes of the Republican Party to what he declared to be the fact that in an unguarded moment it had yielded to the uninformed demand of the people and permitted reductions from the Dingley tariff rates. Evidently that Senator, filled with the reactionary spirit to which I have referred as dominant in the minds of the element now in control of the Republican Party, believes if that party is restored to power it should enact a tariff law more radically protective and favorable to the special interests than either the Payne-Aldrich or the Dingley tariffs. I commend this part of the speech of the Senator from New Hampshire to those Progressives who are considering supporting the Republican Party in this campaign.

I am not surprised that the special interests do not like our Democratic tariff. They did not write it, not because they did not want to write it, but because we would not let them write it. When we were making it they came to Washington in full force with their experts and their attorneys, as in the old days

of Republican tariff making, to tell us how to write it. We treated them courteously and kindly, but when it came to writing the bill we let them understand that that was our job, and that we were the representatives of the people and not of their tariff overlords, and as such we proposed to make the bill in their interests and not in the interest of their taskmasters.

These same interests, through representatives in Congress and outside, say it is the worst tariff law ever written. Undoubtedly it is the worst ever written for the trusts, the monopolists, and tariff grabbers, but I am sure it is the best ever written for the people who bear the burdens and pay the taxes.

They complain that our tariff has made the tariff wall so low that the foreigner can climb over it. That is just what we intended to do.

You can revise the tariff downward without hurting the special interests if you keep the wall high enough to keep the foreigner out. That was what the Payne-Aldrich law did in many instances. But you can not revise the tariff in the interest of the people unless you lower the wall enough to let the foreigner over and allow some competition from abroad, especially when the price here is above the level of a fair and just profit. That is what we aimed to do when we wrote the present law, and that is what I think we did do. If any are dissatisfied, it is because they are not content with fair prices and reasonable profits. If any suffer, it is because we have taken their business from a monopolistic basis and put it upon a fairly competitive basis.

Now, let us consider the charges made by the Republicans against the actual operations of the present tariff. While claiming that the tariff has had nothing to do with the overflowing prosperity we are now enjoying, they charge that before the war the Democratic tariff had flooded the country with cheap foreign goods, reduced our sales abroad, brought disaster to business, and proved a failure as a revenue producer.

Mr. President, in passing I can not refrain from referring to the great embarrassment—yea, distress—of our Republican friends because of the prosperity the people are to-day enjoying under Democratic administration. Its effect upon their mental attitude is painful to behold. They have brooded over it until they seem to have developed a positive antipathy to prosperity. They snarl at it, turn up their noses at it, and even question whether it is not an unwholesome and sinister sort of thing thrust upon us by evil portents. They leave the impression that it would be intolerable to them but for the hope that it may soon disappear.

Now and then under Republican administrations we had some prosperity, never permanent—subject always to such disastrous panics as we had in 1907 on account of the makeshift financial system of that party. But such prosperity as we had—vacillating and uncertain as it was—when that party was in power they attributed always to the tariff and the Republican Party. They would not admit that those spurts of prosperity were due in any way to any conditions except the legislation and policies of that party. If crops were bountiful here and short elsewhere, they would not admit that those conditions had anything to do with the greater prosperity which resulted. This prosperity was altogether a Republican product, dependent in no way upon the fundamental laws of supply and demand, dependent in no way upon conditions affecting production here and elsewhere—a thing with which the people had nothing to do except to enjoy, a blessing having its source and center solely in Republican legislation.

Now that we are enjoying a prosperity incomparably greater—a prosperity more thoroughly diffused than ever before—a prosperity which has placed us in the forefront of the nations of the world they ridicule it, deny that legislation or good government has anything to do with it, and proclaim it a thing which has been forced upon us and that will disappear as suddenly as it came and leave wreck and ruin behind it.

But this aside, let us examine their several criticisms of the actual operations of the Democratic tariff and revenue system before the war, in their order.

FIRST CHARGE.

The first charge they make against the Democratic tariff law is that it had proved a failure before the war in that it did not produce adequate revenue to run the Government. This charge is without foundation and is false as a statement of fact.

This is not a matter of argument or conjecture; it is a matter of record—a question to be determined by the facts, and the facts are facts of record and can not be disputed except by a willful perversion of the record.

What is that record? The record fact is that during the first year of the life of the present tariff act the receipts of the Treasury were the largest up to that time in all our history—$10,500,000 larger than in the previous year under the Payne-Aldrich Act; they were not only sufficient to pay the expenses of the Government, but left in the Treasury enough to pay the expenses of that year's construction work of the Panama Canal.

This statement is not only true with respect to the first fiscal year of the present administration, but it is equally true with respect to that part of that fiscal year which elapsed after the present tariff law went into effect. From January 1, 1914, to August 1, 1914, being that part of the year immediately preceding the war, when the present act was in full force, the ordinary receipts of the Treasury under the present law were $27,000,000 greater than those from January 1, 1913, to August 1, 1913. So that whether we take the whole fiscal year immediately before the war or the seven months when the present law was in full force, the revenues of the Government during this period were greater than during the like period of the preceding year, when the Payne-Aldrich Act was in force.

Instead of our tariff law being a failure as a revenue producer during the period of its operation before the war the books of the Treasury will show that during the first fiscal year under it the receipts of the Treasury were greater than in any previous year of all our history—greater than in any year under the McKinley tariff; greater than in any year under the Dingley tariff; greater than in any year under the Payne-Aldrich tariff; greater than under any revenue system ever enacted in our whole history; greater by $13,000,000 than I estimated when I reported the bill to the Senate; and after paying all expenses there was a surplus in the Treasury. And we did not have to sell any bonds either, while under the Dingley and Payne-Aldrich Acts on four different occasions during the administrations of Roosevelt and Taft it was found expedient to reimburse the Treasury by the sale of bonds.

Ordinary receipts of the Government (exclusive of postal).

Fiscal year.	Receipts.	Increase.	Decrease.
1911	$701,372,000		
1912	691,778,000		$9,594,000
1913	724,111,000	$32,333,000	
1914	734,673,000	10,562,000	
Jan. 1 to Aug. 1:			
1913	429,558,000		
1914	456,728,000	27,170,000	

We not only had a surplus in the Treasury on the 1st day of July, 1914, being the end of the first fiscal year under the present administration, but on August 1, 1914, we had a balance in the general fund in the Treasury of $158,384,000, being $20,000,000 more than on the 1st day of August during any year of the Payne-Aldrich bill.

In a colloquy between Senators GRONNA, WEEKS, SMOOT, and myself on August 25, in which we were discussing the question of how the Republicans proposed to raise the three hundred and sixty-odd million dollars in addition to the current expenses for preparedness, the Senator from Massachusetts, Senator WEEKS, stated "that if the lowest Payne-Aldrich rate was now in force, based on our present importations, there would be an added revenue of $176,000,000 per year." The lowest Payne-Aldrich ad valorem rate was 17.69 per cent in 1913.

The Senator from Utah [Mr. SMOOT] stated that the average ad valorem rate of the Payne-Aldrich law was 18.8 per cent and if the importations were the same during the fiscal year 1917 as they were in 1916 there would be a gain of $183,000,000 in customs receipts.

This result was obtained by the Senator from Massachusetts [Mr. WEEKS] by applying the lowest Payne-Aldrich ad valorem rate, which was 17.69 per cent, and the result was obtained by the Senator from Utah [Mr. SMOOT], as he stated on the floor, by applying the average ad valorem rate under the Payne-Aldrich bill, which was 18.8 per cent, to the actual imports for the fiscal year 1916.

The fallacy of this method of calculation would seem to be too apparent to require any consideration. The ad valorem rate of the same tariff law varies from year to year, according as the character and price of the imports change. There was no year during the Dingley law, as there was no year under the Payne-Aldrich law and as there has been no year under the present law, when the average ad valorem on imports was the same.

During each of these three periods when these fluctuations in the average ad valorem rates under each of these several acts were going on the tariff rates were the same.

I hereto attach a table taken from the Statistical Abstract for 1915, page 497, giving the average ad valorem rate for each year from 1898 to 1916, inclusive.

Total imports of United States for consumption.

[Statistical Abstract, 1915, p. 479.]

Dingley law.		Payne-Aldrich law.		Underwood-Simmons law.	
Fiscal year.	Average ad valorem.	Fiscal year.	Average ad valorem.	Fiscal year.	Average ad valorem.
	Per cent.		*Per cent.*		*Per cent.*
1898	24.77	1910	21.11	1914	14.88
1899	29.48	1911	20.29	1915	12.49
1900	27.62	1912	18.58	1916	9.72
1908	23.88	1913	17.69		
1909	22.99				

It will be seen from this table that the average ad valorem under the Dingley law fell from 29.48 per cent for 1899 (the first full year under that law) to 22.99 per cent for 1909 (the last full year), a decrease of over 22 per cent for the 10 years, or an average of over 2 per cent per year.

The average ad valorem under the Payne-Aldrich law fell from 21.11 per cent for 1910 to 17.69 per cent for 1913, a decrease of about 16 per cent for three years, or an average of 5⅓ per cent per year.

The average ad valorem under the present law fell from 12.49 per cent for the first full year of that law (1915) to 9.72 per cent for 1916, a decrease of 22 per cent.

The steady decrease from 1899 to 1913 was due principally to the steady increase in prices, an increase which still continues, and which has been very much greater since the beginning of the war than at any time before.

The decrease from 1909 to 1913 was caused by the steady increase in prices, together with the practical prohibition of many of the rates of the Payne-Aldrich law. This explains the more than doubling of the annual rate of decrease.

The decrease from 1914 to 1916 was caused by the lower rates of the present law, aided by the change in the character of our imports and large increase in price due to abnormal conditions.

To plainly see the effect on the ad valorem rate of duty of the increase in price and also of the increase in the total value of imports, while the amount imported changes very little, let us look at our sugar trade for the past few years.

Sugar—Illustration of effect of increase in price on ad valorem rate.

Year.	Imports.		Average price (cents per pound).	Estimated duty collected on total imports.	
	Quantity.	Value.		Amount.	Ad valorem rate.
	Pounds.				*P. ct.*
1914	5,066,821,873	$101,649,375	2.00	$62,000,000	61
1915	5,420,981,867	173,992,603	3.21	54,000,000	31
1916	5,633,161,749	208,769,399	3.71	56,000,000	27

This shows that the importations increased from 1914 to 1916 about 11 per cent, while the price increased over 85 per cent and the ad valorem decreased over 55 per cent.

The specific rate for the last three months of 1914 and for the years 1915 and 1916 was the same—a reduction from the Payne-Aldrich rate of about 25 per cent. The quantity imported for 1914, 1915, and 1916 was practically the same, but the equivalent ad valorem rate of duty was cut in half.

It is said that the average Payne-Aldrich rate was 18.8 per cent. It will also be seen that the average rate under the present law is 12.35. It is evident that it would be absurd to apply either of these rates to the actual imports of 1916, as is shown by the fact that the rate of the present tariff applied to the actual imports of 1916 gives an ad valorem widely different from the ad valorem of either of the two previous years.

The question therefore is, What would be the average actual ad valorem on imports for the fiscal year 1917 if the Payne-Aldrich rates were applied? It is not a question of applying the ad valorems of any other years, but a question of applying fixed rates to actual imports.

I have requested the Treasury Department to furnish me, if possible, with a fair and reasonable basis for applying the Payne-Aldrich rates to actual imports for the year 1916.

At the request of the Secretary of the Treasury, this statement has been prepared for me by Mr. McCoy, the Actuary of the Treasury Department, and Mr. Nevius, chief statistician of the Customs Division of that department, working in concert. They have given me two bases of calculation. The statement furnished by Messrs McCoy and Nevius is as follows:

CUSTOMS REVENUE FOR 1916 UNDER PAYNE-ALDRICH RATES.

The war has very much curtailed the European manufactures of the highly dutiable goods formerly sent to this country. It has also caused a great increase in prices, thus reducing the ad valorem rate of duty equivalent to the specific rates imposed by our tariff law. This, together with a large increase in our import of crude articles, has much reduced the average ad valorem rate of duty upon our total imports.

In order to find this effect upon the average rate of ad valorem duty under the present law, we assume as the normal the average rate for the fiscal year 1914 (14.88 per cent) and 1915 (12.49 per cent), which is ——per cent——	13.69
Average rate fiscal year 1916——do——	9.72
A decrease in ad valorem of——do——	3.97
This 3.97 per cent ad valorem is 29 per cent of the normal per cent.	13.69
Payne-Aldrich rate, ad valorem, fiscal year 1913, per cent	17.69
This reduced by the 29 per cent above shown——per cent——	5.13
This leaves as the estimated Payne-Aldrich rate for 1916——per cent——	12.56
Total importation of all goods, fiscal year 1916	$2,197,900,000
This multiplied by the average rate as above——per cent——	12.56
Customs revenue for 1916 under Payne-Aldrich rate	$276,056,000
Actual customs revenue, 1916, under present law	211,866,000
Additional revenue under Payne-Aldrich rates	64,190,000

The Department of Commerce, in Senate Document No. 336, first session Sixty-fourth Congress, has carefully worked out the following ad valorem rates:

Average ad valorem rates on total imports of the United States for nine months' periods, exclusive of wool and manufactures of wool for the first three months and of sugar and molasses for the first six months in both cases.

October 1, 1912, to June 30, 1913——per cent——	15.45
October 1, 1913, to June 30, 1914——do——	12.30
Abnormal conditions have resulted in the ad valorem rate of duty on total imports for 1916 being reduced to——per cent——	9.72
A reduction from——do——	12.30
Of——do——	2.58
2.58 per cent ad valorem is 21 per cent of 12.30 per cent ad valorem.	
Payne-Aldrich rate, as shown above——per cent——	15.45
Reduce this by 21 per cent, as above shown——do——	3.24
This leaves as the estimated Payne-Aldrich rate for 1916——per cent——	12.21
Total imports for 1916	$2,197,900,000
This multiplied by the average rate——per cent——	12.21
Gives customs revenue for 1916 under Payne-Aldrich rates	$268,364,000
Actual customs revenue for 1916 under present law	211,866,000
Decrease in revenue under present law	56,498,000

It will be seen by both of these tests, if the Payne-Aldrich rates were applied to the importations of 1916 the increase in customs revenues would be only $56,498,000, which is $126,500,000 less than the statement made by the Senator from Utah [Mr. SMOOT] and $119,500,000 less than the statement made by the Senator from Massachusetts [Mr. WEEKS].

This shows that if the Payne-Aldrich rates were applied to the importations of 1916 the increased revenue would be less than the receipts from personal income taxes for the year 1916 and much less than the receipts from the income tax imposed under the pending bill, and would leave over $300,000,000 of the cost of preparedness unprovided for.

The fact that our customs revenues have not in recent months increased proportionately with our imports is used as an argument against the revenue-producing qualities of the Democratic tariff. The answer is simple and conclusive.

The revenue derived from imports depends upon their character and the war has radically changed the character of our imports.

Our dutiable imports have greatly decreased since the war. Our dutiable imports from Europe, from whence in normal times we derive two-thirds of our total dutiable imports, decreased 32 per cent in 1915 and from the balance of the world something over 6 per cent. This fact fully accounts for the continued shortage in customs revenues. But while our dutiable imports have greatly decreased, as a result of the war, our free imports, especially from nonmanufacturing countries, have increased; first, because since the war we have taken the place of Europe in supplying these countries with their manufactures, and have had, as a matter of course, to take their crude products in payment. Secondly, because the enormous foreign

demand for our products during the past 12 or 18 months has made it necessary for us to increase our purchases of raw materials—some of which we do not produce at all—from abroad.

SECOND CHARGE.

Secondly, it is charged that before the war, under the present tariff act, the country was flooded with cheap foreign goods. This charge is not true, as the record will show, either as to free or dutiable imports prior to the war. There was, as I have stated, a falling off in our dutiable imports and the increase in our free imports was not abnormal.

The Republican tariff, as does our tariff, carried a big free list. Most of the things on the Republican free list were for the benefit of the manufacturer—free raw materials for use in his manufactures. When we came to write the tariff we added somewhat to the Republican free list, but while some of the things we added were for the benefit of the manufacturer, most of them were for the benefit of the people—things that without further manipulation go directly into consumption by the people—but the ratio of increase in our free imports under the Democratic tariff up to the time of the beginning of the war and until the enormous demand upon our factories, mines, and fields to supply the requirements of our great export trade made it necessary for our manufacturers to increase their purchases of free raw materials from abroad was no greater than under the Payne-Aldrich Act.

In reply to this charge I again appeal to the record. It will show that our imports of dutiable goods for the fiscal year 1914 fell off $59,000,000 and that our general imports of goods free of duty that year increased $140,000,000, making a total increase in general imports of that year of $81,000,000.

This is the record of the increase in general imports under the present law during the first year before the war. It is a normal increase. It is very much less than was estimated at the time the tariff bill of 1913 was reported to the Senate by the Committee on Finance, as will be shown by reference to my report filed for the committee on that bill.

This increase of $81,000,000 in our general imports during the first year of that law is now held up to the country by Republican politicians as showing that this law and its operation before the war was a menace to our industries and a voluntary turning over of the American market to the foreigner. How utterly absurd this charge is and how completely the Republicans are estopped from making such an argument will appear when the increase in our imports for the year 1914—the first year of the present tariff law—is compared with the increase in our imports during the first year of the Payne-Aldrich law which it supplanted. I have the record showing that increase.

If you will turn to the Monthly Summary of Foreign Commerce, June, 1916, page 57, you will be amazed to find, in view of this Republican charge against the present law, that during the year 1910—the first fiscal year of the Payne-Aldrich Act—there was an increase in our general imports over the previous year of $245,000,000, the increase being three times as great as that during the first year of the present law.

But let us bring these periods of comparison nearer together. Instead of taking the first year under each of these laws let us take the last year under the Payne-Aldrich law and the first year under the Democratic law. What is the result?

A reference to the volume to which I have just called attention will show that during the last year under the Payne-Aldrich Act the increase in general imports was $160,000,000 as against $81,000,000 during the first year under the present law, or twice as great as under the present law.

The table which I hereto attach from the Monthly Summary for June, 1916, not only sustains these statements, but in addition it shows that the increase in general imports under the Payne-Aldrich law during its whole life was $502,000,000, or an annual average increase of $125,000,000, while the increase in general imports under the present law for the first three fiscal years of its life was $385,000,000, or a yearly average of $128,000,000.

In other words, the total average annual increase of imports under the present law over the Payne-Aldrich law has amounted to only $3,000,000.

General imports—Monthly summary of commerce, June, 1916.

Tariff law.	Year	Total imports.
Dingley	1909	$1,236,927,000
Payne-Aldrich	1910	1,556,947,000
Do	1911	1,527,226,000
Do	1912	1,653,265,000
Do	1913	1,813,008,000
Underwood-Simmons	1914	1,893,926,000
Do	1915	1,674,170,000
Do	1916	2,197,884,000

These facts constitute the record. That record can not be disputed or explained away, and it furnishes the conclusive answer to all the charges and imputations of the Republican Party with respect to the increase in imports under the present law before the war. Misrepresentation and hypocrisy have never brought success to any cause and it will not do so this year.

In passing, in this connection it may be well to call attention to the stress laid by the Republicans on the circumstance that during the four months of April, May, June, and July, 1914, our imports exceeded our exports by something over $19,000,000. They never tire of referring to this fact. It is trumpeted as a fact which utterly condemns the present law. It is used by them as an unanswerable argument in support of their charge that it is a public menace.

I am sure our Republican friends in pursuing this line of argument have overlooked the record of imports and exports for the year 1910, the first year of the Payne-Aldrich law. If they will take the trouble to examine it they will find the following:

February, 1910:	
Imports	$130,117,980
Exports	124,558,630
March, 1910:	
Imports	162,999,535
Exports	143,657,857
Total imports for two months	293,197,415
Total exports for two months	268,216,487
Excess of imports over exports for two months	24,900,928

This examination makes it unnecessary to consider further the Republican assault upon the present law on account of an excess of imports over exports for a few months.

But this is not all. If we take the average annual increase in our total imports, free and dutiable, from 1899 to 1914, we find that this increase is 11.44 per cent, against 4.5 per cent during the year 1914—the first year under the present law.

I hereto attach tables of imports for these two periods, giving the percentage of increase during each period.

General imports—Fiscal years.

FREE.

Fiscal year ending June 30—	Amount.	Increase over previous year.	Per cent.
1899	$300,279,810	$8,865,635	3.04
1900	387,236,866	66,957,056	2.30
1901	339,608,669	[1] 27,628,197	[1] 7.52
1902	396,818,871	57,210,202	16.85
1903	426,180,979	29,362,108	7.40
1904	454,130,240	27,949,261	6.56
1905	517,442,302	63,312,062	13.94
1906	549,623,878	32,181,576	6.22
1907	644,029,761	94,405,883	17.17
1908	525,603,308	[1] 118,423,453	[1] 18.38
1909	599,556,639	73,953,331	14.07
1910	755,311,396	155,754,757	25.98
1911	775,972,509	21,661,113	2.87
1912	881,670,830	104,698,321	13.48
1913	987,521,162	105,853,332	12.01
1914	1,127,520,699	139,978,537	14.17
1915	1,033,525,675	[1] 93,976,024	[1] 8.33
1916	1,492,663,786	459,137,111	44.44

[1] Decrease.

Average annual increase from 1899 to 1914, $55,148,193, or 18.36 per cent, as against 14.2 in 1914.

DUTIABLE.

Fiscal year ending June 30—	Amount.	Increase over previous year.	Per cent.
1899	$396,868,679	$72,233,200	22.25
1900	482,704,318	85,835,639	21.63
1901	483,563,496	859,178	.18
1902	506,502,077	22,938,581	4.74
1903	593,538,258	93,036,181	18.37
1904	535,957,131	[1] 62,581,127	[1] 10.44
1905	600,070,769	63,113,638	11.75
1906	676,938,568	76,867,799	12.81
1907	790,391,664	113,453,096	16.76
1908	668,738,484	[1] 121,653,180	[1] 18.99
1909	712,363,585	43,625,101	6.12
1910	801,636,034	89,272,449	12.53
1911	750,253,596	[1] 51,382,438	[1] 6.41
1912	771,594,104	21,340,508	2.84
1913	825,484,072	53,889,968	6.98
1914	766,422,958	[1] 59,061,114	[1] 7.15
1915	640,643,065	[1] 125,779,893	[1] 16.41
1916	705,219,724	64,576,659	10.08

[1] Decrease.

Average annual increase from 1899 to 1914, $24,636,952, or 6.21 per cent, as against a decrease of 7.17 for 1914.

FREE AND DUTIABLE.

Fiscal year ended June 30—	Amount.	Increase over previous year.	
		Amount.	Per cent.
1899	$697,148,489	$81,098,835	13.16
1900	849,941,184	152,792,695	21.92
1901	823,172,165	[1]26,769,019	[1]3.15
1902	903,320,948	80,148,783	9.74
1903	1,025,719,237	122,398,289	13.55
1904	991,087,371	[1]34,631,866	[1]3.38
1905	1,117,513,071	126,425,700	12.76
1906	1,226,562,446	109,049,375	9.76
1907	1,434,421,425	207,858,979	16.95
1908	1,194,341,792	[1]240,079,633	16.74
1909	1,311,920,224	117,578,432	9.84
1910	1,556,947,430	245,027,206	18.68
1911	1,527,226,105	[1]29,721,325	[1]1.91
1912	1,653,264,934	126,038,829	8.25
1913	1,813,008,234	159,743,300	9.66
1914	1,893,925,657	80,917,423	4.46
1915	1,674,169,740	[1]219,755,917	[1]11.60
1916	2,197,883,510	523,713,770	31.23

Average annual increase 1899 to 1914, $79,785,145, or 11.44 per cent, as against 4.5 per cent in 1914.

These tables show that of the general imports for the fiscal years beginning with 1899 the average annual increase in imports free of duty from 1899 to 1914, the first year of the present law, to be 18.36 per cent, as against 14.2 per cent during the fiscal year 1914—the first year under the present law.

These tables also show that the average annual increase in dutiable imports from 1899 to 1914 was 6.21 per cent, as against 7.17 per cent for the year 1914—the first year under the present law.

These tables show that average annual increase in both free and dutiable from 1899 to 1914 was 11.14 per cent, as against 4.5 per cent for 1914.

THIRD CHARGE.

Nor is it true that our Democratic tariff brought about a curtailment of our sales abroad during the period of its operation before the war. The amount of goods a nation sells abroad, like the amount of goods a merchant sells to his customers, depends upon the ability of the customer to buy.

There was a period of world depression in 1914. On account of this depression the nations with whom we trade did not buy as heavily during that year as usual, either from us or from other nations, and for this reason our sales abroad during the Democratic fiscal year of 1914 were not as great as during the Republican fiscal year of 1913, but, with the single exception of the year 1912, our exports during the Democratic fiscal year of 1914 were greater than in any previous year of all of our history; greater than in any year under the McKinley tariff; greater than in any year under the Dingley tariff; greater than in any other year under the Payne-Aldrich tariff.

I hereto attach a table taken from the Monthly Summary of Commerce, for June, 1916, showing our imports under the Dingley law, under the Payne-Aldrich law, and under the present law up to 1917, also our total exports for the same period, and our total balance of trade for the same period:

Balance of trade of United States.

[Monthly Summary of Commerce, June, 1916.]

Tariff law.	Year.	Total imports.	Total exports.	Balance of trade.	Total.
Dingley	1909	$1,311,920,000	$1,663,011,000		
Payne-Aldrich	1910	1,556,947,000	1,744,985,000	$188,038,000	[1]$1,261,189,000
Do	1911	1,527,226,000	2,049,320,000	522,094,000	
Do	1912	1,653,265,000	2,204,322,000	551,057,000	
Do	1913	1,813,008,000	2,465,884,000	652,876,000	
Underwood-Simmons	1914	1,893,926,000	2,364,579,000	470,653,000	[2]$3,700,847,000
Do	1915	1,674,170,000	2,768,589,000	1,094,419,000	
Do	1916	2,197,884,000	4,333,659,000	2,135,775,000	
		Average, $420,396,300.		Average, $1,233,615,700.	

This table shows that—

The increase in general imports under the Payne-Aldrich bill during its life was $502,000,000, or a yearly average increase of $125,500,000.

The increase in general imports under the present law for the first three years was $385,000,000, or a yearly average of $128,300,000.

The increase in the total exports of goods from the United States under the Payne-Aldrich bill during its life was $803,000,000, a yearly average of $200,750,000.

The increase in the total exports under the present law for the first three years was $1,868,000,000, or a yearly average of $622,700,000.

The balance of trade for the first three years under the Payne-Aldrich law was $1,261,000,000, an annual average of $420,400,000.

The balance of trade for the first three years under the present law was $3,700,800,000, or an annual average balance of $1,233,600,000.

FOURTH CHARGE—BUSINESS DEPRESSION.

Republican politicians likewise charge that this bill during the first year before the war brought disaster to business. I say politicians because the business interests made no such charge. These politicians charge that before the war began our tariff legislation had brought the country to the verge of bankruptcy and industrial ruin. It is true when we assumed control of the Government we found a condition of business depression. It was a depression which started before we came into power and which continued for some while after we came into power. It was not a depression, however, confined to this country. The same depression existed throughout the world. It was less acute here than elsewhere. It was less acute here than in Europe. Less acute here than in Canada. Less acute here than in South America and other parts of the world. But it came about under Republican administration and it continued for a while after we came into power.

But for months before the outbreak of the war there had been a recovery from these conditions, confidence had been restored, and prosperity had returned. The voice of great metropolitan journals, of great national trade agencies, of great captains of industry, from one end of the country to the other, proclaiming in no uncertain terms that prosperity was not only coming, but had already arrived and to stay, had silenced the partisan clamor of professional politicians and calamity howlers.

Mr. President, at this point I ask permission to attach as an appendix to my remarks clippings from a mass of great newspapers, magazines, trade journals, and agencies covering a period of six months immediately before the war, voicing this return of prosperity and declaring that it has come to stay, and that business had no further fear about it.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to will be found as an appendix to Mr. SIMMONS's remarks.

SUMMARY.

Mr. SIMMONS. First. The net result of this analysis is that the present bill did not prove a failure as a revenue producer during the first year of its life, but that the receipts of the Treasury during that year were the greatest in our history up to that time.

Second. The increase in general imports during this period was not abnormal, and not as great as was estimated by its friends when it was passed. It was only about one-half as great as the increase during the last year of the Payne-Aldrich bill, and only about one-third as much as the increase during the first year of the Payne-Aldrich bill.

Third. Our exports for that year were not abnormally low, as the Republicans would have the people believe, but, with the single exception of the year 1913, the greatest of any previous year in all our history.

Fourth. Instead of bringing disaster to business before the war began, the depression which existed when the present administration went into office had disappeared, confidence had been restored, and prosperity returned, largely as a result of our splendid financial legislation and the satisfactory operations of the new tariff.

Finally, our Republican friends charge that the increase in imports, especially free imports, during the past fiscal year, stamps the present law as a free-trade measure and as a menace to the American producer and laboring man.

Here again the record not only contradicts but overwhelmingly answers the charge.

Our total imports for the fiscal year 1913, the last full year under the Payne-Aldrich law, amounted to $1,813,000,000, while in 1916 our total imports amounted to $2,197,000,000, an increase over the last year of the Payne-Aldrich Act of only $384,000,000, and an increase over those of 1914, the first year under the present law, of $304,000,000.

Our total exports for 1916, the latest year under the present law, exceeded those for the fiscal year 1913, the last year under

the Payne-Aldrich law, $1,868,000,000, and exceeded those of 1914, the first year under the present law, $1,969,000,000.

This presents a net gain in our foreign trade balance for 1916 over 1913 of $1,484,000,000.

Does this show we have turned our domestic markets over to the foreign producer and laboring man? Yea, on the contrary, does it not show we have captured the foreign markets for the benefit of the American producer and laboring man?

During the last year of the Payne-Aldrich law 54 per cent of our imports came in free. The most of these imports were raw materials for the use of our manufacturers. It was a part of the policy of that party to permit these products to come in free. They did not think it bad policy to do that. They did not think it hurtful to do that, as we have not thought it bad policy or hurtful to do that.

Their criticism against our bill at the time of its enactment was that it would destroy our manufacturing industries, not because of free importation of raw materials, but because it would open the doors to a larger importation of manufactures ready for consumption. They were afraid of the factories of Great Britain, France, and Germany. They predicted a great increase in these imports as a result of our reduction in duties.

The facts show that this prediction was unfounded, and that instead of an increase there has been a very notable decrease in this class of imports, a decrease of $133,965,000.

I attach a table showing the character and quantity of imports and exports for 1914 and 1916:

United States imports.

Articles.	Fiscal year—		Increase.
	1914	1916	
FOR USE IN MANUFACTURING.			
Free:			
Crudes	$549,061,406	$846,653,276	$297,591,870
Advanced	200,925,040	258,096,935	57,171,895
Total	749,986,446	1,104,750,211	354,763,765
Dutiable:			
Crudes	83,804,454	97,451,952	13,647,496
Advanced	118,350,448	101,344,523	— 17,005,882
Total	202,154,902	198,796,518	— 3,358,384
Total free and dutiable:			
Crudes	632,865,860	944,105,228	311,239,368
Advanced	319,275,488	359,441,501	40,166,013
Total	952,141,248	1,303,546,729	351,405,381
MANUFACTURES READY FOR CONSUMPTION.			
Free	127,508,163	123,458,696	— 4,049,467
Dutiable	321,810,051	191,894,938	—129,915,113
Total	449,318,214	315,353,634	—133,964,580

United States exports.

Articles.	Fiscal year—		Increase.
	1914	1916	
DOMESTIC.			
For use in manufacturing:			
Crudes	$792,716,109	$536,189,752	—$256,526,357
Advanced	374,224,210	662,549,838	288,325,628
Total	1,166,940,319	1,198,739,590	31,799,271
Manufactures ready for consumption	724,908,000	1,996,367,492	1,271,459,492
Decrease in imports of manufactures ready for consumption			133,965,585
Total of increased exports and decreased imports of manufactures			1,405,424,077
This represents the increase in the market sales of manufactures ready for consumption due to foreign trade.			
Total increase in all imports, 1916 over 1914			304,000,000
This increase is more than equaled by the $351,000,000 increase in our imports of crude and advanced materials for use in manufacturing.			

Résumé, United States foreign trade, fiscal year 1916, compared with fiscal year 1914.

Articles for use in manufacturing, excluding foodstuffs:		
Crude—		
Imports	increase	$311,239,368
Exports	decrease	256,526,357
Advanced—		
Imports	increase	40,166,013
Exports	do	288,325,628
Total for use in manufacturing:		
Imports	increase	$351,405,381
Exports	do	31,799,271
Manufactures ready for consumption, excluding foodstuffs:		
Imports	decrease	133,964,580
Exports	increase	1,271,459,492

It is true, Mr. President, that our imports for 1916 have increased over the last year of the Payne-Aldrich law about $384,000,000, but I deny that this increase is due solely or even chiefly to the tariff. I deny especially that it is due to the reduction or enlarging of the free list made by the present law.

On the contrary an examination of the record will show that it is due—

First. To the change in the character of our imports as a result of the war.

Second. To the greater demand for raw materials to enable our manufacturers to meet the foreign demand for their goods.

Third. To the great increase in price of imported goods.

The war has brought about a very remarkable change in the character of our imports.

While there has been a considerable increase in our free imports there has been a great falling off in our imports of dutiable products of manufactured goods, especially manufactures ready for consumption, the latter amounting in the last year to $134,000,000.

The falling off of our dutiable imports is due almost entirely to the fact that we import under normal conditions nearly two-thirds of our dutiable goods from Europe, but on account of the embargo placed by the war upon importations from many of the great manufacturing countries of that continent, and other war conditions, our imports of this character of goods from that source have decreased something around 40 per cent. This accounts for the falling off in our customs revenues.

On the other hand, the increase in our free imports is due in part to the fact that many of the neutral markets of the world, especially South America, unable to get their supplies from Europe, have been buying from us and we have had to take their raw materials in payment as Europe had to do.

In 1915 our free imports from Europe declined, as did our dutiable imports from that continent, but our free imports from the balance of the world increased 25.5 per cent. This increase in free imports came largely from countries which before the war bought their manufactures from Europe—Germany, France, Belgium, England. Being unable, on account of the war, to get their supply of manufactures from Europe, they were from necessity forced to buy them chiefly from us.

When these countries bought from Europe, they paid not in money but by exchange of such commodities as they produce, which, in the main, are things which our old and new tariff list as free. Now when forced to buy their manufactures from us they must pay for them either in the things which they have to sell or go without them. This has resulted in increasing our purchases, as well as our sales to these countries.

Secondly, the large increase in our exports has compelled an increase in our purchases of many things, especially raw materials, mostly free under both tariff acts, and which are used by our manufacturers to make the things we are now exporting in such large quantities. Many of these raw materials we do not produce at all, or if at all in insufficient quantities to meet the demands of our export trade. Without these purchases from abroad our great export trade of the past 18 or 20 months would have been practically impossible.

The importation of these crude foreign products has not curtailed but has enhanced and broadened the opportunity of American labor and production, and opened new avenues to American trade and commerce, stimulating and broadening our industrial activity, and added hundreds of millions of dollars to our national wealth.

Third. In the third place the price of most of the free as well as dutiable products we have imported has greatly increased on account of the war, and this increase in selling price has swelled the aggregate of our imports when measured in dollars and cents out of proportion to the actual increase in the quantity of the merchandise imported. In other words, because of the much higher prices in 1916 than in 1912, a statement of the value of the imports in 1916 as compared with 1912 does not measure the difference in the quantity of the merchandise imported in 1916 and 1912, and the same thing is true with reference to the revenue derived, especially where the duty is specific instead of ad valorem.

The truth of these statements as to imports is illustrated by the case of sugar. We imported practically the same number of pounds of sugar in 1914 and 1915, and yet our imports of sugar measured in dollars and cents—and that is the way we measure it—was $101,000,000 in 1914 and $202,000,000 in 1915. There was practically no increase in quantity of sugar imported,

but measured in dollars there was an increase of $101,000,000. Here we have an increase of $101,000,000 with practically no increase in the quantity of the thing imported. The same is true in a large measure as to many other products.

The total increase in our imports for 1916 over 1914 amounted, as I have said before, to $304,000,000, while the total increase in our imports of crude materials for use in manufacturing during that period was $311,000,000. Most of these raw materials are free under both the old and the new law, so that the total increase in our imports for the use of our manufacturers is greater than the total increase of all of our imports.

That this increase has not been the result of the tariff is further shown by the fact that during the period of this increase in imports of raw materials for our factories there has been a contemporaneous decrease of $134,000,000 of manufactures ready for consumption.

Mr. President, in closing my remarks upon the first year under the present administration I spoke of a return of confidence and prosperity under conditions then existing. Barring a few months immediately after the war, when international trade was temporarily suspended, this tide of prosperity has continued to grow in ever-increasing volume until to-day we are the most prosperous people in the world. During the last fiscal year we sold abroad $2,135,000,000 worth of goods more than we bought abroad—more than three times as much as our excess sales abroad during the last year of the Payne-Aldrich bill—more than 10 times as much as our excess sales abroad under the first year of that tariff and 5 times as much as the average annual excess in our sales abroad during the four years of the Payne-Aldrich law.

The average annual increase in our imports under the present law exceeded the average annual increase of imports under the Payne-Aldrich law only about $3,000,000. This slight increase in our imports is, of course, but a bagatelle compared with the enormous increase in our exports.

From these facts it is manifest that instead of surrendering our markets to the foreigner we have invaded and captured his. There has been no betrayal of the American producer and laboring man, but a net gain of over $2,000,000,000 in cash receipts to the American producer and in jobs to the American laborer. Our present great prosperity has not been hurt by the slight increase in our foreign purchases, but our enormous sales abroad, out of which this prosperity has in part grown, have been made possible by these slightly increased purchases abroad. Without an increase in our purchases of crude products and raw materials from other countries our fields, mines, and factories could not have supplied the enormous foreign demand of the last year for their products, and without these purchases of their goods our foreign customers would have been without the means to pay for their purchases from us.

The theory of protection as exemplified in the teachings and practice of the Republican Party has been to discourage purchases from abroad of products produced here, and at least until recent years our manufacturers have made no special effort to cultivate and establish a foreign demand and market for their products; as a result our foreign trade has consisted largely in the purchase of such raw materials as were needed to supply our mills and factories and the sale of our surplus agricultural products. Whatever may be said in favor of this theory during the period of developing our production to the point of supplying the home demand, it must be obvious that when that degree of development has been reached further adherence to it halts development and produces industrial stagnation, which must eventually tend to contraction and retrocession. We have now unmistakably reached that state in commercial and industrial advance. If we seek expansion through foreign trade we must abandon a policy based upon the theory of isolation and exclusion. We must not by legislation close our markets to the foreigner if we wish him to open his to us. Even if he were willing to sanction this one-sided trade arrangement it would collapse because of its impracticability, for with a nation as with an individual, sustained purchasing capacity is essential to sustained selling capacity.

In this connection I wish to quote from an article appearing in the March issue of the Wall Street Magazine by the Hon. George E. Roberts, vice president of the National City Bank and former Director of the Mint. In this article Mr. Roberts, who is, as is well known, a Republican, says:

TRADE NOT ONE SIDED.

If anything has been demonstrated in the last year it has been the truth of that proposition that you can not have a permanently one-sided trade. All trade, in the last analysis, consists of an exchange of commodities. Any other means of settlement is a makeshift and necessarily temporary. We have kept our great export trade going in the last year, first by taking back our own securities, and then by taking over foreign securities. This, I say, is a makeshift. You can not build up a permanent foreign trade upon that basis or by insisting upon payment in gold. You can have no permanent trade that is not advantageous to all parties concerned; there must be an exchange of service and commodities. An industrial country which aspires to sell finished products abroad must be willing to receive the crude commodities of other countries.

APPENDIX.

ALTOONA, PA., *July 7.*

In every department of the Altoona shops, the industrial center of the Pennsylvania Railroad Co., working full time and many of the departments working overtime, this city is enjoying an unsurpassed era of prosperity. (New York World of July 8, 1914.)

PITTSBURGH, *July 7.*

Anticipating a big increase in freight business, the Baltimore & Ohio Railroad Co. has put on 700 men in its shops. (New York World, July 8, 1914.)

Mr. Ford told the President that the automobile business never was better, and that there is a substantial increase in the business this year over last year. Mr. Ford stated that the increase in his business was so great that he is preparing to enlarge his plant. * * * Mr. Ford did not confine himself to a discussion of his own line as an evidence of good times. He went into the matter generally, telling of the steel industry and its allied business. (New York World, July 10, 1914.)

PITTSBURGH, *July 10.*

The Chronicle-Telegraph, Senator GEORGE T. OLIVER'S afternoon daily paper, prints the following to-day: "Pittsburgh is the first of the American cities to recover from the depression in business which has affected the entire country. * * * Pittsburgh is returning to its old-time prosperity."

All branches of trade, the paper declares, are feeling the stimulus of returning normal conditions. (New York World, p. 4, July 11, 1914.)

PITTSBURGH, *July 17.*

Voting their confidence in such a return to good times that a record year is in prospect, the independent sheet and tin-plate manufacturers, principally of the Middle West, the Western Bar-Iron Association, and the big independent steel concerns, the Republic Iron & Steel Co. have just completed signing scales for affiliated mills with the Amalgamated Association Iron, Steel, and Tin Workers. President Williams, of the Amalgamated Association, said: "We based our fight on a return of prosperity, and the manufacturers are granting what we asked, felt the same way about it, and that a big year for their business was ahead." A long list of concerns in Ohio, Illinois, Indiana, Missouri, and some in Pennsylvania is given with the statement that they are all going to work now. (New York World, p. 4, July 17, 1914.)

S. R. Burton, banker, and Joseph B. Gallinger, a manufacturer of New York, called on the President to-day. Both informed the Executive that business conditions were improving right along, and the country was entering an era of prosperity. (New York World, July 21, 1914.)

"ONE YEAR OF DEMOCRATIC RULE."

[From the New York World Washington Correspondent.]

WHAT WILSON HAS ACHIEVED IN FIRST YEAR—NO SUCH RECORD MADE BY ANY PREDECESSOR.

WASHINGTON, *February 28, 1914.*

For the first time in 50 years the hand of Wall Street has been removed from the Government of the United States.

This desirable result is regarded by President Wilson as the paramount achievement of his administration. He considers the elimination of Wall Street as a dominating factor in many governmental functions the best gift of triumphant Democracy to the American people. The removal of this blighting influence will prove beneficial, if not permanent.

Aside from this accomplished blessing, the President views the creation of a new banking and currency system as the most notable event of his incumbency. He believes this great reform takes precedence over downward revision of the tariff, with the partial destruction of special privilege and the transfer of taxation from poverty to wealth.

One year of Woodrow Wilson's service as President of the United States and leader of the Democratic Party has become history. One-fourth of his elective period has expired. In taking stock no Chief Executive has ever found such a remarkable record of performance to his credit. With persistence and wisdom he has steadfastly urged redemption of all pledges carried in the Baltimore platform. He has been supported by both branches of Congress to a more marked degree than any predecessor in office.

GREAT ACHIEVEMENTS.

Among the great achievements which President Wilson has guided to consummation are:

A banking and currency law which has removed the hand of Wall Street and established a democracy of credit.

A tariff act comprising reduction in duties on imported necessities and calculated to lower the cost of living. No favoritism has been shown protected interests, but the people were substituted as beneficiaries. In framing this legislation the supervision of Wall Street and special interests was rejected.

The lobby, representing all those who profited from legislation, through publicity on the part of Mr. Wilson, was removed as a powerful instrumentality in the shaping of statutes. As a result of exposures made by the President, this obnoxious feature of congressional intimidation was removed.

Two important amendments to the Constitution—the first adopted in 43 years—were made effective. One provides for the direct election of Senators by the people. The other authorizes the imposition of a tax on incomes, thus transferring the burden of maintaining the Government from the poor to the wealthy.

Proposals were made to all civilized nations for the arrangement of treaties whereby actual hostilities would be deferred during a year of reflection. Thirty Governments signified their acceptance of this principle.

RETURN TO POPULAR GOVERNMENT.

A return to popular government was encouraged when the President appeared in person and addressed the two branches of Congress on

legislative propositions. He thus sought to terminate domination through private arrangements and secret conferences by the aid of public opinion.

The amendment of laws whereby arbitration of disputes between capital and labor was made more successful.

The constitution of peace presented by the President has gone far in the direction of breaking up interlocking directorates, which formed the backbone of trusts and monopolies.

The helping hand of the Government was extended to the farmers when $50,000,000 were distributed to assist in moving crops.

The divorcement of the Government from the New York financial concerns that proposed cooperation with foreign Governments in furnishing funds for China.

The employment of peaceable methods by which the Telephone Trust was dissolved without litigation or expense.

The policy of diplomatic postponement under which the unsettled relations between the United States and Mexico have been handled.

The placing of the Postal System on a self-sustaining basis for the first time in governmental history.

The Parcel Post System has been developed and extended to a remarkable degree of efficiency and benefit.

MAJORITY RULE IN CONGRESS.

Parliamentary rules in the Senate and House were amended, removing the heritage received from Aldrich and Cannon, leaving the majority to control.

The pure-food act was extended to include inspection of all meats, thus affording adequate protection to American consumers.

A bureau of markets was established in the Department of Agriculture, providing a scientific method by which farm products may be transported and distributed.

The *Armor Plate* Trust was compelled to submit competitive bids in connection with the construction of American battleships. The Government was saved more than $2,000,000.

The special delivery system was extended to the parcel post.

The home life of the farmer was given consideration by the Department of Agriculture. Encouragement in the utilization of labor-saving devices was contained in 55,000 letters sent out.

The full protection of the law has been given Indian children.

A new public-land policy was inaugurated. It combines conservation and the proper use of the national domain.

The enactment of an agricultural extension law, which is expected to double the production of American farms.

The institution in the Navy of academic, vocational, and technical instruction.

The two great transportation monopolies of the East and West were forced to dissolve. The Pennsylvania Railroad relinquished its holdings in the Baltimore & Ohio. The Southern and Union Pacific merger was canceled.

The extinction of many great combinations in restraint of trade by agreement.

The ratification of eight general arbitration treaties, which will enable the President to adjust numerous foreign disputes and complications that now prove irritating. Among the treaties approved were those between the United States and Great Britain and with Japan.

The establishment of an eight-hour day for women and girls in the District of Columbia.

TO REDEEM PLATFORM PROMISES.

Marvelous as has been the record of performance, it represents less than 50 per cent of President Wilson's plans for redeeming platform promises and perpetuating prosperity for the people. In addition to the achievements indicated, he has planned and started on the road to legislative completion more beneficial propositions than any predecessor. Many of these will soon be on the statute books. All the remaining features of his program will be enacted into law before another anniversary of presidential incumbency is reached.

The list of important matters under way includes:

The negotiation and ratification of a treaty with Colombia by which payment shall be made for the loss of Panama and the Canal Zone. This is considered on a parity with the great achievements of the past year. It is intended to remove the stain upon national honor caused by the violent seizure of Panama and restore friendly relations with a sister Republic.

The repeal of the tolls-exemption clause in the Adamson Act, under which American coastwise vessels are given free use of the Panama Canal. This is expected to remove causes for irritation between this Government and those of Great Britain and other maritime powers. It will demonstrate that the United States is willing to respect all treaty obligations.

The ratification by the Senate of 16 additional general arbitration treaties.

The continued arrangement of peace treaties until all civilized nations have been brought into a "breathing" agreement with this country.

Continued efforts for the restoration of peace in Mexico without intervention or the employment of force.

Perfection of a treaty with Nicaragua under which this Government will acquire the right to construct a canal over the Nicaraguan route and secure sites for a naval base and fortifications to protect the Panama waterway

Legislation under which the Federal Government and the various States will unite in the construction of good roads.

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[From New York Herald, Tuesday, Feb. 17, 1914.]

STATEMENT OF SUPERINTENDENT OF EMPLOYMENT BUREAU AS TO NUMBER OF PEOPLE OUT OF EMPLOYMENT.

J. J. Fitzgerald, head of the employment department of Gimbel Bros., said:

"Several days ago we placed a big display advertisement in the four leading New York newspapers asking for applications for positions of milliners, copyists, milliner helpers, and apprentices. We offered the highest salaries obtainable by this class of help in New York City. We expected hundreds of applications, but received only seven. The advertisement was taken out of the classified columns and placed in other parts of these four papers, in the belief that we would have better results, but they failed to bring a single answer.

"Picture fitters usually are to be had in any number. We advertised for them, and received seven applications. Two years ago, when business was unusually prosperous, according to all reports, we frequently had 8 and 10 applications from chauffeurs. If we told them that we could not take them on, they frequently asked to be employed as helpers until there was an opening. Now we have few applications, and I haven't heard a chauffeur ask for a helper's job for many months.

MORE HELP NEEDED.

"I was looking over our employment sheets and wondering where I was to obtain more help when the head of the mail-order department telephoned to me and said that he would need several men. Every department store in the city is confronted with the same situation with which we are faced, and I can not remember any period when there was a less number of applicants for work than at present.

"Just previous to the holidays we had hundreds of applications for work, and if there was any business depression it was to be felt then, to judge from the number of unemployed. If we had advertised at that time for sewing-machine salesmen we would have received scores of applications, many of the persons making an effort to 'bluff' their way through. A few days ago we advertised for this same kind of help and received two applications."

ONE CLASS ALWAYS "OUT OF WORK."

James T. Hunt, business manager of the Bowery Mission and head of the Mission Employment Bureau, said:

"We are having a great number of applicants for work, but not a sufficient number to lead us to think that there are 350,000 men out of work in New York City alone, as has been said. Several months ago we had hundreds of applications from men who had been laid off by railroads, street car lines, telephone and telegraph companies, but they soon began to grow scarce, and I understand that most of them have again been placed at work at their trades.

"It would make no difference what state of prosperity we had, there would always be a certain element looking for work and making a howl about hard times. It is easy to discriminate between this class and that composed of able-bodied, willing, and intelligent workmen who may be thrown out of employment. We will always have both classes to deal with, irrespective of how good business conditions may be.

"During the seven years that our empoyment bureau has been in existence we have placed 22,000 men. At present we are receiving just as many calls for men as we received during the time when we were supposed to be enjoying an unusual run of prosperity. Manufacturing plants that were partly closed down two months ago are again working with full forces, and in many instances I have heard of extra men being placed at work to take care of increasing business."

GAIN IN TYPEWRITER BUSINESS.

Alfred Augustus Fraser, general manager of the New York office of the Remington Typewriter Co., at No. 327 Broadway, said that his company's business has shown a decided improvement in the last two months.

"Business is better with us in all parts of the country," said Mr. Fraser, "but in New York the improvement is more marked than elsewhere. Our sales in December greatly exceeded those for December, 1912, and since January 1 we are far ahead of our business for the corresponding period in 1913. Orders and contracts now in hand assure us a profitable year. We feel certain that business in general must be good and getting better, because there is no surer barometer to the condition of trade than the typewriting industry. Our employment agency also reflects the healthful tone of business. There is an increased demand to-day for stenographers, and we find that salaries are running higher than they have been for many a day. Employers are ready to pay more now for stenographers and bookkeepers than they were willing to pay at any time last year. Good operators are in demand daily, and where last year they had trouble in obtaining permanent places at relatively low wages they are finding them now at salaries that give no concern about making ends meet."

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STATEMENT OF MRS. HARRIMAN, RESIDENT COMMISSIONER ON UNITED STATES INDUSTRIAL RELATIONS, TO THE EFFECT THAT CONDITIONS ARE ABOUT THE SAME IN LABOR MARKET NOW AS THEY ARE AT THIS SEASON EACH YEAR.

Mrs. J. Borden Harriman, resident commissioner of the United States Commission on Industrial Relations, to-day gave out the following statement supplementing yesterday's announcement of an investigation by the commission into unemployment:

"Anyone who fails to realize that conditions are about the same in the labor market now as they are at this season each year is either ignorant of conditions or insincere.

"The unskilled laborers, who are the chief sufferers from these annual periods of unemployment, are for the most part migratory and belong to the class known as floating labor. This makes the problem an interstate one, which can only be adequately studied by a Federal body."

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[Editorial from the New York Herald, Tuesday, Feb. 17, 1914.]

UNEMPLOYED IN NEW YORK—AN "ARMY" THAT HAS DISAPPEARED.

President Wilson is fully justified in questioning "statistics" that assume to show the presence of 350,000, or anything like that number, of unemployed in this city. The Herald certainly challenges their accuracy, and examples of Sunday and of yesterday furnish ample warrant for the challenge.

Confronted by the herculean task of clearing the city's streets of the heavy accumulation of snow, Commissioner Featherstone and the contractors working under him sent out urgent calls for men. The response was prompt on the part of those who wanted work. Every man who applied was employed, and still the need for men remained.

Were there 350,000 applicants? Were there one-half, one-tenth that number? Mr. A. F. Gunther, superintendent of the bureau of snow removal, said he had about 13,000 men working yesterday. "We could use many more if they would apply," Mr. Gunther added. Either the "vast army of the unemployed" upon which the croakers have been harping has never existed or it vanished at the first suggestion of work.

STATEMENT GIVEN THE NEW YORK HERALD BY MR. GOMPERS FEBRUARY 26, 1914.

Unfortunately there is considerable unemployment among the working people of our country—and in so far as when any one man is unemployed through no fault of his own, to him it appears that all our social fabric is a failure—but that reports of the tremendous number of unemployed are much exaggerated I have not the slightest doubt. We are in the midst of winter and are now passing through the transitory stage of reconstructive tariff and banking legislation, and my experience warrants me in aying that the number of unemployed at present is comparatively less than during similar seasons of the year

when tariff legislation had previously just been enacted. I am also decidedly of the opinion that the period of unemployment will be much shorter than during former similar periods and transitory conditions. The adjustment of industry to the new conditions is of vital consideration.

BUSINESS CONDITIONS.

There are three facts which answer completely the charge that conditions are panicky and that there is no work for the man who wants to work.

First is the fact, admitted by the leader of the House in the discussion in that body on last Friday, not denied by anybody, that there is plenty of money to be had for investment at low rates of interest.

Second, while there has been a slight drop in prices of commodities, prices, as a rule, have been maintained.

Third, wages have been maintained.

These conditions are absolutely the reverse of conditions that exist in times of panic or business stagnation.

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[Extract from speech by Representative Ansberry, CONGRESSIONAL RECORD.]

CALAMITY-CRY POLITICS SHOWN BY PLATE MATTER SENT BY OHIO REPUBLICAN EXECUTIVE COMMITTEE.

Some time in January of this year the Republican organization in the State of Ohio sent out boiler-plate matter to the little weekly and daily Republican papers throughout the State of Ohio on this same question, containing a calamity howl. Among other papers they sent this boiler-plate matter to the Medina County Gazette, which is supposed to be a stalwart Republican paper; but the Gazette did not look at the world through the colored spectacles of the gentleman who has charge of that organization, and here is what the Republican paper said with reference to the attitude of these men:

"DASTARDLY POLITICS.

"There has been nothing more reprehensible in American politics than the present studied effort on the part of the standpat forces in control of the Republican Party to aid and abet an era of hard times in this country. It was openly proclaimed at the recent meeting of the Republican national committee at Washington that hard times, want, and poverty were to be the life-savers of that party. To-day from every standpat source is coming a calamity howl coldly calculated to shake business confidence and bring on industrial paralysis.

"As we write there lies on our desk a copy of the Republican News Letter, dated at Columbus, January 3, 1914. Editors are invited to use the contents of this letter in whole or in part. And what is this Republican News Letter that all the editors of Ohio are 'invited' to use and bring before their readers? It is a pure calamity howl calculated to bring on a business panic, if possible, and it is nothing else. Its one big flaring headline reads: 'Industrial depression.' Then follow three columns of 'calamity' talk, prophesying hard times and business disaster.

"At a recent meeting of the Republican national committee at Washington Senator REED SMOOT, national committeeman from Utah, was cheered again and again when he airily made the following declaration for a turkey-buzzard policy for his party: 'The silent wheels of the factories, the smokeless stacks of our mills, and the suffering of our people under a Democratic administration will speak louder than any national declaration of principles that we can make. All we have to do to bring victory to our banners will be to point to the closed mill doors and say: "Wilson—that's all."'

"No declaration of principles needed, says SMOOT; just wait for calamity and suffering.

"From every other stand-pat Republican source is coming the same sort of business poison—the studied attempt to bring suffering and want to millions of American citizens to further the political ends of the PENROSES and SMOOTS and Barneses and Daugherties now in control of the Republican Party.

"The attempt to inject this poison into the business arteries of this country is made, too, when reliable financial authorities like Bradstreets's and Dun's and Henry Clews tell us that the business outlook for 1914 is brightening daily and that there is no business depression nor panic ahead.

* * * * * * *

"The despicable political panic effort has already failed. The country is aroused against it, and the boomerang is already recoiling upon its projectors.

"The political party that seeks a new lease of life at the hands of American voters by encouraging panic and hard times badly miscalculates, for it can reap from such foul sowing only the contempt and distrust of all right-thinking people."

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[From the New York Herald, February 17, 1914.]

CHICAGO.

Charles A. Stevens, president of Charles A. Stevens & Bros., dealers in women's wear: "The prospects of spring trade are better than they have been for several years."

Modie J. Spiegil, treasurer of May, Stern Bros.: "The merchants and jobbers are making more and larger orders than they have in a long time. From the reports I have received from all parts of the country, I take it that these improved conditions are universal."

E. D. Hurlbert, president of Merchants Loan & Trust Co.: "All indications are that the improvement is sound and permanent."

SAGINAW, MICH.

"Industrially, Saginaw has never been in better condition than to-day, and the business prospects never looked brighter. Bankers, manufacturers, and merchants are all enthusiastic." W. S. Lenters, Republican postmaster, said: "The future never looked brighter for Saginaw than it does at the present time."

Charles W. McClure, Republican, president of one of the largest silo-manufacturing concerns in the United States, said: "Our business is 10 times as great as at any time in the history of our company, and prospects never looked brighter for all five of our plants."

W. R. Burt, one of Michigan's wealthiest citizens, is very enthusiatic over the business outlook. He said: "This prosperous condition not only prevails in Saginaw, but statements from towns throughout the St. Croix district show business throughout the section to be excellent, with the best possible prospects for the future."

WICHITA, KANS.

That prosperity has settled on Wichita is evinced by the amount of building that is being contracted for at present. Prospects for the largest crops in the history of the State were never better.

B. F. McLean, president of the Fourth National Bank and a prominent Republican: "Everyone is feeling fine over the outlook."

Judge E. B. Juritt, vice president of the Farmers & Bankers' Life Insurance Co., a prominent Republican, said: "Every condition points to better times. The farmers all have money."

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WHAT THE FOLKS BACK HOME SAY.

DANVILLE, ILL.

Danville, home of JOSEPH G. CANNON, is in a rich agricultural region. The failure of some crops and curtailment of others, owing to the long drought last summer and the unseasonable weather of fall and this winter, have been felt by business men of this city and the eighteenth congressional district in general; but most of them declare that, notwithstanding these handicaps, their business for the last year has been equal to, and in many instances greater, than any year since 1907.

There have been no business failures here; every business room is occupied, and merchants generally unite in predicting unprecedented prosperity for the next year, barring another crop failure. Real estate values are gradually increasing after several years of depression, and arrangements are being made for unusual building operations with the opening of spring.

Augustus L. Webster, Republican, president of the Webster Grocery Co., is an optimist on the future business outlook of this city and vicinity.

"Early in 1913 the prevailing conditions caused me to believe that business conditions would not improve during the last year, but my opinion was not verified," he said to-day. "The year 1913 was productive of bigger business than any year since I came to Danville, almost half a century ago. I believe every wholesale concern in Danville also enjoyed the same measure of prosperity.

"Comparing conditions existing at the present time with the conditions a year ago, I firmly believe that 1914 will be a greater season for the wholesale business in Danville than the eminently successful year of 1913. This is saying a great deal, but existing commercial and industrial conditions in Danville is the reason for my belief."

Charles L. English, Republican, president of the First National Bank, was more outspoken concerning his opinion of "Uncle JOE'S" calamity talk.

"This is largely an agricultural country," said Mr. English, "and, of course, the failure of the oats crop, partial failure of the corn and other crops, was a severe blow from the principal money-producing source. Labor is now pretty generally employed, and there is a fair degree of prosperity in every branch of business. Money may be a little tight for the next six months, but I regard prospects for the coming year as being very bright."

M. S. Plant, Republican, a leading clothing merchant, said: "I regard the business outlook for the coming year as exceptionally good, barring another crop failure."

J. S Emery, head of a large dry-goods firm; H. C. Adams, president of a building association, and Joseph Schingel, jr., a prominent contractor, expressed practically the same views as the above. One of them stated that the general feeling of optimism for the future and congratulation over past and present conditions in the face of adverse circumstances ought to be sufficient answer to "Uncle JOE."

SEATTLE, WASH.

"Business conditions in the Pacific Northwest," said C. B. Yandell, secretary of the Seattle Chamber of Commerce, "are 20 per cent better to-day than they were during the corresponding period a year ago. Bank clearings, customs receipts, building permits, and railroad business prove my statement. Prospects of the early recognition in the House of Alaskan needs, the opening of the Panama Canal, the recent abundant rains are sure to bring on a feeling that the entire Pacific coast country, particularly Seattle and the Northwest, is entering into an era of prosperity not known here in five years.

CONCORD, N. H.

Secretary James O. Lyford, of the Concord Board of Trade, who was naval officer of the port of Boston from 1898 to 1913, and who now is mentioned as a Republican candidate for the United States Senate in succession to Senator GALLINGER, said to-night that there was no business depression in this city or vicinity and no indication that anything of the sort was impending.

"With one exception," he said, "every Concord industry is employing as many men to-day, at as high wages and for as many hours in the week, as was the case a year or two years ago. The one exception is the shops of the Boston & Maine Railroad, where the force employed has been diminished one-fourth owing to the opening of the road's new shops at Billerica, Mass.

"Both our wholesale and retail business houses report trade and collections up to the average for this season of the year."

LYNN, MASS.

After a period of depression, during which hundreds of employees were laid off, the big plant of the General Electric Co. here is getting busy again, and, according to Walter C. Fisher, its general manager, the outlook is bright. Many of the employees who were laid off have returned to work, and within a short time it is expected that every department of the plant will be in operation again. This is the between-seasons period for the shoe factories, but most of them here are busier than they have been for several months, and most of the manufacturers are confident that business will improve steadily from now on. The percentage of persons out of work in Lynn is very small compared with other years.

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SIXTEEN HUNDRED MEN RESUME WORK AT GARY STEEL MILLS.

CHICAGO, ILL.

More than 1,600 men have been put back to work recently and the plant is operating about 80 per cent of capacity.

Declaring he is glad to find a factor like the Herald substantiating the position of optimism regarding business conditions he assumed more than a year ago, Henry R. Towne, president of the Yale & Towne Manufacturing Co. and formerly president of the Merchants' Association, said yesterday that he believes business everywhere is safe, sound, and promising.

"Speaking of my own business," Mr. Towne said, "and the insight that gives to allied businesses, and my contact with business men from every part of the country, I hold, and I have steadily held for a year, the conviction that business everywhere is in a sound, safe, and promising condition."

That business conditions in this country are improving as a result of public confidence following the enactment of currency legislation was the statement made to the Herald yesterday by L. H. Shearman, vice president of W. R. Grace & Co., exporters, of No. 7 Hanover Square, Mr. Shearman said:

"It will be admitted by all business men that conditions are improving and that things will be better within a short time. The public fear that President Wilson's currency and tariff legislation might cause serious trouble if not precipitate a money panic, as was predicted by many, proved to be unfounded and a healthy reaction is now taking place. From now on I look for a steady advance in the volume of business in this country."

OPINION OF C. A. SCHIEREN, JR.

Charles A. Schieren, jr., of the Charles A. Schieren Co., No. 34 Ferry Street, and first vice president of the American Manufacturers' Export Association, said that after a careful study of business conditions prevailing in this country the promises for great industrial activity in the coming spring are excellent. Mr. Schieren said:

"There was a decrease in the volume of business by our company in January of only 7 per cent, as compared with the figures for the same month last year. But that loss promises to be made up by a corresponding increase in the business for the current month. These facts, coupled with reliable information supplied to me by correspondents in the Middle West, assure me that a steady, healthful revival of business is in progress.

"Every business man felt the effect of the calamity cries which arose when the tariff and currency legislation was being discussed. The pessimists seemingly convinced the people of the country that if either of President Wilson's measures was passed a death blow to business would be dealt. But happily this prediction was not verified, the fact being that public confidence, upon which the prosperity of the Nation actually depends, has been restored."

COTTON MILLS INCREASE OUTPUT.

Edward K. Cone, president of the New York Cotton Exchange, said that there is a strong revival of business in the industries associated with cotton. The cotton mills not only have not closed, as was predicted by pessimists, but have steadily increased their output. The consumption of cotton at the mills during January established a new high record. "All the statistics and estimates of the cotton trade," said Mr. Cone, "bear out the Herald's contention that at the base of commercial conditions all is well."

NO HALT IN GROCERY TRADE.

Few men have a better opportunity of obtaining information regarding the general aspect of trade and business than M. E. Roche, manager of the Butler grocery stores throughout the city. Daily he meets salesmen from all parts of the country and confers with the managers of the many stores over which he has supervision. He has to make estimates and purchase accordingly. When business conditions are on the wane he is among the first to realize the fact. When they are otherwise his source of information never fails him. This is what he thinks of the outlook:

"I think the prospect never was better. Business to-day is in a splendid condition. We know by the purchases that are made daily. When there is uncertainty and lack of confidence there is a decrease in the sale of luxuries. At present there is no such thing. As far as the public is concerned, the alarmist reports of a few months ago fell on deaf ears.

"Our business year ended on November 1 last. It was a very successful one. Since then, in view of the various reports which have been circulated concerning the general business situation, I have maintained a close surveillance upon our own affairs. The result is that I am able to report that for the period between November 1 and to-day I find that we are ahead of the corresponding period of last year.

"I do not regard the situation simply from my own standpoint. In the course of my daily routine I meet and converse with men who are active in other lines. Many of these are salesmen, who come here with goods to sell and whose opportunities for gleaning authentic information are remarkably good.

"When sales are slow for them it indicates that business is slow generally. If the merchant is slow to purchase, his sales are not up to the average, and if the public is hesitant, then everything becomes more or less stagnant. But that is not the case now. Everyone seems to be ready to purchase in good quantity."

TEXTILE TRADES PROSPER.

Thomas Smidt, a member of the dry goods firm of Vietor & Achelis, was another who sounded a note of optimism concerning the situation of trade.

"Our own business is in splendid condition," he said, "and the textile trade in general throughout the country is flourishing. That I know. Merchants are beginning to realize that no ill effects have been felt from the change in the tariff, and that none may be expected. This, of course, lends stimulus to trade.

"The prospects for the near future are just as bright as those of a year ago, and as far as we are concerned all departments are just as busy as they ever were. We observe also that trade all around us is in healthy condition, and we place no credence whatever in what some persons have been declaring about hard times. We have plenty of confidence. The Herald's attitude in the matter is praiseworthy indeed."

Samuel S. Campbell, vice president and director of the Fourth National Bank and director in several other concerns, stated that he observed distinct signs of improvement in the business situation generally.

"We observe a much better outlook," he remarked.

COASTWISE SHIPPING ACTIVE.

Anton A. Raven, president of the American Bureau of Shipping, said:

"The surest barometer of business conditions I know of is the coastwise shipping trade. There is no better argument that I can advance to show that business generally throughout the country is prospering than to point to the increasing amount of business being handled by our coastwise vessels.

"There has been no appreciable change either for good or worse in the foreign shipping, although an increase was expected in the imports when the new tariff schedule went into effect. Our exports still lead the imports by a healthy margin, and from all indications it would be safe to say that they will show a greater gain at the end of the fiscal year than ever before in history. The shipping interests which confine their operations solely to the coastwise trade have nothing but encouraging news to give out on conditions to-day and the outlook for the future.

"With the situation cleared up in Mexico I believe there will be a great step forward in conditions in this country."

George Doubleday, president of the Ingersoll-Rand Co., said: "Business everywhere is improving, and I hear few complaints. The Ingersoll-Rand Co. is working full time again, and many of the big industrial plants are employing extra help. I hear nothing but encouraging reports. It seems to me that this talk of a business depression is absurd."

ENGINEERING CONCERN BUSY.

S. L. Selden, of the J. G. White Corporation, of No. 43 Exchange Place, one of the foremost engineering and construction concerns of the country, said that in his opinion the country would this year enjoy one of the most prosperous years commercially and industrially known in decades. Mr. Selden said:

"There is not the shadow of a doubt in my mind but we are entering up a highly prosperous year. This conviction is based upon a careful study of the situation and comparison with the statistical data of previous years. Last autumn we wondered if we would find work enough to keep our forces employed during the winter. That question was answered when we received so many commissions that we must work hard to keep up with them.

"If business conditions had not improved, our corporation would have been among the first to suffer. It is because of this that I say with confidence that this will be a banner year in this country. There never was anything fundamentally wrong with industrial conditions in this country, but the depression noticeable last year was almost wholly due to the groundless fear that radical changes in our financial and tariff systems would bring hard times. This fear was aggravated by senseless predictions of disappointed politicians, but in the face of it all confidence is returning, and with it the inevitable revival of business along all lines."

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[From the New York Herald, Feb. 22, 1914.]

GOOD TRADE REPORTS IN WEST AND SOUTH—MERCHANTS, BUYERS, AND TRAVELERS ALL SEE EVIDENCES OF PROSPERITY THROUGHOUT COUNTRY.

Buyers from all sections of the country, traveling salesmen, and manufacturers who were in New York yesterday were practically unanimous in the opinion that the United States is on the threshold of one of the greatest eras of prosperity in its history.

The general business conditions of the country were reflected by the fact that in most cases the buyers are increasing their orders for stocks of goods, according to the buyers and merchants whom I interviewed yesterday.

One of the large buyers who makes frequent trips to New York is George B. Monning, of the Monning Dry Goods Co., Fort Worth, Tex., who is staying at the Albert Hotel, University Place and Eleventh Street.

"The business prospects in Texas," said Mr. Monning, "are much better than at any time in the last six years. This is a conservative opinion based on a thorough knowledge of business conditions throughout the entire State."

GOOD REPORTS FROM GEORGIA.

One of the largest manufacturers of Georgia is L. M. Lynch, who is at the Albert Hotel. Mr. Lynch's concern, the Muscogee Manufacturing Co., of Columbus, Ga., which is in the cotton-goods manufacturing business, has a New York office at No. 47 Leonard Street.

"I have traveled all through the South and the Middle West recently," said Mr. Lynch yesterday, "and I know from personal experience and observation that the country is just as prosperous as the Herald's interviews and editorials have stated."

Walter Lassiter, who is a traveling salesman for Eugene Teschner & Co., dealers in flowers and feathers, at No. 719 Broadway, said that he had just returned from a trip through the Carolinas, Maryland, and Virginia, and found a wonderful condition of prosperity throughout those sections.

"In my own State of North Carolina," he said, "everything is moving in a satisfactory manner. Merchants, farmers, bankers, and, in fact, everybody is prosperous, with the outlook bright for more prosperity during the coming year. Sales are good and everybody is happy."

LABOR.

In discussing the matter every man interviewed said that, so far as he knew, the price of labor had not been reduced. They used this argument to refute the contention that there are unusually large numbers of unemployed men throughout the country.

"If the supply of labor is greater than the demand," they said, "and this situation exists for a great length of time, the price will fall because of the competition. We have noticed no such condition in our section."

SOUTH ENJOYING BOOM TIMES.

"The South is not entering upon but it is enjoying the greatest era of prosperity in its history. The Civil War no longer is a date for commercial comparison. From the Shenandoah to the Gulf and from the Carolinas to Texas the reign of Midas is more nearly absolute than at any other time since the war or than it ever was in the days of slavery."

Thus spoke James L. Tapp, president, general manager, and buyer of the James L. Tapp Co., of Columbia, S. C., which for 30 years has conducted the largest wholesale and retail department store in the State. Mr. Tapp has been here a week on one of his periodical buying trips, of which he usually makes 8 or 10 a year. But he said yesterday that he found it necessary to make several times the ordinary amount of February purchases of stock and that in consequence his present stay would be prolonged nearly a month. Mr. Tapp is a director in the Palmetto National Bank, of Columbia, and is largely interested in other enterprises of that city.

"I have been in business in Columbia 28 years," said Mr. Tapp, "and I never before saw trade so good as it is to-day. Our store did the largest and most profitable business in its history last year, and the volume of business so far this year is far ahead of 1913.

SEE GREATEST YEAR IN DECADE.

J. J. Selman, representing William Morris & Co., of No. 140 West Twenty-second Street, manufacturers of silk petticoats, and Lichtenstein, Reichlin & Co., of Philadelphia, manufacturers of silk dresses and waists, has just returned from a trip through the South and West. Mr. Selman said yesterday:

"I went as far south as Texas, and everywhere I found business good and the outlook even better. All through the South and West manufacturers and dealers are stocking up as if they expected 1914 to be the greatest business year in a decade. The South is too busy to pay any attention to the political pessimist."

Albert F. Rockwell, president of the New Departure Manufacturing Co., of Bristol, Conn., which employs 1,500 operatives and is running on full time, said, "That we regard business as good and expect it to be better is proved by the fact that we have just completed a large extension to our plant and are about to enlarge further by adding another building for our coaster-brake department."

C. E. Burch, of No. 45 West Thirty-fourth Street, New York buyer for Burch Bros. & Co., owners of dry goods stores in Waterloo, Marshalltown, and Mason City, Iowa, and Aberdeen, S. Dak.: "We have the largest dry goods stores in Iowa, and we can see nothing but prosperity ahead."

A. W. Burch, of Waterloo, Iowa, manager of Burch Bros. & Co.'s Waterloo store: "The West is in very good condition, and it is going from good to better. All the 100 factories in Waterloo have their entire output sold for the coming year. Prosperity prevails throughout Iowa."

1914 "YEAR OF PLENTY."

J. C. Ratcliff, buyer for the Battery Dry Goods Co., of Gaffney City, S. C.: "Business is very good with us and with merchants and manufacturers of South Carolina and the South generally. In fact, we are too busy to think of any possible interruption of prosperity, and there are no indications, so far as I can see, that 1914 will not be a year of plenty and happiness."

THE MEN WHO KNOW BEST.

In interviews with well-known manufacturers occupying a half page of yesterday's issue sentiments such as these were uttered:

R. L. Prather, Boston: "We feel absolutely optimistic, and our sales are excellent."

F. R. Maxwell, Boston: "The fundamental business conditions are all right; the situation only needs an optimistic spirit to make business boom."

H. T. Colwell, Newburgh, N. Y.: "The business outlook for the coming year never was better."

C. B. Hamilton, Grand Rapids, Mich.: "There is every prospect that 1914 will finish strong."

W. Laughlin, Chicago, Ill.: "The country is bound to be more prosperous."

O. B. Carson, Southbridge, Mass.: "The outlook is excellent."

F. I. Towle, St. Johnsbury, Vt.: "The southwestern territory is in particularly good condition."

A. B. Whitlock, Wheeling, W. Va.: "Our sales are ahead of 1913."

A. B. Pfeiffer, Chicago, Ill.: "Prospects for a big business year."

Frank G. Drew, New Haven, Conn.: "The outlook is very encouraging."

Davis H. Reddie, Springfield, Mass.: "Prosperity is in store for us."

Edward Freshl, Milwaukee, Wis.: "Nineteen hundred and fourteen will be a splendid year for business."

[From the New York Herald, Feb. 20, 1914.]

"The year 1914 should be the greatest in the history of our State." This is the statement of Robert Newton Lynch, the president and manager of the Chamber of Commerce of San Francisco. Mr. Lynch added: "As far as we have learned from our business contact with other States throughout the country, there is a general rise in confidence all around and a thoroughly optimistic look."

Concerning employment conditions in the West, Mr. Lynch declared that, while labor demands were being met, the supply does not exceed the demand, save in seasonal employments.

[From the New York Herald, Feb. 22, 1914.]

TRADE CONDITIONS.

INDICATIONS FOR GOOD SPRING TRADE.

A. V. Hamburg, president of the Newark Board of Trade, said: "Business is pretty good and orders are coming in well, with indications that the spring trade we are preparing for will materialize."

Attention was called yesterday by an important business man to an anomalous condition faced by the Daily Iron Trade, a Cleveland publication, which about a month ago undertook to collect proof that there was wide depression in the iron, steel, and metal trades of the United States. He exhibited a copy of the publication to show that its own news articles contradicted that assumption. On January 16 last the front page of the Daily Iron Trade, which is an organ for the industry, contained an article under this heading: "Steel trade backs up idle workmen statements."

On page 3 of the same issue appear articles under the following heads: "Structurals in better demand," "See big rail tonnage," "Sheets appear of firmer tone," "Puddling mills to resume work," "Buffalo sold much," "Wire goods in better demand," "Larger bar tonnage."

TEXTILES.

Herman W. Block, of the S. S. Stein Co., said: "Letters we are receiving from retailers and from our agents everywhere speak hopefully of the future. Orders which we are receiving are unusually large for this time of the year."

TYPEWRITING BUSINESS.

The typewriter industry never was more prosperous or more promising than it is now, according to Harry Bates, of the Underwood Typewriter Co., in its head offices in the Underwood Building in Vesey Street. "Instead of feeling any depressed business condition," he said, "we have been enjoying a continuous boom. Our business is better now than ever before, and contracts in hand indicate unmistakably that it is going to be better still.

"No one thought of crying hard times a year ago, yet business conditions everywhere, as indicated by our business, are better than they were a year ago.

WOMEN'S COSTUMES.

I. Lahm, of Lahm & Deutz, women's costume designers, at Nos. 33 and 39 West Thirty-fourth Street, said he expected the biggest season the firm ever has known.

"Already our sales for this year have exceeded by 10 per cent double the sales of this time last year," he said. "Our collections, which until recently were rather slow, are fine now, and our losses for the last several months have reached a minimum. I regard the promises of this business year as nothing short of phenomenal. Merchants who have come here to place their spring orders are actually sending in hurried reorders, saying that business in its present state promises so well that they do not want to be caught short handed. We find right now that our only trouble is the inability to fill orders, not to sell goods."

TRADE IN JEWELRY SPECIALTIES.

Charles Lippman, of the Lippman, Spier & Hahn Co., designers and wholesalers of jewelers' novelties, at No. 1261 Broadway, with branches all over the country and in Europe and South America, said: "Our business, I find, is an excellent index of general conditions. We sell largely to the big department stores, and they buy little of our goods when times are dull, because their customers do not buy many trinkets when they have little money. This year our sales have been heavy, and the quality of the goods has been excellent."

Matthias Stratton, of Alling & Co., manufacturing jewelers, said: "Storms have caused a cessation of orders in our line from the central western section of the country, but otherwise the trade is keeping up. Collections have improved since the first of the year, and jewelry manufacturers generally are working on full time making spring goods, the outlook being good for a brisk demand."

AUTOMOBILES.

From the automobile industry comes the particularly optimistic statement of Harry S. Houpt, president of the automobile company of that name, which deals principally in Lozier cars, at No. 1751 Broadway.

"This is the eleventh year I have been in the automobile business," said Mr. Haupt, "and in January and February of this year I have been more successful than in any other two months since I began. Since the first of the year I have outsold the previous best two months by 14 automobiles."

Arthur B. Underwood, president and manager Riley-Klotz Co., makers of automobile accessories, said: "We are not as busy as we could be, but orders are coming in steadily, and we are hoping that the indications for a brisk trade revival this spring will materialize. There is nothing to croak about, and if the promised forward movement arrives on time we'll all be too busy to even shout for joy."

SANGUINE IN CLOTHING TRADE.

An indication of business conditions from the viewpoint of New York business men was shown in a statement by Maurice Brill, of Brill Bros., dealers in men's wearing apparel. "Everyone in our line of business is sanguine," said Mr. Brill. "Manufacturers and importers are going ahead as fast as ever."

SHOES AND LEATHER.

Johnson & Murphy, shoe manufacturers, reported a full force, working full time. The season is regarded as a good one, with bright prospects for spring trade.

Weingarten Bros.' corset manufactory is running full time, with a force of about 1,500 workers. Sales for January exceeded those for the same month last year and big orders are coming in.

Whitehead & Hoag, manufacturers of badges, buttons, and novelties, have between 750 and 800 hands working full time, a larger force than was employed a year ago.

Peter Loehnberg, Atlantic Leather Co., said: "The leather trade has picked up considerably during the last few weeks. Orders are coming in and there are indications that within the next 60 days the leather-making industry will be humming along at a great rate."

BRIDGEPORT FACTORIES WORKING TO CAPACITY.

BRIDGEPORT, CONN.

Threatened disturbances in business having been found mythical, factories here are working at capacity and some of them overtime to meet demands of their trade. Among others, the Union Metallic Cartridge Co. is working overtime.

D. W. Wheeler, secretary of the Acme Shear Co., said: "The business outlook is very good. We can see good business ahead."

S. T. Davis, jr., president Locomobile Co. of America, said: "As far as our own business is concerned, we know that the tendency is toward improvement. The general sentiment throughout the country is optimistic."

F. J. Kingsbury, president Bridgeport Brass Co., said: "Business is better with us now than at the close of last year. The outlook is for a steadier business than last year."

C. E. Woods, manager of the American Graphophone Co., said: "Up to January 1 we never had such big business, and business at the present is about 20 per cent ahead of last year. There has been no diminution in the export trade."

Charles V. Barrington, secretary Crane Valve Co., said: "We are running full time in our plants here. Everything is picking up and conditions look good for the future. We are shipping to all parts of the United States."

Dever H. Warner, president Warner Bros. Co., manufacturers of corsets, employing 5,000 persons, said: "We look for normal conditions of business during the year and think that the work being done is bound to be a benefit to the country. We believe that the tariff will adjust itself and that from every viewpoint business is bound to be good. Our export business is increasing."

F. E. Basketz, superintendent of the Fletcher Engineering Co., said: "The business outlook in this country is good. We expect a big year not only from the building operations which have already begun, but from contracts upon which we are asked to bid."

Charles Hutchinson, treasurer Barnum & Bailey Circus, said: "We are expecting one of the biggest years in the circus business which we ever have known. The seating capacity of our big tent has been increased several thousand."

Thomas J. Seward, superintendent Electric Cable Co., said: "With a quiet beginning, we look forward to a good business. Our factory is working full time, with new business in sight for March and April. This is an extremely good outlook for what is usually a bad season."

Lynn W. Wilson said: "Business should be better than normal during the year. Many concerns here are putting on help, and some few are working overtime. At this season of the year outdoor workers are usually without employment. When outdoor occupations are resumed in the spring it will be discovered that the scale of employment is greater than it was a year earlier."

[From the New York Herald, Feb. 21, 1914.]

MANUFACTURERS REPRESENTING $500,000,000, IN PROSPERITY CONFERENCES HERE, SEE GREAT BUSINESS YEAR AHEAD.

Sounding a note of present and forthcoming prosperity and of confidence in the stability of the fundamental business principles of this country, more than 50 prominent manufacturers, representing $500,-

000,000 of invested capital, met yesterday at the Waldorf-Astoria to consider cooperation for immediate expenditures that would develop trade and bring added volumes of business in the revival that they predict is near at hand.

C. L. Forgey, representing Berry Bros., varnish manufacturers: "This year looks fine for us. We have received orders for fine baking japans for use by concerns in Milan, Italy, and Turin. Business is fine, and the prospects are bright. Our Detroit, Walkerville, and San Francisco factories are running all the time, and one branch of the Detroit plant is running day and night."

R. L. Prather, advertising manager of the Thomas G. Plant Co., Boston: "We manufacture fine shoes for women. Naturally we come into contact with the best stores not only in America but abroad. We feel exceptionally optimistic, and our sales are most excellent. We have every confidence that the market is going to be just as good, if not better, as the year advances."

GOOD OUTLOOK FOR SHOE TRADE.

F. R. Maxwell, vice president of the Thomas G. Plant Co., Boston, shoe manufacturers: "The fundamental business conditions are all right."

H. T. Coldwell, assistant general manager and secretary of the Coldwell Lawn Mower Co., Newburgh, N. Y.: "There is every reason to say that the business outlook for the coming year never was better. It is so with us. Conditions are good for prosperity, and we are going to have a corking year."

FINE PROSPECTS FOR FURNITURE.

C. B. Hamilton, of the Berkey & Gay Furniture Co., Grand Rapids, Mich.: "There is every prospect that 1914, while it has started slow, will finish strong. Retail stocks are low, and every condition points to a successful year."

W. Laughlin, representing Armour & Co., Chicago: "With a greater consumption of 'the ham what am,' the country is bound to be more prosperous."

O. B. Carson, advertising manager of the American Optical Co., Southbridge, Mass.: "The outlook for the current year is excellent. Present business is most encouraging. It started slow for the year, but bids fair to end with record business. We have felt no hard times since President Wilson went into office, and we are expecting a general improvement all around."

Frank I. Towle, of the Towle Maple Products Co., St. Paul, Minn., and St. Johnsbury, Vt.: "From reports given to us by our salesmen throughout the section west of Chicago we find the southwestern territory in particularly good business and financial condition."

A. B. Whitlock, New York representative of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "Our sales are ahead of the same period in 1913. The prospect is good for the rest of the year."

ARMOUR & CO. SATISFIED.

A. F. Pfeiffer, representing Armour & Co., Chicago: "Prospects and conditions are encouraging for a big business year."

Frank G. Drew, sales manager of the Winchester Repeating Arms Co., New Haven: "Business at present is normal with us. The outlook for 1914 is very encouraging."

David H. Reddie, of Smith & Wesson, Springfield, Mass.: "With conditions fairly normal, we believe that prosperity is in store for us."

John H. Eggens, of the L. E Waterman Co.: "Business is good and improving, as unsettled conditions are being cleared up."

E. P. Seymour, of the L. E. Waterman Co.: "When uncertain matters of legislation are settled, business will resume activities to proportions heretofore unknown in this country."

H. E. Cragin, representing Armour & Co., Chicago: "Conditions are promising."

Edward Freshl, president of the Holeproof Hosiery Co., Milwaukee, Wis.: "Indications are that 1914 will be a splendid year for business."

George W. Dickerman, vice president of the Remington Typewriter Co.: "There seems to be a better feeling generally to-day, with sounder business conditions."

Walter H. McClure, of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "Conditions are normal; orders are plentiful and prospects are good."

George S. Quay, of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "The business outlook for 1914 is very bright."

John Rickaby, of the Towle Maple Products Co., St. Paul, Minn.: "The business outlook is, in our opinion, favorable for healthy progress in all legitimate lines."

John J. Gardiner, sales manager of the Hull Bros.' Umbrella Co., of Toledo, Ohio: "We have every reason to believe this will be our banner year."

Eben C. Speiden, of the International Acheson Graphite Co., Niagara Falls: "Prospects and conditions are encouraging. The Rice Leaders of the World Association represents the most powerful force for the promotion of clean and honest business that ever existed in this or any other country."

Charles M. Steele, vice president and general manager of the Carl M. Green Advertising Agency, Detroit, representing Berry Bros. (Inc.) and the Anderson Electric Car Co.: "Automobile and other business in Detroit shows marked improvement. The outlook for the year is very bright."

FACTORIES RUNNING OVERTIME.

Francis D. Bowman, advertising manager of the Carborundum Co., of Niagara Falls: "We sell grinding wheels and other abrasive products to the factories of the world. When factories are running, our products move. At present our plant is running overtime to meet demands. The manufacture of grinding wheels and grinding products is a splendid trade barometer."

George U. Crocker, president of the Simplex Electric Heating Co., of Cambridge, Mass.: "A period of readjustment to new business ideals is closing, and a period of advance under new conditions is in sight."

H. H. Whiting, Pillsbury Flour Mills Co., of Minneapolis, Minn.: "The business outlook is very encouraging at the present time."

P. C. Ludlam, general sales manager of the Coldwell Lawn Mower Co., Newburgh, N. Y.: "Business prospects are excellent, and the Rice Leaders of the World Association will materially improve the already prosperous business conditions."

Philip F. Hall, National Veneer Products Co., of Mishawaka, Ind.: "Business is 35 per cent ahead of last year, and it looks as if we will hold it for a year"

BUSINESS IN GLASSWARE GOOD.

J. C. Brady, vice president of the Hazel-Atlas Glass Co., Wheeling, W. Va.: "Judging solely from our own business, general conditions and prospects are good."

E. C. Waldvogel, assistant general manager of the Yale & Towne Manufacturing Co.: "Business for 1914 will be up to the normal, with more to come."

Lothar W. Faber, of the Eberhard-Faber Pencil Co.: "Present business conditions are normal. The future prospects are favorable, unless interfered with through legislative action."

A. G. Baker, vice president of the Niagara Silk Mills, of North Tonawanda, N. Y.: "Conditions are promising for a good year, and there is every indication of a returning confidence and prosperity."

W. C. Anderson, president of the Anderson Electric Car Co.: "The future depends upon the action of legislation on railroads and corporations. Give prosperity a chance and we will have it."

At the banquet last night at the Waldorf, Job E. Hedges presided, and speeches were made by Isaac F. Marcosson and William B. Howland.

VOTE OF THANKS TO THE HERALD.

Felicitous speeches were made also by C. B. Hamilton, of the Berkey & Gay Furniture Co., of Grand Rapids; H. Seymour, of the L. E. Waterman Co.; E. Eaton, of the Eaton, Crane & Pike Co.; F. R. Maxwell, vice president of the Thomas G. Plant Co.; and Mr. Rice, all of whom had a tone of hopefulness and praised the purposes of the association.

Mr. Hedges brought up the matter of the Herald's attention to prosperous companies, and said that, as this newspaper had exerted itself toward expressing the optimistic side of the situation, he thought it was in keeping with the purposes of the association to extend a vote of thanks. David H. Reddie, of the Smith & Wesson Co., put the question in the form of a motion, and Edward Freshl, president of the Holeproof Hosiery Co., seconded it. Mr. Hedges then put the subject to a vote, and it was passed unanimously.

Nathan Straus, of New York: "We are entering what will be the greatest era of prosperity the country has known. The grip of Wall Street on the United States has been shaken off by the new currency law. It means that all parts of the country may act on their own initiative without being compelled to consult Wall Street."

B. J. Greenhut, of the Greenhut-Siegel Cooper Co., said there is not the slightest indication of slackening in the speed of business in his house, and in coming in contact with others in the same and associated lines he has learned, he said, that the same feeling of confidence is firmly established throughout the country. There are as many employees at work in the various great business houses throughout the city as there were a year ago, and as far as the Greenhut-Siegel Cooper Co. is concerned, said Mr. Greenhut, business is very healthy, indeed, and everyone is busy.

GLASS.

Commending the Herald's reports on the business situation, Representative Edwin S. Underhill, of New York, in an interview to-day called attention to the boom conditions in the glass industry. He said:

"It may be of interest to the Herald to know that the Corning (N. Y.) Glass Works is at present enjoying a period of the greatest activity since its establishment, 40 years ago. It is the largest glass factory in the United States, employing upward of 1,500 persons. It never employed so many men before and its pay roll was never so large.

"Corning's leading paper states that the pay roll last week was nearly 30 per cent higher than the corresponding period a year ago, and that one of the blowers received $45 for his week's work on the piecework basis, on which the factory operates."

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[From New York Journal of Commerce, Feb. 3, 1914.]

NATIONAL ASSOCIATION OF CREDIT MEN ON BUSINESS OUTLOOK.

That business men are more cheerful regarding the outlook is asserted in the February circular letter issued yesterday by the National Association of Credit Men. It says:

"The first month of the new year has clearly given a new note to business. Uncertainty as to what was going to happen next has been giving way during the month to definiteness. Instead of pursuing a policy of self-protection, as business men have thought necessary for several years, they may look forward, in lines where stocks have not been carried over on account of unseasonable weather, with genuine confidence, working aggressively and expansively for business.

"There is a world-wide ease in the money market, a condition almost novel, so long is it since we have been free from financial stress and strain in one or more of the world's centers.

"This note of cheer does not mean that we need be less vigilant in keeping receivables well under control, for no matter how favorable business prospects may be, anything but a close-collection policy is bad business.

"It is obvious, from reports reaching the national office, that during the last two months of 1913 slowness in the settlement of merchandise accounts was general. There are two distinctive reasons for this condition: First, unseasonable weather operating against sales of winter stocks; and, second, timidity on the part of the interior banks pending banking and currency legislation."

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[From the St. Louis Republic, Feb. 12, 1914.]

GENERAL BUSINESS.

The marked changes in financial conditions in New York to-day are harbingers of a period of great prosperity, according to Ben Altheimer, president of the Altheimer & Rawlings Investment Co., who has just returned from the East.

"There is money everywhere for investment. Interest and discount rates have been lowered. Commercial paper in large amounts is being bought up rapidly by the banks, and new issues of securities are absorbed as quickly as they are offered

"Banking houses that had prepared February bond circulars to mail to their clients were compelled to withhold them, as the securities were disposed of without the necessity of circularizing.

"Whether this is a natural reaction from the lethargy of business that existed a few months ago, or whether it is caused by the demand resulting from prosperity, I can not say. It is certain, however, that confidence has been restored here and abroad, and Wall Street has proved again that it is not only cold and practical, but also sensitive and sentimental—a contradiction, but a fact.

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EXTRACTED MATTER RELATING AFFIRMATIVELY TO STATEMENTS THAT PROSPERITY IN THE UNITED STATES HAD BEEN REVIVING BEFORE THE EUROPEAN WAR.

[Extracted from the New York Times of Jan. 1, 1914, p. 17, Chicago dispatch.]

The big bankers of Chicago are a unit in their belief that the year 1914 will bring an era of general prosperity and a resumption of business activity in centers where there has been an undeniable depression.

[Extracted from the New York Times of Jan. 2, 1914, p. 1, Philadelphia dispatch.]

John Wanamaker, at a Union League dinner, sounded a note of optimism by declaring that he had no fear of any serious unsettlement of business or of any long disturbance of prosperity.

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[Extracted from the New York Times of Jan. 4, 1914, p. 8, editorial article.]

A sane and sober optimism is the dominant note in the trade forecasts of bankers and business men published in the annual financial section of the Times yesterday. * * * In the first place, the business year 1913 was not a bad one. * * * Very soon everybody will get over being afraid, men will see that there is no reason for fear; they will cease looking for causes of alarm and timidity. Then, other conditions being unquestionably favorable, the country will find itself in the midst of prosperity.

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[Extracted from article "A return of optimism" in Literary Digest of Jan. 10, 1914, v. 48, pp. 80–81.]

From many quarters both here and in Europe the closing week of the year brought signs of returning optimism in financial quarters. Bankers of international repute were understood to have become "increasingly sanguine," the chief reason being an approaching end to a world-wide tension in money.

One of the best-known bank presidents in Chicago was quoted as having said in public just after Christmas that the currency bill as modified and passed was "a good thing for the entire country and would start the wheels of prosperity rolling again." A prominent business man in Boston declared his belief that the country was "on the eve of the greatest prosperity ever known." The tariff and currency bills he thought would "bring new life and spirit into business." The boom, in his opinion, would be well under way by the fall of 1914.

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[Extracted from the New York Times of Feb. 8, 1914, p. 13. Local news article.]

Mr. E. J. Cattell, city statistician of Philadelphia, said the Nation was facing an era of prosperity "beyond any known in any country of the world at any period" because of greater agricultural production and output of mines.

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[Extracted from the New York Times of Feb. 26, 1914, p. 7. Washington dispatch.]

In Mr. James J. Hill's opinion, basic conditions were sound and business would soon be showing signs of great national prosperity.

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[Extracted from the New York Times of Feb. 27, 1914, p. 10. Reprint from Evening Sun.]

Andrew Carnegie takes an optimistic view of economic and industrial conditions. "No country," he said, "travels ahead at a uniform pace. They all have their periods of prosperity and depression. But no country in the world has such prospects as our own Republic. * * * Our exports and imports show the situation clearly."

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[Extracted from the New York Times of May 28, 1914, p. 21. Local news article.]

Walton H. Marshall, managing director of the Vanderbilt, got back yesterday from a business trip through the South as far as New Orleans and reported that everywhere business was booming.

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[Extracted from article "'Psychological' Hard Times," in Literary Digest of June 13, 1914, v. 48, pp. 1420–1421.]

With these figures [used by Secretary Redfield before the Raleigh Chamber of Commerce] in mind, the Democratic Philadelphia Record points out that "the country is doing more business under the Underwood tariff than it did under the Payne-Aldrich tariff." Secretary Redfield's optimism is shared by the steel men who recently gathered in New York. Judge Gary thinks prosperity is at hand. President Thomas, of the Briar Hill Steel Co., of Youngstown, Ohio, says, "We are in the swing now and may shortly expect a remarkable period of expansion." These men agree that conditions are fundamentally sound. And meanwhile, notes the Baltimore Sun, "bumper wheat and fruit crops are predicted, bank clearings are running along greater than they were last year, and the cost of living, as shown by the index numbers, has decreased." The same story, says the New York Herald, "is told by recent comparative increase in the earnings of a number of the railways. Pittsburgh tells of greater purchases of basic pig iron—the inevitable forerunner of greater demand for finished steel products. Fall River notes an improved inquiry for cotton textiles. And so runs the better feeling through the whole cycle of industries. * * * There are signs on every side that the period of retrenchment, economy, doubt, and gloom has ended and that the country is about to enter upon an era of expansion and prosperity."

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[Extracted from the New York Times of June 26, 1914, p. 1. Washington dispatch.]

Addressing a delegation of Virginia editors, President Wilson declared that the United States was on the eve of the greatest business boom in its history.

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[Extracted from the New York Times of July 4, 1914, p. 10. Wall Street "topic."]

Col Robert M. Thompson, chairman of the International Nickel Co., just returned after nearly four months in Europe, was yesterday quoted as saying that business was better in the United States than it was abroad.

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[Extracted from the New York Times of July 10, 1914, p. 2. Washington dispatch.]

"Cheer up! I agree with the President that the era of prosperity is coming fast," said Henry Ford on leaving the White House to-day. Mr. Ford pleased the President by telling him that the tariff had not caused business depression.

[Extracted from the New York Times of July 14, 1914, p. 8. Editorial article.]

Signs of the early revival of business, which were abundant in the reports from authoritative sources all over the country published in yesterday's Times, are multiplied in to-day's news. There are more buyers from every part of the United States in town to-day than ever before at this time of the year, and the list of them fills two columns and a half of print.

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[Extracted from the New York Times of July 17, 1914, p. 3. Chicago dispatch.]

John V. Farwell, head of the wholesale dry-goods firm of J. V. Farwell & Co., asserted to-day that prosperity already was here.

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[Extracted from article "Advance Notices of Prosperity," in Literary Digest of July 25, 1914, v. 49, pp. 138–139.]

But even in steel and iron there are reports of better times. Take, for instance, this announcement from a Republican paper, the Pittsburgh Telegraph: "Pittsburgh is returning to its old-time prosperity. This is the opinion voiced by leading manufacturers, bankers, and business men of the community. All branches of trade are feeling the stimulus of the return of normal conditions. * * * Reports in the iron and steel industry for July in the Pittsburgh district show an increase over June of 10 per cent For August, the outlook is still better." The Iron Age reports that "the corner seems to have been turned at last" in the steel trade, and tells of manufacturers shortening their usual mid-year shutdowns for inventories and repairs because of demands from customers.

Several newspapers are encouraged by the Pennsylvania Railroad's recent order for 81 new locomotives, 1,000 all-steel freight cars, and 100,000 tons of new steel rails. Men laid off at this road's Altoona shops have returned and additional workmen have been required. The New York Commercial and other authorities report a "more liberal buying on the part of railroads." The Wall Street Journal tells of a most encouraging outlook for a large demand for coal in the fall. Several business authorities, including the American Wool and Cotton Reporter and Marshall Field & Co.'s weekly trade review, speak of growing activity in textiles. Delegates to a New York convention of the National Leather and Shoe Finders' Association gave out most optimistic statements to the press, making, as the Jersey City Journal (Ind.) puts it, "an assault upon the calamity howlers that will long be remembered."

The New York Times has been making a Nation-wide inquiry into business conditions and prospects at the beginning of this month, as compared with the same time last year. Summing up the correspondence and reports received, it notes running through the entire mass "a feeling of confidence in the immediate future." The railroads have suffered most, but "expect a big increase over last year's business when the crops begin to move." It will take 525,000 cars to move the winter-wheat crop alone, after making allowance for farm and local consumption, says E. C. Simmons, the St. Louis hardware magnate. Automobile manufacturers, says the Times in its summary, "report business booming."

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Several papers mention the country's bank clearings as a good sign. "For the first half of 1914," says the Springfield Republican (Ind.), "they were but 1.4 per cent below the same period last year," and in the early weeks of July they exceeded the 1913 record. "These figures," says the Republican, "can not be explained in any way consistent with 'hard times'; in all previous periods of very severe depression in business bank clearings have fallen off from 10 to 20 per cent." Idle railroad cars are now "decreasing fast as the crop movement goes on," and, according to the Republican, "it is now admitted that the figures of idle cars have for months been swollen at least 10 per cent by the inclusion of freight cars that under ordinary circumstances would be scrapped. These cars can never be put back into service, but their inclusion in the idle-car showing made a fine hard-times exhibit and helped to intensify the 'psychological' side of business depression."

Mr. HUSTING. Mr. President, I want to say a few words about the question at issue here, which, as I understand, is whether the members of this commission shall receive $7,500 a year salary or $10,000 a year salary. The Senate has been debating this question for about five hours and a half and is debating it at this time, and I understand that we have devoted five hours and a half to save the sum of $15,000 a year. I like to see economy practiced, but a Congress that has expended the amount of money that this Congress has, whether it expends another $15,000 upon this board or not, is not going to make any particular dent in the appropriations or put any particular bump upon it.

I think this is a wrong time to talk economy in establishing a board of this kind. A Congress that can vote $42,000,000 for river and harbor appropriations ought not to balk on $15,000 a year. A Congress that has expended the amount of money this Congress has expended ought not to balk upon $15,000 a year when the results that are going to be obtained by such alleged economy are certain to be bad and not good.

I do not think the question is so much whether $7,500 is the proper compensation as the question, Why should this commission receive less than other commissions of equal or less importance? Why should we now have this spasm of economy upon this particular subject? I can not understand it. The reason why I am in favor of the amendment of the Senator from Iowa [Mr. CUMMINS] is that in establishing this commission, with the powers that have been given to it, I think it is very bad policy to attach to it something that is going to lower it in the public confidence, in the public esteem, and in the public respect.

We can talk as we will, but if this commission is of the importance that is claimed for it, and that the bill says it is,

and that the Senator from North Carolina says it is, why, then, should we put upon it something that gives it not only the appearance, but will give the people the impression and the understanding that its functions are of less importance, and that this is an inferior commission to all the others?

It is my idea that the members of this commission should receive what the members of the other commissions are receiving. Then, if some Senator wants to introduce here a bill to reduce the salaries of all the commissions, I think a good deal of what has been said upon this floor now would then be pertinent to the issue; at least, it would be worthy of consideration. But when we have already established commissions and given the members salaries of from $10,000 to $12,000 each, I think we are begging the question and losing sight of the main issue when we suddenly say we must economize and we must give these men less than the others are receiving.

The Senator from North Carolina, in my opinion, made a very good argument as to why these men should receive $10,000 a year. He pointed out their functions. He showed that this commission is more important and has greater powers than almost any other commission that has been established by this Congress. He pointed out why, and he said it so well that it is not necessary to repeat it; and I could not improve upon it if I wanted to. But he conclusively shows that this commission is invested with powers and is to be composed of men who will need a higher degree of ability in the performance of their duties than almost any other commission that has been heretofore established.

To fill this position properly the man has to to be a student, a scholar, an economist, and a statesman. His qualifications, in my judgment, will have to be greater than those of most, if not all, of the other commissions, whose members are receiving ten or twelve thousand dollars a year.

Why does the Democratic Party, or why, does the Senate, after giving the people what it understands has been demanded for a great many years, at the very moment when it is yielding to public sentiment, want to go and spoil its own work by parsimonious treatment of salaries and put to their act the injurious appearance that while yielding to the public demand it does so grudgingly and stingily? Why do we want to make it appear that while we organize a commission we also want to discredit it and humble it?

The contention has already been raised on the other side of the Chamber that this is only a temporary makeshift; that we have not established this commission in good faith; and it was argued here by Senators on this side that there is no foundation for any such charges.

There is not any except the salary that you are going to pay; and when you reduce the salary to $7,500 a year you lay yourselves open to this very imputation that you are not in good faith putting men here who you think are going to be of any great service, and are in a way confessing that you do not believe that this commission amounts to as much as other commissions amount to whose members receive a greater salary. That is the plain inference that is going to be drawn. It is the argument that is going to be made.

The argument that it is not a permanent commission has been sufficiently answered. It is a permanent commission, and it is a commission whose members are invested with high, multifarious, and important duties to perform. Perplexing questions will arise before it, and we have provided in this bill for a continuing appropriation. But after doing all that we ought to do in the matter, we finally taper it off by saying: "Well, we do not think it amounts to very much, anyway, and its members ought not to receive the salaries that other commissions which we have established are receiving."

The facts that these duties have been committed to other branches of the public service or to other commissions does not in any way reflect upon or take away the importance of the duties of this commission. It may be that the Federal Trade Commission, among the hundred powers with which it is invested, may do this very thing; but this bill is for a special purpose. It is to have a commission to specialize on this very branch of inquiry. It is a special field that is to be turned over to them, and its powers are as broad as they can constitutionally be made by the Congress.

While it may be true that others expected that legislative power would be vested in this commission, yet everybody knows, or ought to know, that Congress can not delegate the power of legislation to anyone else, and that this commission goes as far as any commission can go in assisting the Congress in proper tariff legislation. It has been recognized now by both parties that tariff legislation ought to be based on well-known facts, facts gathered and collated together which will enable Congress to legislate intelligently and effectively upon this subject, which has been the football of so much politics in the past. It will require men of high standing; and no man ought to be deterred from entering upon the performance of his duties because of the idea that this is an inferior commission and is only to be filled by mere clerks and statisticians. I say it requires not only statisticians, or a man who understands statistics; it requires a statesman to properly fulfill the duties of this office and to do his part in the performance of the important duties with which he will be invested under the bill. I hope that the amendment will be adopted.

Mr. THOMAS. Mr. President, the session is now rapidly drawing to a close and I hesitate to trespass upon the patience of the Senate. But I can not forbear making some rejoinder to the criticisms which have from time to time been directed ostensibly to this bill, but actually to the policy of the party which sponsors it. They have, I think, been designed, not so much to provoke discussion as to furnish material to the Republican campaigner, whose tendency to accept their conclusions will be justified by our failure to notice them. For this reason only I ask the indulgence of the Senate for half an hour.

It has been asserted by the Senators from Pennsylvania and Utah that the Underwood bill was the harbinger of hard times; that the country was prosperous when Mr. Taft surrendered the Presidency to his successor; that these pleasant conditions were aggravated as time passed, and but for the providential occurrence of the European war the country would, through Democratic administration, have been plunged into the horrors of a wide-spread panic. The truth of this assertion I challenge in detail and in conclusion.

The depression in commercial and industrial circles throughout the greater part of 1912 was a noticeable and depressing feature of that year. The world-wide expansion of credit, the failure of many large enterprises to meet their current obligations, the sensational exposure of the New Haven wreckers and the wide-spread ruin of its shareholders, the collapse of other great railway systems through criminal mismanagement and dissipation of their resources, the increase of European army and navy establishments, necessitating enlarged budgets and taxation, could have produced no other result. Added to this was the burden of the Payne-Aldrich bill upon the industries of the people. These conditions supplemented by the disclosures of the Pou committee were inherited by Mr. Wilson's administration as a legacy of the immediate past. They continued with varying degrees of change through the succeeding year, and were rapidly responding to the beneficent legislation of the Sixty-third Congress when the assassination of the Austrian heir apparent, in July, 1914, plunged the Old World without warning into the most awful conflict of history.

The immediate consequences of this war upon the economic and financial affairs of all neutral nations was appalling. I shall not review them, for they are too fresh in the memory of everyone. Our sufferings were acute, albeit we suffered far less than other countries. Our cotton planters were reduced to bankruptcy; our exchanges closed to transactions of every sort; business suffered sudden paralysis; all enterprise was palsied; great manufacturing establishments temporarily suspended their chief activities; and money disappeared from circulation. But for the recent monetary legislation of a Democratic Congress, panic and wide-spread disaster would have been our certain store. For these conditions no party was responsible.

This widespread disarrangement of our normal activities was at once ascribed by the Senators from Pennsylvania and Utah, with many others, as the logical offspring of the Underwood bill. In this very Chamber they made the assertion and reiterated it. They gleefully pointed to the bread lines in the great cities, to the collapse of the cotton market, to the suspension of the exchanges, and to the issue of emergency currency as a full and final vindication of their prelegislation prophecies. They gloated over the sufferings of the public, taunted Democracy with incapacity, and called upon the country to make note of the consequences of the defeat of the good old party of Lincoln.

To our reply that financial disaster was world-wide, they were derisive. To our reminder that other countries were declaring moratoriums, canceling obligations, and facing national bankruptcy, for the same reasons which caused our sufferings, they voiced loud and strident denial. They would have it otherwise.

Then came the change. Business revived. Industries stirred with renewed activity. Commerce rode upon the waves and spread her white wings of prosperity over the continent. Money poured into the lap of the Nation from every point of the compass. The farmer flourished and waxed with abundance. Cotton resumed its throne, and the great transportation systems

groaned beneath the burden of their overtaxed equipment. No such times had been ours within the memory of man.

Now, these gentlemen, chagrined because the bread line disappeared and employment has become the boon of every citizen, have readapted themselves to the situation. They can not deny that prosperity is here, but they say it is here in spite of Democracy; that it is a war prosperity, a temporary prosperity, a blood-bought prosperity; that the war is the salvation of Democracy, and that with the return of peace in Europe, prosperity will spread her wings and fly away, leaving us distraught and desolate again.

Mr. President, I shall not deny that much of our present prosperity is the offspring of the great war. Mr. Seward said to the New York merchants in 1861, that there was no customer like a great nation engaged in an offensive war. The entente allies of Europe are our customers. They have given us enormous orders and quickened the currents in every channel of activity. They have set all the wheels of our machinery in motion, have taken our surplus fabrics and foodstuffs and poured the golden treasure of their centuries of accumulation into the streams of our national commerce. But to attribute all our fortunes to that single cause is unjust and unfair. Every impediment to full and free exchange, to expanding industry, and to international commerce had been removed by wise remedial legislation of this administration. But for these aids our facilities would have been inadequate for the strain of disaster immediately following the commencement of the war, or the demand for supplies which quickly succeeded the transient depression.

Prognostication is easy when it is ex post facto. I can with equal propriety and with equal truth declare that had the war never occurred the stagnation in business affairs characterizing the last year of the Taft administration, and the greater part of 1913 as well, would have disappeared under the beneficent operation of the Underwood bill, the Federal reserve act, and other acts of helpful legislation placed upon the statute books by the first session of the Sixty-third Congress, the abundant evidences of which were everywhere prevalent in the midsummer of 1914.

Republicans are fond of claiming credit for the red-letter years 1899 and 1900, but they can not deny that for more than a year after the enactment of the Dingley tariff law times were as depressed and business as stagnant as in the immediate years preceding. No reaction from the hard conditions of 1895 and 1896 was anywhere apparent prior to the Spanish-American War. The flood tide of McKinley prosperity was born with the declaration of hostilities in 1898. The country responded to like demands for war material and equipment; the Government expended its millions in fitting out its fleet and mobilizing its Army. Business caught the infection of national activity, and every occupation became endowed with renewed life. It is a truth which history demonstrates, that wars are breeders of commerce and good times. The bloody sacrifices of humanity find expression in a quickened and enlarged industrial movement responding to the demand for vast and unlimited governmental supplies. The close of the Spanish War did not terminate the prosperity which it created; that remained with us until wild and limitless speculation of our people culminated in the financial unheaval of 1901. Senators upon the other side of the Chamber can not deny this historic sequence of events nor escape the assertion that war was quite as much responsible for the good times of which they boast as it is for that which the Nation now enjoys.

Senators have taken occasion during these debates to denounce what they are pleased to term "Democratic extravagance." This seems to be their chief source of complaint, since they return to it without ceasing. It is true that our expenditures have exceeded the limit of preceding Congresses, but it is equally true that the Government has largely extended the area of its activities since 1913. This means increased expenditures, or the administration of new laws is impossible. The Senator from Pennsylvania knows this as well as anyone. He also knows that the Roosevelt administration was in this respect the most extravagant of them all, for he was a part of it, and, if I mistake not, a supporter of all its policies. Indeed, I may say without offense, but with perfect truth, that the Senator does not care a rap for extravagance in administration, except as it may supply him with political capital. He has been in public life for many years, during which time he has never lifted a finger in the effort to economize. He has been conspicuous when his own party was in power for his advocacy and support of any and every thing tending to enlarge the power of his organization; and if ever, by voice or vote, he protested against the extravagance of his own party, the RECORD fails to show it.

Since 1913 the Senator's seat in this body has generally been vacant. Only during the past month has he been constant in his attendance, his purpose being revealed by his captious and carping criticism of every movement of the majority.

With here and there an exception of which the junior Senator from Iowa is the most notable example, no effort in the direction of economy has been observable upon the other side of this Chamber. On the contrary Republican Senators have in general been greedy for appropriations for their own constituents, and eager to vote for others without regard to their nature, extent, or purpose when coupled with their own. Republicans have asked for and received many gratuities in common with their Democratic brethern. Laxatives for sick ducks, appropriations for killing coyotes and prairie dogs, for pulling stumps, and repairing river banks in the Northwest are marshaled side by side with those aimed at citrus disease, the gipsy moth, the boll weevil, and the improvement of dry watercourses. The insincerity of the denunciations of Democratic extravagance is easily revealed by reference to these common assaults upon the National Treasury. They are characteristic of the times and on a par with the man who aids his associates in plundering an outsider, and then while retaining his part of the booty denounces them for lawlessness and outrage.

It was the Republican Party which acquired the Philippine Islands, and through its still powerful influence the attempted Democratic efforts to give them over to their own people, have been defeated. These islands have cost the American people more than three-quarters of a billion of dollars. Their cost will continue so long as we retain them. And every dollar of it is a total loss. But few Senators on the other side of the Chamber have protested against their retention, and none have denied the enormous expense to which they have subjected us. Certainly the Senators from Utah and Pennsylvania have not done so. These islands are productive to their constituents, who look forward to the time when, if retained, their resources can be exploited and made to yield of their abundance. Neither have these Senators protested nor complained of our pension appropriations. They know as well as we that a great proportion of pension legislation is prompted by political considerations. It is easy to use the Treasury to secure votes. Both parties, therefore, resort to it, and pension legislation has become a common scandal. But these gentlemen dare not include such appropriations in their indictment of Democratic extravagance, lest there be a reaction to their political detriment.

Republicans boast of their construction of the Panama Canal. This stupendous enterprise, constructed at a cost of half a billion dollars, is by no means a demonstrated successful one. Its foundations are as unstable as Republican principles. One or two more slides like those of recent occurrence and it might as well be abandoned. Its location was a blunder if not a crime. The next two years will determine whether it will prove a monument of national pride or of Republican extravagance. If it be the latter, the American people will visit their resentment upon the Republican Party and justly hold it responsible for rejecting the counsel of the best-informed and wisest statesmen of the hour, who plead for a different, indeed, for the only feasible and safe location.

There has been much weeping and wailing over the shipping-bill appropriation. Against it the sharpest witticisms and the most caustic sarcasms of the Senator from Pennsylvania have been directed. He knows, of course, that his party in its last platform declared for a merchant marine, as it has done for many years before, and he merely voices the protest of that platform against the shipping bill because it provided for the purchase and construction of vessels to be owned by the Government instead of giving their cost as subsidies to private interests as a reward for purchasing or building vessels of their own. To him and his party a subsidy is a sacred thing, because it enriches individuals. A Government-owned merchant marine is anathema, since no one is benefited but the people.

Indeed, Mr. President, the resolution of the Senator from Pennsylvania demanding the return of the revenue bill to the committee, with instructions to report an old-fashioned protection measure, discloses the real purpose, both of Republican criticism of the bill and its advocacy of preparedness. The latter has entailed an enormous added burden upon the taxpayers of the Nation. Revenues to meet this burden must be raised by taxation. Direct taxation is always unpopular. Any system which hypnotizes and then robs the individual, though more deadly, is far preferable to direct methods which never fail to provoke hostility and suggest political reprisals. Increased expenditures, therefore, tend to promote the protection spirit and lead to a return to the good old Payne-Aldrich days. What better platform, therefore, than PENROSE, preparedness, and protection?

The Senator from Rhode Island [Mr. COLT], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Minnesota

[Mr. NELSON], and others have joined the Senators from Pennsylvania and Utah in their cry for protection. Indeed, they would not only forgive but commend the Democratic Party for its alleged extravagances, if, forsooth, this would lead to a restoration of the Republican protective régime. And we are told that such should be our legislative policy, because the close of the war will find the nations of Europe clogged and overburdened with huge masses of merchandise manufactured during the period of war, to be dumped upon our shores at bankrupt prices to the ruin of our people and the dismantling of their industries Nothing they declare can prevent this save a wall of protection mounting upward far beyond anything heretofore dreamed of in tariff legislation.

Mr. President, such assertions are so absurd that it is difficult to believe them to be seriously made. No such good fortune awaits the American consumer. The labor of Europe for the past two years has been dying on the battle fields, fighting in the trenches, nursing the wounded, manufacturing and furnishing supplies to the living, tilling the fields, and absorbing itself in the far-reaching and terrible requirements of nations battling for existence. Their manufactories have been converted into huge creations for the production of munitions, and commerce is suspended during the period of conflict. The raw material of industry is exhausted in responding to the requirements of war. The loom and spindle have given way to the maker of shells and dynamite.

When the war shall have ended, the demand for American goods will be as great as now, and theirs will be the vacuum to which American merchandise will be inevitably directed. My only fear is that these exhausted nations may be wholly unable to pay for the goods they need, and that our foreign commerce will suffer from the poverty which war always inflicts upon victor and vanquished alike.

The fear entertained by the Senator from Pennsylvania that the products of pauper labor in Europe may overwhelm the American market increases as the pauper himself diminishes or becomes incompetent. They are killing and maiming each other by the million, yet are they more dangerous than before. But this danger is neither so direct nor so appalling as to suggest to the Senator the expediency of excluding him or his goods. On the contrary, the more Pennsylvania can secure foreign pauper labor free of duty, the more drastic the competition with the American wage earner, the better pleased are those whom he represents here. I have on various occasions during the past two or three years been attracted by some editorials of the Saturday Evening Post regarding this subject, and with the consent of the Senate, I here append them.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to is as follows:

[From the Saturday Evening Post, Philadelphia, June 21, 1913.]

THE TARIFF.

TARIFF AND TRADE.

According to the elaborate investigation made by the London Board of Trade three years ago, wages for skilled labor in the United States are 130 per cent higher than in England; and in the Canadian market England gets a tariff preference amounting to 33⅓ per cent. Any high protectionist who is true to the basic protectionist dogma that ability to compete depends upon the wage scale will tell you that under those conditions the United States can not possibly compete with England for Canada's trade. But the United States does compete, and with signal success.

Eliminating all those items in which we have a decided natural advantage over England—including breadstuffs, meat, mineral substances and manufactures of wood—and taking only articles as to which England is fairly on all fours with us, a Scotch investigator finds that our sales to Canada have increased 280 per cent in 10 years, while England's sales have increased only 138 per cent.

Of iron and steel manufactures, books and printed matter, boots and shoes, electric apparatus, brass manufactures, and like articles—which England, paying less than half our wages, should theoretically make much cheaper than we can—we sold Canada last year more than a hundred million dollars' worth, while England sold only $16,000,000 worth. On the other hand, England can take our cotton, make it into cloth, and beat us selling the cloth to Canada; and of textiles as a whole, England sells Canada four times as much as we do.

The tariff has nothing to do with it. The wage scale has comparatively little to do with it. Ability to compete—that is, to make goods cheaply—depends upon the efficiency of the labor. Where our labor is most efficient, as in machinery, agricultural implements, and so on, we beat England in spite of a much higher wage scale. Where English labor is most efficient she beats us.

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[From the Saturday Evening Post, Philadelphia, Aug. 2, 1913.]

THE LESSEN OF OUR EXPORTS.

The Dingley tariff act was passed 16 years ago this summer and the Payne-Aldrich act changed it very little. Since that time our exports have risen from one billion dollars to two and a half billions; but exports of foodstuffs, whether crude or wholly or partly prepared for use, have actually decreased. Of manufactures, excluding wholly or partly manufactured foodstuffs, we exported $310,000,000 worth 16 years ago; but in the fiscal year just closed we exported decidedly more than a billion dollars' worth.

In the first year of the Dingley law foodstuffs amounted almost to one-half of our total exports. Last year they amounted to less than one-fifth. In 1897 manufactures were but little over one-quarter of total exports; they are now almost one-half. In exports of manufactures since 1900 the United States has gained 110 per cent, Germany 87 per cent, France 71 per cent, Great Britain, 69 per cent. All the other countries pay much lower wages than we do, yet in relative gains we decidedly beat any of them. Our exports of manufactures to Europe have almost doubled in eight years. We are selling the countries of North and South America practically three times as much manufactures as we did eight years ago.

These immense gains in exports of manufactures have been made under wide-open competition with every other country. We pay higher wages, meet all comers on an even footing, and pay the freight besides. In view of which the cry that a reduction of duties from the present 40 per cent level to about 30 per cent will ruin manufacturing in this country seems excessively absurd.

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MYTHICAL TARIFF BLESSINGS.

Most of the laborers engaged in steelmaking work 12 hours a day. A committee appointed by the stockholders of the Steel Corporation, headed by Stuyvesant Fish, pointed out the exhausting effects of 12 hours' daily labor in a steel mill, but at the recent annual meeting a resolution looking to the elimination of the 12-hour day was tabled.

The average earnings of laborers engaged in producing iron and steel are 22½ cents an hour, or about $16 a week when fully employed for 12 hours a day. At the same rate for an 8-hour day the men would earn only $10.72 a week, and they could not live on that. On the other hand, the Steel Corporation says it can not pay the same daily wage for 8 hours of work or even for 10, as it now pays for 12.

Volume 3 of the Government's investigation of the steel industry was recently published. It shows that in the production of pig iron labor constitutes only 6.4 per cent of the total cost; for the principal products of the steel mills it constitutes only 17.1 per cent of the total cost. Consequently, if labor were paid the same amount for an 8-hour day that it now receives for a 12-hour day, the total cost of producing pig iron would be increased only 2.6 per cent, and the total cost of producing the principal steel products would be increased only 6 per cent

Moreover, in English blast furnaces, under absolute free trade, the eight-hour day has been generally introduced, and employers find that it increases the efficiency of labor sufficiently to overcome the increased labor cost.

What benefit do our iron and steel workers actually get from a protective tariff?

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[From the Saturday Evening Post.]

LABOR ON THE FREE LIST.

Something disagreeable will happen to us, Judge Gary thinks, unless we "have protection against the cheap labor and the impoverished conditions abroad which are inevitable after the war."

The argument, as we get it, is this: With the discharge of millions of soldiers there will be much unemployed labor in Europe; wages will fall; low wages will cheapen manufactures; cheap manufactures will undersell American goods in this market, causing a fall in prices here, which will cause a fall in wages.

Therefore we should have a high protective tariff, so that competition of European goods can not cause a fall in prices here.

Meanwhile every port should be wide open, so that Europe's cheap labor—unable to get employment at home in making goods for the American market—shall pour over here and compete with domestic labor, thereby causing a fall in wages but not in prices.

We must have adequate protection against the results of cheap labor abroad, but not against the cheap labor itself. Over 8,000,000 immigrants came over here in the last census period. That their competition affected wages adversely is rather probable. If there is to be such a condition in Europe as Judge Gary suggests, we may be obliged to discard the Sixth Grade Guide to Rhetoric, upon which we have so far mostly relied in dealing with the immigration question, and go at it with arithmetic That will be a loss in some respects, because a constitutional inability to multiply two by two and arrive at the correct result will shut out some of the talent that has been devoted to the subject in the past.

THE TARIFF BOGY.

In this last fiscal year our purchases of foreign goods were smaller by $200,000,000 than in the year before, and at the end of the period commodity prices in the United States, as reflected by Bradstreet's index number, were the highest ever known. But in spite of that the country, our protectionist friends tell us, is being mysteriously ruined by the pauper labor of Europe.

The aforesaid labor is getting killed and maimed to an extent that appalls the world. The factories in which it was employed are increasingly disorganized by war. The capital behind it is being shot away at the rate of tens of millions of dollars a day. But those things were mere broken reeds to lean upon, unless we are further fortified against European competition by a very high tariff.

You might sink Europe in the sea to-morrow, and your true high protectionist would still go about pale and trembling, unless he had in his pocket the rabbit's foot of high duties to fend off the specter of pauper labor. A Europe with both arms in a sling and not a leg to stand on would still frighten him into gooseflesh unless he had the tariff horseshoe over his door.

So the tariff will, no doubt, be one of the issues of the next presidential election, and if the Republicans win we shall have another revision of it. The loudest champions of high protection do not want an intelligent tariff; they want a political one, with the usual logrolling. This is painful to contemplate; but as neither Democrats nor Republicans seem at all minded to take the tariff out of politics, there is probably no help for it.

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THE WRONG AND THE REMEDY.

Originally the common stock of the Steel Corporation was thinner than water but it is not now. The last annual report shows that, first and last, $600,000,000 of net earnings have been used for the purpose of solidifying the water. One hundred and seventy-five million dollars have been paid in dividends on the common stock. Four hundred and twenty-five million dollars of earnings have been appropriated for the purchase of additional property, for new construction, and for the retirement of mortgage liens—all to the benefit of the common stock.

Six hundred million dollars is far more than three years' full wages for every hand employed by the corporation. Last year, after deducting approximately $45,000,000 from earnings for ordinary re-

pairs and maintenance, the corporation further deducted twenty-two millions for extraordinary replacements and twenty-five millions for common-stock dividends. These two sums—applied to strengthen the common stock—would have increased the pay of every employee, from the president down, by 25 per cent.

That common stock issue was an economic crime. It puts a perpetual handicap upon higher pay, shorter hours, and lower prices; but any corporation is still at liberty to issue all the common stock it pleases—if not in one State, then in another. Here is a very tangible trust evil that legislation can easily cure. Why does not legislation go about it? The wrong is patent; the remedy at hand. We should rejoice to see one practical step taken by the Federal Government on this trust subject.

Mr. THOMAS. They graphically illustrate the well-worn and well-known truth that wages and labor cost are as distinct and different as the hills from the valley. The highest wages are frequently the attendants of the lowest labor cost, the most signal and successful example of which is furnished by the Ford Motor Co., which pays the highest wages and sells the cheapest product of its kind to be found in the markets of the world.

The Senator from Utah has of late been harping frequently upon what he is pleased to term "the Democratic deficit." It is true, Mr. President, that the dislocation of our revenues by the rude hand of war, coupled with our enormous increases of expenditures almost entirely due to the new program of preparedness, has made the financial problems of this administration a matter of constantly increasing difficulty. We will meet the situation, nevertheless, as we have met others equally embarrassing and difficult since our accession to power. But, Mr. President, the charge that Democratic administration means deficiencies in revenues, and that Republican administration means the contrary, is like many other things asserted here of late—entirely without foundation. At the end of Mr. Cleveland's first administration the Treasury was swollen with an enormous surplus. In February of 1893, President Harrison found himself at the close of his administration facing a very serious deficiency. Bonds covering this deficit were ordered and had been lithographed, when the administration decided not to use them, but to pass the situation on to Mr. Cleveland again. The financial difficulties of his administration are fresh in the public recollection. These instances are sufficient to refute the reflection cast upon Democratic financial administration by Senators who can not plead ignorance of them.

The Senator from Pennsylvania has on several occasions charged that more than 30,000 names have been added to the roll of Government employees under the administration of President Wilson. The statement has been refuted by the official declaration of the Civil Service Commission, which declares that its jurisdiction has been enlarged so as to include about that number of added positions, and that the real increase in the number of employees so named has been negligible. This refutation, however, does not concern the Senator, who, having heard the statement, persists in its repetition. Like his distinguished leader, he is looking for an issue, and seems content to find it in petty criticisms having no excuse or foundation in actual fact. I might retort by reminding the Senator that during the administration of President Roosevelt the Federal civil service was almost doubled in number. This, however, would be regarded by the Senator as an evidence of honest Republican activity. It is only the employment of Democrats which excites his resentment or arouses his wrath. Like Mr. Hughes, he would have none but Republicans on guard, since to remove one or even to fill a new position with a man of another political faith is conclusive evidence of governmental incapacity.

I have been both interested and amused by Republican criticisms of the President. The Senator from Iowa denounces him for dictating legislation. The Senator from Pennsylvania echoes the denunciation. He goes further and criticizes the President for coming to the Capitol at all. He prefers the old way of going to the White House when ordered. Other Senators declare that the leadership of the President is the leadership of a dictator; that Senators have surrendered to his domination and carry out his orders with dispatch. The junior Senator from New York, on the other hand, seriously criticizes us for not regarding the President's wishes concerning income and revenue. He declares that we have refused to adopt a single item of revenue resource to which the President directed our attention in his annual message in December last. And the Republican candidate for President declares Mr. Wilson to be inapt and vacillating. Between these varying and wholly irreconcilable criticisms, each may take his choice. The fact remains that the President in the exercise of his undoubted prerogative has exerted a proper and a wholesome influence in legislation; that his leadership has been respected and recognized, and that in all that he has requested he has been in accord with Democratic sentiment and Democratic purpose.

Just here let me ask our Republican friends a few questions. They assert with apparent confidence their abiding conviction of Republican success in November. It is fair to assume that in such an event they will formulate a legislative policy in harmony with their oft-repeated announcements. I venture, therefore, to ask the following questions:

If the Republican Party is restored to power, will it reenact the Payne-Aldrich bill or its equivalent? To this it is but fair to request a categorical answer. Will it abandon all rivers and harbors legislation? You have denounced the Democracy for the enactment of the recent rivers and harbors bill, albeit the bill received the active support of many Republican Senators, while the legislation itself originated with Republican administrations. Will you repeal the income and inheritance tax laws or modify them; and if so, in what direction? Will you abandon the policy of flood control, a policy which you expressly declared for in 1912? Will you repeal the seamen's bill, which you have denounced as destructive of the remaining vestiges of our merchant marine, although you indorsed just such a bill in your platform of 1912? In view of your criticisms during the past three weeks, these questions are pertinent and demand immediate consideration.

Mr. President, we have been reproached with abandoning all, or the greater part, of our convictions regarding tariff laws because we advocate and stand for a tariff commission. It has been said that our demand for such legislation recognizes the soundness of the Republican doctrine of protection, and accepts that doctrine to the exclusion of our convictions in behalf of "tariff for revenue only." This is strange doctrine coming from Republican lips. It is quite true that the suggestion of a tariff commission is unwelcome to some Democrats, as it was a few years ago unwelcome to practically all Republicans. And it is also true that many Republicans and some Democrats now apparently supporting the proposition are at heart thoroughly unfavorable to it. President Taft's suggestion of a tariff commission in 1909 hardly received respectful consideration. Mr. Aldrich disdained it, the interests which he represented rejected it, and none was heard to do it honor. The Tariff Board of 1911 was wrung from the reluctant hands of the Republican Party by the demands of the people, voiced through the action of Democrats and Progressive Republicans. It was opposed and derided on this floor in 1911 by Republican Senators like Hale and Heyburn, and a vote upon the measure was forced by the Senator from Iowa [Mr. CUMMINS], who declined to consent to a vote on the Lorimer resolution until a time was fixed for voting upon the bill for creating the Tariff Board. The regular and stand-pat Republicans did not want it then, and do not want the commission now. They take it because they are forced to, and try to make a little capital out of the fact by falsely accusing Democrats of abandoning their principles by advocating it.

Mr. President, Democracy lives and learns, for it is progressive. I became an advocate of a tariff commission as a result of my experiences on the Finance Committee in 1913. In my consideration of the tariff measure of that year, I derived more substantial benefit from the incomplete and fragmentary report of the Tariff Board of 1911 than was available from any other source. I became convinced that a body of well-informed men actuated by no partisan motive and devoted to an examination in all its phases of the intricate problem of impost duties could do more to lift the subject of the tariff from the low level of politics and relieve the people of the country from the incubus of political controversy and recrimination than all the statutes we might enact upon the subject in half a score of years. I have been advocating a tariff commission ever since, and shall not be content until one is provided for and appointed. In this connection, I beg to read into the RECORD a letter from the late James J. Hill, which so fully represents my views that I submit the subject without further comment:

THE MOST IMPORTANT ECONOMIC ISSUE BEFORE THE COUNTRY TO-DAY.

[A letter from Mr. James J. Hill.]

ST. PAUL, MINN., *October 1, 1915.*

To the EDITOR OF THE ECONOMIC WORLD.

SIR: I have received your letter requesting my views on the importance of a nonpartisan tariff commission. It must be evident to every thoughtful person that this is the only wise, just, and permanent solution of the tariff question.

The same persons who were certain, a little more than a year ago, that the tariff had been adjusted for many years to come declare now that it must be changed to suit changed conditions. Revenue needs call for it. New industries have been established here in fields that we had not before entered. Old industries find themselves in new situations. And while the war has magnified these changes so as to make them visible to all, they are only enlarged copies of changes that take place every year, in peace, through the variation of conditions of production and exchange.

Only a permanent body can cover needs continually arising, and only a body of experts can know what treatment they require. It is fairly certain that, in the profound and world-wide changes in commercial and

financial intercourse which will follow the close of this war, all tariffs must be remade. Certainly our greatest, possibly our last, opportunity to fit our tariff scientifically to our business needs will be lost if it should continue to be the stock in trade of politicians and the sport of selfish interests. The creation of such a tariff commission as has been recommended, with power to act, is by far the most important matter with which the country has now to deal.

Yours, very truly,

JAMES J. HILL.

[The tariff commission proposal referred to by Mr. Hill in his characteristically forceful style in the foregoing letter is that outlined in a pamphlet issued by the Tariff Commission League, First National Bank Building, Chicago. We understand these pamphlets are obtainable upon application to the headquarters of the league.—Editor.]

Mr. President, the first session of the Sixty-fourth Congress is about to close. It has been a long and a most important one. For what it has accomplished, the Democratic Party is entirely responsible. We submit its splendid record to the people with full confidence that it will receive their approval, and that the Democracy under the leadership of its great President will be given by an overwhelming majority a renewed lease of power.

Mr. GALLINGER. Mr. President, I am under obligations to the Senator from Pennsylvania [Mr. PENROSE] for yielding to me a few minutes of time before he concludes his interesting speech, which he commenced some hours ago.

The most extraordinary and misleading speech of the Senator from North Carolina [Mr. SIMMONS] will go to the country for what it is worth.

The people in the factories and on the farms are thinking to-day as they never thought before. They know that our increased exports are largely due to the existence of the horrible war in Europe. Everybody knows that we have been exporting enormous quantities of war munitions, and, in addition to this, the export trade of many of the European countries has been entirely suspended, thus opening new markets to the people of the United States, which will terminate when the foreign war closes.

The people know all this, and Democratic oratory can not change that fact.

Mr. President, Thomas O. Marvin, secretary of the Home Market Club, has contributed some suggestions about the Democratic revenue policy which are worthy of careful thought. Among other things, Mr. Marvin truly says that in his first inaugural address Thomas Jefferson referred to "the throes and convulsions of the ancient world" and declared that "it was not wonderful that the agitation of the billows should reach even this distant and powerful shore." Among the essential principles of our Government he mentioned "peace, commerce, and honest friendship with all nations, entangling alliances with none."

These words were spoken on March 4, 1801, and nine months later, in his first message to Congress, December 5, 1801, although the foreign situation still interfered with the revenues of the Government, President Jefferson assured Congress that "there is reasonable ground for confidence that we may now safely dispense with all the internal taxes, and that the remaining sources of revenue will be sufficient to provide for the support of the Government, to pay the interest of the public debts, and to discharge the principal within shorter periods than the laws or the general expectation had contemplated."

The principles of Federal taxation laid down by Jefferson in his inaugural address and messages to Congress are in sharp contrast with the methods employed to-day by the party in power. Jefferson looked forward with confidence to dispensing with all internal taxes. His followers, now in control of the Government, recklessly increase internal taxation beyond anything ever known in this country.

Jefferson believed that the revenues of the Government should be raised by customs duties. Many of his followers to-day would abolish the customhouses, and the Democratic Party, in the face of extraordinary need of revenue, keeps on the statute books the lowest tariff law in a hundred years. It has gone as far as it dares in suppressing customs duties, a policy which, as Jefferson said, "gives advantage to foreign over domestic manufacturers."

Other countries are increasing their tariff duties, affording protection to their industries, and making foreigners pay for the privilege of doing business in their markets, even Great Britain contemplating resorting to a tariff law at the close of the war. But our Congress, as at present constituted, refuses to provide adequate duties to protect the industrial interests of the United States.

Mr. Marvin wisely suggests that with the world facing conditions unprecedented in history, with the keenest struggle of all time approaching for control of the world markets, our Congress leaves unamended the lowest tariff law which we have had in a century and calmly invites foreign manufacturers to exploit our markets when the war ends.

In an editorial on "Preparedness against the next war," the New York Herald, August 24, 1916, said:

The next war will be commercial, brought on by the struggles of nations now belligerents to rehabilitate themselves industrially. Unless we have an adequate protective tariff, American manufacturers and American labor will be its victims. The overshadowing issue of the present campaign is, Which candidate and which political party are best equipped to meet this great business problem? At bottom it is a tariff issue.

Mr. President, that declaration from so influential and widely circuated a newspaper as the New York Herald, not Republican in politics, ought to engage the attention of every thinking man in the United States.

Beyond a question the next war, so far as the United States is concerned, will be an industrial war, and unless we are prepared to protect our own markets, the best markets in all the world, against the aggressions of foreign nations we will suffer consequences too serious to be calmly contemplated at this moment.

Jefferson declared that agriculture, manufactures, commerce, and navigation are the four pillars of our prosperity, and he said to Congress in 1801:

If in the course of your observations or inquiries they should appear to need any aid within the limits of our constitutional powers, your sense of their importance is a sufficient assurance they will occupy your attention.

It is a pity that some men with Jefferson's influence in his party did not say to the Democratic Congress of 1916:

Agriculture, manufactures, commerce, and shipping are the pillars of our prosperity; study their needs, inquire into all of the conditions confronting them, and if they need aid back them with all of the power of the Government.

The importance of these "pillars of our prosperity" has made no impression upon the mind of the President and upon the minds of those who control our Congress, and not even the upheavals of the world's greatest war draw from Congress any sign that affords assurance that they even will occupy its attention so long as the present party control continues.

Instead of shaping the revenue policy of the Government along the lines recommended by the founders of their party, the present Democratic Congress has ignored the revenue opportunities in a wise increase of customs duties, but has resorted to an unprecedented increase in internal taxation, a method of taxation which Jefferson said 115 years ago might wisely be dispensed with.

The condition of the Treasury, the extravagance of appropriations, and the revenue needs of the Government make it impossible to carry out in full the Jeffersonian theory, but his party has drifted far from his teachings when it so completely ignores the raising of revenue by import duties as it does in the bill we are now considering and resorts almost entirely to internal and direct taxation.

To tax wealth its fair share of the benefits of Government is just and equitable, but to leave the producers of wealth, in factory or on farm, unprotected from destructive competition is neither just nor equitable.

It is from productive enterprises that capital is accumulated. Capital is necessary to the development of agriculture, manufacturing, and commerce. It is from the profits of well-conducted enterprises that new enterprises spring, enlargements of plants are made, and increased employment is provided for labor. Confiscatory taxes on production strike a death blow at national development and progress. Such taxes if imposed and continued will mark the end of the accumulation of American capital. They will mark the end of business expansion and rob labor of its opportunity of gainful employment. No proposition so un-American in its spirit, so destructive in character, so damaging to American business prospects, and so dangerous to national welfare has ever before been presented to the Congress of the United States.

Senators, this is not an ordinary revenue measure; it is a program of practical confiscation and a notice to American business men that profitable enterprise is not to be permitted if those in control of the Government can prevent it. If the Democratic revenue policy becomes an established fact in this country, it means the destruction of the Republican protective policy and the opening of our splendid markets to all the nations of the world, which will be, to again quote Jefferson, "a strange speculation." That condition may be imposed upon the country by the present Democratic administration, but if so it will not long continue after the Republican Party resumes control of the affairs of the Government after the 4th day of March next.

Mr. PENROSE. Mr. President, it is not my purpose to answer in detail, and in fact I did not rise to answer at all, the statement of the chairman of the Finance Committee made this afternoon. It will be sufficient for me to refer to the fact that in

the preliminary part of his statement he rolled with the usual gusto under his tongue the epithets "special interests" and "predatory interests" and other time-worn and threadbare campaign phrases as applied to Republican economic policies.

I recall, Mr. President, the spectacle presented in the Senate the other day when the paragraph relating to the taxes on munitions was under consideration. When the paragraph imposing a tax upon the component parts entering into munitions was reached we beheld the remarkable spectacle of the Senators representing the special, shall I say predatory interests, copper interests and the cotton interests of a number of States in the South and the lead and zinc and lumber interests scurrying to cover, having notified the Democratic caucus that they would rather defeat the bill than have the burdens of direct taxation imposed upon the special interests which they represented in this body.

Cotton particularly, a sensitive matter with many of my colleagues in this Chamber whom I esteem most highly, entering as it does to the amount of 68 per cent into every 100 pounds of explosives manufactured and sent to the belligerent nations in order that they may destroy each other, was too sacred a subject for the sacrilegious hand of the tax gatherer to touch.

So I had hoped that we had heard for the last time this cheap invective applied to Republican policies and Republican leadership suggesting identity with so-called special interests, a myth conjured up during the campaign and unworthy of employment or reference in this Chamber in a serious discussion of a revenue measure, particularly after the impressive spectacle which we all witnessed and to which I have referred.

I might almost make another reference, before leaving this branch of the subject, to that impressive warfare which we witnessed between California, New Jersey, and Ohio, in which California tried to put it over on New Jersey, to use a slang term, when the wine tax became solely and exclusively an undisguised controversy in the Senate regarding the special interests of those localities.

Mr. HUGHES. Mr. President——

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

Mr. PENROSE. I do.

Mr. HUGHES. I do not know whether the Senator is serious or not, but I want to explain to him that the interest in the State of New Jersey is so slight that I would be ashamed to insist upon any particular reference to it. What I was trying to do was to do justice to the industry no matter where it was located.

Mr. PENROSE. I will absolve the Senator from any but the loftiest motives in his course, but I have no particular reference to him, and I am rather surprised that he should be so sensitive as to think that I had him at all in mind, although I can not help contemplating his distinguished appearance here in the Chamber extending to me the compliment of listening to the remarks which I am making. But clearly it was a controversy between the eastern wine growers and those on the Pacific slope, a controversy which to my mind was not calculated to elevate our opinion of human nature as exhibiting the qualities of fair dealing and equality and uniform treatment, particularly when we came to consider the details of the wine paragraph in the House bill and as it was amended in the Senate and the speeches made upon both sides of the controversy.

Then, further, Mr. President, the chairman of the committee proceeded with those equally time-honored and somewhat worn arguments—which, I confess, I am tired of hearing and tired of replying to or even noticing—in expatiating upon the remarkable prosperity which the country has enjoyed during the last three years. How anyone in his senses can take any satisfaction out of a prosperity which is born of a war condition in Europe is almost incredible to me, unless it is an assumption of courage, a whistling in the dark, or a declamation for campaign purposes, because we all know that the country was on the verge of a great industrial crisis prior to the war in Europe, despite what figures you give. We know that it was a fact staring us in the face and, in the opinion of every sane man, conditions still more disastrous will confront us when the war in Europe draws to a close. If the Democratic Party can find consolation out of the innumerable figures showing exports and imports and industrial output during the war in Europe, I will leave them to the happy hallucinations of their fancy, knowing that when the awakening comes it will indeed be a rude one and will terminate their control of governmental affairs in the United States for aonther generation.

What about the munitions taxes? Mr. President, of course they will go harmoniously on so long as the taxes are only imposed upon a few of the higher manufactured products, which are chiefly from Bridgeport or Philadelphia. After carefully exempting cotton, copper, zinc, lead, and lumber——

Mr. SMITH of Georgia. Mr. President, the Senator from Pennsylvania has omitted steel billets—shrapnel steel. They also were included in the exemption.

Mr. PENROSE. I would just as soon have steel billets taxed as any of the other articles that are taxed.

Mr. SMITH of Georgia. I mentioned steel billets as one of our great southern industries, in Alabama.

Mr. PENROSE. Yes. I will put that in. I forgot about that. I have no doubt the Senator from Georgia carefully looked after steel billets also. He is an attentive and diligent Senator.

The munitions tax, Mr. President, is sectional; it is ununiform; it is of doubtful validity; it is of questionable legality. In my opinion, it will fail to produce anywhere near the amount of revenue expected, and it is objectionable in many other ways. It has no analogy to the munition tax imposed by foreign Governments during the present war, because such munitions were sold to the Governments themselves, while our munitions are sold to belligerant nations abroad. It might be claimed to be an evasion, therefore, of the constitutional inhibition against taxing exports if it is to be considered from the point of view of taxation on such exports; but if it is not a tax on exports, and is a direct tax similar to other direct taxes now embodied in the law, then it clearly constitutes a double tax, since the manufacturing corporations involved in the munitions tax already pay one Federal tax on earnings and will continue to pay one Federal tax upon increased earnings due to whatever profit they may make out of munitions. If we are disposed to go further into the theoretical aspects of the munitions tax, it might be argued with some plausibility that such a tax will affect our neutrality. A neutral Government does not protect trade in contraband. It can not engage in it itself. It is merely relieved of the expense of suppressing it. If the Government tried to turn it into a source of revenue it might well be argued that the Government might lay itself open to a charge of such interest in the business as to make it a virtual partner. No candid person can deny that when the Government supplies its revenues from munitions sold to belligerent nations it becomes a partner in a traffic, which many Americans consider nefarious and objectionable, and even of a character that ought to be entirely prohibited.

The question naturally arises as to the definition of "munitions." We find "munitions" defined in the dictionary as follows:

> Whatever materials are used in war for defense or for annoying an enemy; ammunition; also stores and provisions; military stores of all kinds; hence necessary equipment or provision in general. * * *

This definition would seem to open the field to a much wider scope of taxation than is recognized in the pending bill, because that measure merely taxes gunpowder and certain high grades of manufactured arms and ordnance. The "munitions" referred to in the bill constitute but a small percentage of the total exports for use by the belligerent nations. The official reports show that there have been more than $3,000,000,000 of munitions of war, as defined to be material and provisions used in war, exported from this country direct to the war zone in the last two years. Why was not this enormous sum of money levied upon, instead of the very much smaller sum of several hundred million dollars' worth of the munitions described in the bill? Why are not these $3,000,000,000 worth of exports levied upon to procure ample revenue for the needs of the Government? They are accessible and available.

In these exports are included canned meats, army rations of various kinds, shoes, stockings, harness, saddles, blankets, kerosene, gasoline, acids, alcohol, locomotives, parts of submarines, range finders, stamped metal military equipment, swords, bayonets, bromine and other military gases, barbed wire and other products of iron and steel. Horses to the value of $128,872,000 and mules to the value of $31,186,000 have been exported for military purposes from the State of Missouri and from other States in the southwestern part of the country.

There need not be any guesswork about the articles which have been furnished the belligerent nations, and which have been just as necessary to the conduct of the war as ordnance and gunpowder made in New Jersey and Pennsylvania, even if they do come from the sacred borders of Missouri and other Western States.

Through a dispatch dated April 20, 1916, from the American consul general in London, there has been transmitted the British contraband list. I believe that since this was issued, other contraband lists have been issued in the various White Books and other diplomatic publications of our own State Department;

but I need not burden the RECORD or detain the Senate any further than to call the attention of the Senate to the dispatch dated April 20, transmitting the British contraband list as of that date. It comprises the articles which have been declared to be absolute contraband, as well as those which have been declared to be conditional contraband. Among the articles found on the list are: Animals, saddle, draft or pack, suitable, or which may become suitable, for use in war; cotton, raw; linters, cotton waste, cotton yarns, cotton piece goods, and other cotton products capable of being used in the manufacture of explosives; clothing and fabrics for clothing suitable for use in war; foodstuffs; forage and feeding stuffs for animals; harness and saddlery; hides of cattle and horses; leather belting, hydraulic leather, and pump leather, and all leather undressed or dressed, suitable for saddlery, harness, military boots, or military clothing; military wagons and their component parts; vehicles of all kinds, other than motor vehicles, available for use in war, and their component parts; together with a long list of other articles, containing a large number of chemical products used in war. All of these articles are just as essential—mules, horses, clothing, and cotton—as are the rifles and the shrapnel made in Connecticut or in Pennsylvania.

I have here, Mr. President, the telegram of the consul general of the United States at London, dated June 29, 1916, calling attention to a proclamation dated June 27, supplementing previous contraband proclamations and putting a few minor articles on the list in addition to the British contraband list of date April 20, 1916, which I ask to have printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to will be found in the appendix of Mr. PENROSE'S remarks.

Mr. PENROSE. That contraband list, Mr. President, is a list of the articles which should have been subject to taxation had there been a fair spirit to tax everything furnished the belligerents and not to select a few articles that did not worry anybody in particular except in a few Republican States and put the burden upon them.

I know that there is little or no restriction on the part of Congress in any of the provisions of the Constitution regarding its power of taxation. That taxation should be uniform, to the best of my recollection, is about the only restriction; yet, Mr. President, whatever interpretation the courts have put or may put upon the word "uniformity," it is certainly neither geographical uniformity nor uniformity of any other kind or from any other point of view, when the munitions and contraband of certain sections of the country are singled out for taxation, while the vast bulk in money value of the material furnished to the belligerents is left untouched as in the pending revenue measure.

The tax, I suppose, is levied on munitions on the theory that enormous profits are being made, and it is only upon such an assumption that we can find a pretense to justification for the very remarkable way in which the tax is levied in the House bill on gross receipts.

Mr. President, was there ever a greater evidence of incapacity, was there ever a greater display of ignorance of the fundamental principles and technicalities of taxation, than when the House passed a bill levying a tax, a very heavy tax, upon the gross receipts of those engaged in the production of very highly manufactured articles? Why the mere fact, Mr. President, that such a monstrous effort was made is proof conclusive of the incompetence of the original framers of this measure.

A tax on gross receipts finds some precedent in legislation, but it has generally been levied upon a raw material or upon an article where there was an ample margin between the tax and the well-known profits, but here is a tax, it is true, amended in the Senate, but as proposed by the House, representing the economic and fiscal wisdom of the Democratic leadership in that body, in the Treasury Department, and in the Executive Mansion, levied upon the gross receipts of a business which has, as a matter of fact, proven hazardous and in some cases unprofitable; in fact, I think it is no exaggeration to say that a large majority of the manufacturers who went into the munitions business have not fared well; many have gone into bankruptcy, many more have made no money at all, some have made a fair profit, and, of course, a very few have made good profits. Taking it all in all, it is only stating the truth to say that there has been comparatively a small amount of money made by the manufacture of munitions of war in this country.

When American capitalists and manufacturers went into the business, the impression widely prevailed throughout the country that the profits were likely to be enormous. Experience has shown, Mr. President, beyond any question, that the contrary has been the fact. Its benefits have been mostly in the way of giving workingmen large wages and keeping plants running day and night, and promoting industrial prosperity, which, had it not been for the war in Europe, would not have existed in this country. When the manufacturers went into the business they, of course, had no warning or intimation that they were to have to pay to the Government a tax on contracts which were made without any consideration of such a possibility. Moreover, wages have gone up to an extraordinary degree and to an extent never contemplated. I know of concerns, in Pennsylvania, Mr. President, by way of illustration, which are paying $10 and $11 a day for labor of the most ordinary character, labor which under normal conditions would get $1.50 or $2 a day or $3 a day at the most; but, in order to fulfill their contracts, they had to have the labor, and so they are paying these enormous wages for labor, as I have said, of the most ordinary kind and of no especial skill, in the making of munitions.

Materials have also increased in price, and the inspection of foreign governments has become more rigid with every month, and particularly as the ability to produce munitions in the several belligerent countries has developed and there is much less need to rely upon the American manufacturer.

When the war broke out, many of the belligerent nations, or all of them perhaps, with the exception of Germany, were largely unprepared. They had to have munitions from the American manufacturer at any price and under any conditions. The consequence was that they were anxious to take from us, with a very lax inspection, arms and ordnance hastily turned out by unskilled workmen at any price and in any shape. Those conditions now are entirely changed. The belligerent nations have established their munitions plants, mobilized their industrial establishments, and are making their munitions for themselves, and many of the contracts which they have made in the United States they would only be too glad to get an excuse to get out of. However, inspections which were never thought of six months or a year ago, are now imposed with a heavy hand on all these munitions plants. These manufacturers, therefore, have gone into a hazardous business, in which they have either lost money—and I say this advisedly, Mr. President, and in all seriousness—or only made a reasonable profit, with certain exceptions, but with two very beneficial results to the country at this time: They have given employment at good wages to thousands of workingmen and they have established in the United States a series of plants and developed many thousand skilled workers in the making of munitions which will be of invaluable assistance to the Government in connection with the preparedness program.

I say, without exaggeration, Mr. President, that the facts I have stated above will come out clearly when the officials of the Internal-Revenue Bureau come to ascertain the net earnings or profits of these munition industries; and I have no hesitation in making the statement, and no apprehension whatever but that I will be vindicated in it, that the tax will be vastly disappointing in the amount received, and will rapidly disappear as the manufacture of munitions gradually subsides and vanishes in this country, as it will within the next six months or a year.

Mr. President, I shall not refer at length to the special taxes, including stamp taxes, that are carried in this bill, many of them oppressive and unpopular, in the existing so-called emergency-tax law which the pending revenue bill was originally supposed to have repealed entirely.

In view of the unbridled extravagance which has been previously referred to, in which millions of dollars have been squandered for all kinds of ill-advised and unnecessary projects, it would seem inevitable that when the people realize for what questionable purposes they are being subjected to these direct taxes their resentment will be intensified. For the Federal Government, making appropriations for enormous amounts, actually to go into the bowling alley or the billiard room, places of amusement for the plain people, and levy its tribute of $5 on each alley and $5 on each table, seems to me to be barbarous, unjust, and unnecessary.

Another illustration of the almost incredible crudity which seems to have pervaded the mental processes of the framers of the bill in the House is shown in the tax on theaters, amusement and concert halls. This bill as it came from the House actually places a direct tax on the gross receipts of theaters in cities over a certain population. It is difficult to imagine the lack of knowledge of practical affairs or experience with social conditions throughout the country which must prevail when a tax is proposed on the gross receipts of a theater. In the first place, these theaters, even where it is a direct tax of $25 or $50 or $100, are already burdened by taxes. City, State, and county all tax moving-picture shows and the little theaters in many of

the States of the country. I know that in Pennsylvania the tax is already so burdensome that every year numbers of little moving-picture shows, furnishing occupation to the owner, his wife, and his children, and a fair living to them from it, maintained in a small town and furnishing educational features to the people of the village, have been shut up as the result of Pennsylvania direct taxes; and what will happen when the heavy hand of the Federal Government is imposed on them in addition?

As I was saying, Mr President, it does seem incredible that the House should ever have contemplated making this a tax on gross receipts. This method of taxing gross receipts is a new theory in financial legislation. If followed out, and if the Senate had not amended the bill, it would prove a genuine hardship to every theater manager in the country. Many of these theaters in Pennsylvania, I know, are run at a loss. The buildings can not be used for any other purpose than that of a theatrical entertainment. A tax so large as the last emergency tax, as I have said, closed motion-picture theaters in every State in the Union.

I shall only refer in passing to the taxes on tobacco and wines and liquors. These will produce but a small amount of additional revenue in a bill which will be totally unequal to raising sufficient revenue to meet the inevitable deficit in the public revenues.

It can be shown that money for sufficient legitimate preparedness in excess of ordinary appropriations could have been raised and saved without resort to these unnecessary taxes imposed in the pending bill. As large as are these proposed taxes, estimated at $197,000,000 in the House bill and, I believe, $205,000,000 in the bill as amended by the Senate for the fiscal year, and some $250,000,000 when the law is in full operation, this amount will be inadequate to meet the additional demands on the Treasury on account of appropriations for ill-advised projects, concerning which, at least, there was no urgency, and for the appropriations for preparedness, even though $125,000,000 should be deducted for the expenses of the Army in Mexico on account of the proposed bond issue.

In stating the amount expected to be produced by the bill I have taken the estimates of the Ways and Means Committee. I do not, however, agree with that estimate. In my opinion, it is extremely doubtful whether the estimated amount that this bill will raise will be realized. The tax from munitions is overestimated. Already establishments turning out munitions have announced fulfillment of all orders and no new contracts; hence this source of taxation is apt to diminish henceforth. Moreover, the war in Europe necessarily will come to a close sooner or later, and then this source of revenue will disappear entirely. If the tax is changed from a percentage on gross receipts to a percentage on net profits, the tax will be disappointing to the framers of the bill to a very much larger extent, because as soon as the effort to ascertain net profits of munition manufacturers is made the remarkable facts will be disclosed, doubtless to the astonishment of many persons, that many of these munition manufacturers have made very small profits, and some have worked at a loss, as I have already explained

Additional taxes on wines, experience has shown, will not bring a proportionate increase of revenues, because it will diminish the consumption of these beverages. There is a point at which whisky or wine can be taxed which is the point of highest revenue. A higher rate simply encourages illegal distilling and other violations of the law or reduces the consumption of articles of luxury like wines.

Any estimate on the death dues must necessarily be problematical. Taking it all in all, the estimates will have to stand the test of the present fiscal year.

It is difficult to ascertain the actual condition of the Treasury at the close of the fiscal year on the 30th of June last. No one outside of the confidence of the Secretary of the Treasury can become fully advised as to the financial situation. The House Committee on Ways and Means, in its report on this bill, accepted the figures of the Treasury Department statement that the net balance in the general fund was $177,000,000; the committee estimates that $197,000,000 additional revenue will be derived from the pending bill. They then propose to deduct $69,922,000 from the general fund referred to, which, added to the amount of additional revenue estimated under the pending bill, would make up a total of $266,922,000, which the committee estimates as the additional receipts required for the fiscal year 1917.

Of course, in giving these figures as I have done and in giving those which I now intend to give, they must be subject to modification within narrow margins on account of changes in appropriation bills and changes made here in the Senate in the revenue bill; but the figures are approximately correct, and it was impossible for me to change them from day to day as the Senate progressed in amending and developing the revenue bill. The final result will be conservative and far within the limitations which I will show in conclusion will be placed upon the deficit which will exist at the end of the present fiscal year in the United States Treasury.

The sum to which I have just referred—that is, the amount raised under the pending revenue law—and the amount taken from the general fund will be inadequate, as it will be seen upon a careful analysis of the available figures of the appropriations already made and of the estimated appropriations yet to be made at this session. In his statement to the House on June 28, 1916, the chairman of the House Committee on Appropriations stated that the grand total of appropriations for the fiscal year 1917, authorized up to that time, were $1,499,330,479.32. This amount is $384,393,467.30 in excess of the total appropriations for the fiscal year 1916, and, of course, since this estimate was made by the chairman of the committee appropriations have been considerably increased. There must be added $148,295,654 in the Army appropriation bill as reported to the Senate, $45,857,588 in the Navy bill passed by the Senate, and the amount to be carried in the general deficiency bill, estimated to be $17,000,000. These several amounts, for the Army and Navy and general deficiency, total $211,153,242.81, and, added to the total appropriations already made in excess of those of the fiscal year 1916, make a grand total of $595,546,710.11, or a total of appropriations for the fiscal year 1917 of $1,710,483,722.13. From this must be deducted the appropriations for the Postal Service, amounting to $322,206,579, leaving a net total of $1,388,277,143.13, or $273,340,131.11 in excess of the appropriations of 1916. The Post Office Department estimated that the postal revenues for the fiscal year 1917 would probably amount to $316,000,000, and the expenditure for the Postal Service $324,000,000. According to these figures, there will therefore be a deficit in the postal revenue to the extent of $8,000,000, and as the appropriations for 1917 for the Postal Service are $322,000,000, the deficit chargeable to the General Treasury will be about $6,000,000, which amount should be added to the obligations to be made during the fiscal year 1917, bringing the total excess appropriations for 1917 over 1916 to $279,340,131.11.

To the preparedness program may be charged $228,624,814.23 for the Army, $19,000,000 for fortifications and other works of defense, $166,164,978.67 for increase in the Navy, and $39,974,543.53 for deficiency appropriations for various military purposes, a total of $453,764,136.53. Of this amount it is proposed, doubtless after election, to finance $125,000,000 by bonds, estimated to be the amount made necessary by the Mexican performance. Deducting this $125,000,000 leaves $328,764,136.53 as the net sum of the appropriations for preparedness alone.

For purely domestic and peaceful objects the appropriations for 1917 in excess of 1916, estimated from available figures, is $45,000,000 carried in the regular annual appropriation bills, to which should be added $20,000,000 for the construction of a nitrate plant, $6,000,000 of the $85,000,000 authorized for good roads, $15,100,000 authorized by the land-bank bill, and $50,100,000 authorized in the shipping bill, a grand total of $136,200,000.

And in addition to these vast sums of money actually appropriated for the fiscal year 1917, contracts have been authorized, or are likely to be authorized, having passed the House, involving the stupendous total of $632,643,977, divided as follows: Navy increase, $480,192,027; in sundry civil act for contract obligations, $1,827,000; fortifications, $14,300,000; river and harbor act, $2,724,950; for flood control, $50,600,000; and for good roads, $79,000,000.

It is true that some of these authorizations will not be called upon during this fiscal year, but I am justified in citing them because they illustrate the reckless, lavish expenditure and the rapid gait at which the present Congress has traveled in the way of appropriating for expenses in the future, and this revenue bill will utterly fail upon its very face to meet the enormous requirements of appropriations and disbursements and authorizations for the future.

It will be recalled these authorizations binding the Government to future appropriations, together with the actual appropriations for 1917, aggregate the fabulous grand total of $2,347,127,699, authorized and appropriated during the present Congress.

And in this estimate of moneys actually appropriated from the Public Treasury or authorized by Congress, and to which the Government is committed, might be added such items, which up to within a few years would have been considered large, yet now seem insignificant, as are likely to be added during the

present fiscal year to the vast sum already mentioned. I refer to the public-building bill carrying $35,000,000, the item of some $30,000,000 for which the Government will be liable during the present fiscal year should the Supreme Court declare the refund provision illegal, possibly $25,000,000 for the Danish Islands together with innumerable and constantly appearing items disbursed with a lavish hand, such as high-salaried commissions for different purposes—a million here and a million there, all adding to the burdens of the people, the impoverishment of the Treasury, and the certainty of a growing deficit in the revenues.

Mr. FLETCHER. May I interrupt the Senator?

Mr. PENROSE. Certainly.

Mr. FLETCHER. I wish merely to suggest that whereas we hear a great deal about a public-building bill it ought to be understood and known that this is the first public-building bill that has been introduced since 1913. The last public-building act passed in March, 1913, under the Republican administration. During this administration a public-building bill has never been proposed until the present bill was introduced in the House.

Mr. PENROSE. Mr. President, I am not advised as to the merits of the measure. When the Republicans passed a public-building bill they were engaged in constructing the Panama Canal or in completing it out of the current revenues, and they were not talking about issuing bonds. They had an ample surplus in the Treasury and the country was prosperous.

In my opinion—I say it in all sincerity and without any exaggeration—the Federal Treasury is now bankrupt. I am not discussing the merits of these different measures; but I do maintain that we should have a little regard for the condition of the Treasury when we throw money right and left as we have been doing for the last two years. When I refer to their merits I should like to qualify my statement by adding that, in my opinion, many of them are of very doubtful utility. We have scores of commissions, and appropriations for floods and for other temporary matters, which I have no doubt aggregate considerably over $10,000,000, in addition to the larger and more permanent projects which I have already mentioned.

I have already stated that the estimate of the chairman of the House Committee on Appropriations on June 28 that the grand total appropriations for the fiscal year, authorized up to that time, for 1917, was $1,499,330,479.32. How rapidly the tide of lavish disbursements is rising, however, is illustrated by the fact that a few days afterwards, on July 5, 1916, the chairman of the Committee on Ways and Means estimated the total appropriations for the fiscal year 1917 would not exceed $1,579,000,000. This total includes, in the report aforesaid, $125,000,000 to meet the extraordinary expenses or disbursements occasioned by the "Mexican situation," as it is termed, caused by the mobilizing of the National Guard and the operation of troops along the Mexican border and in Mexico. In the opinion of the committee this and any other appropriations that may be necessary to meet the abnormal and extraordinary expenses which may be incurred on such account should be financed by bond issues. Thus the door is literally opened for bond issues to an unlimited extent, furnishing very evidently unlimited opportunities to cover up deficits in the revenues, notwithstanding the fact that the United States is in profound peace and the excuse of mobilizing the National Guard is made as a reason for bond issues, furnishing a convenient method for the jugglery of Treasury accounts and for peculiar bookkeeping to cover inadequate revenue.

The Ways and Means Committee in its report on the revenue bill estimated the excess disbursements over receipts for the fiscal year 1917 as $266,922,000, to be met by revenues under this bill of $197,000,000, the balance, $69,922,000, to be taken out of the general fund. This estimate falls short of the actual requirements for preparedness alone of $61,842,126.53, to say nothing of the revenue that must be raised to meet increased obligations for domestic purposes, amounting to $136,200,000. The Ways and Means Committee also estimated that the total appropriations for the fiscal year 1917 would be $1,579,000,000, from which the committee deducted $125,000,000 to be financed by bonds; $60,727,000 as the sinking-fund requirement; postal appropriations of $324,723,000, and 5 per cent as the balance estimated that will be unexpended—$53,428,000—or a total of $1,015,122,000 for which it is necessary to provide revenue. They estimate the revenue under the present laws at $748,200,000, or $266,922,000 less than the estimated disbursements. As a matter of fact the total of appropriations, even after deducting the amount required for the sinking fund and 5 per cent of the unexpended appropriations, leaves $140,000,143 in excess of the committee's estimates of the amount necessary to provide revenue, showing that this bill is totally inadequate for the purpose and that some other method must be employed.

If Congress had exercised economy by curtailing or refusing appropriations for needless projects, or projects that could well wait, such as a nitrate plant, land-bank bill, shipping bill, flood-control bill, and so forth, it is safe to say that from $175,000,000 to $200,000,000 could have been saved to the people during the fiscal year 1917. This amount, together with at least $100,000,000 which the Treasury has lost from custom duties under the Underwood tariff law, or nearly $200,000,000, as some estimate, aggregates an amount more than sufficient to meet the authorized expenditures for preparedness during this fiscal year.

In other words, Mr. President, economy and the application of the Government to the resources of the customhouse would have placed the Government in a position to have met all the requirements of military and naval preparedness.

The estimates of revenue made by the Committee on Ways and Means and the majority members of the Finance Committee in the Senate are as misleading and inaccurate as are the estimates of appropriations. Dependence is placed upon the daily statement of the Treasury. This statement showed an apparent balance in the current fund at the close of the fiscal year 1916 of $177,000,000. It will be noticed, however, by an examination of any of the daily statements of the United States Treasury that the amount to the credit of disbursing officers is carried as an asset and included in the net balance. Thus, in the statement referred to, the $59,000,000 above mentioned is carried as an asset. It should not only not be carried as an asset, but it should be deducted from the assets, which would reduce the apparent balance referred to in the general fund to $118,000,000. But, further, there is yet to be deducted $51,366,437.50 on account of national-bank note redemptions payable from the general cash in the Treasury. This amount still further reduces the general balance to $66,635,562.50. It should be remembered the Ways and Means Committee figures on $69,922,000 to be taken from the general fund to make up the balance necessary to meet excess disbursements for 1917. At the rate at which the general balance is disappearing, there will be no general balance, but more likely a deficit at the end of this fiscal year. On July 19 there remained but $24,000,000.

In the view of several prominent authorities items are also carried in the Treasury statement as assets which should be charged to liabilities, for example: Limited tender or unavailable assets, such as subsidiary silver coin, fractional currency, minor coin, and silver bullion; deposits in the Philippine treasury, which were always considered unavailable before the change to the present system was made last October; Treasury warrants; outstanding matured coupons; and interest checks. This latter item probably is offset by daily receipts in transit, but at the end of a month or the close of a quarter the former usually exceed the latter.

The difficulty of obtaining accurate information as to the condition of the United States Treasury prompts me to make the suggestion that Congress should put a stop to the practice of juggling with these figures and provide by law specifically as to how the daily Treasury balance and public-debt statements should be prepared. It is no exaggeration to say that if any bank official should attempt to present an account of assets and liabilities in the misleading way it is now being made the practice of the Treasury Department, he would very likely discover that he had involved himself quite seriously with the Secretary of the Treasury and the Comptroller of the Currency, if he had not incurred some of the penalties made and provided in such cases.

Mr. President, I know that the chairman of the Finance Committee is anxious to expedite a vote upon this measure and other Senators desire to be heard. If it should turn out that the bill goes over until to-morrow and time permits, I might continue my remarks. If it should be voted on to-day I will close and ask permission of the Senate to print a number of tables and statements which I have at hand.

The PRESIDENT pro tempore. Permission will be granted without objection. The Chair hears none.

Total of appropriations for the fiscal year 1917 carried by bills enacted or pending June 27, 1916.

Chairman FITZGERALD estimated		$1,499,330,479.32
Amount of appropriations for fiscal year 1916, including sinking fund and Postal Service		1,114,937,012.02
Excess for 1917 over 1916 to June 28, 1916		384,393,467.30
Estimated amount of additional appropriations in Army, Navy, and general deficiency bills:		
Army	$148,295,654.00	
Navy	45,857,588.81	
General deficiencies	17,000,000.00	
		211,153,242.81
Total excess of appropriations for 1917 over 1916		595,546,710.11
Grand total appropriations for 1917		1,710,483,722.13

Deduct appropriations for Postal Service, payable from postal revenues	$322,206,579.00	
Deduct for Mexican situation, to be financed by bonds	125,000,000.00	
Deduct sinking-fund requirement	60,727,000.00	
Deduct 5 per cent as unexpended balance	53,428,000.00	
		$561,361,579.00
Total appropriations after deducting above items		1,149,122,143.13
Add probable postal deficit		6,000,000.00
Net total appropriations for 1917		1,155,122,143.13
Contracts authorized additional to appropriations:		
Navy increase		488,192,027
In sundry civil bill		1,827,000
Fortifications		14,300,000
River and harbor act		2,724,950
Flood control		50,600,000
State aid for roads		79,000,000
		636,643,977
Add appropriations for 1917		1,710,483,722
Grand total of authorizations and appropriations		2,347,127,699
Appropriations for 1917 in excess of 1916 chargeable to the preparedness program:		
Army		228,624,814.23
Navy		166,164,978.67
Fortifications		19,000,000.00
Deficiencies		39,974,343.53
Total		453,764,136.43
Deduct for Mexican situation to be financed by bonds		125,000,000.00
Net total for preparedness		328,764,136.43
Appropriations for 1917 in excess of 1916 for new objects other than preparedness:		
Estimated in appropriation bills		45,000,000
Nitrate plant		20,000,000
State aid for roads		6,000,000
Land banks		15,100,000
Purchase of ships		50,100,000
Total		136,200,000
Ways and Means Committee estimate of appropriations for 1917		1,579,000,000
From which the committee deducted for:		
Mexican situation, to be financed by bonds	$125,000,000	
Sinking fund requirement	60,727,000	
Postal appropriations	324,723,000	
Five per cent unexpended balance	53,428,000	
		563,878,000
Balance of appropriations for which it is necessary to provide revenue		1,015,122,000
Ways and Means Committee estimate of revenue under existing laws		748,200,000
Excess disbursements, 1917		266,922,000
To meet which it is proposed to raise by revenue bill	$197,000,000	
Balance from general fund	69,922,000	
	266,922,000	
Total		1,015,122,000
Appropriations for 1917		1,155,122,143
Ways and Means Committee estimate of revenue under existing laws		748,200,000
Difference between this estimate and actual appropriations		406,922,143
Ways and Means Committee estimate of excess disbursements to be raised by taxation and from general fund		266,922,000
Difference between this estimate and actual amount necessary, or a deficit of		140,000,143

APPENDIX.

[Telegram received.]

LONDON, *June 29, 1916.*

SECRETARY OF STATE.
Washington:

Proclamation dated June 27, supplements previous contraband proclamations, as follows: "Following articles will be treated as absolute contraband in addition to those set out in our royal proclamation aforementioned: Electric appliances adapted for use in war and their component parts, asphalt, bitumen, pitch and tar, sensitized photographic films, plates and paper, felspar, gold-beaters skin, talc, bamboo."

SKINNER,
Consul General.

[Transmitted by unnumbered dispatch dated Apr. 20, 1916, from American consulate general, London, England. File No. 763.72112/2527.]

BRITISH CONTRABAND LIST—LIST OF ARTICLES DECLARED TO BE CONTRABAND OF WAR.

FOREIGN OFFICE, *April 13, 1916.*

The articles declared to be contraband of war in the proclamations now in force have been arranged alphabetically in the accompanying list. It is hoped that this will be convenient to all parties concerned.

The list comprises the articles which have been declared to be absolute contraband as well as those which have been declared to be conditional contraband. The circumstances of the present war are so peculiar that His Majesty's Government consider that for practical purposes the distinction between the two classes of contraband has ceased to have any value. So large a proportion of the inhabitants of the enemy country are taking part, directly or indirectly, in the war that no real distinction can now be drawn between the armed forces and the civilian population. Similarly, the enemy Government has taken control, by a series of decrees and orders, of practically all the articles in the list of conditional contraband, so that they are now available for Government use. So long as these exceptional conditions continue our belligerent rights with respect to the two kinds of contraband are the same, and our treatment of them must be identical.

LIST OF ARTICLES.

Acetic acid and acetates.
Acetic ether.
Acetones, and raw and finished materials, usable for their preparation.
Aircraft of all kinds, including aeroplanes, airships, balloons, and their component parts, together with accessories and articles suitable for use in connection with aircraft.
Aluminium, alumina, and salts of aluminium.
Ammonia liquor.
Ammonium salts.
Aniline and its derivaties.
Animals—saddle, draft, or pack, suitable, or which may become suitable, for use in war
Antimony, together with the sulphides and oxides of antimony.
Apparatus designed exclusively for the manufacture of munitions of war, or for the manufacture or repair of arms or of war material for use on land or sea.
Armor plates.
Arms of all kinds, including arms for sporting purposes, and their component parts.
Arsenic and its compounds.
Arsenical ore.
Articles especially adapted for use in the manufacture or repair of tires.
Asbestos.
Barbed wire.
Barium chlorate and perchlorate.
Bauxite.
Benzol and its mixtures and derivatives.
Bladders, guts, casings, and sausage skins.
Bones in any form, whole or crushed, and bone ash.
Boots and shoes suitable for use in war.
Borax, boric acid, and other boron compounds.
Bromine.
Calcium acetate, calcium nitrate, and calcium carbide.
Camp equipments, articles of, and their component parts.
Camphor.
Capsicum.
Carbon disulphide.
Carbon, halogen compounds of.
Carbonyl chloride.
Carborundum in all forms.
Casein.
Caustic potash and caustic soda.
Celluloid.
Charges and cartridges of all kinds and their component parts.
Chlorides, metallic (except chloride of sodium) and metalloidic.
Chlorine.
Chrome ore.
Chronometers.
Clothing and fabrics for clothing suitable for use in war.
Clothing of a distinctively military character.
Cobalt.
Copper pyrites and other copper ores.
Copper, unwrought and part wrought; copper wire; alloys and compounds of copper
Cork, including cork dust.
Corundum, natural and artificial (alundum), in all forms.
Cotton, raw, linters, cotton waste, cotton yarns, cotton piece goods, and other cotton products capable of being used in the manufacture of explosives.
Cresol and its mixtures and derivatives.
Cyanamide.
Docks, parts of.
Emery in all forms.
Equipment of a distinctively military character.
Ethyl alcohol.
Explosives, whether specially prepared for use in war or not.
Ferro alloys, including ferrotungsten, ferromolybdenum, ferromanganese, ferrovanadium, and ferrochrome.
Field forges and their component parts.
Field glasses.
Flax.
Floating docks and their component parts.
Foodstuffs.
Forage and feeding stuffs for animals.
Formic ether.
Fuel, other than mineral oils.
Fuming sulphuric acid.
Furs utilizable for clothing suitable for use in war.
Glycerine.
Gold.
Gun mountings and their component parts.
Hair—animal, of all kinds; and tops, noils, and yarns of animal hair.
Harness and saddlery.
Harness of a distinctively military character, all kinds of.
Hemp.
Hides of cattle, buffaloes, and horses.
Horseshoes and shoeing material.
Hydrochloric acid.
Implements designed exclusively for the manufacture of munitions of war, or for the manufacture or repair of arms or of war material for use on land or sea.
Implements for fixing and cutting barbed wire.
Iodine and its compounds.
Iron, electrolytic.
Iron, hematite and hematite-iron ore.

Kapok.
Iron pyrites.
Lathes capable of being employed in the manufacture of munitions of war.
Lead and lead ore.
Leather belting, hydraulic leather, pump leather.
Leather, undressed or dressed, suitable for saddlery, harness, military boots, or military clothing.
Limbers and limber boxes and their component parts.
Lubricants.
Machines capable of being employed in the manufacture of munitions of war.
Manganese and manganese ore.
Manganese dioxide.
Maps and plans of any place within the territory of any belligerent, or within the area of military operations, on a scale of 4 miles to 1 inch or any larger scale, and reproductions on any scale, by photography or otherwise, of such maps or plans.
Materials especially adapted for use in the manufacture or repair of tires.
Materials used in the manufacture of explosives.
Mercury.
Methyl alcohol.
Military wagons and their component parts.
Mineral oils, including benzine and motor spirit.
Molybdenum and molybdenite.
Motor vehicles of all kinds and their component parts and accessories.
Naphthalene and its mixtures and derivatives.
Nautical instruments, all kinds of.
Negotiable instruments.
Nickel and nickel ore.
Nitric acid and nitrates of all kinds.
Oils and fats—animal, fish, and vegetable, other than those capable of use as lubricants, and not including essential oils.
Oleaginous seeds, nuts, and kernels.
Oleum.
Paper money.
Paraffin wax.
Peppers.
Phenol (carbolic acid) and its mixtures and derivatives.
Phosphorus and its compounds.
Phosgene.
Potassium salts.
Powders, whether specially prepared for use in war or not.
Projectiles of all kinds and their component parts.
Prussiate of soda.
Railway materials, both fixed and rolling stock.
Ramie.
Range finders and their component parts.
Rattans.
Realizable securities.
Resinous products.
Rubber (including raw, waste, and reclaimed rubber, solutions and jellies containing rubber, or any other preparations containing rubber, balata, and gutta-percha, and the following varieties of rubber, viz, Borneo, Guayule, Jelutong, Palembang, Pontianac, and all other substances containing caoutchouc), and goods made wholly or partly of rubber.
Sabadilla seeds and preparations therefrom.
Scheelite.
Searchlights and their component parts.
Selenium.
Silver.
Skins of calves, pigs, sheep, goats, and deer.
Skins utilizable for clothing suitable for use in war.
Soap.
Sodium.
Sodium chlorate and perchlorate.
Sodium cyanide.
Solvent naphtha and its mixtures and derivatives.
Starch.
Steel containing tungsten or molybdenum.
Submarine sound signaling apparatus.
Sulphur.
Sulphur dioxide.
Sulphuric acid.
Sulphuric ether.
Tanning substances of all kinds, including quebracho wood and extracts for use in tanning.
Telegraphs, materials for.
Telephones, materials for.
Telescopes.
Tin, chloride of tin, and tin ore.
Toluol and its mixtures and derivatives.
Tools capable of being employed in the manufacture of munitions of war.
Tungsten.
Turpentine (oil and spirit).
Tires for motor vehicles and for cycles.
Urea.
Vanadium.
Vegetable fibers and yarns made therefrom.
Vehicles of all kinds, other than motor vehicles, available for use in war, and their component parts.
Vessels, craft, and boats of all kinds.
Warships, including boats and their component parts of such a nature that they can only be used on a vessel of war.
Wireless telegraphs, materials for.
Wolframite.
Wood tar and wood-tar oil.
Wool, raw, combed, or carded; wool waste; wool tops and noils; woolen or worsted yarns.
Xylol and its mixtures and derivatives.
Zinc ore.

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[Telegram received.]

LONDON, *April 20, 1916.*
(Received 9.30 a. m.)

SECRETARY OF STATE,
Washington:

White paper issued by foreign office declares:

"Circumstances of present war are so peculiar that Government considers that for practical purposes distinction between two classes of contraband has ceased to have value," and that

"So long as these exceptional conditions continue our belligerent rights re selecting two kinds of contraband are the same and our treatment of them must be identical."

List contraband issued incorporating former conditional contraband in list absolute.

SKINNER, *Consul General.*

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[Transmitted by American Embassy at London, dispatch No. 3506, Apr. 18, 1916, file No. 763.72112/2519.]

A PROCLAMATION BY THE KING MAKING CERTAIN ADDITIONS TO AND AMENDMENTS IN THE LIST OF ARTICLES TO BE TREATED AS CONTRABAND OF WAR.

George R. I.:

Whereas on the 14th day of October, 1915, we did issue our royal proclamation specifying the articles which it was our intention to treat as contraband during the continuance of hostilities, or until we did give further public notice; and

Whereas on the 27th day of January, 1916, we did by our royal proclamation of that date make certain additions to and modifications in the list of articles to be treated as contraband; and

Whereas it is expedient to make certain further additions to and modifications in the said list: Now, therefore

We do hereby declare, by and with the advice of our privy council, that during the continuance of the war or until we do give further public notice the following articles will be treated as absolute contraband in addition to those set out in our royal proclamations aforementioned:

Gold, silver, paper money, and all negotiable instruments and realizable securities.

Metallic chlorides, except chloride of sodium; metalloidic chlorides; halogen compounds of carbon.

Starch.

Borax, boric acid, and other boron compounds.

Sabadilla seeds and preparations therefrom.

And we do hereby further declare that as from this date the following amendments shall be made in schedule 1 of our royal proclamation aforesaid:

In item 3 the following shall be substituted for the present wording:

"Lathes, machines, and tools capable of being employed in the manufacture of munitions of war."

In item 8, for "ether" shall be substituted "formic ether; sulphuric ether."

And we do hereby further declare that no gold, silver, or paper money captured after this date shall be treated as conditional contraband, and that, except as to captures already effected, item 14 shall, as from this date, be struck out of Schedule II of our royal proclamation aforementioned.

Given at our court at Buckingham Palace this 12th day of April, in the year of our Lord 1916 and in the sixth year of our reign.

God save the King.

(Extract from Second Supplement to the London Gazette of Tuesday, Apr. 11, 1916.)

[NOTE.—The French Government has made changes in its contraband list practically the same as those made by the British Government in the above proclamation.]

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[Telegram.]

ADDITIONS AND CHANGES IN BRITISH AND FRENCH CONTRABAND LIST.

LONDON, *February 3, 1916.*

SECRETARY OF STATE, *Washington:*

Following proclamation making certain additions to and amendments in list of articles to be treated as contraband of war, dated January 27, has to-day been received from foreign office:

"Now, therefore, we do hereby declare, by and with the advice of our privy council, that during the continuance of the war, or until we do give further public notice, the following articles will be treated as absolute contraband in addition to those set out in schedule 1 of our royal proclamation aforementioned: Cork, including cork dust; bones in any form, whole or crushed, and bone ash; soap; vegetable fibers and yarns made therefrom.

"And we do hereby further declare that as from this date the following amendments shall be made in schedule 1 of our royal proclamation aforementioned: In item 8 for 'acetone' shall be substituted 'acetones and raw or finished materials usable for their preparation.'

"In item 9 for 'phosphorus' shall be substituted 'phosphorus and its compounds.'

"In item 26 there shall be added after the word 'parts' the words 'and accessories.'

"In item 38 the more general term 'lead' shall be substituted for the words 'lead, pig, sheet, or pipe.'

"And we do hereby declare that the following articles shall as from this date be treated as conditional contraband in addition to those set out in schedule 2 of our royal proclamation aforementioned: Casein, bladders, guts, casings, and sausage skins." (The French Government has issued a list of changes and additions to its contraband list conforming to the above changes and additions to the British list.)

AMERICAN EMBASSY,
London.

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 bill (S. 708) to make immediately available for the use of the State of Georgia in paying expenses incurred by said State in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914, certain sums appropriated for arming and equipping the militia of said State.

The message also announced that the House had passed the bill (S. 6748) providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 12426. An act to authorize mining for metalliferous minerals on Indian reservations; and

H. R. 15958. An act to amend an act providing for the withdrawal from public entry of lands needed for town sites in connection with irrigation projects.

HOUSE BILL REFERRED.

H. R. 12426. An act to authorize mining for metalliferous minerals on Indian reservations was read twice by its title and referred to the Committee on Indian Affairs.

MAINTENANCE OF INDIAN SCHOOLS.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 6748) providing that Indian schools may be maintained without restriction as to annual rate of expenditure per pupil, which was, in line 6, after "school," to insert "*Provided*, That in no event shall the per capita cost at any one school exceed the sum of $200 per annum."

Mr. CURTIS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EXEMPTIONS FROM CIVIL-SERVICE REQUIREMENTS (S. DOC. NO. 544).

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the Civil Service Commission, in response to a resolution of the Senate, which will be read and printed for the use of the Senate.

The Secretary read as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., September 2, 1916.

The PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: This commission has the honor to make report, in response to the following resolution of the Senate dated August 16, 1916:

"*Resolved*, That the United States Civil Service Commission be, and it is hereby, directed to send to the Senate a list of the Executive orders issued since March 4, 1913, exempting appointees in the Federal service from civil-service requirements or placing under the civil service employees previously appointed outside of any eligible list furnished by the Civil Service Commission; also a similar list of the Executive orders issued during each administration prior thereto, beginning with the first administration of President Cleveland, exempting appointees in the Federal service from civil-service requirements, or placing employees under the civil service previously appointed outside of any eligible list prescribed by the Civil Service Commission; also the number of Executive orders issued during each administration, beginning with the first administration of President Cleveland to and including the administration of President Wilson, with the concurrence of the commission and the number issued without the approval of the commission, and those issued during each of said administrations without having been referred to the commission."

The material submitted is as follows:

1. Copies of all "Executive orders issued since March 4, 1913, exempting appointees in the Federal service from civil-service requirements or placing under the civil service employees previously appointed outside of any eligible list furnished by the Civil Service Commission."

For convenience this list is arranged under the following general heads grouped under subheads to show orders issued with the concurrence of the commission, orders issued without its concurrence, orders issued without reference for its recommendation, and orders which it was directed to prepare.

(a) Executive orders issued since March 4, 1913, amending the civil-service rules to exempt positions from examination. (Under the present rules this class of positions is enumerated under Schedule A.)

(b) Executive orders placing under the civil service groups of employees appointed outside any eligible register furnished by the Civil Service Commission.

(c) Executive orders exempting particular individuals from examination or waiving some requirement of the civil-service rules in their behalf.

2. Copies of Executive orders issued between March 4, 1885, and March 3, 1913, inclusive, "exempting appointees in the Federal service from civil-service requirements, or placing employees under the civil service previously appointed outside of any eligible list prescribed by the Civil Service Commission."

For convenience this list is arranged by presidential administrations under headings similar to those used in the report concerning the present administration.

3. Appointments authorized by the commission under authority of Executive orders and civil-service rules.

Two exhibits which will show the number of positions affected by general orders are appended.

By direction of the commission.

Very respectfully, JOHN A. MCILHENNY,
President.

Mr. PENROSE. That is an important communication. It is in response to a resolution adopted by the Senate requesting a list of the Executive orders made since, I believe, the first administration of President Cleveland. I ask the Senator from Utah [Mr. SMOOT] in what form he would suggest it should be printed. As a Senate document?

Mr. SMOOT. I understood the Chair to say that it would be printed?

The PRESIDENT pro tempore. It will be printed as a document for the use of the Senate. The Chair does not know the exact number.

Mr. PENROSE. All right; that is satisfactory.

The PRESIDENT pro tempore. The order will be entered that it be printed for the use of the Senate. There is a confidential communication on the same subject.

Mr. PENROSE. I ask that the confidential communication, which is not of great importance, may lie on the table, and, if necessary to bring it up, it will be brought up in executive session.

The PRESIDENT pro tempore. Such will be the order.

CENTENNIAL EXPOSITION AT GULFPORT, MISS.

Mr. VARDAMAN. I ask unanimous consent to submit a report from the Committee on Post Offices and Post Roads. I am directed by that committee, to which was referred the joint resolution (H. J. Res. 237) authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration, to report it back favorably, without amendment, and I ask unanimous consent for its immediate consideration. It will not take a moment. It provides that the Postmaster General may have a canceling die made for the use of the centennial exposition at Gulfport, Miss. It carries no appropriation.

There being no objection, the joint resolution was considered as in Committee of the Whole, and it was read as follows:

Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration.

Whereas the city of Gulfport, Miss., is making extensive preparations to celebrate the one hundredth anniversary of the admission of the State of Mississippi into the Union, the celebration to begin on October 1, 1917, and to continue until April 1, 1918; and

Whereas the projected celebration in said city will include industrial, agricultural, horticultural, and other exhibitions, pageants, national athletic games, tournaments, parades, conventions, and many other interesting features that will attract visitors from all parts of the United States; and

Whereas the Mississippi Centennial Exposition Commission having the celebration in charge will widely advertise the approaching events, with the result that a great increase of incoming and outgoing mail matter will be handled by the Gulfport post office; and

Whereas the governor of the State of Mississippi has issued a proclamation inviting all the States of the Union to participate and will invite the countries of South and Central America and Mexico to participate in the celebration; and

Whereas the extensive preparations being made by the citizens of Gulfport and the State of Mississippi for the celebration give to said celebration a national character and significance; Therefore be it

Resolved, etc., That the Postmaster General of the United States be, and he hereby is, authorized to prepare and deliver to the postmaster of Gulfport a special canceling die to be used in the cancellation of mail matter in the post office of that city from January 1, 1917, to April 1, 1918, said die to be of such design as may be agreed upon by the Postmaster General and the Mississippi Centennial Exposition Commission.

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

The preamble was agreed to.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. HUGHES. Mr. President, I desire to ask unanimous consent to return temporarily to page 99 for the purpose of having considered an amendment.

The PRESIDENT pro tempore. The Senator from Utah [Mr. SMOOT] has been recognized. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. HUGHES. I ask the Senator to yield to me.

Mr. SMITH of Georgia. Mr. President, I am very anxious to dispose of the pending amendment to the portion of the bill of which I have charge. I hope we may proceed with that and get rid of it.

The PRESIDENT pro tempore. Does the Senator from Georgia object?

Mr. SMITH of Georgia. I desire to go on with the pending amendment.

The PRESIDENT pro tempore. The Senator from Georgia objects. The Senator from Utah will proceed.

Mr. SMOOT. Mr. President, I have said very little thus far upon the pending revenue measure, and I shall be as brief as possible this afternoon. For that reason I am well aware that I shall not cover the ground as fully as it ought to be covered; but I shall take occasion at this time to call particular attention to the conditions existing both with respect to the receipts of our Government and its expenditures.

IMPORTS VASTLY GREATER AND REVENUE MUCH LESS.

The imports for the last fiscal year aggregated $2,197,984,842, an increase of $523,815,102 over the previous year. This vast aggregate of imports shows how hollow the pretense is that the revenues have declined because of the European war cutting off imports. The imports were $384,976,608 greater than for the

last fiscal year of the protective tariff, 1913. In that year there was a surplus of $41,340,524. Everybody wanting work was employed, and prosperity prevailed over all the land; but following the fiscal year of 1916, with nearly $400,000,000 more of imports, we have before us the greatest tax bill Congress has ever been asked to pass on. This bill provides for an estimated burden of taxation of $382,740,926.32, distributed as follows:

From income tax	$234,367,430.28
From miscellaneous tax	88,373,496.04
From estate tax	20,000,000.00
From munition tax	40,000,000.00
Total	382,740,926.32

And it is to be followed by the issue of $130,000,000 or more of bonds to provide for the expenses incident to the gross mismanagement of Mexican affairs by the existing administration, $50,000,000 of bonds to buy ships for the mercantile trade, and $20,000,000 for the building of a fertilizer plant; part of this $382,000,000 tax bill is a reenactment of a previous law, but that does not change the situation in the least, as that previous measure was a so-called emergency act. This is the third tax bill brought forward by the Democratic Party to make up for the enormous losses caused by wanton extravagance and the shameful tariff bill they passed in violation of their pledges. They promised to reduce the cost of living, while not disturbing the business of the country, and to increase our foreign trade and collect sufficient revenue to run the Government.

The appropriations were to be reduced along with the number of officeholders and many other things were to be done, not one of which has been accomplished. The cost of living has been greatly increased. The disturbance to the business of the country, before the European war brought relief, was greater than ever before in the history of the Nation. Millions of men were out of employment; imports enormously increased; soup houses were necessary to feed the starving persons out of work; the balance of trade turned against the country, and appropriations were far in excess of anything ever before known in our history. With smaller revenues and an enormous increase in expenditures, tax bills had to be put through Congress to afford relief. Each session of Congress since that time the question of increasing taxes to meet the additional appropriations, and the loss in revenue because of the blundering tariff law has occupied much of our time.

The war has been of tremendous aid to the Democrats because of the great demand for war materials. The Democrats seek to mislead the country by having it appear that such prosperity as is caused by the demand for material for the armies of Europe is a result of their tariff law. But any reasonable person knows there is no truth in that assertion. War munitions are not confined to explosives or guns. Armies have to be fed as well as the people of the countries whose workmen are occupied in fighting its battles. The soldiers and the people must be clothed, and there is a demand in various ways for our products, wholly the result of that gigantic struggle. When the war ends these demands will cease and the men now engaged in the war will return to their former employments at such wages as they can get, which will necessarily be low. Their employers will endeavor to sell their goods in the United States, the best market in the world, at whatever prices they can obtain that will save them from loss. Legislation should be passed at this session to meet that situation, but nothing is being done in that direction. Our time is taken up with useless appropriations and in devising methods of taxation to pay the bills. Great distress will naturally follow the end of the war if the tariff law is not changed, but the Democratic Party and its President have reaffirmed their belief in the efficacy of the so-called Underwood law. The only hope for the people is in the election of Mr. Hughes to the Presidency at the coming election, with a return of a Republican majority in both Houses of Congress. Fortunately the prospects for such a result are very good. But even then it will be a good while before the necessary change in the law can be made, and in the meanwhile the people will suffer.

OTHER GOVERNMENTS RAISE TARIFF RATES—AN INEQUITABLE MEASURE.

Foreign Governments are raising their tariff rates. That is the tendency the world over. Our Government is the only important one on earth that has reduced its tariff in recent years. The allied Governments engaged in the war in Europe have already agreed to adopt measures of a protective character, and to operate in conjunction so as to benefit each other. That means injury to the United States. The commercial attaché of the United States in London recently reported, according to an Associated Press dispatch, that the British Government is planning to establish soon a tariff on American goods, other than munitions of war, for raising revenue. In fact they have already prohibited the importation of some American goods, while others are received under restriction. France is also taking like measures, and these foreshadow what we will have to meet when the war ends. But the Democratic Party places confidence in a measure that opens our doors to the free admission of over 70 per cent of our enormous imports, while the rates on the remainder are insufficient both for revenue and protection. Instead of Congress preparing to meet this serious situation practically nothing is being done except to increase taxation. There was a measure of protection for dyestuffs in the pending bill as it passed the House, but as it was not sufficient protection it would have been practically worthless. In the same way we have an antidumping clause with loopholes in it that will make it of little or no value.

The New York Times, a very important Democratic newspaper, condemns the pending measure as—

inequitable between sections of the country and between individual citizens, and designedly so.

It adds:

These discriminations are outdone in the munitions tax. Three-quarters of our four billions of exports is war trade, and the taxes are levied upon copper, guns, and shells and powder. The principle of the tax, so far as any principle is discoverable, is the same intentional discrimination against wealth and profits as that embodied in the income tax. The industries taxed were selected because they were concentrated and profitable. The result is that the State which has, say, one five-hundredths of the population pays one-fifth of the tax. There is no reason why business equally warlike to that of powder should go scott-free while powder shareholders may, perhaps, pay as much as $21,000,000, say $30 per share, more or less, in the form of the tax so levied that it may be paid by those who sold their shares before the tax was levied. The result is that those who have ceased to share the profits, perhaps, must pay, while those whose profits continue escape.

Many war supplies altogether escape any war tax. Business men are not alone in their grievance against discriminating legislation. There has been similar legislation against the railroads. Is there political wisdom in this economic folly? There are five or six States which might be swung out of the list of States which the Democratic cipherers are calculating upon.

SECRET METHODS TO FAVOR THE SOUTH.

The bill was drawn up in secret by the Democrats of the House committee, and the Republicans were only given a single day's notice in which to prepare a minority report. The bill was rushed through the House under gag rule that cut off amendments to a large degree and did not admit of many Members speaking on the subject, although the House has apparently nothing to do and has been adjourning three days at a time. That is the Democratic method of carrying out their ferocious attacks on the alleged gag rule of the Republicans. The bill was sent over to this body and is considered in secret by the Democratic members of the Finance Committee. But gag rule does not prevail, I am glad to say, in this body, although some of our opponents have been very anxious to adopt such a method of cutting off debate. The Democrats do their legislation in caucus. The committees of the House that are of importance, with one exception, have Southern men for chairmen. Practically the same situation rules in the Senate. Four northern States—New York, Pennsylvania, Massachusetts, and Illinois—paid $85,000,000 of the $124,000,000 collected from income taxes during the last fiscal year, while 12 southern States—Mississippi, Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, North and South Carolina, Tennessee, Virginia, and West Virginia—paid a total of $5,389,670. Twelve northern States paid $409,000,000 of the $512,000,000 internal taxes. Eleven southern States have a billion dollars more capital than New York, but pay a mere fraction of the taxes for the Federal Government as compared with New York. Of the river and harbor appropriation bill New York received $2,917,500, but 11 southern States get $9,168,698. If the flood bill is also considered, the situation is much worse. This explains why our southern friends are eager to increase the income rates and secure the revenue by methods of taxation which relieve their States from paying a fair proportion.

A TREMENDOUS INCREASE IN APPROPRIATIONS.

The appropriations for this session of Congress will amount to nearly $1,700,000,000. The public of mature age will not forget the tremendous attacks the Democrats made on the Republicans for appropriating a billion dollars in the so-called "billion-dollar Congress." Now, when they have an opportunity, the Democrats practically treble the amount. Much of this expenditure is absolutely inexcusable, while a large part of it could be deferred without any injury to the country and with great relief to the taxpayers. Instead of reducing the number of so-called useless officeholders, as they promised, they make an enormous increase, with its consequential burden on taxpayers. They are not satisfied, but at this session are creating thousands of additional places. At least more than one-third of the $43,000,000 carried in the river and harbor bill is wasted. Twenty million dollars were appropriated for a

nitrate plant, though in reality the purpose is to supply fertilizers for the use of our southern friends. Eleven million dollars have been thrown away in the establishment of an armor-plate plant, whereas the owners of existing plants offer to allow the Government to fix the price for producing armor plate. Fifty million dollars have been appropriated for the purchase of ships to be operated by the Government in the mercantile trade, and the President insisted that the Senate should pass that bill at this session. Such an appropriation is an absolute waste and an injury to shipping not owned by the Government. Our Democratic friends never give up the pursuit of money for digging out creeks and otherwise helping in their respective districts. These numerous wasteful expenditures aggregate almost as much as the amount of revenue to be derived from the increase in the income and other taxes.

THREE-FOURTHS OF OUR EXPORTS WAR TRADE.

The New York Times says that three-fourths of our $4,000,000,000 of exports is war trade. Secretary Redfield and his echoes try to make the public believe that only a small percentage of the exports, those confined largely to explosives, are the result of the war. That is a ridiculous statement and fools no one of sense. But the fact that three-quarters of the exports are the result of the war, according to the Times, indicates the great change that will take place when the war ends. Even our trade with some other countries than those engaged in the war has been increased as a result of that struggle. Our exports to Denmark for the 11 months ending with May of this year were in value $51,449,681, and last year they were over $75,000,000; but in 1914, before the war began, for the fiscal year they were only a little over $14,000,000, showing that the increase is altogether due to the war. The imports for the three years from Denmark varied only a few thousand dollars, being a little over $3,000,000 each year. We sent over $32,000,000 worth of exports to Greece in the last fiscal year, but for the fiscal year 1914, before the war began, we sent only about $1,000,000. Exports to Italy have more than quadrupled since the war began, but imports from Italy remain about the same. Exports to Norway have increased six times over since 1914, but imports from that country have declined, thus showing the effects of the war trade. The imports that came to this country before the war have been deflected in part to the nations at war. Exports to Portugal were three times greater last year than in 1914. To Russia in Europe they jumped from $28,000,000 in 1914, for the 11 months, to $175,000,000 for the 11 months of the last fiscal year. To France the increase was from $152,000,000 to $555,000,000; to Spain, from $28,000,000 to $46,000,000; to the United Kingdom, they increased from $557,000,000 to $1,352,000,000. That will give a fair idea of what the war has done for our export trade.

WHERE IMPORTS INCREASE FASTER THAN EXPORTS.

To Central American countries our exports were less in 1915, by over $5,000,000, than in 1914, and were only $3,000,000 more in the last fiscal year.

That is a part of the world where our trade, relieved to a large extent from European competition, should have shown a vast increase. But the fact that it does not do so, while imports from those countries have increased about $7,000,000, shows the absurdity of the statement put forward by Secretary Redfield in regard to exports. In the same way to the British West Indies the exports in 1915 were much less than in 1914, and show only a small increase in the last fiscal year. Exports to Cuba and other West India Islands, other than British islands, increased some $59,000,000, while the imports from those islands increased over $90,000,000. Exports to Argentina increased some $16,000,000, but the imports from that country increased $60,000,000. Exports to Brazil last year were some $8,000,000 more than in 1914, but the imports from that country were $25,000,000 more, and the total of imports was nearly four times as much as the exports to that country In the same way imports have increased much faster from Chile than the exports to that country. We sell Peru $8,000,000 and take from her $21,000,000, counting the 11 months of the last year. To Uruguay we sell $3,000,000 less than we buy from her; while to Venezuela the difference in favor of imports is $5,000,000. Altogether we bought from South America in the 11 months of last year $189,000,000 more of goods than we sold to those countries.

To China we sold less last year than in 1914, but we bought from that country $27,000,000 more than in 1914. To the British East Indies there was an increase in sales last year over 1914 of $8,000,000, but there was an increase in imports of $53,000,000. We sold to Japan in 11 months last year some $16,000,000 more in value of goods than in 1914, but we bought from that country $32,000,000 more than in 1914. To Russia in Asia we sent over $100,000,000 more last year than in 1914, all munitions of war and other war supplies. To Africa the exports of last year were $13,000,000 more than in 1913—that is, the 11 months—but the imports from that country were $43,000,000 more.

I give these figures from the official record to show the utter falsity of the Democratic claim for a great increase in exports outside of war material. Imports from other countries have increased to a far greater extent than our exports to those countries. That situation will be vastly worse the minute the war ends and the enormous quantities of war supplies cease to be exported. We will be in a far worse condition than we were before the war began as a result in the change in the balance of trade, due to the Democratic tariff law.

And what are our Democratic friends doing to meet that untoward situation? Nothing, except to increase taxes. They provide for a tariff commission to furnish places for some of their politicians and add $300,000 to the burdens of the taxpayers. Then they made a pretense of furnishing protection for the dye industry, but it was a mere pretense. They provide an antidumping clause, but in such a way that it is of no practical value. That clause does not affect the 70 per cent of free imports in the least. The dumping clause is only effective when it can be shown that the importer has the intent of destroying or injuring an industry in the United States, or of preventing the establishment of an industry, or of controlling or monopolizing any part of the trade or commerce in such articles in the United States. It will be practically impossible to show any such intent. The dumping provision will have no effect whatever on the competition that results from the low wages in Europe. The dumping clause was devised to capture Republican votes, but Republicans are able to see the utter weakness of the provision. The foreigners can manufacture for export only as they have done in the past, and there is no way to ascertain their foreign price.

This revenue bill illustrates and emphasizes the fundamental difference that distinguishes the Republican and Democratic parties. It proposes to raise revenue by the imposition of larger internal taxes upon our own people rather than by an increase in duties upon foreign merchandise imported into this country. Although the Democratic Party has long advocated a tariff for revenue, it has been so uncompromisingly opposed to a tariff giving protection to American industry that it refuses to establish import duties high enough to supply the needed increase in national income, lest such duties might also afford American labor and American capital some advantage in the keen competition with the cheap capital and cheaper labor engaged in productive enterprise on the other shores of the Atlantic and the Pacific. The need of greater revenue is admitted. The certainty of increased import duties as a source of greater revenue can not be disputed. It is clear, therefore, that when the Democratic Party prefers to raise additional funds for governmental purposes by levying new, burdensome, and vexatious taxes it does so through continued adherence to its time-honored opposition to a protective tariff.

For that reason I say this bill illustrates the fundamental difference between the two great political parties in this country. The bill emphasizes that difference by including one item—the duty on dyestuffs, which expressly admits the efficacy of a protective tariff in the building of home industry—but at the same time refusing to indicate any intention to maintain permanently a protective duty upon dyes or any other commodity the production of which is desirable in this country.

Because the Democratic Party thus declares and emphasizes its opposition to a "made-in-America" policy, the tariff is and must continue to be a political issue before the American people. The Democratic Party insists upon making it an issue.

While I condemn the attitude of the Democratic Party in refusing to increase import duties to a degree sufficient to raise additional revenue, that is not my most serious objection to the policy of that party upon the tariff question. In my opinion the tariff is of far more value as a means of protection to American industry than it has ever been or ever will be as a source of revenue. I shall undertake to demonstrate, by statistics which can not be disputed, that even if every dollar of revenue collected at our customhouses were a tax upon the consumers of the United States, yet the removal of that tax imposes upon those same consumers, in their capacity as producers, a far heavier tax—a tax upon the whole country and its resources. The mere words of a law which purports on its face to be a tax measure does not necessarily represent the extent of its burden upon the people. While it seems a paradox to make the assertion, I shall undertake to prove that although reducing the import duties theoretically reduced the tax imposed upon us, yet the ultimate practical effect of that legislative action was to impose upon the American people, and particularly upon the wage earners of the country, a tax far more burdensome than

any which could possibly have been imposed by the strongest protective tariff measure ever enacted in the United States.

The largest sum ever collected in one year at our customhouses was $333,683,000, collected in the fiscal year 1910 under a Republican tariff law. While I deny most emphatically that this tax was paid by the American people, yet, if we assume for the sake of argument that it was paid by our own people, nevertheless that sum of money was expended within the United States for the employment of American people and the purchase of American supplies. It was not lost to American industry. Even if this were paid by the American people, it would be an obligation which they should pay as citizens of the United States bound to support their Government.

THE FREE-TRADE TAX.

But let us see how this tax compares with the tax imposed upon us by the reduction of the customs duty. The Underwood tariff law was enacted October 3, 1913, and was in force 10 months up to the time of the outbreak of the European war, which everyone admits disarranged commercial relations. Since that time the abnormal influence of the war upon both export and import trade has made statistics of relatively little value for comparative purposes.

It is important, therefore, to study the effect of the Underwood tariff during the 10 months it was in operation entirely free from the influence of the war in Europe. During that period our imports increased $101,977,000 and our exports decreased $158,888,000, thus causing a reduction in our balance of trade to the extent of more than $260,000,000. In this connection we must not forget that of this $260,000,000 reduction in our balance of trade $127,453,750 of it occurred during the months of April and May, 1914, just preceding the war and at a time when war was not thought of, but after the Democratic tariff act had sufficient time after its passage to become fairly operative.

Every dollar of this sum represents a dollar sent across the ocean and absolutely lost to American industry. It represents $260,000,000 added to the business of our industrial competitors in Europe and Asia. Since it is generally admitted that a dollar expended in any active line of business in the United States changes hands from 10 to a dozen times a year, the removal of this $260,000,000 from American business meant, in the course of a year, a diminution of American business to the extent of at least $2,600,000,000. It meant a corresponding aid to the development of industry in foreign lands.

That is the measure of the annual tax imposed upon American industry by the reduction of tariff duties which diminished activity in American industry and increased activity in industry abroad. The enactment of the Democratic tariff law reduced the customs revenue to the extent of about $100,000,000 a year, but at the same time that this was done that same law had the direct effect of taking out of the channels of American business $260,000,000 in 10 months. If this $260,000,000 had been merely collected from our own people and expended in our own country for governmental affairs, there would have been no material loss to our own people and the burden would have been little felt. But the removal of $260,000,000 entirely from American enterprise and the enhancement and encouragement of foreign enterprise to a corresponding amount was an injury necessarily felt in every line of American business activity.

That is why American mills were closed or operated on part time in 1913 and 1914.

That is why over 3,000,000 men were out of employment and many of them were forced to join the bread lines and seek free shelter from the vicissitudes of the season.

That is why our railroads had long lines of idle freight cars on their sidetracks, building operations were curtailed, bank clearings declined, and bankruptcy courts were flooded with business.

The figures I have given demonstrate that such a reduction of import duties as will increase importations from abroad and decrease our export trade is a more grievous burden upon our people than any high-protective duty any political party ever proposed.

A REPUBLICAN "MADE-IN-AMERICA" POLICY.

Concisely stated the protective-tariff principle is the basis of a "made-in-America" policy. Free trade encourages people to buy where they can buy the cheapest. The protective principle assumes that it is the patriotic duty of Americans to patronize home industry, but recognizes the fact that through *carelessness*, or lack of information, or influenced by a desire to economize, many people buy the cheaper article, even though, in the long run, they curtail or destroy American enterprises and build up the industries of other lands. Believing it to be the duty of Americans to give a preference to goods "made in America," we advocate a protective tariff which will put our economic theories into actual practice. Democrats claim to be in favor of "America first," but they enact legislation which places foreign products first in American markets.

An economic policy which encourages purchases abroad can not be otherwise than injurious to American industry. On the other hand, a policy which induces the purchase of American goods can not be otherwise than helpful. A protective tariff is constructive—free trade is destructive.

That is a broad statement of conclusions with which our Democratic friends disagree. I shall not ask them, or anyone, to accept the statement without proof. I shall undertake to prove my assertion that a protective tariff is constructive and that a free-trade policy is destructive, and, in doing so, shall take occasion to reply to certain portions of an address recently delivered on this floor by the Senator from Colorado, Mr. SHAFROTH.

INDUSTRIAL PROGRESS UNDER REPUBLICAN POLICIES.

In his address to the Senate on July 19, 1916, the Senator from Colorado asserted that upon assuming control of the Government in March, 1913, the Wilson administration "found the business life of the Nation in a deplorably enfeebled condition."

That presents an indictment of the Republican Party and its tariff policy, for our party was in control of the Government from 1897 until 1913. It is an indictment to which the party pleads "not guilty," and we shall gladly go to trial upon the evidence before the great jury of the American people.

If it were true, as the Senator from Colorado asserted, that the business life of the Nation was in a deplorably enfeebled condition at the end of 16 years of Republican administration, then we deserve the humiliation of political repudiation. If it is not true, then the party whose spokesman has presented the indictment deserves rebuke and the Republican Party merits return to power.

Let us see what the evidence shows.

It is not practicable to secure statistics showing actual business conditions on March 4, 1913, the exact date upon which the Democratic Party took control, for official statistics are computed as of June 30, the end of the fiscal year, or as of December 31, the end of the calendar year. Inasmuch as the new Democratic administration enacted no legislation taking effect prior to June 30, 1913, the country was still under Republican legislation, though it had already suffered some of the depressing effects of the certainty of the establishment of Democratic policies. However, for the purpose of comparison, statistics as of that date are the best that are available, and, where not entirely accurate, the advantage is in favor of the charge made by the Democratic Party against us. We shall gladly give the Democratic Party that advantage in submission of evidence and still have confidence that we shall sustain our plea of "not guilty."

If I were inclined to be at all technical in producing and submitting evidence of a statistical nature, I would compare conditions in 1913 with conditions in 1895, the earlier date being in the middle of the last Democratic administration, when business was in about as enfeebled a condition as any of us imagined possible for a nation with resources such as those possessed by the United States. I undertake to say that no Democrat would criticize as unfair a comparison of conditions under the Democratic administration with conditions at the time designated by the Senator from Colorado—the close of the Republican régime.

But I shall again give the Democratic Party an advantage in the selection of the period over which the comparison is to be made. I think it will be generally agreed that by 1900, after the Republican Party had been in power three years, we had fairly recovered from the depression of the Democratic administration and that the business of the country was then at least reasonably prosperous.

With conditions in 1900 as a starting point, let us see what our position was in 1913.

Let us ascertain from the record whether we descended to a "deplorably enfeebled condition" or whether we made progress which justly excited the envy of the people of other nations and should arouse the pride of the people of our own.

Let us determine whether the Senator from Colorado has truthfully depicted the status of business America or has yielded to the temptation to malign our institutions in the hope of gaining some partisan advantage.

While it may take some research, some patient attention, and some valuable time, I believe it worth while to take stock of our resources and to review our progress in order that we may know whether in 1913 we had a country of whose government and governmental policies we should have been proud, or whether that government and its policies were such as should make us ashamed.

From 1900 to 1913 our population increased from 76,000,000 to 97,000,000, an increase of 27.7 per cent. The 76,000,000 peo-

ple we had in 1900 were in a fairly prosperous condition. Since our numbers increased a little less than 28 per cent in the period up to 1913, if the conditions surrounding our people improved at a greater rate than that, it follows, as a necessary conclusion, that their status in business and social life improved in a corresponding degree.

In 1900 our national wealth was $88,517,000,000, or $1,164 per capita. Under Republican administration our wealth increased to $187,739,000,000, or $1,965 per capita in 1912, the nearest year for which figures are given in the Statistical Abstract. This was an increase of nearly 70 per cent in wealth per capita in 12 years as compared with an increase of 27.7 per cent in population in 13 years. That bit of evidence does not point to a "deplorably enfeebled condition" at the end of Republican administration.

In 1900 our national debt less cash in the Treasury amounted to $14.58 per capita, but in 1913 we had reduced it to $10.60 per capita, and had in the meantime built the Panama Canal largely out of current revenues. While our population was increasing a little less than 28 per cent we reduced our per capita national debt a little more than 28 per cent. If this be an evidence of a "deplorably enfeebled condition," I trust we shall have more of it.

The total amount of money in circulation in 1900 was $2,055,000,000, but increased to $3,363,000,000 in 1913, an increase of more than 63 per cent. If a population in 1913, which had been increased 28 per cent over 1900, felt "deplorably enfeebled" by an increase of 63 per cent in the amount of money in circulation, it must have been due to fatigue incident to carrying around the increased amount of money. The amount of money in circulation per capita increased from $26.93 in 1900 to $34.56 in 1913.

But business is not transacted with money alone. In modern business we utilize bank checks to a very large extent, and we are accustomed to measure the condition of trade by the transactions of the clearing houses. Let us see the record in this respect. In 1900 bank clearings in the United States amounted to $84,582,000,000, from which sum they increased to $173,000,000,000 in 1913, an increase of more than 100 per cent. If that is an evidence that American business was "enfeebled," it requires more ingenuity than I possess to frame a line of argument by which that conclusion could be reached.

The number of national banks increased from 3,732 in 1900 to 7,473 in 1913, an increase of 100 per cent, and at the same time the paid-in capital of these banks increased from $621,536,000 to $1,056,919,000, an increase of about 60 per cent. The increase was in the smaller banks. In the same period the surplus and undivided profits of these banks increased from $391,000,000 to $988,000,000, an increase of 170 per cent. The total individual deposits in State and National banks increased in the same period from $7,238,000,000 to $17,475,000,000, an increase of 140 per cent. When a population that increases only 27.7 per cent can increase its bank deposits 140 per cent, and when the banks can strengthen themselves by increasing their surplus and undivided profits 170 per cent, it is strange that any man should find in that situation any justification for the assertion that our business was "deplorably enfeebled."

But, at the same time that Republican administrations were so conducting the affairs of the Government as to aid in producing this marvelous activity in private business, the Government itself was not increasing the burdens upon the people. Our total ordinary revenues in 1900 amounted to $7.43 per capita, while in 1913 they were only $7.44 per capita. And our revenues were in excess of our expenditures in both 1900 and 1913, whereas in 1915, under Democratic administration, total expenditures exceeded total receipts by more than $64,000,000.

The marvelously active business which these banking statistics indicate in our domestic trade has its counterpart in our foreign trade. In 1900 our total exports amounted to $1,394,000,000, which we increased by the exercise of American enterprise under sound economic legislation to $2,465,000,000 in 1913. This was an increase of 76 per cent, which is a very gratifying record for a population that increased only 27.7 per cent.

But it is not in banking and in foreign trade alone that we find these evidences of enormous industrial development under Republican administration. During the period when our population was increasing 27.7 per cent the value of our farms increased more than 100 per cent, the value of farm animals increased 150 per cent, the production of wheat increased 45 per cent, and the production of beet sugar, in which the State of Colorado is interested more than any other State in the Union, increased from 163,000,000 pounds in 1900 to 1,385,000,000 pounds in 1913, an increase of 750 per cent. If there was any one industry which profited by Republican legislative policies, it was the beet-sugar industry, which, in my opinion, should have continued encouragement in order that we may produce more sugar at home and send less of our money abroad. Will the Senator from Colorado assert that when the Wilson administration came into power it found the beet-sugar industry of this country in a "deplorably enfeebled condition"; and, if so, will he tell us when, in time of peace, the beet-sugar industry was more prosperous than under Republican protective-tariff laws?

During this same period, which the Senator from Colorado deems so injurious to American business, we increased our production of aluminum from 7,000,000 pounds to 72,000,000 pounds; production of cement, used so extensively in construction work, increased from 17,000,000 barrels to 89,000,000 barrels; the output of coal increased from 240,000,000 tons to 508,000,000 tons. That increase of 100 per cent in the production of coal had its counterpart in a 100 per cent increase in the production of copper, the use of which is a very strong indication of business conditions.

In that same period of marvelous development, which, through the colored glasses of the Senator from Colorado, looks like a period of depression, we increased our production of petroleum from 2,600,000,000 gallons to 10,400,000,000 gallons, an increase of 300 per cent.

One industry that has long been recognized as a barometer of business conditions is the production of pig iron and steel.

These products are used in construction work, and the demand for them varies according to general economic conditions. It is interesting to note, therefore, the increase in iron and steel production during the period which the Senator from Colorado says brought us to deplorable enfeeblement. In 1900 we produced 13,789,000 tons of pig iron and in 1913 we had increased the production to 30,966,000 tons, an increase of considerably more than 100 per cent. During the same time, the production of steel increased 200 per cent. If we observe such increases as those during a period when our population increased only 27.7 per cent, and call that a "deplorably enfeebled" condition, what has the Senator from Colorado to say in characterization of the fact that in 1914 there was a radical decline in iron and steel production?

In 1900 we produced 678,000,000 pounds of tin plate for the use of construction and canning industries. Our active business enterprises had so rapidly developed under the beneficent influences of Republican legislation that we produced nearly three times as much in 1913. It is of particular interest to know that in 1890 we imported a billion pounds of tin plate and had no domestic production. With the enactment of a Republican protective duty on tin plate, we began the development of a tin-plate industry of our own. Our imports have now become of slight consequence, and, at the end of what the Senator from Colorado deems a deplorably enfeebling national administration, we were producing about 2,000,000,000 pounds per annum.

The Statistical Abstract contains no figures regarding cotton manufactures for each year during the 13-year period I have been considering, and the nearest statistics available are for the period from 1899 to 1909. During that 10-year period our cotton manufactures increased from $339,000,000 to $628,000,000 and, when extended to cover a 13-year period, I have no doubt they show an increase of 100 per cent. At any rate, our exports of domestic cotton manufactures increased more than 100 per cent during that 13-year period which, in the opinion of the Senator from Colorado, found us in a "deplorably enfeebled condition."

In that same 10-year period our manufactures of wool increased from $297,000,000 to $507,000,000, an increase of 70 per cent, which is not so bad a showing for a population that increased less than 28 per cent.

If business were, in fact, deplorably enfeebled, that condition would certainly be reflected in diminished passenger and freight traffic on our railroads. But there was no recession. On the contrary, there was an increase of both forms of traffic far in excess of the rate of increase in our population. In 1900 the railroads carried less than 577,000,000 passengers, while in 1913 they carried 1,033,000,000, an increase of about 95 per cent. The quantity of freight transported increased more than 100 per cent.

This same story of steady and healthy industrial activity is supported by postal statistics. In 1900 the receipts of the postal service were $102,000,000, but business activity so rapidly increased the use of the mails that in 1913 the total receipts were $266,000,000, an increase of 160 per cent. When a 28 per cent increase in population is accompanied by a 160 per cent increase

in use of the mails, there is something besides stagnation permeating our industrial life.

In 1900 the Post Office Department issued domestic money orders to the amount of $239,000,000. In the 13 years that followed, our banking business increased to the extent already shown, and money-order business increased to $624,000,000. When a population that increases only 28 per cent can increase its purchase of money orders to the extent of 160 per cent, it is difficult to understand how a United States Senator can read a story of business depression between the lines. Would he consider it an evidence of bad conditions in his own private business if he had an increase of 160 per cent with only a 28 per cent increase in the scope of his trade?

These facts clearly and indisputably demonstrate that through the 13-year period I have discussed, while the Republican Party was in control of the affairs of the Government, we enjoyed a steady advance in material prosperity. There was one brief check to our advance, it is true, but the interim was short and of no lasting effect upon the onward and upward sweep of our industrial progress. And during that period of material prosperity, we were not neglectful of higher considerations. In 1900 we spent $215,000,000 on our public schools but increased this to $534,000,000 in 1913, an increase of 148 per cent in public-school expenditures for the benefit of a 28 per cent increase in population.

THE PANIC OF 1907.

In a very adroit but not entirely frank, and far from accurate, statement the Senator from Colorado said that "the depressing effects of the 1907 panic extended through the balance of the Roosevelt administration, through all of the Taft administration, and into the first part of the Wilson administration." I shall not attempt any extended discussion of the panic of 1907, nor shall I deny any responsibility the Republican administration should bear. I do deny, however, that the effects of that panic extended through the balance of the Roosevelt administration or through all or any part of the Taft administration. I shall present evidence which will conclusively prove that the Senator is not justified in his assertions.

Preliminary thereto, however, permit me to say that the American people have already passed judgment upon the administration which may have been partly responsible for the panic of 1907. It is common knowledge that prior to the panic of that year the executive branch of the Government had been conducting a crusade against a class of people whom it characterized as malefactors of great wealth. In my judgment, there was justification for a part of that crusade. It was at that time and still is my opinion that the crusade gathered a momentum which carried it beyond the point of reason. This was recognized by President Roosevelt himself, who called a halt when he realized the extent to which enthusiasm had carried his colaborers.

But while I was then and still am of the opinion that the crusade, however wisely begun, was carried to unwise extremes, yet I have never for a moment doubted the sincerity of the man who started that crusade. Neither is there any doubt on that point in the minds of the American people. That has been twice conclusively proven. In 1908 the Republican Party nominated and the American people elected a candidate who was the personal choice of Theodore Roosevelt. William H. Taft was nominated and elected President in 1908 through the influence of Theodore Roosevelt with the American people. His election was to all intents and purposes an indorsement of the Roosevelt administration. In fact, throughout the 1908 campaign there was no argument or plea that aroused more enthusiasm in public meetings or that won more votes for the Republican candidate than did reference to and commendation of the administration of Theodore Roosevelt.

Not only was Mr. Taft the personal choice of Mr. Roosevelt, but the platform on which Mr. Taft ran contained an unqualified indorsement of the Roosevelt administration. At the head of the Democratic ticket was Mr. Bryan, who was then and probably is now the most popular man in the Democratic Party. The platform upon which Mr. Bryan ran contained a scathing denunciation of the Roosevelt administration and of the Republican Party. Nevertheless, and notwithstanding the fact that Mr. Bryan polled a hundred thousand more votes than did Mr. Wilson in 1912, yet Mr. Bryan fell 1,269,000 votes behind the vote for the Republican nominee. If the Republican Party or the Republican President were responsible for the financial flurry of 1907, they were never censured by the American people.

Moreover, the election of 1912 disclosed another demonstration of the truth of the assertion that even though his administrative course may have precipitated the panic of 1907, yet the American people did not lose confidence in the integrity and general wise judgment of Theodore Roosevelt. Although he ran on a third-party ticket and with an organization hastily brought together, he received the votes of 4,119,507 American citizens, which, together with the 3,484,956 votes polled for the Republican nominee, made a total of 7,604,463, or more than 1,300,000 votes in excess of those polled for the Democratic nominee.

While it may be true that the crusade against bad business led to the panic of 1907, statistics published under the approval of the present Secretary of Commerce show that the effects of that panic were of brief duration, that the industries and the commerce of the country rapidly resumed their normal stride, and that we were on a rising tide of prosperity at the time the Democratic Party came into power in 1913.

THE DEPRESSION OF 1913–14.

The Senator from Colorado made the assertion that no better index of the business conditions in the country exists than the reports of Bradstreet's and Dun's commercial agencies, and that "for the last year" they have been noting a marked increase of activity in industry and commerce. This is undoubtedly true. There will be no disputing the statement that the reports of the commercial agencies are a good index of business conditions, and that "for the last year" there has been a marked increase of activity in industry and commerce. The "last year" has been a year of war which gave us the largest foreign trade in our history.

Since the Senator from Colorado considers Bradstreet's reports a good index of business conditions, I should like to quote a few statements from the publications of that periodical during the period of time when the Senator from Colorado said that "the channels of commerce were sluggish and the currents of trade were stagnant."

In its first issue of the year 1912 Bradstreet's opened its comment on the state of trade with this assertion:

At the advent of the new year the undertone of trade and industrial conditions seems to be of an encouraging character. At the moment retail lines present the most active branches of distributive trade while in industrial pursuits iron and steel and textile mills have enlarged their working forces.

At the end of the first three months of 1912 Bradstreet's said that bank clearings for the month of March apparently spelled betterment in the trend of affairs in general.

This fact is reflected in a total of $14,319,021,715, which sum first of all indicates an increase of 12.1 per cent over the preceding month and a general increase of 7.6 per cent over March, 1911.

It is apparent that business was on the upgrade rather than down grade in 1912.

In opening its reviews for 1913, Bradstreet's said that—

Nineteen hundred and twelve was a year of remarkable achievement in agriculture, in trade, and in industry. It saw set up many new records of crop yield, of commodity price movements, of foreign and domestic trade, and of manufacture. * * * Briefly stated, it was a period of peaceful progress and plenteous production during which were laid some firm foundations for a season of prosperity in the current year.

If the Senator from Colorado has, as he professes to have, great regard for the comments of Bradstreet's upon industrial conditions, how can he harmonize that statement, made at the opening of the calendar year 1913, with his assertion that—

Commerce was sluggish and the currents of trade stagnant.

The quotation I have just made from Bradstreet's was published only two months before the Democratic Party assumed control of the affairs of this Government. At the end of three months after the Democratic Party had assumed control, and four months before it had enacted its destructive tariff law, Bradstreet's opened its review with this statement:

Varying factors are presented by this week's reports, financial pessimism, plus apprehension over tariff changes, being in sharp contrast to very favorable returns as to actual current trade and as to crops. * * * The financial situation, involving as it does stock market liquidation, tight money, and more than usual difficulty in making collections, together with the certain degree of uncertainty regarding tariff matters, continues to hold up operations for the far future.

When the Underwood tariff law, which was enacted on October 3, 1913, had been in effect one month, Bradstreet's said:

Bank clearings for the week ending October 30 aggregated $3,181,423,000, a decrease of 12 per cent over last week and of 7.9 per cent over the same week last year.

In its first issue for 1914, reviewing the business year 1913, Bradstreet's said:

Nineteen hundred and thirteen was a year of disquiet and disappointment alike in foreign and domestic finance, trade, and industry. The disquiet was world-wide, though until the latter part of this year not so much in evidence at home as abroad.

I direct the particular attention of the Senator from Colorado to the statement that it was not until "the latter part of the year," when the Underwood tariff law took effect, that the depression was severely felt in this country. I shall make only a few quotations from Bradstreet's reports at the end of the

first three months of 1914, showing conditions from various viewpoints:

There is a good deal of irregularity in current trade reports, and while business in many lines makes an acceptable comparison with last year, the nub of the various complaints now heard is found in the tendency patent to buy in small lots for immediate use rather than to make heavy purchases for distant prospective wants. * * * Sentiment in the iron and steel trades is even less favorable than it was. This is directly traceable to the fact that demand is exceptionally light and because of retrenchments by some of the leading railways. * * * Pig iron is very dull, and prices on southern grades are lower. * * * The quarterly report of failures and liabilities is not very encouraging. There were more failures in March than a year ago, and the liabilities were likewise the largest ever reported in that month. The first quarter's total is larger than a year ago, and larger than in any previous first quarter since 1896, exceeding even the first quarter of 1908 by a fraction of 1 per cent.

But the most interesting, the most useful, and the most convincing expressions from Bradstreet's regarding business conditions are those early in the months of June and July, 1914, before we heard even the rumblings of the approaching storm in Europe. The Underwood tariff law had at that time been in effect only 8 or 9 months. It was in effect only 10 months prior to the sudden outbreak of the war, on August 1, 1914. In its issue of June 27, 1914, Bradstreet's said:

Foreign trade in May was smaller than in April, owing mainly to a decrease in imports, but compared with May a year ago imports were much larger, while exports were considerably smaller. The result was a balance in favor of imports of nearly $2,000,000 as against a balance in favor of exports a year ago of nearly $61,000,000.

I trust the Senator from Colorado and his colleagues who helped pass the Underwood tariff law do not fail to observe the full force and significance of that statement. Under the Republican tariff law we had in May, 1913, an export balance of nearly $61,000,000, whereas in May, 1914, under the Underwood law, we had an import balance of nearly $2,000,000. It makes a vast amount of difference whether trade is in our favor or against us.

On July 4, 1914, Bradstreet's printed its review of the first half of the calendar year. It said:

Good and excellent crop reports, quieter distributive trade, and dull and depressed industry and manufacture are the salient features of this week's advices. * * * Collections this week are rather slow, though crop movements may tend to improve this. * * * Failures for six months of 1914 number 7,745, a total of 8.4 per cent larger than last year and 2.4 per cent heavier than in 1908. Liabilities for six months aggregate $149,969,754, a sum 31 per cent larger than a year ago, but 16 per cent smaller than in the first half of 1908.

Regarding foreign trade movements, Bradstreet's for July 11, 1914, said that—

Import trade in May showed a large increase, 22.8 per cent, over May, 1913. Our exports fell off 16.9 per cent. In imports the feature was the large gain in receipts of foodstuffs, while in exports a notable tendency was to lessen the shipments of manufactures.

As the Senator from Colorado has well said, Bradstreet's is not a political publication. It is entirely nonpartisan, and yet it would be difficult for any Republican Senator to make a statement that in effect more severely condemns the Underwood tariff law than does the Bradstreet's review from which I am quoting. Continuing, Bradstreet's of July 11, 1914, says:

Thus, of the total increase in all imports of $31,000,000, foodstuffs showed a gain of $14,036,000, or 50 per cent increase on a year ago. Crude materials for use in manufacture gained $13,340,000, or 27 per cent, while manufactures for use in manufacture fell off about $14,000,000, or 13 per cent, and manufactures ready for consumption increased about $7,000,000, or 24.6 per cent, making a net decrease in all imports of manufactures of $7,000,000, or 16 per cent.

That statement is well worth the studious attention of every man who is a sincere believer in the maintenance of the economic policy very aptly described by the expression "America first." A 50 per cent increase in our imports of foodstuffs could not be otherwise than injurious to the American producers of foodstuffs who were ruthlessly thrown into competition with foreign producers. Imports of manufactures ready for consumption increased 24.6 per cent, showing that we were increasing our purchase of the products of foreign labor to the detriment of those of our people who are engaged in manufacture at home.

At the same time that those changes were taking place exports of manufactures from this country fell off $20,000,000, or 18 per cent, and exports of food products fell off $6,000,000, or 17 per cent.

Those figures cover only the month of May. Bradstreet's report for eight months, under the new tariff law, shows a decrease in our export balance of 36.3 per cent. Our exports of crude materials increased $29,000,000 during the eight months, showing that we were sending our raw materials abroad to be made into manufactured products by foreign labor.

Contrast the conditions in the middle of 1914 with those in the middle of 1915, when the war had been 11 months in progress. The first issue of Bradstreet's in the month of July, 1915, asserted that—

War orders are of enormous proportions. Brass mills in New England, sold far ahead, are intensely active; tin-plate plants are overflowing with orders, subletting of contracts being a feature; steel mills are doing more; specifications for finished steel are larger; the amount of pig iron is increasing; idleness continues to decrease; effects of war orders are sprouting out to other lines, percolating, as it were, through general trade; money is easy, and country banks are drawing funds for crop-making processes. * * * Our Chicago correspondent says the value of war orders placed throughout the country is $1,500,000,000, which at a profit of 20 per cent yields $300,000,000. Buffalo reports a large rush order for steel rails, also a large contract for steel with which to make shrapnel. A local plant manufacturing benzol has sold its full output for export. Baltimore says manufacturers of workingmen's shirts and overalls are working full time, in some cases overtime. From New Haven comes the report that some brass manufacturers have enough orders on hand to keep up activities for the next five years.

It is needless to continue these quotations from Bradstreet's. The story is pretty clear to every reader of the daily press. From a state of industrial depression due to tariff legislation which turned our export trade into an import trade—turned our producers into consumers—we were rescued by the outbreak of the war, which created a demand for a vast line of products and gave us a war-order business, which, as Bradstreet's very pertinently says, percolated through general trade.

Some of our Democratic friends are inclined to deny that the business activity we are now enjoying is a "war-order" prosperity. Others do not make express denial, but assume that by some mysterious means the present administration has brought about a revival of industrial enterprise. In all Democratic quarters there is a feverish hope that the American voters will be content with good wages and high prices, however attained, and will not study the economic conditions and the abnormal circumstances which exist.

In order to make my demonstration more comprehensive by submitting more specific evidence from a different viewpoint, I shall present a table showing the values of exports of 47 classes of articles that are essential to the maintenance of modern warfare. I shall give the export figures for a period of 10 months under Republican tariff laws, then for a corresponding period under the Democratic tariff prior to the outbreak of the war; next for the first 10 months of the war, and, finally, for the corresponding 10 months of the second year of the war. I can not conceive a fairer or more conclusive method of studying this question, if one desires to get the actual facts.

It will be seen that our total exports of these 47 classes of commodities amounted to $734,476,000 under the Republican period, but during the Democratic period the depressing effect of tariff legislation decreased the exports to $630,652,000. The first 10 months of the war increased these exports to $1,360,266,000, while continuation of the war raised the exports to $2,383,598,000 for the corresponding period in the second year of war.

Here are the figures in condensed form:

Class.	Republican law, October, 1912–July, 1913.	Democratic law.		
		October, 1913–July, 1914.	August, 1914–May, 1915.	August, 1915–May, 1916.
Aluminum and manufactures	$794,000	$935,000	$2,946,000	$4,898,000
Animals:				
Horses	3,511,000	2,824,000	55,820,000	59,141,000
Mules	677,000	562,000	10,159,000	18,296,000
Brass and manufactures	6,755,000	6,184,000	15,779,000	128,388,000
Breadstuffs and oats	189,057,000	132,523,000	513,287,000	383,697,000
Buttons and parts	700,000	540,000	972,000	1,515,000
Cars, carriages, etc.:				
Aeroplanes and parts	74,000	201,000	1,115,000	5,755,000
Autos and parts	27,740,000	28,279,000	51,936,000	99,942,000
Auto tires	3,234,000	2,769,000	3,883,000	15,730,000
Steam railway cars	14,347,000	7,768,000	2,910,000	23,909,000
Miscellaneous vehicles	6,847,000	5,865,000	9,042,000	11,929,000
Acids:				
Sulphuric	63,000	101,000	450,000	1,557,000
All other	302,000	302,000	2,238,000	18,274,000
"Other" chemicals	7,084,000	7,575,000	18,713,000	45,313,000
Copper pigs, etc	115,495,000	120,929,000	80,008,000	139,888,000
Cotton manufactures:				
Knit goods	2,064,000	2,039,000	11,417,000	17,104,000
All other	5,253,000	5,213,000	13,413,000	9,140,000
Eggs	3,654,000	3,026,000	4,435,000	5,433,000
Explosives	4,395,000	5,480,000	29,032,000	398,229,000
Fish	8,722,000	11,623,000	10,605,000	18,045,000
Fruit:				
Dried	13,152,000	8,741,000	10,786,000	13,020,000
Canned	3,902,000	3,606,000	5,667,000	6,528,000
Hay	821,000	642,000	1,578,000	2,505,000
India rubber goods	8,412,000	7,273,000	8,094,000	14,483,000
Instruments, and appliances, medical, surgical, and optical	2,341,000	2,638,000	5,743,000	7,617,000

Class.	Republican law, October, 1912–July, 1913.	Democratic law.		
		October, 1913–July, 1914.	August, 1914–May, 1915.	August, 1915–May, 1916.
Iron and steel manufactures:				
Bars, rods, blooms.	$12,103,000	$6,596,000	$11,743,000	$65,506,000
Cutlery	917,000	925,000	1,361,000	3,650,000
Firearms	3,585,000	2,749,000	8,244,000	13,943,000
Horseshoes	82,000	79,000	1,499,000	1,493,000
Locomotives	5,550,000	2,797,000	1,944,000	11,615,000
Machine tools	13,599,000	11,157,000	23,617,000	48,976,000
Nails, wire	1,939,000	1,249,000	1,913,000	5,697,000
Rails, railway	11,467,000	6,286,000	3,175,000	14,933,000
Wire, barbed, etc.	8,342,000	6,481,000	11,168,000	32,029,000
All other manufactures of iron and steel	17,009,000	14,736,000	15,274,000	[1]16,424,000
Leather, tanned skins, and manufactures:				
Men's shoes	9,282,000	8,077,000	13,110,000	31,731,000
Saddles and harness	641,000	706,000	15,871,000	5,076,000
All other	42,197,000	38,301,000	76,944,000	89,711,000
Meat products	128,474,000	114,798,000	169,430,000	220,908,000
Dairy products	2,722,000	2,417,000	11,159,000	19,657,000
Oils, gas and fuel	7,051,000	12,959,000	15,317,000	20,776,000
Distillates (except gasoline)	11,475,000	4,715,000	7,420,000	24,185,000
Paraffin	7,560,000	5,298,000	8,886,000	10,167,000
Vegetables, canned and other	5,973,000	5,926,000	9,006,000	12,992,000
Wool manufactures	3,717,000	4,034,000	23,291,000	47,365,000
Zinc manufactures	1,005,000	279,000	18,265,000	38,283,000
Articles not listed	6,965,000	6,253,000	9,792,000	20,068,000
Total, 47 classes.	734,476,000	630,657,000	1,360,266,000	2,383,598,000
Total exports, 10 months' period	2,110,466,000	1,951,870,000	2,345,903,000	3,601,186,000
Percentage, above classes....per cent..	35	32	60	66

[1]Includes shell steel.

But while I have a due regard for the opinions expressed by Bradstreet's and by any other commercial institution which makes a specialty of collecting facts and drawing conclusions therefrom, yet there rests upon every American citizen the ultimate duty and responsibility of studying the facts for himself and drawing his own conclusions as a test of the accuracy of the conclusions drawn by others. I have made a few excerpts from the opinions expressed by Bradstreet's. Since they are mere excerpts, they are open to the suspicion that they were selected to support the views I had already formed. I have made these quotations merely for the purpose of demonstrating that whereas the Senator from Colorado quoted Bradstreet's to show the excellent condition of industry and commerce in the United States at the present time, he could have found, if he had been so disposed, equally strong expressions showing the depression which resulted from the enactment of Democratic tariff legislation. Since there may be some doubt as to the fairness of my selection of quotations, just as there may well be a belief that the Senator from Colorado sought only those particular quotations which supported the cause he represents, I shall avoid any criticism that might thus be made by setting forth further statistics, in order that those who hear or read my remarks may ascertain for themselves whether my views are correct as to fundamental economic conditions in the United States during the closing months of the Republican administration, as compared with the Democratic administration prior to the outbreak of the war in Europe.

These statistics are also taken from Bradstreet's Review and compare the first 10 months under the Democratic tariff law with the corresponding 10 months in the previous year under the Republican law. I choose those periods for comparison for the obvious reason that the Underwood tariff law was in force only 10 months prior to the European war. The Underwood tariff law took effect October 3, 1913. During the remaining three months of that year and the first seven months of 1914 up to August 1, when the war began, there were 13,120 business failures, with total liabilities of $261,847,114, as compared with 11,736 failures in the corresponding 10 months in the last year of Republican administration, with total liabilities of $214,243,203.

In the calendar year 1912 commercial failures amounted to $98,816,000, while in 1913 they amounted to $113,863,000 and in 1914 to $175,298,000.

During the 10 months the Underwood tariff law was in effect prior to the war building expenditures amounted to only $679,000,000, as compared with $750,000,000 in the corresponding period in the previous year. For the calendar year 1912 building expenditures amounted to $879,000,000, while in 1913 they dropped to $814,000,000 and in 1914 to $729,000,000.

During the calendar year 1912 new companies with capitalization of $100,000 or more each, were organized with a total capitalization of $2,295,172,000, while in 1913 the aggregate dropped to $1,534,254,000 and in 1914 the depression had become so great that the total was only $894,947,000.

It is evident from these figures and also from the fact that bank clearings for the 10 months of the Underwood tariff law were $3,300,000,000 less than during the corresponding period under Republican administration that there was in 1913–14 a cessation of active enterprise, a halting of general industrial activity, and a well-founded apprehension on the part of careful business men that the economic policies of the Democratic Party would destroy rather than conserve or construct American industry.

STATISTICS FROM A DEMOCRATIC SOURCE.

The efficacy of a protective tariff system in promoting industrial development and in maintaining sound and active business conditions is attested not only by Bradstreet's but by the first annual report of the present administration giving an annual review of the foreign commerce of the United States. Although that report was not submitted until February, 1914, it covered the fiscal year ended June 30, 1913, a period entirely under Republican tariff legislation, though the statistics for the period were compiled by a Democratic administration.

Although we were supposed to be at that time, according to the Senator from Colorado, in a "deplorably enfeebled condition," that report declares that our foreign commerce for 1913 exceeded that for any previous year. The total of imports and exports is of less importance, however, than the character of the exports and imports. If we were increasing our imports of manufactured goods and decreasing our exports of manufactures, the showing would be bad for us, for it would show that we were paying foreign workmen to do the work we should do in our own mills. But no such showing is made. On the contrary, it is demonstrated that under Republican tariff laws we were increasing our exports of manufactures and decreasing our imports.

Commenting upon this phase of the statistical showing, the report says that the chief increase in imports was in manufacturers' materials—the commodities needed in order to keep American mills busy. The chief increase in exports was in manufactures—the product of American labor. What a magnificent tribute the newly inaugurated Democratic administration thus paid to the success of the Republican economic policy!

The report further says that—

Imports of foodstuffs, both those in a crude condition and those partly or wholly manufactured, show a slight decrease and formed a smaller percentage of the total importations than in the preceding year. Manufacturers' raw materials imported increased 79 million dollars and formed 35.04 per cent of the total, against 33.63 per cent in 1912. Manufactures for further use in manufacturing increased 56 million dollars and formed a larger percentage of the total than ever before, being 19.27 per cent, against 18.84 per cent in 1911 and 17.77 per cent in 1912. Manufactures ready for consumption increased 48 million dollars, forming 22.51 per cent of the total imports, against 23.9 per cent in 1900 and 29.23 per cent in 1890.

The increase in exports occurred chiefly in manufactures. The group, manufactures ready for consumption, showed an increase of 104 million dollars over 1912, the former high-record year, and formed a larger share of the total (31.97 per cent) than in any preceding year. Manufactures for further use in manufacturing increased 61 million dollars and formed a larger percentage of the total exports (16.83 per cent) than in any preceding year. Manufacturers' raw material exported increased but 9 million dollars and formed a smaller percentage of the total exports (30.13 per cent) than in any year since 1906. Manufactured foodstuffs increased but 2¼ million dollars; but crude foodstuffs showed an increase of 82 million dollars over 1912, this increase occurring chiefly in wheat, of which the exports amounted to 89 million dollars, against 28¾ million in 1912; oats also showing an increase of 12 million dollars when compared with 1912. This unusually large increase in the exportation of wheat and oats brought the total exports of agricultural products to the highest total in value in the history of the export trade, aggregating $1,121,290,345 in 1913, against $1,048,433,768 in 1912 and $1,054,405,416 in 1907, the former high-record year.

The imports by great groups, compared with the preceding year, were as follows:

Groups.	1912	1913
Crude materials for use in manufacturing	$555,986,041	$635,210,201
Foodstuffs in crude condition, and food animals	230,358,230	211,746,503
Foodstuffs partly or wholly manufactured	196,100,608	194,243,229
Manufactures for further use in manufacturing	293,739,134	349,401,928
Manufactures ready for consumption	360,018,963	408,178,704
Miscellaneous	17,061,958	14,227,681
Total	1,653,264,934	1,813,008,234

The exports by great groups, compared with the preceding year, were as follows:

Groups.	1912	1913
Crude materials for use in manufacturing	$723,008,839	$731,758,513
Foodstuffs in crude condition, and food animals	99,899,270	181,907,266
Foodstuffs partly or wholly manufactured	318,838,493	321,204,373
Manufactures for further use in manufacturing	348,149,524	408,806,949
Manufactures ready for consumption	672,268,163	776,297,360
Miscellaneous	8,155,539	8,531,897
Total domestic exports	2,170,319,828	2,428,506,358
Foreign exports	34,002,581	37,377,791
Total exports	2,204,322,409	2,465,884,149

The broadening field for the exports of our domestic products is sharply illustrated by the figures of the fiscal year 1913. Exports to the other sections of America formed 30.96 per cent of the total against 16.24 per cent in 1900, 15.50 per cent in 1890, and 11.08 per cent in 1880; while those to Europe formed 59.98 per cent of the total against 74.60 per cent in 1900, 79.74 per cent in 1890, and 86.10 per cent in 1880.

FACTS REGARDING SPECIFIC INDUSTRIES.

I have now shown by indisputable statistics that under Republican tariff policies we experienced a rapid and practically continuous industrial growth up to the time when the Democratic Party secured control of the Government and enacted a tariff law whose rates of duty were so low as to constitute in effect free trade. I have shown that because of the enactment of the Democratic tariff law our imports increased, our exports decreased, domestic business declined, our bank clearings fell off, productive enterprise was halted, and business failures increased. The statistics I have presented are general in their character, showing the effect of a free-trade policy upon our business life as a whole.

I have asserted that a protective tariff is constructive while free trade is destructive. Perhaps there are some who will not be satisfied with the demonstration made by the general statistics I have submitted. For their particular benefit and for the information of all who may be interested, I propose to submit some specific facts regarding particular industries for the purpose of further proving beyond possibility of dispute the constructive effects of a protective tariff and the destroying influence of reduction or removal of the protective duty.

Mr. President, I do not stand here advocating a tariff for the protection of the industries of Utah alone. While I am a Senator from the State of Utah I am a Senator of the United States, and deem it my duty, regardless of the special interests of my own State, to advocate such legislation as will redound to the benefit of the Nation as a whole. It is true that the wool growers of Utah, the zinc and lead and sugar producers of that State, earnestly desire a protective tariff upon their products. It is my opinion that such a protective tariff is not only justified but absolutely essential to the largest possible success of those industries.

But we are not so narrow in our vision as to be deluded with the idea that we can be prosperous through a protective tariff upon our own products if all other industries of the United States are impoverished by ruinous competition with the products of cheap labor, cheap raw material, and cheap land in Europe, South America, or Asia. We depend upon other sections of the United States for the greater part of our market for the products of Utah and, in order that we may have an active demand for our goods and a correspondingly satisfactory price, those who are engaged in other enterprises must themselves be prosperous.

PEARL BUTTONS.

We desire, for instance, to sell the products of our wool to the pearl-button producers of Illinois, who are so ably represented in some respects, but I believe ill-advisedly represented in other respects, by a distinguished Senator [Mr. LEWIS] who is a member of the opposite party. In order that the pearl-button producers of his State may be liberal buyers of wool products, it is necessary that they be protected from the low-waged labor of Japan, Germany, Austria, and other countries. In order to demonstrate the necessity for a protective tariff upon pearl buttons, I desire to call attention to the fact that 25 years ago there was no pearl-button industry in this country. About that time the McKinley bill was passed and in it was inserted a protective duty upon pearl buttons, with the result that an industry was built up now employing some 22,000 men and women. The rate of duty imposed by the Republicans was not sufficient to be prohibitive of imports, as is evidenced by the fact that during the fiscal year 1913 we imported pearl buttons to the value of $91,000, from which the Republican revenue law collected, in round numbers, $70,000. When the Underwood law was passed in October, 1913, the duty was very materially reduced, with the result that in the remainder of that fiscal year, covering a period of only nine months, we imported $170,000 worth of pearl buttons from which the Democratic revenue law collected approximately $61,800 of revenue. The imports were at the rate of $226,000 per year, or two and one-half times the imports under the Republican law. I challenge the Senator from Illinois to assert on this floor that this increased importation of pearl buttons had no injurious effect upon those citizens of his State who are engaged in this industry. It is a small industry, it is true, but it is one of those thousands of industries which go to make up our industrial commonwealth.

TABLE CUTLERY.

I am here to plead also for the table-cutlery manufacturers of New York, New Jersey, Ohio, and other States, some of which are represented on this floor by men who voted to reduce the import duty on cutlery. In the manufacture of table cutlery there was invested in 1913 more than $5,300,000 and the average production was in the neighborhood of $3,500,000. Some 4,000 men and women find employment in that industry. Evidence before the Finance Committee shows that daily wages in this industry range from $1.80 for unskilled labor to $3.15 for skilled labor, as compared with 75 cents per day to $1.42 per day in Germany and England. Under the latest Republican tariff law this industry was protected by both specific and ad valorem duties which produced a revenue amounting to about 42 per cent. Nevertheless, there was a sufficient importation to demonstrate that the duties were not prohibitive. We built up no monopoly of table-cutlery production under that law. The act of October 3, 1913, passed by a Democratic administration, reduced the tariff rate, with the result that importations more than doubled up to the time of the outbreak of the war in Europe, which temporarily shut off foreign competition. Since the war began we have made heavy exportations of table cutlery. I challenge the Democratic Senators from New York, New Jersey, or Ohio to assert on this floor that American workmen should be required to compete with the foreign workmen at the wages I have stated without the protection of the rate of duty imposed by the Republican tariff law.

TIN PLATE.

Mr. President, one of the important industries built up in this country as a direct consequence of the enactment of a Republican protective tariff law is the tin-plate industry, to which I have already alluded, and which had its origin in the State of Indiana. Study of the history of the American tin-plate industry should be of particular interest because we manufactured none of this article in this country prior to 1890, but imported our supply from Wales. The McKinley bill of 1890 imposed a duty of 2.2 cents per pound, and under the assurance thus given that the American producer would have a tariff advantage which would equalize the disadvantage of higher wages which he must pay, tin-plate factories were established first in Indiana and then in other States.

In 1913 Indiana was represented by two Democrats, who voted to reduce that duty. Let us see the difference in the effect of the Republican constructive tariff and Democratic destructive legislation. From no industry at all in 1890 we built up tin-plate production to an annual output of 18,000,000 boxes of 100 pounds each, valued at about $62,000,000, in 1912. During that same time the price of tin plate to the user was reduced from about $6 per box to about $3.20 per box. After the industry had been firmly established under the McKinley rate of 2.2 cents per pound the rate was reduced by the Payne law of 1907 to 1.2 cents per pound. Statistics show that in the matter of labor cost Wales has an advantage over the United States of about 34 cents per hundred pounds, in cost of raw material 10 cents per hundred pounds, on capital cost 13 cents per hundred, and on freight cost 40 cents per hundred, thus showing a total advantage in favor of the Welsh producer of 97 cents per hundred pounds. The Payne rate of $1.20 per hundred pounds was therefore declared to cover the difference in cost of production. The Underwood law, however, cut the duty to 15 per cent ad valorem, or about 46 cents per hundred pounds. Fortunately, the outbreak of the European war has protected us from an invasion of our markets by the factories of Wales, but American tin-plate producers were considerably startled by the announcement that 2,000 tons of tin plate have recently reached our ports from China, and that the Chinese Empire is rapidly developing a tin-plate industry which hopes to invade and capture a large portion of the American market. With all the necessary raw material at hand and with the cheapest labor to be found anywhere on the globe, China is in a fair position to take advantage of the low tariff rate imposed on tin plate in the Underwood tariff law.

DYESTUFFS.

Mr. President, I shall not hope to say anything new upon the subject of a protective tariff on dyes, but in attempting to make an address of rather comprehensive character, I shall touch upon this subject not only for the purpose of emphasizing the need of a dye industry, but also for the purpose of incorporating in my remarks some comment upon the practical admissions that have been made by our Democratic friends as to the effectiveness of a protective tariff in building up American industry. In this connection it is amazing that some Democrats criticize the Republican Party because it did not during its years of control of national policies enact a tariff law which would build up a dye industry and make us industrially independent. I have never contended that a Republican tariff law was perfect. I have always believed that some of our tariff rates were too low, even under Republican administrations, and I think quite possibly some of them were higher than necessary. In the past few have realized the importance of establishing a dye duty high enough to insure the establishment of an adequate dye industry in this country. I have pleaded for adequate protection for this industry time and time again. We have now learned by experience, and have learned not only the importance of a dye industry, but the absolute necessity of a protective tariff as a means of securing it. Our Democratic friends acknowledge the necessity of a protective duty in order to encourage American capitalists to embark in this enterprise on such a scale as to give assurance of permanency, and yet they are unwilling to establish a protective tariff at such a rate as to assure the adventurous captains of industry that when their dye plants have been established they will be secure against the destructive competition of a nation which has grim determination to monopolize the dye industry of the world. With a lack of foresight and a vacillation of policy it is characteristic of the Democratic Party to induce men to invest their capital in an enterprise which they are willing shall later be destroyed. This policy is quite consistent with that which they have pursued in foreign affairs. They have asked and encouraged the American people to go into Mexico and South America to invest in industry which should bring trade to the United States, but when a crucial test has come they have refused to give those same people the protection to which they are entitled as American citizens under the treaties made in good faith with those Southern nations.

So long as the Democratic Party remains in power there is no encouragement for any reasonably cautious man to invest his money in South American countries or in the development of a dye industry within our own borders. Personally, I advocate a high duty on dyes for three reasons. First, it will develop a new industry in this country and directly give employment to a large number of American workmen and provide a field for a larger amount of American capital. Second, it will make other industries which are users of dyes independent of foreign countries, whereas they are now entirely dependent. Third, we have had a demonstration in the case of Germany that dye plants can be readily transformed into factories for the production of explosives. In my opinion, there is nothing that we could do that would more effectively contribute to military preparedness than the establishment of a dye industry so extensive as to insure the production of all our dye material in our own country. If we should unfortunately be involved in war, every one of such dye plants would be immediately available for the production of the first essential of modern warfare.

SEWING MACHINES.

One of the great industries we have built up in this country is the manufacture of sewing machines. The largest sewing machine company in this country maintains factories also in Canada, Germany, Russia, and Scotland. It maintains factories in these countries because of the lower cost of labor. Naturally, a large part of its product in those countries is sold to users in those countries. Under a Republican tariff law, sewing machines imported into this country must pay a duty of 30 per cent ad valorem, while parts of sewing machines paid a duty of 45 per cent. The Democratic tariff law of 1913 put all these commodities on the free list. During the last quarter under the Republican tariff law our importations of sewing machines amounted to less than $18,000. During the first quarter under the Democratic free trade law the imports were $32,000, during the next quarter $219,000, during the following quarter $317,000, and in the next quarter $268,000. I challenge any gentleman on the other side of the Senate to assert that it is desirable for us to buy sewing machines made in Germany, Scotland, Canada, or Russia rather than machines made in America by American labor and American capital, particularly when the price of the machines to the retail buyer is the same in either case.

KNIT GOODS AND HOSIERY.

Mr. President, I have already stated that in my opinion Republican tariff laws have been imperfect and that sometimes our rates have been too low, as they have also, perhaps, been too high. One instance in which our rate was too low is found in the duty on hosiery. For instance, under a Republican tariff law the importations of higher grades of hosiery increased from $3,000,000 in 1898 to nearly $7,000,000 in 1907. In order to remedy this condition the Republican tariff law of 1909 slightly increased the import duty on the lower grades and the importations decreased from $6,400,000 in 1909 to $2,700,000 in 1913, a decrease of $3,700,000, or 60 per cent. This was a saving of $3,700,000 to American labor and American producers of raw material. That Republican tariff legislation kept $3,700,000 of money in this country for the development of American industry. The Underwood law greatly reduced the import duty on hosiery, and, as a consequence, importations for the 10 months the Democratic tariff law was in force, prior to the war, increased 26 per cent as compared with a similar period under the Republican law, and foreign producers were making every preparation to increase their sales in this country to an even greater extent when the war shut them off from our market and gave us an abnormal market for our product.

What is true of hosiery is true of other knit goods, the importations of which increased from $302,000 to $2,821,000 during the 10-month periods already mentioned. It is asserted by practical operators in the knit-goods industry that they were seriously injured as a result of the enactment of the Underwood tariff law, not so much because of the amount of importations as because of the lack of confidence created among the buyers. The general depression which followed the enactment of the Underwood law caused all lines of industry to buy sparingly, because of realization of the fact that the foreign producer had an open door to our market and would almost certainly cut his price to such an extent as to drive the American producer out of the field.

Hosiery, Mr. President, is an industry in which the State of North Carolina is very extensively interested, and in which it will be much more extensively interested in the future. I do not pretend to be a better representative of the interests and the sentiment of North Carolina in matters of general governmental policy than are the distinguished gentlemen who represent that State on this floor, but I do undertake to assert that the hosiery manufacturers of that State, the employees in those factories, the retail merchants, the bankers, and the professional men, all of whom are indirectly benefited by the building up of a hosiery industry, agree with my views on the subject of a protective tariff rather than with the views of the gentlemen who helped reduce the protective duty on that important article of industry and commerce.

ALUMINUM LEAF.

Mr. President, it may seem a trivial matter to mention industries which are so small as to be unknown to a vast majority of the people of this country, but our prosperity is very largely founded on a multitude of small industries which afford employment to people in small communities rather than upon industries which afford employment to large numbers of people in congested districts. For my own part, I prefer to encourage that line of manufacture which will develop small industries scattered over a wide area rather than those which tend to draw so large a proportion of our citizenry to the congested districts of our large cities. I have in mind in this connection the aluminum leaf industry, which is conducted quite extensively, although in a small way in each individual instance, in New York, New Jersey, Connecticut, Ohio, and Illinois. Aluminum leaf is used chiefly for ornamental purposes and by sign painters and bookbinders. Very frequently the producer has his factory in his own home and utilizes the assistance of his family. Notwithstanding the Republican import duty of about 70 per cent ad valorem, German producers were selling so extensively in this country that the Ways and Means Committee of the House was asked in 1913 to increase the duty. That request was refused, and the duty was reduced to about 25 per cent ad valorem, under which rate German factories immediately began to supply our market, and the aluminum leaf beaters of this country were compelled to discontinue their operations.

As in the case of a great many other industries, the war shut off foreign importations, and the American aluminum leaf beaters resumed operation and are now successfully plying their trade. They do so, however, under the handicap of the certain

knowledge that as soon as the war is over Germany will be as free to seize our market as she was before the war began. Under present tariff laws there is no encouragement whatever for any man to attempt to build up an extensive aluminum leaf industry in this country. I challenge the Senator from New Jersey to defend the reduction of the duty on aluminum leaf.

AGRICULTURAL PRODUCTS.

My interest in manufacturing industries is no more earnest than my interest in agricultural industries, for I recognize the fact that the very character of our resources makes agriculture our fundamental industry. Among our agricultural products which need the aid of a protective tariff in order to successfully meet foreign competition is sugar. To this subject I shall devote no attention on this occasion for the reason that my own State is largely interested in this industry, and I desire to avoid even the appearance of being a special pleader on the tariff question. But there are other branches of agriculture in which other sections of the United States are deeply interested, and I stand here to plead their cause.

It has been the consistent effort of the Democratic Party for many years to create the impression that the protective tariff is of benefit to manufacturers only and of no benefit to agricultural producers. This is not the fact, as the records will show. Agriculture reached its greatest depression during the period from 1893 to 1897, when Democratic tariff laws were in effect. Although there were hungry thousands in our cities, the farmers of the Middle West used for fuel the wheat and corn they could not sell. This depression was due no more to the reduction of the tariff on agricultural products than to the reduction of the tariff on other commodities, creating a general depression throughout the country and diminishing the demand for agricultural products.

As I have frequently remarked, the only fair basis for comparison of imports is the 10 months' period during which the Democratic tariff law was in effect prior to the war. I shall, therefore, present a very brief table of statistics showing the imports of certain important agricultural products during that 10 months' period as compared with a corresponding period in the previous year under the Republican tariff law, from which table it will be seen that our imports of $72,694,000 in the Republican period were increased to $174,622,000 in the Democratic period.

	Ten months ended July 31—		
	1913, Republican peace period.	1914, Democratic peace period.	1915, Democratic war period.
Meat and dairy products	$12,460,501	$40,545,512	$30,421,210
Wool, classes 1 and 2	13,997,460	38,118,561	54,240,425
Breadstuffs	13,413,245	34,945,247	14,916,762
Vegetables	9,046,224	13,760,680	8,172,462
Cattle, hogs, sheep, etc	8,649,817	22,943,695	17,981,670
Hay	1,027,696	1,505,389	83,199
Broom corn	11,241	155,220	1,582
Plants, shrubs, etc	2,065,103	2,221,875	2,242,683
Seeds	11,872,964	19,336,225	20,501,362
Eggs	[1] 150,000	1,089,941	376,504
Total	72,694,351	174,622,355	148,937,859

[1] Estimated.

While those imports were small compared with our total production, I assert that they materially affected the prices our producers received, because those imports could have been very largely increased if the American producer had not met the competition.

EGGS.

Mr. President, as we citizens of Utah have no direct interest in the fish industry of the coast country, neither have we a direct interest in egg production so far as it relates to foreign competition. We feel considerable concern, however, when we learn of the extent to which Chinese egg producers have been able to sell their product along the Pacific coast. We are sorry to say that this invasion of our markets has been so extensive that the State legislatures of Oregon and California deemed it advisable to enact legislation calculated to exclude Chinese eggs from sale in those States. There could scarcely be a stronger testimonial to the soundness of Republican protective tariff policies than this action on the part of State legislatures in trying to make up, by local legislation, for the faults of laws passed by a Democratic national administration. It is unfortunate that the Supreme Court of the State of Oregon has declared the statute in that State unconstitutional, for the farmers and the egg consumers of Oregon are now entirely without protection from the cheap product of China.

Removal of the duty on fresh eggs and reduction of the duty on dried eggs hurt American industry in two respects: It permitted importations and a consequent drain upon our finances, and also encouraged American capital to go to China for investment in the egg industry. An American factory producing dried eggs has been closed and the same concern has begun operations in Hongkong, China.

During the 10 months the Underwood tariff law was in operation before the outbreak of the war, 6,000,000 dozen eggs were imported, chiefly from China, compared with none at all during the corresponding period under the Republican tariff law when there was a duty of 5 cents per dozen. Since the outbreak of the war importations of fresh eggs have somewhat diminished, but there has been a corresponding increase in importation of dried eggs, no figures being available except a statement in a consular report from China that consignment had been arranged for the shipment of 7,500,000 pounds of dried eggs to New York City and another for 656,000 pounds to Seattle. Since it takes three dozen eggs to make a pound of dried product, it is evident that these two shipments, amounting to 8,000,000 pounds, represent an importation of 24,000,000 dozen Chinese eggs. I have no hesitancy in asserting that the man who orders eggs at a restaurant or hotel, or the housewife who buys them in the market, has not procured them 1 cent per dozen cheaper on account of these large importations, though it is altogether probable that the bakers and restaurant keepers who have purchased these eggs from the importers have made a considerable profit by buying the cheaper product "laid in China."

For a great many years the State of Oregon was represented on this floor by two Republican Senators, who supported Republican protective tariff principles. It is difficult to believe that the people of the State have changed their views upon the question of a protective tariff, especially since their legislature passed and their governor signed a local measure designed to accomplish the same purpose as a protective tariff, so far as it relates to importation of eggs. I challenge either of the Senators from Oregon who supported the Underwood tariff law to defend this reduction or removal of the tariff on eggs, and challenge them to assert here that they deem it wise economic policy for the United States to encourage the sale of cheap Chinese eggs in America.

I was considerably impressed a month or so ago when the Senator from Oregon [Mr. CHAMBERLAIN], in the discussion of questions relating to the Military Establishment, made the assertion that the American soldier, like the American laborer, demands to be better fed, better clothed, and better taken care of than those of any other nation on earth. He asserted that if we placed our Army on the same basis with some other army, we would not have a corporal's guard in the United States. With this I entirely agree, but I am utterly unable to harmonize his statement of facts in this regard with his action in voting for a tariff-for-revenue-only bill. I assume from his declaration that he approves the demand of the American soldier and the American laborer to be better fed, better clothed, and better cared for than those of other lands. If this be his attitude, how can he justify his vote for a tariff law that does not make allowance for the difference in the standards of living here and abroad? I have no hesitancy in asserting the belief that the people of his State agree with his attitude upon the standard of living which should be maintained in this country as compared with the standards maintained across the sea, but it is difficult to believe that if they entertain that view they also agree with him in his attitude in favor of what is practically free trade in the commodities with which we have serious competition from abroad.

I could proceed and show similar conditions with nearly every paragraph of nearly every schedule of the present Democratic tariff act, but I shall not take the time of the Senate to do so.

LIST OF FACTS PROVEN.

In the wide range which I have attempted to cover for the purpose of demonstrating to a mathematical certainty that a protective tariff is constructive while free trade is destructive, I have conclusively established six things:

First. That under a protective tariff we enjoyed an industrial prosperity which increased much more rapidly than our population.

Second. That this prosperity continued up to the time of the enactment of the Democratic tariff act of 1913.

Third. That immediately following the enactment of that law our imports increased and our exports decreased, causing a loss of $260,000,000 in our balance of trade in the 10 months before the war began.

Fourth. That this drain upon our wealth caused the curtailment of American industry, made business men apprehensive as to the future, discouraged new undertakings, diminished all lines of business activity, threw workmen out of employment, and increased the number and magnitude of commercial failures.

Fifth. That this condition of depression continued until the outbreak of the war in Europe cut off imports and gave us an abnormal and enormous demand for our products, chiefly of those classes essential for the conduct of modern warfare.

Sixth. That the evidence of the general constructive effect of a protective tariff and the destructive effect of a free-trade policy is confirmed by numerous citations of the effect of those policies upon specific industries of varied character and located in various sections of the United States.

No mathematical demonstration could be more conclusive than the showing thus made. From every viewpoint that it is possible to take, we reach the conviction that a protective tariff is absolutely essential to the prosperity of American industry if we are to maintain the higher scale of wages and the higher standards of living which we have adopted in this country.

With such evidence as this before them, the great jury of American voters will declare when they render their verdict in November that the Republican Party is not guilty of the charge that it brought the business of this country to a "deplorably enfeebled condition." Rather will the jury record an expression of confidence in the policies and principles of that party and will rebuke the party whose legislation and administration brought on a period of depression relieved only by the extreme necessities of nations involved in the most sanguinary war in history.

THE TARIFF AND REVENUE.

Turning now from a study of import duties as a means of protection to a study of such duties as a source of revenue, which is the immediate question before us, we find that Democratic tariff legislation was ruinous not only to the industries of this country, but to the finances of the Federal Treasury itself. Not long ago a very interesting and instructive computation was made showing that from August, 1897, when the Dingley tariff law went into effect, down to the repeal of the Payne-Aldrich law, a period of 194 months, our total ordinary receipts amounted to $9,677,952,080, or an average of $49,886,351 per month. During the same period the ordinary disbursements amounted to $9,293,083,392, or an average of $47,902,492 per month. This shows an average monthly surplus of nearly $2,000,000 under Republican laws governing revenues and appropriations.

During the first 27 months under Democratic legislation, up to the time this computation was made, the average monthly ordinary revenue was $58,505,483, and the average monthly expenditure $60,070,670, or an average monthly deficit of $1,565,187.

Under this administration the Government has had poverty continually staring it in the face.

That poverty has existed in spite of continually increasing taxes imposed upon our own people. In the last fiscal year of the Republican tariff law we collected 47 per cent of our revenues from the customs tax upon foreign goods imported into this country. During the fiscal year ended June 30, 1916, we collected only 30 per cent of our revenue from foreign importers and 70 per cent by means of internal revenues paid by our own people. The same administration which enacted laws tending to destroy American industry increased the burden of taxes American enterprise must pay.

The relative merits of Republican tariff laws and of Democratic tariff laws, from the standpoint of revenue, can be very clearly seen from a comparative table of imports, customs revenues, and average duty rates for the past seven years. In order that the comparison may be very conveniently made, I have had a table prepared by fiscal years. It must be borne in mind, however, that the Democratic tariff did not take effect simultaneously with the beginning of a fiscal year, nor did all the provisions of the Democratic law take effect at the same time. In general, the law went into effect on October 3, 1913. In the case of wool the Republican rates were continued two months, and in the case of Angora goat hair for three months, and in the case of wool manufactures for three months. On sugar and molasses the Republican rates were continued for five months. We must remember, therefore, in considering the comparative statistics, that the revenues for the fiscal year ended June 30, 1914, were derived entirely from a Republican tariff up to October 3, 1913, and in part from Republican tariffs up to March 1, 1914. But for this fact the revenues would have been much smaller than they were.

The following tabulation shows imports, customs revenues derived therefrom, and average rate of duty for fiscal years ended with June 30 for the past seven years:

Year ended June 30—	Value of imports.	Duties collected.	Average duty rate.
			Per cent.
1910[1]	$1,556,947,437	$333,683,445	21.4
1911[2]	1,527,223,105	314,497,071	20.6
1912[3]	1,653,264,934	311,257,348	18.8
1913[4]	1,813,008,231	318,142,344	17.6
1914[5]	1,893,925,657	292,128,528	15.4
1915[6]	1,674,169,740	209,268,197	12.5
1916[7]	2,197,883,510	211,866,222	9.72

[1] Payne law took effect Aug. 6, 1909—seven months.
[2] First full year Payne law.
[3] Democrats came into control. Revision of tariff by schedules undertaken; vetoed by Taft.
[4] Democrats in complete control. General revision under way.
[5] Underwood law took effect Oct. 4, 1913—nine months.
[6] Eleven months war period.
[7] Full war period.

If this amount of $2,197,883,510 imports had paid the same average rate of duty as was paid on imports for the year ending June 30, 1913, under Republican law, namely, 18 per cent, the amount collected would have been $395,619,031 instead of $211,866,222, the amount collected under the Underwood law, or a gain to the Treasury of the United States of $183,752,809. With this additional amount collected from customs, with the unnecessary and extravagant appropriations of at least $150,000,000 in this year's appropriations which should and could have been saved to the Government, it would have amounted to $333,752,809, a sufficient amount to meet the unjust taxes imposed upon the people by this pending revenue bill.

Thus we see that by their repeal or reduction of duties upon foreign goods imported into this country the Democratic Party cut off more than $100,000,000 a year of national revenue, at the same time throwing open the doors of our markets to the goods of the foreign producer. That reduction of customs revenue at the beginning of an administration which has had no parallel in extravagant expenditures made necessary the raising of revenue from other sources. The sources to which recourse was had were the income tax, increased corporation taxes, and various stamp taxes and license taxes not previously imposed upon the American people in time of peace.

This increase in taxation, coincident with legislation which throws the American producer into ruinous competition with the cheap labor of Europe and Asia, is doubly subject to criticism because it not only discriminates against American citizens but against one portion of the American people and in favor of another portion. Under the system of taxation established and maintained by the Democratic Party revenues are collected in an unfair and indefensible degree from the residents of the Northern States while the people of the South are correspondingly relieved of the tax burden.

In order to show in detail that this is true I shall compare taxes paid by 12 Southern States with taxes paid by 12 Northern States, the 12 Northern States being so selected as to represent the East, the Middle West, and the extreme West.

The 12 Southern States are Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia.

The 12 Northern and Western States are California, Connecticut, Illinois, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin.

Here is a table that shows what each of these States in the two groups paid in the form of war taxes, corporation taxes, and income taxes, respectively, during the fiscal year ended June 30, 1916:

State.	War tax.	Corporation tax.	Income tax.
12 SOUTHERN STATES.			
Alabama	$264,967	$210,569	$109,983
Arkansas	240,192	112,074	44,279
Florida	309,380	108,690	133,461
Georgia	651,580	367,292	199,546
Kentucky	795,135	411,845	165,113
Louisiana	917,970	406,416	290,341
Mississippi	146,888	78,097	67,457
North Carolina	333,033	323,927	176,754
South Carolina	236,863	173,189	76,250
Tennessee	605,745	329,015	207,316
Texas	1,517,773	897,671	472,456
Virginia	647,809	647,834	289,933
Total	6,866,335	4,057,620	2,438,890

Grand total, $13,362,845.

State.	War tax.	Corporation tax.	Income tax.
12 NORTHERN STATES.			
California	$3,407,418	$1,886,379	$1,488,185
Connecticut	1,123,039	1,275,390	1,446,218
Illinois	8,783,789	5,579,152	5,166,690
Massachusetts	3,610,684	2,668,190	4,193,828
Michigan	2,370,278	2,020,473	1,876,746
Minnesota	2,166,680	1,854,447	866,558
Missouri	3,627,065	1,583,237	1,206,729
New Jersey	2,788,394	1,637,734	2,928,300
New York	23,131,431	14,947,802	30,252,255
Ohio	4,730,614	3,627,219	2,416,701
Pennsylvania	7,544,834	6,789,243	6,313,191
Wisconsin	3,180,686	778,336	559,949
Total	66,364,913	44,647,612	58,715,350

Grand total, $169,727,875.

That comparison of figures should be of interest to all American citizens who believe in fair play and of special personal interest to residents of the northern and western States.

I do not believe there are many people who believe in the policy of Rob Roy, appropriated by the Democratic administration:

Let him take who has the power; let him keep who can.

When the present bill becomes a law the unfair and indefensible discrimination will be further increased.

We Republicans are frequently asked, "What would you have done?" this question applying particularly to the management of foreign affairs. There is no reason why the same question should not be applied to domestic questions and, among others, to the question of revenue legislation.

That we would have enacted an income-tax law is evidenced by the fact that a Republican Congress passed the act submitting the income-tax amendment to a vote of the States. We would have continued the policy of customs duties high enough to provide both revenue and protection, revising the duties from time to time upon information secured by a tariff board. Such import duties, together with the usual internal revenues and the income taxes, would have produced sufficient funds to pay all the wise expenditures of the Government. We would have kept our expenditures within those revenues for all the ordinary purposes of government. We would have continued the tariff board for the purpose of gathering and submitting to Congress information upon which scientific revision of the tariff could have been conducted. We would not have imposed war taxes in time of peace; we would not have destroyed the protective tariff; we would not have enacted a less-than-revenue tariff law; we would not have undertaken extravagant and useless expenditures.

I have now enumerated four serious mistakes made by the Democratic Party in fiscal legislation:

First, the abandonment of the protective policy.

Second, reduction of import duties below the point of needed revenue production.

Third, imposition of burdensome and irritating internal taxes as a substitute for a portion of the import tax upon foreign goods shipped into this country.

Fourth, imposition of taxes which bear unequally and unfairly upon different sections of the country.

Those four mistakes relate to the raising of revenue. A fifth but no less important mistake made in fiscal affairs is in the matter of appropriations.

The Democratic Party was amply warned as to the effects of its revenue legislation. It knew, or should have known, that receipts of the Federal Treasury would be reduced. It was pledged to reduction of expenditures, to the reduction of the number of offices, to the adoption of more economical methods in Government service.

In the face of certain reduction of revenues and in spite of its pledge to reduce expenses, it proceeded to make the largest appropriations in our history, as shown by the following comparisons of appropriations for the fiscal years 1912 to 1917.

The increase for 1917 over 1916 was $515,446,670.

The increase in 1915, 1916, and 1917 over 1912, 1913, and 1914 is $716,664,415.

Title of act.	Fiscal year. 1912	1913	1914	1915	1916	1917	Increase 1917 over 1916.	Decrease 1917 under 1916.
Agriculture	$16,900,016.00	$16,651,496.00	$17,986,945.00	$19,865,832.00	$22,971,782.00	$24,948,852.00	$1,977,070.00	
Army	93,374,755.37	90,958,712.98	94,266,145.51	101,019,212.50	101,974,195.87	267,596,530.10	65,622,334.23	
Diplomatic and Consular	3,988,516.41	3,638,047.41	3,730,642.66	4,309,856.66	4,061,280.01	5,355,096.66	1,293,816.65	
District of Columbia	12,056,786.50	10,670,743.00	11,383,739.09	12,172,539.49	11,859,584.45	12,841,907.10	982,322.65	
Fortification	5,473,707.00	4,036,235.00	5,218,250.00	5,627,700.00	6,060,216.90	25,748,050.00	19,687,833.10	
Indian	8,842,136.37	8,920,970.66	9,486,819.67	9,771,902.76	9,771,902.76	10,967,644.88	1,195,742.12	
Legislative, etc	35,378,149.85	34,216,463.58	35,172,434.50	37,630,229.70	36,904,799.75	37,925,690.25	1,020,890.50	
Military Academy	1,163,424.07	1,064,668.26	1,099,302.87	997,899.54	1,069,813.37	1,225,043.57	155,230.20	
Naval	126,478,338.24	123,225,007.76	140,800,643.53	144,808,716.61	149,661,864.88	313,300,095.84	163,638,230.96	
Pension	153,682,000.00	165,146,145.84	180,300,000.00	169,150,000.00	164,100,000.00	158,065,000.00		$6,035,000.00
Post Office	259,134,463.00	271,429,599.00	285,376,271.00	313,364,667.00	313,364,667.00	322,937,679.00	9,573,012.00	
River and harbor	23,855,342.00	31,059,370.50	41,073,094.00	20,000,000.00	30,000,000.00	40,598,135.00	10,598,135.00	
Sundry civil	142,265,044.14	112,039,184.40	116,795,327.01	110,070,227.39	126,922,750.79	128,299,285.24	1,376,534.45	
Total regular annuals	882,592,679.55	873,056,634.19	942,689,614.75	948,848,783.65	978,722,857.78	1,349,809,009.64	377,121,151.86	6,035,000.00
Deficiencies	9,740,971.24	9,700,939.67	28,074,912.31	23,363,586.61	12,316,343.90	[1] 72,500,000.00	60,183,656.10	
Miscellaneous	4,773,306.81	3,448,712.93	388,597.22	12,709,361.29	2,330,603.34	[1] 85,000,000.00	82,669,396.66	
Permanent annuals	129,575,924.12	133,206,424.12	127,525,664.12	131,196,407.00	121,567,207.00	123,074,673.00	1,507,466.00	
Grand total	1,026,682,881.72	1,019,412,710.91	1,098,678,788.40	1,116,118,138.55	1,114,937,012.02	1,630,383,682.64	521,481,670.62	6,035,000.00

[1] This amount is approximated.

Increase 1917 over 1916	$515,446,670.62
Increase 1915, 1916, and 1917 over 1912, 1913, and 1914	716,664,452.18

In addition to the appropriations for the last fiscal year of $1,630,383,682.64 direct appropriations as shown in the table I insert in the RECORD, there have been contracts authorized for the fiscal year 1917, as follows:

Fortifications act	$13,800,000
Further urgent deficiency act	506,000
Legislative, executive, and judicial act	85,000
River and harbor act	2,287,950
Sundry civil act	5,107,000
Naval act	205,089,476
Total	226,875,366

Also the following appropriations authorized, fiscal year 1917:

Construction of rural post roads	$79,000,000
Agricultural appropriation act, protection of the watersheds of navigable streams, 1918	2,000,000
Federal farm-loan act, subscription for stock of Federal land banks, if not subscribed by national farm-loan associations	9,000,000
Total	316,875,366

So the total direct and authorized appropriations and contracts amounts to the enormous sum of $1,947,259,048.64.

O national preparedness, what wanton extravagance has been charged to thy name!

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House disagrees to the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year 1916 and prior fiscal years, and for other purposes, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. FITZGERALD, Mr. SISSON, and Mr. CANNON managers at the conference on the part of the House.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., 807), providing for the opening of the Fort Assinniboine Military Reservation.

The message further announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest in the State of Oregon; and

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 708. An act to make immediately available for the use of the State of Georgia in paying expenses incurred by said State in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914, certain sums appropriated for arming and equipping the militia of said State;

S. 3268. An act for the relief of John Duggan; and

S. 5407. An act authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a petition of the Draymen's Protective Association, of St. Paul, Minn., praying for the use of arbitration in the settlement of difficulties between capital and labor, which was referred to the Committee on Interstate Commerce.

Mr. PHELAN presented a petition of the Audubon Society of Carmel, Cal., praying for the passage of the so-called game sanctuary bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of the Pacific Mutual Life Insurance Co., of Los Angeles, Cal., remonstrating against the tax on insurance companies, which was ordered to lie on the table.

REPORTS OF COMMITTEE ON POST OFFICES AND POST ROADS.

Mr. BANKHEAD, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 6267. An act to reimburse Tennie A. Anderson, postmaster at Maplewood, Fayette County, W. Va., for money, money orders, and postage stamps stolen (Rept. No. 866); and

H. R. 12135. An act to reimburse D. H. Carpenter, postmaster at Seddon, Ala., for money and stamps stolen from said post office at Seddon, Ala., and repaid by him to the Post Office Department (Rept. No. 867).

He also, from the same committee, to which was referred the joint resolution (H. J. Res. 282) authorizing the Postmaster General to provide the postmaster at Springfield Ill., with a special canceling die for the one hundredth anniversary of the admission of the State of Illinois into the Federal Union, reported it without amendment.

BILL INTRODUCED.

Mr. PITTMAN introduced a bill (S. 7002) to amend an act entitled "An act to provide for the sale of desert lands in certain States," approved March 3, 1877, which was read twice by its title and referred to the Committee on Public Lands.

FORT ASSINNIBOINE MILITARY RESERVATION—CONFERENCE REPORT.

Mr. MYERS submitted the following report:

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiuniboine Military Reservation, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the House insert the following:

"SEC. 12. That the Secretary of the Interior is hereby authorized and directed to withdraw and set aside as a camping ground, the same to be kept and maintained without cost to the Government of the United States, the following-described land in said reservation lying on both sides of Beaver Creek within townships 29, 30, and 31 north, 15 and 16 east, to wit: The west half section 34; all of sections 33, 28, and 21; the west half southwest quarter, northwest quarter section 22; all of section 16; the south half, northwest quarter, west half northeast quarter, section 9; the east half northeast quarter section 8; the east half southeast quarter section 5; the west half, northeast quarter, west half southeast quarter section 4, township 29 north, range 16 east; and the south half southwest quarter, south half southeast quarter, northeast quarter southeast quarter, east half northeast quarter, section 33; the southeast quarter southeast quarter, north half southeast quarter, southwest quarter southwest quarter, north half southwest quarter, north half, section 28; the west half southeast quarter, west half northeast quarter, west half, section 21; the east half southeast quarter, east half northeast quarter, section 20; the west half section 16; east half, east half northwest quarter, section 17; the east half southwest quarter, east half northwest quarter, east half, section 8; the west half southwest quarter, west half northwest quarter, section 9; all of section 5; the northeast quarter section 6, township 30 north, range 16 east; and the southwest quarter section 32; the south half, northwest quarter, southwest quarter northeast quarter section 31, township 31 north, range 16 east; and the east half southeast quarter section 25; southeast quarter southeast quarter, northwest quarter southeast quarter, northeast quarter northeast quarter, west half northeast quarter, east half northwest quarter, northwest quarter northwest quarter, section 26; south half southwest quarter, south half southeast quarter, section 23, township 31 north, range 15 east, Montana principal meridian, embracing an area of approximately 8,880 acres."

And the House agree to the same.

H. L. MYERS,
M. A. SMITH,
REED SMOOT,
Managers on the part of the Senate.

JOHN E. RAKER,
CARL HAYDEN,
WILLIAM L. LA FOLLETTE,
Managers on the part of the House.

The report was agreed to.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had on September 5, 1916, approved and signed the following acts:

S. 5496. An act to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908;

S. 6369. An act granting pensions and increase of pension to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 6370. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors; and

S. 6497. An act for the relief of Oleanne Marie Zahl Branum.

EXECUTIVE SESSION.

Mr. STONE and Mr. BANKHEAD addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. STONE. Mr. President, it is very desirable that there should be a brief executive session. I have been authorized by the Committee on Foreign Relations to make an important report to the Senate. I wish to make the report in order that it may be printed for the information of the Senate. I am told by the executive clerk that the Executive Calendar will not take more than three or four minutes to dispose of. I am going to move, with the consent of the Senator from North Carolina [Mr. SIMMONS], in charge of the revenue bill, an executive session; but I wish to repeat to Senators that the executive session will probably not take more than 8 or 10 minutes, and then it is the purpose of the Senator from North Carolina immediately to move that the Senate resume legislative session.

Mr. SIMMONS. Mr. President, I wish to state in that connection that I shall insist upon going on with the revenue bill to-night. I trust, therefore, Senators will not leave on account of the executive session and will not leave at all this evening until we have finished the consideration of this bill.

Mr. STONE. I now move that the Senate proceed to the consideration of executive business.

Mr. SIMMONS. If the Senator will allow me, I desire to add that I shall ask the Senate to remain in session until we have finished the bill or have been able to reach some satisfactory agreement as to a time to vote upon it. I hope that we may finish the bill to-night; but, of course, I do not mean to say that I would want to stay here or would want to keep Senators here later than 11 o'clock, say. If we can not by that time finish the bill, then I will be glad to have an agreement to have a vote early to-morrow.

Mr. GALLINGER. Would not the Senator think it wise, in view of the fact that some other Senators wish to speak, to ask

unanimous consent for a vote on this bill at 12 o'clock to-morrow, with a recess from this evening until 10 to-morrow?

Mr. CUMMINS. Mr. President, in order that there may be no misunderstanding, I will not consent to any agreement to fix the time to vote on this bill until the amendments which I have proposed are voted upon. I offered an amendment at half past 10 o'clock this morning, and it has now been debated for seven or eight hours.

Mr. STONE. I wish to ask Senators if these matters can not be arranged after the executive session?

Mr. GALLINGER. I think they can be arranged then just as well.

Mr. STONE. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. SIMMONS. I move that the order of the Senate heretofore made fixing the hour of half past 6 as the hour for taking a recess or adjourning be suspended for the day.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina that the previous order of the Senate as to the limitation of the length of the daily session be suspended for the day.

The motion was agreed to.

Mr. CUMMINS. Mr. President, I ask for order in the Chamber.

The PRESIDING OFFICER. The Senate can not proceed unless there is order. The Senator from Iowa has the floor.

Mr. GALLINGER. Mr. President, I duplicate the request that we should have order. The Senator from Iowa submitted an amendment a number of hours ago, but general discussion has intervened, and I think the Senator is entitled now to speak to his amendment and have it voted on.

The PRESIDING OFFICER. The remarks of the Senator from New Hampshire are well timed. The Chair asks Senators to be in order, so that the Senator from Iowa may be heard.

Mr. CUMMINS. Mr. President, I hope that the suggestion I made a few moments ago will not be accepted by anyone as indicating an intimation upon my part to prolong the consideration of the bill before us. The amendment which I offered, and which every Senator here, of course, has forgotten, was submitted about half past 10 o'clock this morning. It is now half past 5 o'clock in the afternoon, and if there have been any words said in the meantime respecting the amendment which I offered, I am sure that they could be compressed within the limits of 10 or 15 minutes.

I have no objection whatever to general debate; it is very illuminating and very helpful—I mean on the stump instead of here in the Senate—and I have no doubt these arguments will be found persuasive throughout the country. The only application that I observe which they have to the amendment which has been offered is this:

My Democratic friends have proven very conclusively that the Republicans are absolutely incompetent, if not enemies of their country; my friends on the Republican side have proven, with equal conclusiveness, that the Democrats are absolutely unworthy to pass upon the affairs of a great Republic. If both of these things be true, we certainly have vast need of a tariff commission when we come to compose a tariff law. If that be not the application of these very eloquent and very learned arguments, I fail to catch the application.

Let me remind you what the amendment is. It is to strike out "$7,500," proposed in the House bill as compensation for the members of the tariff commission, and to substitute a compensation of $10,000 per year.

Mr. President, we are progressing. There are but two classes of statesmen now who do not need the services of a tariff commission, and I am sure those classes are diminishing in number all the while. First, there are those who believe that no duty can be too high. I agree that a tariff commission can be of no value to men who hold that economic view. There are men apparently who believe that no duties can be too low. A tariff commission can not be helpful to those men, but between the two there is a great army both in Congress and out of it who believe that there are limits both up and down for tariff duties, and I care not whether the student is a disciple of protection or whether he is a believer in a tariff for revenue alone, the work of a tariff commission is absolutely indispensable to him. If, on the other side of the Chamber, you are making an inquiry to ascertain the maximum revenue that can be derived upon imports with the minimum imposition of duties, you need a tariff commission—a body of men who have carefully observed the workings of the commerce of the world. If, on the other hand, on this side we believe that there should be duties upon all competitive imports that will fairly and adequately protect the American factory and the American workingman we need to know what duties will accomplish that result. I want the commission to be composed of three of the biggest and brainiest Democrats in the United States and three of the biggest and brainiest Republicans in the United States—three men who believe in the theory which our Democratic friends adopt for a tariff law and three men who believe in the theory or policy which the Republican Party adopts for a tariff law; and if the President of the United States fails in his appointments to recognize the real spirit of this law, he will be false to the duty which the statute will impose upon him.

Mr. President, it is only a question of compensation so far as the technical amendment is concerned; but the real question is the standing of the commission in the affairs of the country, and the influence which its investigations and reports will have upon the legislation of the country. I say no more. I only reassert that if we reduce this compensation below the salaries which we have provided for other commissions and tribunals which are not more important, we will have said to the country in advance that we are not sincere in our belief respecting the helpfulness of the commission we are about to create.

Mr. SMITH of Georgia. Mr. President, I am just as earnestly in favor of the commission, and believe as much in the necessity of the commission, and that the commission should be permanent, as the Senator from Iowa [Mr. CUMMINS]. My conviction on the subject grew out of an effort, three years ago, to help make tariff schedules, and a consciousness of the necessity for such an organization to give facilities to do the work intelligently. So upon that line of the argument I fully indorse everything that he says. I do not believe the character of a commission will be affected one particle by changing the salary from $7,500 to $10,000, any more than I believe a change of the salary of a Senator would change the character of the Senate.

Mr. SHERMAN. Mr. President——

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

Mr. SMITH of Georgia. I do not yield to the Senator. I am going to say what I have to say in about three minutes more, and sit down.

The sole question is, first, would the difference in the salary affect the character of the men who will go on the commission? I do not believe a Senator believes that it will. I do not believe the salaries have affected the other men who have been appointed recently on commissions. I am opposed to creating any more commissions at over $7,500 salary. We succeeded a few days ago in cutting down the salary of the members of the Shipping Board to $7,500. Without regard to party, we voted for it and cut it down. We came very near stopping the $10,000 salaries of the Rural Credits Board, and I believe to-day we would stop it. The first chance I get I am going to vote to reduce the salaries of the members of the Federal Trade Commission. If we put this up to $10,000, it is the end of the fight on this subject with reference to these commissions. You can not stop any of them.

It is not a reflection upon this board, because we have just done the same thing in our last action as to the Shipping Board. The Senate amended the House bill, and cut it to $7,500.

Our judges of the Circuit Court of Appeals get $7,500 a year. Their position is just as high and they draw just as able lawyers as are found in the country, and this commission will draw to itself just as able students of economy or students of statistics or students of the tariff as there are in the country if the salaries are left at $7,500.

It is simply a question not as to the character of the men but whether you want to increase these salaries. I am opposed to paying the increase to them. The House of Representatives fixed the salary this time, not the Committee on Ways and Means. The Committee on Ways and Means reported it out at $10,000. On the floor Republicans and Democrats joined, by an overwhelming vote, and cut the salary to $7,500. The Committee on Finance agreed to a salary of $7,500. The Democratic conference agreed to a salary of $7,500. It is all right if the Senate wants to change it, but I believe in the $7,500 salary, and I have voted for it all along.

Mr. SHERMAN. Mr. President, the Senator from Georgia has largely answered what I would have asked, because I am in complete sympathy with him; and I only wish to ask if the salaries of the members of the legislature of the State of Georgia or the State of Illinois, or the Members of the House, or, as

he has already suggested, if the salaries of the Members of the Senate were increased, whether it would increase the quality or the character of the men?

Mr. SMITH of Georgia. Not one particle.

Mr. SHERMAN. I think that is entirely correct, and I am in complete sympathy with the Senator from Georgia all the way through. I will vote to reduce the salaries of the commissions now appointed—the Federal Trade Commission, the Federal Reserve Board, and the others. The idea that the respectability, the ability, or the dignity of a commission, or the appointive officials on it, is fixed by the compensation is an erroneous one. If that is so, then let us double our salaries and double our respectability. [Laughter.] If one is a good argument, the other is a good argument.

Senators know very well that for some years a Member of the House and of the Senate has had no time to carry on any private occupation. Since I became a Member of this body in April, 1913, I have wholly abandoned my profession. It is five years in September since I have been in a court room or earned a dollar in any legitimate occupation [laughter], in anything relating to my profession. I see that the Senators are quick to understand. I wished to see whether there was that lively sense of apprehension when I used the phrase. Having satisfied myself in that indirect way, I will now withdraw it.

Mr. President, $7,500 has compensated Members of Congress for a long time. We knew when we were candidates what the compensation would be, and, so far as those who are now sitting are concerned, for their tenures of office, it is fixed. It can not be increased in any lawful way. But $7,500 will compensate this board as well as it compensates us or the other branch of Congress, the House Members. If we undertook to raise the compensation of our successors, I know full well what the cry would be. Some of the older Members of this body know it. Some who have served for many years in the House know it. The instant you undertook to raise the compensation of Representatives or Senators to $10,000 or $12,000 from one end of this country to another, from a large part of the public press of this country, would go up a shout of "Salary grab." I have heard that, both in State legislatures and elsewhere, until I am tired of it.

Within the last 10 years we have doubled the salaries of members of the Illinois Legislature, and I do not believe that membership is one particle better than it was before. In that time about the same charges and scandals of a more or less vital character have happened in the Illinois Legislature, with double the salary, as happened before. It has not increased either the character or the respectability of any legislative body with which I have any acquaintance. I do not reflect upon the legislature and say it is any worse than it was before, but I do say it is no better than it was before. The mere matter of salary decides nothing. Public opinion and character determine it. If these gentlemen who wish to serve on these boards can not serve for $7,500 a year, then it is time Members of Congress ceased serving for $7,500 a year.

I am tired of bureaucrats, anyhow, myself. I do not care with what party they are affiliated. This Government now is a bureaucrat-ridden Government. A lot of supercilious gentlemen, with affiliations both Republican and Democratic, are sitting at the heads of departments, great and small, who could not be elected town constable in Georgia or in Illinois. They know nothing of public sentiment. They care less. They are routine in their characteristics. They care little for the gentlemen who have to bear the burden and heat of the day in both political parties. They make it impossible for a man to be self-respecting when he goes back home, if he spends his time wearing out his shoe leather around departments here more than legislating. I do not care what administration it is, whether it is Democratic or Republican, it is the same old thing. I will never vote while I am a Member of this body to pay any appointive officer more than the Members of Congress are willing to pay themselves in common decency and to maintain their own self-respect.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS and Mr. SMITH of Georgia 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. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD]. I make that announcement for the balance of the day. I vote "nay."

Mr. COLT (when his name was called). The junior Senator from Alabama [Mr. UNDERWOOD] has a pair with the junior Senator from Ohio [Mr. HARDING]. I have a pair with the junior Senator from Delaware [Mr. SAULSBURY]. In pursuance of an understanding with the junior Senator from Alabama I transfer my pair to the junior Senator from Ohio and vote "yea."

Mr. CURTIS (when his name was called). I have a pair with the junior Senator from Georgia [Mr. HARDWICK]. In his absence I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "nay."

Mr. GRONNA (when his name was called). I have a pair with the Senator from Maine [Mr. JOHNSON]. In his absence I withhold my vote.

Mr. WEEKS (when Mr. LODGE's name was called). My colleague [Mr. LODGE] is unavoidably absent. He has a general pair with the senior Senator from Georgia [Mr. SMITH]. I wish this announcement to stand for the day.

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). The present occupant of the chair has a pair with the junior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness. He therefore withholds his vote.

Mr. OWEN (when his name was called). I am paired with the junior Senator from New Mexico [Mr. CATRON] who is absent. I therefore withhold my vote.

Mr. SHAFROTH (when his name was called). I have a general pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I 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 senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. STONE (when his name was called). I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the senior Senator from Indiana [Mr. KERN] and will vote. I vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the rest of the day.

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. I transfer that pair to the junior Senator from Delaware [Mr. SAULSBURY], and ask that this announcement may stand for the day. I vote "nay."

Mr. VARDAMAN (when his name was called). I have a pair with the junior Senator from Idaho [Mr. BRADY]. I transfer that pair to the junior Senator from Georgia [Mr. HARDWICK] by an understanding with his pair, the Senator from Kansas [Mr. CURTIS], and vote "nay."

Mr. GALLINGER (when Mr. WARREN's name was called). The junior Senator from Wyoming [Mr. WARREN] is detained from the Senate to-day on account of illness. He is paired with the present occupant of the chair [Mr. OVERMAN].

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES]. I make a double transfer with the Senator from Oregon [Mr. CHAMBERLAIN]. I am paired with the senior Senator from Kentucky [Mr. JAMES], and he with the junior Senator from Pennsylvania [Mr. OLIVER]. I vote "yea." I should like to have this announcement stand for the day.

The roll call was concluded.

Mr. DILLINGHAM (after having voted in the negative). I observe that the senior Senator from Maryland [Mr. SMITH] has not voted. I have a pair with him, and therefore withdraw my vote.

Mr. PENROSE (after having voted in the negative). I observe that the senior Senator from Mississippi [Mr. WILLIAMS] has not voted. I am paired with that Senator. I transfer my pair to the senior Senator from California [Mr. WORKS] and will allow my vote to stand. I ask that this announcement shall stand for the rest of the votes to be taken on this bill to-day.

Mr. CURTIS. On account of the double transfer that has been made, I vote "yea."

Mr. REED. I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the junior Senator from Arizona. [Mr. SMITH] and will vote. I vote "nay."

Mr. HUGHES. I desire to announce the necessary absence of the senior Senator from Kentucky [Mr. JAMES].

Mr. MYERS. I transfer my pair with the junior Senator from Connecticut [Mr. McLEAN] to the senior Senator from Nevada [Mr. NEWLANDS] and will vote. I vote "yea."

Mr. CHAMBERLAIN. I have already voted "yea," but my pair is absent from the Chamber. On account of the arrangement for a double transfer, as announced by the Senator from Massachusetts [Mr. WEEKS], I transfer my pair to the Senator from Kentucky [Mr. JAMES] and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 18, nays 35, as follows:

YEAS—18.

Ashurst	Cummins	Johnson, S. Dak.	Smoot
Chamberlain	Curtis	La Follette	Thomas
Chilton	du Pont	Lewis	Weeks
Clapp	Fletcher	Myers	
Colt	Husting	Pomerene	

NAYS—35.

Bankhead	Lea, Tenn.	Pittman	Smith, S. C.
Beckham	Lee, Md.	Ransdell	Sterling
Bryan	McCumber	Reed	Stone
Fall	Martin, Va.	Shafroth	Swanson
Gallinger	Martine, N. J.	Sheppard	Taggart
Hughes	Nelson	Sherman	Thompson
Jones	Norris	Shields	Underwood
Kenyon	Penrose	Simmons	Vardaman
Lane	Phelan	Smith, Ga.	

NOT VOTING—42.

Borah	Gronna	Newlands	Smith, Mich.
Brady	Harding	O'Gorman	Sutherland
Brandegee	Hardwick	Oliver	Tillman
Broussard	Hitchcock	Overman	Townsend
Catron	Hollis	Owen	Wadsworth
Clark, Wyo.	James	Page	Walsh
Clarke, Ark.	Johnson, Me.	Poindexter	Warren
Culberson	Kern	Robinson	Williams
Dillingham	Lippitt	Saulsbury	Works
Goff	Lodge	Smith, Ariz.	
Gore	McLean	Smith, Md.	

So Mr. CUMMINS's amendment was rejected.

Mr. WEEKS. Mr. President, I send to the desk an amendment which I should like to have read.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 32, line 17, after the word "association," add the words "and cooperative banks organized and operated for mutual purposes and without profit."

Mr. WEEKS. Mr. President, in the State which I represent there are a large number of cooperative banks which are entirely mutual in their character and which are not operated for profit. They are in the same class as the domestic building and loan associations, and I think they should be included in the provision in the bill which excludes from taxation organizations of that character.

Mr. SIMMONS. Mr. President, I think the amendment of the Senator from Massachusetts is a very proper one and it ought to be adopted.

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

The amendment was agreed to.

Mr. MARTINE of New Jersey. Mr. President, I desire to present an amendment.

The PRESIDING OFFICER. It will be read.

The SECRETARY. It is proposed to add to the bill under the head of free list the following: "news print paper and materials entering into its making."

Mr. MARTINE of New Jersey. Mr. President, I am prompted to offer this amendment from the fact that the greed of the Paper Trust has driven the price of paper up to an almost inordinate figure. Many small papers have been driven out of existence through the advance in the price of print paper and many of the large papers of the country have curtailed their size in consequence of it. I met yesterday in this city a gentleman connected with one of the papers here who said that the increase in the cost of print paper had driven up their weekly expenses $100.

I believe this would result in the lowering of the price of paper. To my mind there is no warrant for the maintenance of a duty on paper. I feel that the diffusion of public intelligence demands this correction in this instance, and I trust the amendment will be adopted.

Mr. SIMMONS. Mr. President, we have adopted an amendment to the present bill which places all print paper upon the free list where the invoice price is less than 5 cents a pound.

Mr. MARTINE of New Jersey. I realize that, but there is print paper that has been forced up to a price of over 5 cents, and I am sure in instances to 8 cents. I am perfectly conscious of the adoption of the amendment yesterday, but there is no reason or warrant for the maintenance of the duty on print paper. The Paper Trust, as I said, has fattened through greed at the expense of every paper user in the land.

Mr. SIMMONS. News-print paper has not reached 5 cents a pound; it has not yet reached 4 cents a pound; I think not much over 3 cents. We put it very much above the present price, anticipating that possibly there might be an additional rate. The representatives of the newspapers who called upon me with the Senator from Alabama [Mr. UNDERWOOD] thought that 5 cents a pound would certainly secure to them the benefits that we expected when we adopted the present tariff law by the rates fixed there.

Mr. MARTINE of New Jersey. I am conscious of the fact that it was raised to that limit, but while the Senator says gentlemen called on him with reference to this print paper, representatives of papers and magazines and other publishers have called upon me with reference to it, and it took very little argument to convince me that this was a most unwarranted abuse and it should be abolished by putting it on the free list. I ask for the adoption of the amendment.

Mr. UNDERWOOD. Mr. President, I do not desire to detain the Senate in reference to this matter, but I do not think the amendment should be adopted without careful investigation. There is no dividing line in the trade directly between news print paper and other print paper. It is a matter that was in controversy for a great many years. At the time the present tariff law was enacted it was the consensus of opinion that the price of 2½ cents would cover the price of paper that was ordinarily used by the newspapers. There were no reasons why the revenue should be lost and other print paper placed on the free list; and Congress at that time determined to adopt 2½ cents as the dividing line between the paper that should go on the free list and that that should be taxed.

On account of the very great increase in the price to-day newsprint paper is rising above the 2½ cent rate, but it has not so greatly risen above it. To the small newspapers it is approaching 3½ or 4 cents, but to the average trade the price is not above 3 cents.

When the Committee on Finance placed the amendment in the bill and raised the limit to 5 cents for the admission of paper into this country free of duty they certainly reached the outside limit so far as the tariff is concerned, because all the class of paper that is used to print a newspaper on will be imported into this country at a price not less than 5 cents a pound. There is no reason to abandon the revenue on the print paper that is above 5 cents a pound, because the Almighty knows this Government needs some revenue to-day, and it is going to need it, and all the revenue is not very great. There is no reason on earth, after we kept the faith establishing a line of demarcation as to the admission of news-print paper free of duty, why we should abandon the revenue that is derived on other classes of print paper, and I hope the amendment will not prevail.

Mr. MARTINE of New Jersey. Mr. President, I have no doubt about the need of revenue; we all agree to that. But there are places upon which we could place the revenue with infinitely more propriety than on print paper, and I insist on the justice and right of my amendment.

Mr. GALLINGER. Mr. President, when the matter was before the Senate two years or three years ago and it was proposed to make a violent reduction in the duty on print paper I opposed it as best I could on the ground that it would destroy the American industry and transfer the business to our neighbors on the north. That result has happened. We are to-day importing eight times as much print paper from Canada as we imported in the year 1912. I do not know that putting it on the free list would do very much harm at the present time to those in this country who formerly have been engaged and perhaps to a very limited extent are now engaged in the manufacture of print paper.

But what I wanted to say, and all I care to say, is that we have lost this industry and yet I feel sure that we ought to get some revenue from the product that is coming in from Canada.

For that reason I shall vote against putting it on the free list, simply for the purpose of saving revenue rather than for the purpose of trying to save an industry which has been ruthlessly

slaughtered by a mistaken notion as to what was good policy in reference to this great industry.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was rejected.

Mr. CUMMINS. I offer an amendment to be inserted at the end of section 92.

The PRESIDING OFFICER. It will be read.

The SECRETARY. At the end of section 92, page 137, after line 18, insert:

The commission shall have power, and it shall be its duty, to investigate wages paid in foreign countries and the United States in competitive industries and all other items which enter into the cost of production with respect to all imports competing in domestic markets or domestic production, shall ascertain and report what import duties will be required in order to equalize the conditions under which foreign commodities are offered for sale in domestic markets as compared with the conditions under which similar commodities made in the United States can be offered for sale in the same market.

Mr. CUMMINS. Mr. President, I have but a word to say on the amendment. It enlarges a little the scope and power of the commission and directs it to make inquiries into a field and to make a report concerning a field very material for one who desires to construct a tariff law along protective lines.

If it is the purpose of our Democratic friends to make it difficult if not impossible for the tariff commission to furnish the facts or the information which are necessary in constructing a protective tariff law, then, of course, this amendment ought not to be adopted, but I have assumed that the purpose here was to create the commission broad enough and big enough to furnish information to every school of economic thought. I am not meaning that any member of the commission will twist or turn or pervert the truth in any way, but it makes a vast difference whether the field which furnishes the information for one tariff law is explored or whether it is closed.

I have another amendment and I might as well say what I have to say about it now so that it can be voted upon without any undue delay.

I have an amendment which authorizes any three members of the commission to prosecute any inquiry within the scope of the act and to make any report which the act authorizes. This is for the same purpose of allowing the commission to be serviceable not only to the Democratic Party but to the Republican Party as well. Otherwise the commission may fail utterly in its mission.

I hope, of course, that the commission will be united in all its inquiries; that it will take a broad, comprehensive view of commerce and our relations to foreign countries; but inasmuch as we are creating a commission of six, never before known I think in the history of commissions, and inasmuch as we are contemplating that three of its members shall be Democrats and three of them Republicans, it is but fair, indeed it is necessary, that the three Democrats or the three Republicans can, in the event of difference of opinion amongst them so that there shall be no majority, prosecute such investigation as may seem wise.

That is the whole purpose and effect of the amendment I have offered and the amendment which I shall offer in a moment.

Mr. SMITH of Georgia. Has the Senator in his hand the amendment which he is just now offering?

Mr. CUMMINS. Here is one of them, but it is not the one I sent up a moment ago to the desk.

Mr. SMITH of Georgia. I would be glad to hear the amendment pending read.

The Secretary again read the amendment.

Mr. SMITH of Georgia. Mr. President, we can not agree to that amendment. It is an effort to direct the attention of the commission in a partisan line. We think that the scope of the bill already gives them the right to make the fullest kind of investigation without an indication of a purpose to turn it toward protection.

Mr. CUMMINS. Mr. President, they must turn it in some direction.

Mr. STERLING. Mr. President, I simply want to say that this amendment is substantially the same amendment I offered this morning in the nature of a substitute, and the same amendment that I have been prepared to offer as a provision to section 90. I hope the Senator from Iowa will call for a record vote on this proposition.

Mr. WEEKS. Mr. President, I should like to make a suggestion of an addition to the amendment which has been offered by the Senator from Iowa. After the word "markets," in line 11 of the amendment, I desire to add the words "and to investigate the Paris Economy Pact and similar organizations in Europe."

Mr. CUMMINS. I am very glad to accept the suggestion of the Senator from Massachusetts and to make it a part of my amendment, because it falls directly within the purpose and spirit of the amendment.

Mr. SMITH of Georgia. I think if the amendment of the Senator from Massachusetts to the amendment of the Senator from Iowa were offered separately, it might be accepted; but if it is to be adopted as a part of the amendment of the Senator from Iowa I certainly should have to object to it.

The PRESIDING OFFICER. The question is upon the adoption of the amendment proposed by the Senator from Iowa.

Mr. CUMMINS. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. MARTINE of New Jersey (when Mr. CHAMBERLAIN'S name was called). I am requested to state that the Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably absent, and that he is paired with the Senator from Pennsylvania [Mr. OLIVER].

Mr. COLT (when his name was called). Making the same announcement as I did before, I vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the Senator from Maryland [Mr. SMITH]. In his absence I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. GALLINGER (when his name was called). Making the same transfer of my pair as I did on the last vote, I vote "yea."

Mr. MYERS (when his name was called). I make the same announcement about the transfer of my pair as I did on the last vote, and I vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN'S name was called). Making the same announcement as I did on the last vote, I withhold my vote.

Mr. OWEN (when his name was called). I transfer my pair to the Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. REED (when his name was called). Making the same transfer as on the last vote, I vote "nay."

Mr. SHAFROTH (when his name was called). Making the same transfer I did on the last vote, I vote "nay."

Mr. SMITH of Georgia (when his name was called). Making the same transfer of my pair that I did on the last vote, and continuing it for the balance of the day, I vote "nay."

Mr. STONE (when his name was called). Transferring my pair with the senior Senator from Wyoming [Mr. CLARK] to senior Senator from Indiana [Mr. KERN], I vote "nay."

The roll call was concluded.

Mr. MYERS. My colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT].

Mr. TAGGART. My colleague, the senior Senator from Indiana [Mr. KERN] is unavoidably absent. If he were here, he would vote "nay."

Mr. SHERMAN. Has the senior Senator from Kansas [Mr. THOMPSON] voted?

The PRESIDING OFFICER. He has not.

Mr. SHERMAN. I have a pair with that Senator, and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. DILLINGHAM. I desire to transfer my pair with the Senator from Maryland [Mr. SMITH] to the Senator from Idaho [Mr. BORAH] and to vote. I vote "yea."

Mr. GALLINGER. I have been requested to announce the following pairs:

The Senator from Idaho [Mr. BRADY] with the Senator from Mississippi [Mr. VARDAMAN];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Kansas [Mr. CURTIS] with the Senator from Georgia [Mr. HARDWICK];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

Mr. WEEKS (after having voted in the affirmative). The senior Senator from Oregon [Mr. CHAMBERLAIN] is not now present, and I can not, therefore, make the transfer which I did previously. I therefore withdraw my vote.

Mr. ROBINSON. I transfer my pair with the Senator from Connecticut [Mr. BRANDEGEE] to the Senator from Kentucky [Mr. JAMES] and vote "nay."

Mr. SHEPPARD. I desire to state that the Senator from Mississippi [Mr. VARDAMAN] is unavoidably absent.

The result was announced—yeas 17, nays 29, as follows:

YEAS—17.

Clapp	Gallinger	Martine, N. J.	Smoot
Colt	Jones	Nelson	Sterling
Cummins	Kenyon	Norris	
Dillingham	La Follette	Owen	
du Pont	McCumber	Penrose	

NAYS—29.

Bankhead	Lee, Md.	Reed	Stone
Beckham	Lewis	Robinson	Swanson
Bryan	Martin, Va.	Shafroth	Taggart
Chilton	Myers	Sheppard.	Thomas
Fall	Phelan	Shields	Underwood
Fletcher	Pittman	Simmons	
Husting	Pomerene	Smith, Ga.	
Lea, Tenn.	Ransdell	Smith, S. C.	

NOT VOTING—49.

Ashurst	Gronna	McLean	Thompson
Borah	Harding	Newlands	Tillman
Brady	Hardwick	O'Gorman	Townsend
Brandegee	Hitchcock	Oliver	Vardaman
Broussard	Hollis	Overman	Wadsworth
Catron	Hughes	Page	Walsh
Chamberlain	James	Poindexter	Warren
Clark, Wyo.	Johnson, Me.	Saulsbury	Weeks
Clarke, Ark.	Johnson, S. Dak.	Sherman	Williams
Culberson	Kern	Smith, Ariz.	Works
Curtis	Lane	Smith, Md.	
Goff	Lippitt	Smith, Mich.	
Gore	Lodge	Sutherland	

The PRESIDING OFFICER. The Senator from Illinois [Mr. SHERMAN], the Senator from Massachusetts [Mr. WEEKS], and the present occupant of the Chair being in the Chamber, a quorum is present. The amendment is rejected.

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

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa will be stated.

The SECRETARY. At the end of section 91, on page 137, after line 9, it is proposed to insert:

Any three members of the commission shall have the authority to carry forward any investigation within the scope of this act and make any report herein provided for.

Mr. CUMMINS. Mr. President, as I have explained, the amendment I now offer is really a part of the amendment just rejected. I offer it rather to complete the record, and from my point of view to show that the effort to create a bipartisan commission will end in the creation of a strictly partisan commission.

I do not intend to ask for the yeas and nays upon the amendment.

Mr. SMITH of Georgia. Mr. President, I desire to say just a word against this amendment. I hope that the entire commission will be able to work together. If we say they are to report three and three, we invite them to separate and to be entirely partisan. That is all I wish to say.

Mr. NORRIS. Mr. President, I want to say just a word or two on this amendment. The remark made by the Senator from Georgia [Mr. SMITH] calls to my mind and emphasizes a provision in this bill in relation to the personnel of the commission, dividing it between the political parties. While I think I would favor the amendment of the Senator from Iowa [Mr. CUMMINS], I can see some merit in the objection made by the Senator from Georgia. That, however, ought to be eliminated by making this a nonpartisan commission, instead of a bipartisan commission. I know that the intention of the Senators who favor the language of the bill, which says that not more than three members of the tariff commission shall belong to any one political party, is of the very best, and their idea is to make the commission nonpartisan; but, in my judgment, it makes it a partisan commission. That language ought to be stricken out, and there ought to be no provision in the bill in reference to the politics or political affiliations of any of the members of the commission.

We ought to have—and I think we all want—a nonpartisan commission. Just the moment we provide that some members of the commission must belong to one party and some to another, we make of it a bipartisan commission; and the men who are appointed, for instance as Republicans, will feel that on the commission they represent the Republican Party, and the men who are appointed as Democrats will feel that they represent the Democratic Party. We have nothing in our entire Government that comes nearer being nonpartisan than the judiciary; and no man has ever undertaken to have incorporated in a law with regard to the judiciary a provision that its members shall belong to any one particular party.

Again, suppose the President in carrying out this law after it shall have been adopted should appoint three men as Republicans and three as Democrats against whose party affiliations no objection whatever could be urged. They are appointed for 12 years. Suppose 6 years from now some of these men, or half of them, who were appointed, let us say, as Republicans become Democrats. It is not an uncommon thing for men to change from one party to another. Not only is it not uncommon among the ordinary citizens, but the great leaders of human thought often change their political convictions, and even Members of this body have changed them. It is a thing that is likely to happen to any man, no matter what his position may be. If that thing should occur, what are you going to do about it? The law says not that they shall be appointed from those parties, but it says that not more than three of the members of this commission shall belong to one party; and no matter who may be selected, however honest the appointees may be, there is a chance that they will all be of one party in the course of a few years. The provision will have, in my judgment, the very opposite effect to that which Senators intend it shall have.

I want to call attention to what occurred in regard to the Farm Loan Board provided for in the recent bill which we passed. That bill contained the same kind of a provision in it. On the floor of the Senate I made a motion to strike it out. I was glad to make such a motion at a time when there was a Democratic President, so that if there should be occasion hereafter while I am a Member of this body, under a Republican administration, I would be consistent in making the same effort then; but my motion was defeated on a roll call by an overwhelming vote.

Now, let us see what happened. In due time, under a provision exactly similar to the provision I am now discussing, after the enactment of the rural-credits law, the President made the appointment of Members to the Farm Loan Board. He appointed certain members of the board as Democrats and certain other members of the board as Republicans. I happened to be on the committee in this body to which those nominations were referred. It is an interesting fact that when the members of the committees got together to pass on those nominations the first thing that happened was an objection made by a Republican member of the committee that one member of the board appointed as a Republican was not a Republican. An investigation and a search of that man's record through several years of his life disclosed the fact that he had voted for a Democratic Congressman. That charge was brought up against him, and he did not deny it. The charge was made, "He is not a Republican, because once in his life he voted for a Democrat." Not a question was asked and no investigation was made as to his qualifications to serve on the board; but the question was, "Is he a Republican," and had it not been for the fact that the Republican Senators from the State in which the man lived were both in favor of his confirmation I presume there would have been a contest on the floor of the Senate in regard to that nomination.

In the same batch of nominations was the name of a man called a Democrat, and a Democratic member of the committee found fault with him, not because he was not qualified to fill the place but because he was, in the judgment of that Senator, not a good Democrat.

Mr. President, I call attention to these facts. They will occur constantly under this kind of a law; they will naturally happen, no matter what the President may do. In the selection of nominees under such a provision there will be a suspicion at once that the President is appointing somebody who is not a good Republican or who is not a good Democrat. So in the contention as to his politics sight is lost of the fact as to whether or not a man is qualified to hold the position.

I remember soon after President Wilson entered upon the duties of his office a discussion took place on the floor of the Senate when something was said in regard to the Civil Service Commission, all of the members of which had been appointed by a Republican President under a provision of law similar to the provision now being discussed, that the appointing power must take some of the members of the commision from each party. The charge was made here by leading Democrats of this body that the Democratic members appointed by a Republican President at the time they were appointed on the Civil Service Commission were not good Democrats. I do not know what the facts were, but it was charged that they were appointed because they had voted the Republican ticket at some time and helped out some Republican candidate or in some way helped the Republican Party; in other words, under such a system suspicion always attaches immediately and their good faith is always doubted.

No good can come from such a situation. The men who are appointed on this board, if they do their duty, will be nonpartisan. I think it would be a good idea in the law to say that they ought to be nonpartisan; but the minute that we say some of them shall belong to one party and some to another party we make a bipartisan body of it, and from the very nature

of things they can not be always as completely nonpartisan as they otherwise would be.

It is immaterial, it seems to me, if these men are qualified to perform the duties of their office, whether they are Democrats or Republicans, or what not.

Another thing, some men who are the best-fitted citizens in the United States for membership on this board have no particular affiliation with any political party. As to some of the men who are best qualified to perform the duties that are prescribed in this bill now before the Senate, if they are appointed objection will be made at once either that they are not Republicans or are not Democrats; and the objection on that ground would be good, because they have no particular politics. There are men as well qualified as any under the sun who do not care whether they are called Republicans or Democrats or Socialists or Progressives or Prohibitionists. They have no particular political affiliation; but they may have made a study for a lifetime of the questions which they will be required to investigate, and they would be disqualified from being appointed on this board.

So far as I am concerned, I should like to say now that while we have a Democratic President I want to pass a law making the commission nonpartisan, and then give to him the responsibility of appointing men who will not be moved by the bias and prejudice of political affiliation.

Mr. SHERMAN. Mr. President, we have had nearly a hundred years of party government, and I am prepared to say that I believe it has been better than a nonpartisan government. What is a political party? It is one of the instrumentalities of administering civil government. No popular government can survive without it. It fixes responsibility and presents issues. It is only a division of opinion. All who believe in certain governmental principles applied in practice circle themselves around the principle or series of principles as a recruiting station, and that forms the nucleus of a political party. Whenever the age of political irresponsibility begins, in my judgment the decay of government begins. I believe in a healthy partisanship, and I would rather vote to confirm a capable, stalwart Democrat or a Republican, as the case might be, than to vote for a political maverick and a sexless nondescript any day in the week.

Mr. NORRIS. Mr. President—has the Senator finished?

Mr. SHERMAN. I had not intended to; but if the spirit moves the Senator from anything I said, I will gladly yield.

Mr. NORRIS. No; I am going to take the floor, if I can get it, when the Senator is through. I thought he was through.

Mr. SHERMAN. I was just waiting for it to have its effect, to see whether further argument appeared useful.

Mr. NORRIS. I have no objection to the Senator's waiting. He can wait as long as he pleases.

Mr. SHERMAN. I had hoped that we might speedily dispose of this matter, but I see that there is some moving of the spirit on the adverse side of it, and so, having spoiled a good dinner already, I am disposed to go on. [Laughter.]

Mr. President, reference has been made to the judiciary. Not since I have been a voter has any President ever ignored party lines in appointing judges until the last Republican administration. I am not prepared to criticize it. I think the choices made of Democrats for judicial positions were fit ones, and I think they adorn and dignify the bench. They were good lawyers before; but they were then Democrats, and just as good Democrats—these two that President Taft appointed—after they went on the bench as they had been before, although their partisan activities are properly dormant. As a matter of fact, when Cleveland was President from 1885 to 1889 he did not appoint a solitary judicial occupant who was a Republican—not one; and in his second term, from 1893 to 1897, he appointed no judges who were Republicans, and I honor Grover Cleveland for it. It does not destroy a man's character to be a Democrat or a Republican. As Ingalls said in this Chamber many years ago—

Male and female created He them,

Be one or the other; but as to the person who hovers on the borderland of both parties, speculating on the wants and necessities of each, ready to traffic with all to see whom he can make the most profitable bargain with—as to that type of man, I am against him anyhow. [Laughter.] In or out of office he is vacillating, uncertain, impracticable, and of such as he practical administration of affairs among men is not had.

I can understand a Democrat, and I respect him for his different belief from mine in the administration of vital and elementary governmental principles. I can understand him, and I can understand a Republican. We have our family difficulties in administering affairs; but when it comes to the appointment of a tariff commission, I would rather have three Democrats and three Republicans, or three Progressives, as the case may be, and no Republicans, than to undertake to administer it by a nonpartisan board; and as a matter of fact such a thing does not exist. If a man is otherwise fit to serve on such a board, and has no party affiliations, if he has taken so little interest in the affairs of this country as to be unable to tell what political party he would affiliate with if he ever went to vote, has lived to mature years and never made up his mind on such issues, he is not the right man to sit on that kind of a board.

Why, Mr. President, my friend Gompers has not voted for many years I think, according to his own confession—and still he wants to govern the Senate, and to administer affairs generally, and to dictate to Presidents and Cabinets and Senators and Representatives. He is a nonpartisan—the most celebrated instance of a modern nonpartisan. He has been speculating around the borderland of everybody and everything. Talk about a nonpartisan member of a tariff commission! Well, as the little girl once said, "There ain't no such animal." [Laughter.]

A tariff refers to revenue. Revenue inevitably results in taxation. The investigation of sources of revenue and the methods of taxation are vital exercises of governmental power. When we exercise that power we create differences of opinion on the best way of raising revenue.

Our Democratic friends adhere to one method and Republicans to another. Since this Republic began, from the days of Washington to the days of Wilson, men have divided on the question of taxation, and they will continue to divide, and it will be a vital and elementary issue in political parties for years to come.

Mr. President, the tariff will become nonpartisan when men cease to have differences of opinion on the question of taxation. When we all agree on how to raise money, when we all agree on the best sources from which to draw that money, then we shall cease to have differences over tariffs. This is a revenue bill. How long have we been discussing it? A good while, and in earnest. There has been some light shed upon the question. The division between the parties is pretty sharply drawn. It is made much plainer. It is on the question of direct or indirect taxation; and still, by merely striking out some objectionable words, all partisan activity shall cease and the tariff will be immediately relegated into the clouds, up in the air castles, where only angels and college professors dwell. [Laughter.]

For my part, I shall vote with every Democratic associate of mine to keep the partisan feature of this measure in it. What President of yours would appoint a nonpartisan tariff board? And I am ready to say for any President that I ever expect to support that I do not know that I would want to support him very hard if he were not equally partisan on political issues. What would you think of a Democratic President who abandoned his faith and served political ends by nonpolitical agents? What would you expect the present occupant of the Executive office to do, Mr. President—appoint five Progressives and one Republican? Appoint some professors of economics who have not voted in a primary or at the polls for 30 years? Appoint some learned gentlemen who have been hanging about the cloistered shades of some university, nauseated at the thought of practical politics or unable to administer practical government?

Put somebody of that kind on a tariff commission, and see what kind of a pitiful governmental result you will get out of it in the way of information for men that have to deal with the sober things of life. Government is the applied science of politics. It concerns men and not books, and it is found among men of affairs rather than on chautauqua platforms. I remarked here a year or two ago that I was perfectly surfeited with a lot of theoretical gentlemen who could write elegant essays, and wear an air of bored perfection on the platform, but they could not practically administer the affairs of a poultry yard. This country is full of them. For my part, I do not want any of them administering the affairs of the Republican Party. I believe in a stalwart partisanship, and this country will be all Democratic or all Republican; it is going to be all protection or all tariff-for-revenue or all free trade, according to the voters. It will not be a mixture. It will be one or the other.

I am going to vote that way, and I expect the Republican or the Democratic President, as the case may be, to make this either a bipartisan tariff board or to make it a partisan tariff board altogether. If you leave this out and leave it to the tender mercies of the average President, as Presidents come and go in this blessed country of ours, he will make it a partisan tariff commission. He will put no representatives of the opposite party on it unless they are in the minority. It will be a 4–2 combination; that is certain.

What would the President do at this time if he had to appoint such a commission? After you got the cover off, Mr. President, you would find about four stalwart Democrats, and you would find about two whose antecedents are at first unknown, and objectionable after discovery. [Laughter.]

Mr. NORRIS. Mr. President, if the Senator from Illinois had his way, he would abolish by law all the State universities. He would drive all the college professors out of the country. I presume he would abolish the high schools, because there are presidents of big universities who do not know how, as he says, to run a poultry yard. Why, there are some men in the Senate who would not be able to do that very thing, and yet who might make very good members of a tariff commission.

If the Senator follows out his argument in regard to the courts, he must be in favor of eliminating this language from the bill, because he says Presidents appoint judges, sometimes Democrats and sometimes Republicans, but he must remember that in the law that gives to the President the authority and the right to appoint judges there is not anywhere any such language as we have provided here.

The Senator says the courts get along very well, and they do. But the language that gives the President the right to appoint judges does not say that he must appoint a Republican judge to-day and a Democratic judge to-morrow, and we have had good results from that.

The Senator certainly will not contend that a judge ought to be a partisan. He will not contend, if he will take a second thought, that the members of this tariff commission ought to represent political parties on the commission. The tariff may remain in politics, but the object of this commission is to gather the facts. If you once get the facts gathered carefully and honestly, without shading them to suit Democratic principles or Republican principles, then let Congress have those facts, in order to pass the proper kind of a tariff law.

We have been passing tariff laws in both of the political parties by giving hearings before the committees and having the interested parties appear until the enlightened sentiment of the country, or most of it, I think, has reached the conclusion that this method of making up a tariff bill is not sound; that some commission, some body of men, unbiased, unprejudiced, ought to make these investigations and give Congress the facts. That is what is provided here shall be done. They shall report every year to Congress. Now, do we want to say to these men, "You are appointed as a Republican," and "you are appointed as a Democrat," and put them in an attitude where they shall shade their report or their investigation according to the ideas of the political party to which they belong?

Why, Mr. President, there is not any objection to appointing a Republican or a Democrat on this commission; but if you simply appoint them on the commission, and do not appoint them as a Republican or as a Democrat, just like you appoint the judges, they will go on during their 12 years of work and do good work without being looked upon as representatives of a political party, where there ought to be an unbiased investigation without partisan shade, without partisan bias, so that Congress can have the facts, and have them in such shape that the country and the Congress will have confidence in them when they get the reports.

So it seems to me, Mr. President, that all this tirade about the man who has not any political party being an undesirable citizen has not anything to do with the question. We have got to admit that men who vote the Democratic ticket to-day and the Republican ticket a year from now, exercising a right that no man would think of taking away, are just as honest, just as intelligent, just at patriotic citizens, as the man who says: "I will swallow the ticket straight, yellow dog and all, under all considerations." No man can deny it. The Senator himself, when he makes a campaign for election to this body, tries to get Democratic votes. If the theory that he is promulgating here is right, then every time he asks a Democrat to vote for him he insults him, because he has said in effect: "You are a mongrel statesman. You are a nondescript. You are not a stalwart Democrat." If he had his theory promulgated and put into law, there would not be any such thing as deciding, when you came to vote, as between candidates. There would be only one thing printed on the ballot, and that would be the name of the political party. That would be the logical result of it.

Mr. President, we have a provision in this law that has a tendency to carry that into law. That is what I object to. I am not going to make a motion to strike it out, because I know there are too many Members of this body who feel that this language ought to remain in. I tried it on the other law providing for the Farm Loan Board, and the roll call there showed that a large majority of the Members were in favor of keeping this board partisan. When we come to pass on the men who shall be appointed, the Senator from Illinois will be one of the first men to object, if a man is appointed as a Republican, if he can search his long life and find where some time, 20 years ago perhaps, he voted for a Democrat for road overseer. He will denounce him as one of these undesirable citizens who is not fit to vote, who ought not to have the right to vote; or if, perchance, some man is appointed who did not vote last year, he will be in that class, and will not be entitled to be appointed.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Iowa [Mr. CUMMINS].

The amendment was rejected.

Mr. HUSTING and Mr. CUMMINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. HUSTING. I should like to offer an amendment to come in on page 49, line 22.

Mr. SMITH of Georgia. Will the Senator from Wisconsin yield to the Senator from Iowa, to enable him to conclude his amendments on the tariff board, and then present his amendment? I think it would be easier and simpler.

Mr. HUSTING. I have been waiting all the afternoon to get in this amendment.

Mr. SMITH of Georgia. If the Senator from Iowa can submit all of his amendments on the tariff board and get through with that, then we can turn to other parts of the bill.

The PRESIDING OFFICER. Does the Senator from Wisconsin withdraw his amendment?

Mr. HUSTING. No; I will not withdraw my amendment.

Mr. SMITH of Georgia. Will the Senator let it lie on the table until the Senator from Iowa finishes with his amendments to the tariff-commission schedule?

Mr. HUSTING. Very well. How many more amendments does the Senator propose to offer?

Mr. CUMMINS. Well, I have one in my mind.

Mr. HUSTING. I will yield for one more to the Senator.

Mr. CUMMINS. I do not make any bargain or ask any favors, however. I hope Senators will remember that.

Mr. SMITH of Georgia. I just thought I would make that request.

Mr. CUMMINS. I have always tried to enjoy my rights here and not trespass upon the rights of any other Senator.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. CUMMINS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment submitted by the Senator from Iowa will be stated.

The SECRETARY. On page 142, line 6, strike out the words "authorized to be" and insert the word "hereby," so as to read: "is hereby appropriated."

Mr. CUMMINS. Will the Secretary read the paragraph so that it will be understood?

The SECRETARY. So that if amended it will read:

SEC. 97. That there is hereby appropriated, for the purpose of defraying the expense of the establishment and maintenance of the commission, including the payment of salaries herein authorized, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $300,000 for the fiscal year ending June 30, 1917, and for each fiscal year thereafter a like sum is hereby appropriated.

Mr. SMITH of Georgia. The only effect of this amendment is to make at once the appropriation and establish the commission without additional appropriations of money. I do not think that is customary, but there has been a question raised as to the permanency of the commission, and I am perfectly willing to accept the amendment and vote on it.

Mr. CUMMINS. I am very glad of that. I certainly shall not impose any argument upon the Senate if it is willing to take the view of the Senator from Georgia.

Mr. GALLINGER. Mr. President, I wish to call the attention of the Senator from Iowa to the fact that if his amendment is agreed to this is an appropriation covering an indefinite length of time, and for each fiscal year thereafter a like sum is appropriated

Mr. CUMMINS. It is what is known as a continuous appropriation, a method of appropriation that has been common, I think, in Government affairs.

Mr. SMITH of Georgia. I do not really know that we would need it except as to the salaries of the commissioners.

Mr. CUMMINS. If the salaries are not paid, they will be of very little value.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. HUSTING. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. It will be read.

The SECRETARY. On page 49, line 22, in the committee amendment already agreed to——

The PRESIDING OFFICER. The amendment is in an amendment already agreed to.

Mr. GALLINGER. Let it be reconsidered by unanimous consent.

The PRESIDING OFFICER. By unanimous consent if there is no objection the vote whereby the amendment was agreed to will be reconsidered for the purpose of enabling the Senator from Wisconsin to offer his amendment. The amendment will be read.

The SECRETARY On page 49, line 22, insert, after the word "any," the word "person"; on page 50, line 4, after the word "such," insert the words 'under the same rules and regulations as govern the inspection of public records generally"; on page 50, line 4 strike out the words "*Provided*, That"; and further strike out all of lines 5 to 15, inclusive, on page 50, so that subsection (b) of section 14, as so amended, shall read as follows:

When the assessments of any person, corporation, joint-stock company, or association, or insurance company shall be made as provided in this title the returns together with any correction thereof which may have been made by the commissioner shall be filed in the office of the Commissioner of Internal Revenue, shall constitute public records and be open to inspection as such under the same rules and regulations as govern the inspection of public records generally.

Mr. PENROSE. I raise the point of order that this amendment has already been voted on.

Mr. SIMMONS. The substance, I think, if not the language of the amendment has already been voted upon.

Mr. PENROSE. It is therefore not in order.

Mr. HUSTING. I believe I have the floor.

Mr. PENROSE. I raise the point of order and ask for a ruling upon it.

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

Mr. HUSTING. I wish to say that if an amendment has been offered striking out the language of the section, I am not aware of it, at least I have not heard it. If I am mistaken I would like to be corrected. I will state that I did offer an amendment to insert the word "person" after the word "such," which is a part of this amendment, but the balance of the amendment was not offered.

Mr. SIMMONS. I rise to a question of order. A point of order has been raised, but the Chair has not ruled upon it.

The PRESIDING OFFICER. The Chair has not ruled because there is a question of fact involved. The Senator from Wisconsin says he did not offer the identical amendment.

Mr. SMITH of Georgia. I do not understand that that is the point made by the Senator from North Carolina. If the Presiding Officer will turn to the paragraph he will see that it was amended, and the paragraph having been so amended and adopted an amendment to it is not in order.

The PRESIDING OFFICER. By unanimous consent it was reconsidered.

Mr. SIMMONS. Of course, I have not before me the amendment upon which we voted, but I ask the Senator from Wisconsin if that part of his amendment which relates to the records kept in the office of the Commissioner of Internal Revenue, and which provides that the records shall be public and open to anyone who may desire to ascertain the returns of the taxpayers, has not been heretofore voted upon.

Mr. HUSTING. I will state, as I said before, that I offered an amendment to insert the word "person," on page 50, line 4, and that is all there was in the amendment that I offered. In addition to that, I now propose to strike out the words "provided that," in line 4, page 50, and all of lines 5 to 15, inclusive. Those lines provide that certain returns may be open to inspection upon the order of the President, and further that the proper officers of any State imposing a general income tax may, upon the request of the governor, have access to the returns or an abstract thereof. If any other Senator on the floor offered an amendment to strike out the proviso I am not aware of it.

Mr. SIMMONS. I ask the Senator if that part of his amendment, which comes under the head of letter b, has not been voted on?

Mr. HUSTING. It has not been voted on except the particular amendment I stated, that I proposed to the committee amendment.

The PRESIDING OFFICER. There has been called to the attention of the Chair the record showing that the Senator from Wisconsin gave notice he would offer this amendment.

Mr. PENROSE. Let us vote on it.

Mr. HUSTING. I think I have a right to make a few remarks.

The PRESIDING OFFICER. The Senator from Wisconsin can proceed.

Mr. HUSTING. Mr. President, the amendment I offer is for the purpose of opening the income-tax record to public inspection by any State government, or anybody else. The terms are very simple and plain. The question is, Shall the income-tax records be secret records, not to be looked at by anybody except those in the employ of the Government, or shall they have the same status that records generally have to which the public has access?

Mr. President, I do not believe in secret records. I believe there should be very strong reasons why any records should be secret and why they should be withheld from the public to whom they belong. We have executive sessions here which are secret, I presume, for reasons that are peculiar to the business we transact in them, but in all tax measures in every other form of taxation the records are public. If anybody wants to know what return a man has made on his real estate or his personal property he can go to the records and find out. It can not be said that you are seeking to nose into his business, but his circumstances, his financial affairs, are open to everybody. Under the inheritance tax the records are public in the office of the probate judge or surrogate, and you can go there and see how much a man died possessed of. But for some reason which never has been satisfactorily explained to me, or at least for reasons which I do not think are satisfactory, when it comes to an income tax you put the seal of secrecy upon the returns and do not allow anybody to look at them. I say the people have a right to look at them. They are their records.

But there is another reason why they ought to have a right to look at them. Every man has a right to know whether his neighbor or fellow taxpayer pays his just share of taxes. He has to pay his. When he makes a sworn income-tax return he has to make a statement upon his oath, and if he is a truthful and honest citizen, he has to pay his just share of taxes, and has he not a right to know whether his neighbor or some other man is equally truthful? Yet you make it easy by putting this cloak over the tax returns, for the situation to exist whereby one man who has a conscience, who has a sense of public duty and of decency, and who is honest must pay his share of the income tax and his neighbor can escape under the seal of secrecy. On the other hand, if you open up those records to him he can tell whether his neighbor is paying his just taxes or not. He has an interest in that money that is being paid as taxes by another taxpayer, because in so far as his neighbor, his fellow citizen, escapes his share of taxes it is piled on him. All you are doing in this sort of a law, in my judgment, is this: You are putting a premium on dishonesty and on graft by protecting a man from public exposure by means of covering up his income-tax return and not letting anybody look at it.

We have gone to work here in this income-tax bill and we have raised the supertax. We have raised it up quite high. Why? Because we needed more income. Instead of doing it that way why is it not better policy to administer the laws that we have so that we make those laws produce more tax?

I have a pamphlet here that is published at the Government Printing Office. It is an extract from some other public document reprinted. It says in hearings before the House Committee on Expenditures in the Treasury Department wherein a gentleman, Basil M. Manley, claimed that the people are evading the income tax to the extent of $320,000,000 in the United States. I have not studied this report and I can not vouch for its correctness, but the statement is made there and the reasons given and the figures given, which go to prove in the author's opinion that the United States is being deprived of $320,000,000 annually because of incorrect and unfair returns.

Now, if only a tenth part of that is true, if it is only $32,000,000, if it is only $20,000,000, I do not care how much it is, why not get it? Why raise the tax and make the fair man, the truthful man, the honest man pay more and more because he is making truthful returns, and at the same time make it easy for the man who is not truthful, who is not honest, and who is not fair, to escape his share of the taxes? Why not make him produce that $32,000,000 or that $320,000,000, if this statement in the pamphlet is true?

If those figures are anywhere near accurate, we are getting but one-third of the amount of the income tax that we are entitled to under the law as it stands to-day. It is a much better policy to make people pay taxes under the existing laws, in my judgment, than to go on making new laws with the same inefficient administration and have still more evasion of the tax laws by those who do not want to pay their just share of taxes.

Now, secrecy was never in any field promotive of fair dealing and honesty. It is under secrecy that crimes are committed, that dishonest and double dealings take place. Crime and vice and dishonesty thrive under the cloak of secrecy. And yet here in passing an income-tax law we are putting a cover and cloak by which the proneness to evade taxes may thrive and promote dishonesty and crookedness.

Now, why do we do that? Why should the United States make it difficult for it to collect its own taxes? Why does not the United States take the means, which it has at its command, to administer the income-tax law. If the income-tax law is a good thing and if it is fair, and no one stands up here and says it is not fair, why should not a man pay his just tax under the income-tax law?

I know there is a feeling throughout the country, I am satisfied of it, that the people want these records to be open. I think there is a sentiment here that the income-tax law will never be properly administered until the records become free, open, and public documents where State officers or individuals can go and look and obtain the information that they are entitled to. Whether you pass this provision now or not, if you ever want an income-tax law administered efficiently you will eventually have to come to the point where you will make a man's record of his income tax an open book. Why should you pull a cloak over him to make it possible to evade his just share of taxes? I say, from my point of view, from the point of view of efficiency, from the point of view of raising enough revenue, from the point of view of making a man pay what fairly and justly he ought to pay, you ought to make these returns a matter of public record so that men will make fair returns of their income tax and pay what the law requires them, and which in all good conscience they ought to pay.

Mr. KENYON. I wish to ask the Senator from Wisconsin a question.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. HUSTING. I do.

Mr. KENYON. I ask the Senator if the Wisconsin income-tax law provided that the return should be open to public inspection.

Mr. HUSTING. I looked up the matter in Wisconsin. The figures are open and they are subject to such other rules and regulations as may be prescribed by the board.

Mr. KENYON. What board is that?

Mr. HUSTING. The tax commission.

Mr. REED. Mr. President, I know what an imposition it is on the Senate to take its time to discuss any matter at this stage of the legislative proceedings, and I shall therefore be very brief; but I affirm that no living man can give a sound reason why the tax returns in the aggregate, omitting the details, should not be open to public inspection. There may be a reason why a taxpayer ought not to be required to make public record of a particular source of income, although I confess I see no reason why any honorable man, having only honorable sources of income, should hesitate to make the facts known as to all the sources of his income. We may slump this matter over as we please, but we will not satisfy ourselves and we will not satisfy the justice of the case if we do so.

Let us see, if a man owns only a little property, what he has to do. He must turn into the tax collector of his county a list of everything he has. If he has a watch, or if his wife has a watch, that fact is made a matter of public record. If he has a horse or a cow, he must make return of that horse or cow, and the return is a matter of public record. If he has household goods which are worth $5 or $500, he must return the fact. If he, fortunately or unfortunately, owns a piano, he must schedule his piano. We go into the very homes of the common men of the country and we require them to list substantially everything they own. There is no delicacy then; there is then none of the sentiment that men are entitled to privacy. We fairly count the spoons of the ordinary citizen.

Mr. WEEKS. Mr. President——

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

Mr. REED. I do.

Mr. WEEKS. May I suggest to the Senator from Missouri that he has instanced personal property, not sources of income?

Mr. REED. Why, certainly, I have instanced personal property, not sources of income. I shall discuss that in a moment.

We also tax in the name of the owner the real estate of the country. Now, what is there sacred about an income? What is there that makes an income of such a delicate nature or of such a private character that we should not require the amount of that income to be stated? What sound reason is there for that distinction suggested by the Senator from Massachusetts? Is it because a man is ashamed of having a large income? Very few men are ashamed of that fact. Is it because he is ashamed that his income is so small? That is no reason for a man to feel a sense of shame. In what way does a public record of an income tax interfere with a man's business or his opportunities in life? After all, this delicacy of feeling must be bottomed upon the fact that a rich man with a large income is entitled to some protection that a poor man with a small income or with a small amount of property is not entitled to.

I concur absolutely in one line of argument made by the Senator from Wisconsin [Mr. HUSTING], which is that publicity in all these matters makes for honesty of returns. There is one county in my State where I have been told there are several millionaires, and it is not a county with a city in it. I have been also told that the mere publication of the tax returns of those gentlemen would result in astonishing the entire community. I want somebody to tell me why public taxation is not public business. I want somebody to tell me why every man in the community is not interested in knowing, and has not the right to know, the source of every dollar of revenue that is collected by the Government, and to know whether or not other people are paying their just share of the burdens of Government.

I am in favor of this amendment, and I hope it will be adopted.

The PRESIDING OFFICER. The question is on the adoption of the amendment. [Putting the question.]

Mr. LANE. Mr. President, just one moment. Let not the Presiding Officer be in such an inordinate rush.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. PENROSE. The Senator from Oregon should speak from his place, as the rule requires.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. The Senator is out of order.

Mr. PENROSE. I rise to a question of order, Mr. President. Is it not one of the rules of the Senate that a Senator in addressing the Senate shall speak from his place and not walking up and down the aisle in front of Senators and conducting his address in an irregular manner?

The PRESIDING OFFICER. The point of order is well taken. The Chair has recognized the Senator from Nebraska [Mr. NORRIS].

Mr. LANE. Mr. President, I will say that those who are more agile——

The PRESIDING OFFICER. The Senator is out of order.

Mr. LANE. All right.

Mr. NORRIS. Mr. President, it seems to me that this is the place where it would be well to give the country a dose of "pitiless publicity." If there ever was a place where publicity would redound to the public good, it strikes me it is in a case where by means of publicity the just revenues of the Government will be increased. I do not believe there can be any reason for not making such returns public. Secrecy can only be desired by those who want to cover up their incomes as a means of preventing the Government from collecting that which it ought to get under the law.

As the Senator from Wisconsin has well said, it discriminates against the honest man, who makes an honest and fair return, by compelling him to pay upon all of the income that the law provides he shall pay an income tax upon and relieving the man whose conscientious convictions are such that he does not hesitate to cover up or conceal his income. There can be no question, in my judgment, that the adoption of the amendment offered by the Senator from Wisconsin would result in the collection of a very large additional sum of money under the income-tax provision of the law.

The Senator has referred to the figures given by Mr. Manly in an article on the subject. I have read and seen those figures; and, while, of course, to some extent the deductions in the article must necessarily be based on estimates, I do not believe anybody can read the arguments and study the figures given in the article without being impressed with the fact that there is an enormous amount of income tax due the Government which is not being collected. I do not have before me the article, but there are several instances given in it which, it seems to me, demonstrate practically conclusively that the Government has failed to collect large amounts of money which were honestly due it under the law.

Mr. President, it may be that there is good reason why these returns should be kept secret, but I have never heard one given; and I am unable myself to discover just what reason there can be. We have publicity as to nearly everything else in connection with taxation. I presume there is not a State in the Union that does not provide for the publicity of tax returns. One can

go to the proper officer in a State and find out exactly the property returned by any individual upon which, under his affidavit and his oath, he pays taxes.

Mr. WEEKS. Mr. President——

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

Mr. NORRIS. I yield to the Senator.

Mr. WEEKS. The principal reason, it seems to me, advanced for offering this amendment is that the Government does not get all of the taxes which it should get, because there are people who swear to things which are not true. The law provides for the punishment of such people if they swear falsely, and why do not the law officers of the Government proceed against such individuals and punish them?

Mr. NORRIS. Mr. President, the very evidence, to a great extent, on which such men could be punished is covered up in the law itself, because the returns are secret, and because the public generally do not know about them. If the returns were made public, there would probably be a good many prosecutions where there are none now.

Mr. WEEKS. Mr. President, the law officers of the Government and the internal-revenue officers of the Government know all about these returns, and if they have any reason to think there has been a false return made it is very easy for them to proceed against the person making it.

Mr. NORRIS. Oh, yes; if those officers knew about it they probably would act. The argument I am making is that complete publicity would give information to people who perhaps would know that something had been concealed, and by giving that information to a public official there might result prosecutions. The result which I think would follow would be that the returns would show larger incomes.

Mr. WEEKS. Mr. President——

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

Mr. NORRIS. Yes.

Mr. WEEKS. Does the Senator wish to make every man a detective to spy on the actions of his neighbor?

Mr. NORRIS. I am not arguing here that everybody who makes an income-tax return swears falsely to it. I am not claiming that; but if the Senator can give me a reason why such returns ought to be concealed and ought to be kept secret I should like to have him do so.

Mr. WEEKS. Well, Mr. President, I think there is a very substantial reason in the fact that no man wishes to expose or to be compelled to expose his private affairs to the public. He does not do so under any other circumstances except when he asks for credit. If the law officers and the officers of the Internal Revenue Department have a complete statement of a man's affairs it seems to me that it is prying into them in an illegitimate and improper way to compel him to expose his private affairs to public inspection.

Mr. NORRIS. Mr. President, as I look at it, if that is the reason, if that is the objection to the amendment of the Senator from Wisconsin, then, if we follow that line of reasoning, we ought to provide by law in every State that the tax schedules as to all taxes paid shall be kept secret. I do not believe it is any worse or any more humiliating for me to say that I am getting $10,000 income from Government bonds or railroad bonds or securities of that kind or that I am not getting such an income than it would be in a tax schedule to set forth that I have a diamond ring or that I have a gold watch or that I have a bicycle or an automobile. Such matters are public under our taxation system. It is not any greater disgrace——

Mr. WEEKS. Mr. President——

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

Mr. NORRIS. I will yield in a moment.

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

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

Mr. LANE. The Senator from Massachusetts is addressing the Chair out of his place. I understood the Chair to rule a while ago that when a Senator addressed the Senate he must rise in his place and speak from there.

Mr. WEEKS. Mr. President, the Senator is right. I am out of my place.

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

Mr. NORRIS. Yes; I yield to the Senator from Massachusetts or any other Senator.

Mr. LANE. Mr. President, I should like to ask the Chair another question.

The PRESIDING OFFICER. The Chair has ruled that a Senator when he desires to address the Senate shall rise in his place and address the Chair.

Mr. LANE. Very well, then. I will ask the Chair to keep all Senators in their places.

Mr. NORRIS. Mr. President, taxation is always burdensome. We all dislike to pay taxes, and I do not blame anybody for entertaining that feeling. I am not claiming that the men who make income-tax returns are any more dishonest than those who do not make such returns or than those who make returns of their personal property under local tax schedules; I am not claiming anything of that kind, but it does seem to me that a man would be very touchy who would say, "I do not want this return made public, because I do not want the public to know anything about my business," when, as a matter of fact, already if he makes a return under the tax laws of any of the various States, so far as I know about them, publicity is given to that return as to all the property which he may own, as to the amount of goods he holds, the stocks he owns, and the debts which he owes, all of which is more humiliating probably than having an income-tax return made public. Why should it be humiliating to the Senator from Iowa [Mr. KENYON] if he had an income of $100,000 from stock of the Bethlehem Steel Co. for him to state that fact?

Mr. KENYON. I rise to a point of order. That is entirely too startling as applied to any circumstances.

Mr. NORRIS. Why would it humiliate him to say in his schedule that he had that income? I can not conceive of anything disgraceful or humiliating to any man to state the source of his income, unless he is getting an income from some shady proposition, some dishonorable source, some illegal affair.

As I have said, there may be reasons—I have not heard them, and I can not think of any myself—why these returns should not be made public. It seems to me that there ought to be, and can be, no objection to a man stating his income in his return, and then having the return made public, so that the proper publicity may be given to it. Why, Mr. President, it is one of the fundamental principles of nearly all governments that publicity in government is the cure for more evils of government than any other one thing. Our courts must be public; our deliberations here must be public; the action of practically all of our officials must be public; and provision is made by law that they must be public. Now, the person who has an income from property that is, perhaps, intangible would be able to cover up the source of his income, whereas the man who had a farm or who had a building would necessarily have some publicity in regard to his income.

It seems to me that in the interest of fairness, as well as in the interest of getting as much money under the law as the law provides we shall get, we ought to have absolute and pitiless publicity.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. NORRIS. The Senator from Mississippi is not in his place.

The PRESIDING OFFICER. The rule is not as to his place. The rule says a Senator can not proceed until he is recognized. A point of order was made against the Senator from Oregon [Mr. LANE] on the ground that he was walking down the aisle, and had not been recognized. The Senator from Mississippi has the floor.

Mr. WILLIAMS. Mr. President, a distinguished Englishman is reported once to have said:

> Words, words, words, and yet more words, and what paucity of ideas accompanies them!

We have thrashed out this whole proposition. We thrashed it out in the Committee on Finance. We thrashed it out in the Ways and Means Committee of the House. We thrashed it out on the floor of the House. We thrashed it out on the floor of the Senate. All the verbalities and verbosities that have been recently resorted to mean only this—a general denial of the fact that there is any such thing in existence as private business. Of course, every man of real good sense knows there is such a thing as private business.

I hope the amendment will be defeated.

SEVERAL SENATORS. Vote!

Mr. LANE. Mr. President, I can not find the rule that has been referred to. I find in Jefferson's Manual that a Member must rise in his place and address the Chair, but it does not say any particularly fixed place. I think it would apply more to those who are too ponderous to get around, perhaps, than it would to those who are quicker on their feet. [Laughter.]

But, be that as it may, I wish to say, in regard to this amendment, that it is my opinion that neither the Senate nor

the House nor anybody representing the people, the people's servants, have the right to deny their employers full access to the facts concerning their affairs. The provision in the bill which makes it a finable offense for anyone to give information to the people of this country as to the sources from which their revenue is derived, upon whom is placed this impost upon information is going beyond our power. In my opinion, is a bit of cool impudence. In fact, it ought to be an unlawful transaction, and a punishable one, to conceal the facts, and an offense finable and punishable with imprisonment, if necessary, for any public official to attempt to conceal them.

The people of this country will never be able to govern their affairs wisely and economically nor to place their taxes justly until they know all the facts concerning the sources of their revenue and the manner in which it is expended. I do not believe there is any Republican or any Democrat or any Socialist or independent Republican or any citizen who will deny that statement. The business of the people should be managed in such a way that they will have access to all of the facts. The idea of men sitting in this body or in the other House who have gone before the people and requested them to send them here as their representatives, as their agents, in fact, to represent them justly, getting into a meeting, holding a session, beginning, if you please, perhaps, in the committee which drew the bill, and then imposing the will of that committee, or rather the minority of it, as binding upon the conference of a certain party, and then in turn making that binding on the Senate, and passing a bill denying the people of this country the right to information respecting the source from whence comes their revenue! I can not understand how the people will stand such an insult from their servants. It is a case of the servant denying the master, the owner of the property, information concerning from whence comes his revenue. It is a preposterous proposition, and one that can not, in my opinion, be defended on any ground of decent government, and I protest it. I object to it.

The amendment of the Senator from Wisconsin is pertinent and to the point. The result of this manner of doing business, this manner of keeping the facts from the people, is, I am informed, that the larger, the more opulent members of the community escape their taxation, and it is passed on down to those least able to pay it. That is wrong. No country can succeed to the full extent to which it is entitled, which permits that manner of handling its affairs, where the majority suffer to the special advantage of the wealthy minority.

An amendment of this kind, I notice, attracts but little attention in the Senate. It does not hold the Senate's attention. It meets with a smile and a hasty attempt to bowl it over, and put it out of sight, and be done with it; but it reaches right to the heart of the legislation. It will reach right to the heart of this body later on, right to the heart of it. It will come home here when the people realize it; and the gentlemen who now try to slip by it quickly, and those who resent it or any discussion of it, will see the day when they will be hat in hand before the people asking for their forbearance for the evil they have done unto them.

Just a few days ago there came here what is called the aristocratic element of the laboring people of this country—they who earn $5 a day—and it was resented by many that they did come. They came, and they put through, or there was put through to meet their wishes, legislation which prevented them from working over eight hours a day. In regard to that I have nothing to say. To me it was just an omen, a forecast, the dawn of the day when those who are unorganized now—not the aristocracy but the lower-paid class of labor, who are paid the least possible for their labor and who work 16 hours a day, some of them—will come knocking at the doors of the United States Senate, the greatest deliberative body in the world, the greatest talking body in the world, if you please, and asking for a hearing, and they will get it.

They will get it. The aristocrats of the big interests—they whose income in some instances is over half a million dollars a day—have knocked at the door of the Senate for years, and their knock has been answered quickly. Tiptoeing to the door have we gone and listened and obeyed the behests. But now comes the laboring men; and later along the large interests, one-half of whose property is founded upon watered stocks, upon a steal, if you please, upon theft, robbery, stolen money, will come to a clinch with the aristocrats of labor and the laboring poor, they who receive less than $5 a day, and between them they will grind the interests of the people, they who belong to neither class—the man who makes $2 a day, with his wife and three children to support, and who comes out at the end of the month with $10 profit. Those people will come here to be heard, and they will be entitled to a hearing, and it is going to be a good day for this body, a blessed day for the Senate, if it listens to them.

Now the people, through some of their Representatives, are asking this body, with no great hope of succeeding, I confess, that they make public, that they leave open to public inspection, to the plain people and the mass of the people, to anybody, to the one-eyed Irish woman who takes in washing for a living, if you please, to the old colored woman that goes on a crutch to do the scrubbing work around the halls of this or any other place, the facts as they relate to the taxes that are paid by other people of this country, and they will have a right to know, the last and least one of them, just as much right as the most plethoric gentleman that sits in this Chamber. It is upon their behalf, and to be right when that day comes, if it comes in my time, when they will ask for the accounting, when they will demand it at your hands, and against that day in which they come and first sit in the galleries and listen to your "waw-waw," and later along get that which they came for, that I support this amendment. The people of this country are entitled to the information; it is theirs. I resent the dicta of any Member of this or any other body who refuses to the people their sacred and inalienable right to the information which is theirs, and theirs alone, but denied them in this bill by usurpation of the power and rights of those who sent them here.

Mr. OWEN. Mr. President, I favor the amendment offered by the Senator from Wisconsin [Mr. HUSTING], because I believe it will enable the Government more nearly to collect the tax on these large incomes. I do not believe the Treasury Department will be deterred in the least by any inquiries that may be made by interested citizens as to the reports that may be made to the Internal-Revenue Department. I think granting this power will serve the public interest. I think it will promote honesty in government. I think the amendment ought to be agreed to, and I shall cast my vote for it.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from Wisconsin [Mr. HUSTING].

Mr. HUSTING. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Gronna	Oliver	Smith, Ga.
Bankhead	Hughes	Overman	Smith, S. C.
Beckham	Husting	Owen	Smoot
Brady	Jones	Penrose	Sterling
Bryan	Kenyon	Phelan	Stone
Chilton	La Follette	Pittman	Swanson
Clapp	Lane	Ransdell	Taggart
Colt	Lee, Md.	Reed	Thomas
Cummins	Lewis	Robinson	Underwood
Curtis	McCumber	Shafroth	Weeks
Dillingham	Martin, Va.	Sheppard	Williams
Fall	Martine, N. J.	Sherman	
Fletcher	Myers	Shields	
Gallinger	Norris	Simmons	

Mr. MARTINE of New Jersey. I wish again to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably absent from the Senate, and is paired on all votes with the junior Senator from Pennsylvania [Mr. OLIVER].

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. A quorum is present. The question is upon the amendment offered by the Senator from Wisconsin.

Mr. HUSTING. Mr. President——

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. Upon that amendment the Senator from Wisconsin calls for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. ASHURST. Let the question be stated.

Mr. HUSTING. Mr. President, I tried to get recognition from the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. HUSTING. I should like to state the amendment, just briefly. This amendment is to make the income-tax returns public in the same manner that all other public records are made public, in the same manner that all other tax returns are made public. The amendment provides that all income-tax records shall be public records, and shall be open to inspection by the public. That is the substance of it.

SEVERAL SENATORS. Vote!

Mr. LA FOLLETTE. Mr. President, I want to say just a word on this amendment before the vote is taken, and only a word.

I have been a little disappointed at the impatience of some Senators here that there should be any discussion upon this amendment, or that the amendment should be proposed at all. We all know that the income-tax law was enacted by the Federal Government, just as it had been enacted by State govern-

ments, to reach a large class of property intangible in character which wholly escaped taxation.

The extent of the evasion of this class of property is positively startling. The attempt to collect it under State income-tax law failed universally and failed because the effort was made, so far as I know, in every State to execute the law through local assessors. In every community would be found men of large means, each village and small city having its money king, who concealed all or largely his intangible property and escaped the payment of tax upon it. To attempt to assess that property through a local assessor proved utterly futile. It was always within the power of the man of large means in every community to defeat any man who as an assessor ferreted out any considerable portion of property which had been theretofore escaping taxation.

I think it is a matter of history that every attempt on the part of a State government to collect income taxes through local assessors, to execute their law through local officers, proved a total failure. I believe the one State in the Union that ever made any considerable return upon an income-tax law executed in that manner was the State of Virginia. I think the largest amount ever returned on the income-tax law of Virginia was about four years ago, when they collected about $125,000.

If I may be permitted, without appearing provincial, to refer to the State which I in part have the honor to represent here, I want to say that the State of Wisconsin—and I think it is the first State in the Union that attempted to do the thing—established an income-tax law, created a tax commission, and put the execution of that law under the tax commission and ferreted out the intangible property through supervisors in districts laid out over the State. Those men were beyond the reach of the local money king in each community. The only way that he could rid himself of the tax ferrets who searched out the intangible property was to be strong enough in combination with others of his class to force the State government to destroy the tax commission.

The result of the execution of that law by that means was the return of three and a quarter million dollars the very first year, and from property that had been evading taxation.

Mr. President, shortly after that we adopted the national income-tax law, and the first tax collected under that national income-tax law, as I remember, was considerably larger than the second tax collected under it.

I am not able to turn at once to the page in the hearings on the House resolution which lies before me upon the table, but I will state my recollection of it. The first year, I think, under the Federal income-tax law we collected something like $120,000,000, considerably over $100,000,000. The second year, 1916, we collected $80,000,000.

That is an evidence of just one thing, Mr. President, and that is that the corporations and the individuals who made out the tax returns under the Federal income-tax law discovered a means of evasion. We are having that experience in Wisconsin. There has been a falling off in the collection of the income tax there after the first year, and greater vigilance is manifestly necessary there, as it is everywhere, to make these tax dodgers pay their share of the taxes.

I can think of nobody so mean in this Government as the corporations and the men of wealth who will not pay their share of taxes. I know of nothing from which the citizen gets so large a return as upon the money which he invests in the payment of taxes. Schools provided for his children, protection given to his home, the streets paved and lighted, everything that goes to make community life of high advantage is provided through taxation.

This great Government of ours through its system of taxation throws about the citizen the panoply of this power, protects him at home and protects his person abroad, giving him, Mr. President, everything that a citizen of a hundred million of the most progressive people in the world could possibly desire from government. And yet on every hand men of great individual wealth and organized forms of business dodge and evade and use every possible effort to throw upon the individual taxpayer the burden of government.

Our Federal taxes are paid, of course, by indirect taxation; they are paid by what we wear and use and live upon. The individual head of every little family pays out of all proportion to the man of great wealth, where the taxes are paid by customs duties. The equalization can only be made where you reach this intangible wealth and make it bear its fair share through an income tax.

Mr. President, there is no possible way of accounting for the diminution, the shrinkage, which has come in the administration of the income-tax law except the dulling of the conscience and the diminution of the fear of the Federal Government. They are beginning now to try the methods of evasion. Secretary McAdoo in his report says that not less than $20,000,000 of shrinkage in the corporation tax is due to evasions of that tax.

Mr. President and fellow Senators, publicity of this tax record will help the administrators to reach the tax dodgers, corporate and individual. Why will not the Senate adopt this amendment? Why should there be secrecy for people who have always from the beginning of the Government thrown upon the owners of little homes, the heads of families, the burden of taxes for the support of the Federal Government? Will somebody stand up here and defend it?

Oh, you say if anyone has the courage to say anything in defense of the secret system, that it is repugnant to our American ideas that private affairs should be exposed. It is not private affairs. If you by law are required to pay upon your income and you lie about it when you make out your return, it is a public affair. Whether you tell the truth or not is a public affair and whether every corporation makes an honest return is a matter of public interest; it is not a private affair.

Mr. President, if there be any danger to the future of this country, if there lurks anywhere in our system of government a canker which year by year and decade by decade will weaken and destroy it, it lies in the fact that you are building up here a protected class that does not bear its share of the burdens of government, but it imposes upon the great body of the people of the country burdens that are unjust and unequal, and through all your lawmaking there runs a dark web and woof that will not bear the light of an investigation which demands equal rights for everybody.

Mr. President, this amendment ought to be adopted. I know that Senators and particularly Senators upon the Democratic side are reluctant to make amendments in the bill. The chairman of the committee comes forward, when a suggestion is made for a change in the bill; we are reminded that it is late in the session, we are reminded—I do not know that we have been by the chairman of the committee to-day, but we were the other day—that the other House may be without a quorum and that we have got to accept things as they are.

That is not the way to legislate, Mr. President, on such an important measure as this. There is an opportunity here for the Democratic Party. I will speak to you from a political standpoint as an opponent of your party. There is an opportunity here for you to write an amendment into this law in the interest of the public that can not fail to make its appeal to the public. And to my colleagues on this side, let me say to you that the record vote on this amendment which has just been ordered will not be to the credit of the Republican organization in the contest that is now on. Every other tax has its publicity element. Why not this tax? Tell me that if you can. The law says you shall pay on your income the exact amount of it.

The sources of it, so that we may know you are not lying about it, form public business, not private business. Is not that fair? Is not that square? Will you not put that into this bill? Can you give your constituents any good reason why you did not, when the roll is called? In your respective States you come up for election one after another on this side, and not only upon this vote but upon all votes that bear upon the question of whether you served the public or served these interests is presented to your constituents. How will you feel about this vote?

I am going to take just a moment to say, Mr. President, that I have gone into many States and presented the record vote upon great public questions in the Senate. I recall one instance that I think is worth reciting here this evening. I remember an occasion a few years ago when I was to speak one afternoon in a State represented by a Republican Senator on this floor. I was to speak in the city in which he lived. He called upon me shortly before I was to go upon the platform and said that he had come down to pay his respects, that he had a carriage waiting to take me out to the place where I was to speak, and would introduce me to the audience. I drew him to one side—a group of men were standing about—and I said to him, "Senator, I am going to talk about legislation that has been pending and has been the subject of discussion, and of votes in the Senate during the session that has just closed. What I have to say will in effect be a criticism upon your position, and I do not think it would be pleasant for you to present me to that audience or to be upon the platform." "Oh," he said, "this is my home; the door is open to you; go ahead; you can not say anything here that will harm me." I said, "Senator, I have no personal feeling in this matter, but I believe that this Government of ours was designed to be a representative government. I have conceived the idea that the people of each of the States have a right to know how they are represented. I am discussing questions which are of public interest, and I am pre-

senting the records of Senators upon the roll call. I make no comment upon any individual; I just state the question and then read the roll call. I do not even emphasize the name of the Senator in whose State I happen to be at the time more than that of any other Senator. It is just laying before the people of that State certain important issues which have seemed to me very important to the people of representative government and informing them of the issue raised by the legislation upon which their Senators voted." He said to me, "Get right into the carriage; say anything you please to this audience; it is a matter of utter indifference to me; these people know me; you are a stranger here." It was the first time I had ever been in that city, the first time I had ever looked into the faces of that audience. I was taken out to the place where the meeting was to be held. I was introduced by that Senator to that audience.

I made my address, Mr. President, and I laid before that audience one after another of several very important measures that had been pending before the United States Senate. I remember now that one of them was a bill introduced here for the valuation of railroad property by the Interstate Commerce Commission. I read the roll call of the Senate, starting with Aldrich and ending with Wetmore. That is the way the roll call happened to begin and end at that time.

Mr. President, after having stated the object of the bill—for instance, the bill for the valuation of railway property—as I proceeded with that roll call it would have been an interesting study for any one of you Senators to have been where you could have observed that audience. They had a pretty fair understanding when I got through of the need of railway valuation as a basis for regulation. As that roll call proceeded they began to lean forward. As we passed down the alphabet to that letter within the group, beginning with the letter of the alphabet in which their Senator would be found, I noticed them all leaning forward in their seats, more and more attentive, more and more tense. As I reached the name of that Senator there were expressions of profound surprise upon their faces as they turned and looked one into the other's face. There was not any outbreak on the first roll call; but, Mr. President, when I went on down through important measures on the second or third roll call there were demonstrations from the audience of hostility to their Senator. Presently there were outcries, there were hisses; men rose in their seats with expressions of denunciation upon their lips, and he was literally driven from the platform. When I finished he was walking to and fro back of the auditorium. I said to him: "Senator, personally I have not the slightest feeling in this matter; this is not a personal matter; it embodies a great principle of government; that is, that the people shall be represented. I am sorry that you went on the platform." He was a good, game fellow, and he said to me: "It is all right; you were perfectly square, but if I had known how hot you were going to make it for me I would not have gone up there and introduced you."

Mr. President, the record votes of the Senate since we have adopted the constitutional amendment which gives the right to the voters of this country to vote directly for Senators, are going to grow in importance year by year, and the people of the different States and of the different congressional districts are going to be informed of the record made by Representatives and Senators upon questions touching profound and vital interests. That, Mr. President, I believe is one of the means of the redemption of representative government.

I ask you here on this floor this evening what valid excuse will you give to the electorate in your various States for voting to enshroud in secrecy the returns that these corporations and these possessors of immense fortunes are making upon their income reports? Why, in a hearing before the House of Representatives, I find one case that is especially interesting. May I just ask the attention of the Senate to it? I read from page 38, No. 1, of the "Hearing before the Committee on Expenditures in the Treasury Department, House of Representatives, on House resolution 221; No. 1:"

The contention over the estate of L. V. Harkness, lately deceased Standard Oil magnate, said to be valued at $100,000,000, has uncovered what may prove to be one of the greatest frauds in the history of the United States income tax, involving more than $1,000,000 in taxes and penalties. A record of 700 pages has been filed in New York in connection with a suit by the State of New York to determine whether the estate is taxable under the New York inheritance law. The heirs have set up the claim that the estate is not taxable, alleging that Harkness was not a resident of the State of New York, but of Louisville, Ky.

Among the records is evidence showing that the total Federal income tax paid by Harkness was $58,035. The records do not reveal the exact value of the estate, but the statement of the New York State tax commissioners places the value of the estate at $100,000,000. This estate consists almost entirely of stocks and bonds, among which the most numerous are Standard Oil securities, which not only pay enormous dividends, but which have also nearly doubled in value since the time of the famous "dissolution." Even at the rate of 5 per cent, which is far below the average rate on stocks, the income from an estate of $100,000,000 would be not less than $5,000,000.

And yet this man paid what? The paltry sum, under the Federal income-tax law, of $58,035.

The loss to the United States Treasury therefore would be $283,000 per year.

Oh, Mr. President, by this very bill you are searching out all possible sources of taxation in order to meet the demands which have been laid upon the bended backs of the American people, because of the excess of appropriations largely—very largely, Mr. President—due to the enormous preparedness program which has been put through the Congress of the United States, for which the electorate two or four years hence, when this false, this infamous, artificial, fraudulent campaign for preparedness shall have worn itself out and the people have come to know how they have been imposed upon—then, Mr. President, there will be a revulsion of sentiment against the enormous taxation which has been laid by this administration upon the people for "preparedness"; and yet it was not enough to satisfy my brethren upon this side; they would have had still more of it.

Mr. President, we are exhausting, I say, by this bill, as we have been doing by previous legislation, every possible means to meet the demands which the cataclysm of the world war has brought upon the country. Why, then, I ask my colleagues upon the Republican side, and some Senators on the other side as well, do you cover up with secrecy, so that there may be an evasion of taxation, the incomes of the great, big property owners, the magnates who have filched their fortunes, in violation of the Sherman law, out of the American people? Why are you in favor of a system of secrecy in regard to this income tax that would put a shield in front of the corporations of this country and enable them to lie about their incomes? Go to the country, go to the voters, and justify it, if you can. You can not do it.

Mr. President, I have said what I desired to say upon this question of an income tax. I am going to say something else upon another portion of this bill before it shall become a law; but I say to you that in my humble opinion you can not find any justification anywhere—I can not, anyhow—for voting against this amendment offered by my colleague from Wisconsin. It applies to the big corporations, to the men who get millions and millions of income from sources, as to a part of which at least, if they paid the penalties under the Sherman Antitrust Act, they would be wearing stripes. You know that; every one of you know it. Now, then, let those gentlemen come up—it is not much for them to pay—let them come up and pay, and let them put the cards on the table. Let us have no concealment about this income tax any more, corporation or personal.

The amendment as offered by my colleague asks for nothing except what the public is entitled to know; and I want to suggest to Senators here as I close what I have got to say that it does seem to me that we had better let the public know about this matter to the extent to which my colleague's amendment goes.

Mr. ASHURST. Mr. President, I shall be very brief this evening. I can well understand, and I am quite in sympathy with, the impatience of the committee with respect to passing this bill at an early date. The committee should have, and I believe it will have, the thanks of an appreciative American people. They have brought from the Committee on Finance a most acceptable bill. Very few bills are perfect, if, indeed, any be perfect; but, Mr. President, knowing, as I do, the desire of the committee for early action on the bill, I can not, and I shall not, fail to say a few words at this time in favor of the pending amendment.

Mr. President, the previous remarks in behalf of this amendment have covered the ground so well that it would seem to be a work almost of supererogation for me to say much more; but when we establish the policy of an income tax, as we have by our constitutional amendment and statutes made thereunder, as a logical, as a necessary, as an inevitable result it should follow that the returns under the income tax should be made public.

As has been asked here, Is this public business we are about? It is. Why, then, say to the public that they shall not have access to the tax return? Are such returns "private" public documents? No, Mr. President; they are not private public documents. They ought not to be private. Go into the assessor's or tax collector's office of the various counties in the States of the Union and you can ascertain all the facts from the tax returns. Any citizen may walk into a tax collector's office, assessor's office, or the office of the clerk of the board of supervisors and say, "Let me see your tax books, please; let me see the assessment of Mr. John Smith, Mr. William Jones,

or Mr. HENRY ASHURST." The humblest citizen of the State is accorded that privilege in every county in which I have ever been in this Union. Why, then, Mr. President, should these great interests that wield such tremendous power be permitted to file an affidavit and a return and make payment of taxes upon that return when it is not subject to review, not subject to investigation?

If the full light of publicity were thrown upon the return, if many inquiring eyes were turned upon it, the truth would be discovered. If there be nothing wrong about the return, why this secrecy?

Within a few days Democratic Senators will be speaking from the stump. We will soon not only be making the woods but the welkin ring, telling how—and it will be true—we drove a corrupt lobby from this Capitol in 1913; how we forced the light of publicity upon the lobby's doings and compelled it to make legitimate arguments to committees instead of arguments of devious kinds, as it had been making in the "good old days." That is what we will be telling. We will be telling how we have destroyed the "invisible government" that reigned so long in these Houses of Congress. We will be telling how we destroyed the workings of that "wireless" which used to run from the White House to the "special interests" in the days of Taft and Roosevelt.

While telling these things we will be forced to add that we took good care to see that these same special interests were guarded and protected, and that whether they pay much or little or make a false return or not their doings should not be made public.

No, Mr. President! Let us be fair and courageous until the last hour, and preserve in its entirety the splendid record upon which we are going before the American people.

When the Democratic Party came into power it took the control from the special interests. It lodged that control into the hands of the people. To-day it is the party to whom people appeal for justice and for right reason. No progressive citizen will appeal to the other party. Why? Because it was tried for 14 years and failed. Its record to-day is the cheerless words, "Forget it." It faces this campaign with an inventory of past mistakes and we face the campaign with an inventory of good works and good deeds.

There is every reason why the amendment should be adopted, and no logical or fair reason, in conscience or in economics, why these papers showing the income-tax returns should be filed away, perchance to be examined only if some future President may give an order to some person to examine them.

Mr. President, the States are going to adopt an income tax. It will be of great benefit to the various States if they may, through their appropriate officials, acquire this information for the purpose of making their assessments.

Senators may sit here in their seats with a feeling of security, but it will be different when you go before the country. The country is watching this question. I have received numerous letters—a few from my own State and many from other States—asking why we have been so tender with respect to these great interests; why we are so very cautious to see that their transactions with the Government shall not be disclosed, but that they shall have a screen thrown about them, so that the ordinary citizen will be afforded no opportunity to investigate and ascertain the truth.

I earnestly hope, good as the bill is, that it will be made better by the adoption of this amendment. The distinguished chairman of the committee was not in the Chamber when I made the observation that I could well appreciate the apparent impatience of the committee in regard to these tedious speeches that have been made this afternoon. The committee, I repeat in the presence of the chairman, who has just come in, have brought out a good bill from the committee. They have worked diligently, they have worked faithfully, and the impartial historian is going to give the chairman of this committee a large and generous share of credit and of honor for the good work he has done. But, Mr. President, great as is the Finance Committee, learned and wise as are its members, they must not for one moment ever let the idea enter their heads that an individual Senator is precluded from offering an amendment to this bill, or that he must be told that we are in a hurry to get this bill through.

I am to-day a candidate for reelection to the United States Senate. I should like to be home campaigning. I have been a Member of this body four years and five months and I have been absent from the Senate's sessions but three days. I am willing to stay here until the election day, if necessary, in order to do the business of the country, and I hope we will not adjourn until we pass the corrupt-practices act and the Webb bill and the other bills that the country expects of us. If I were a Republican, as I am a Democrat, I should be ashamed of the record which the Republican Party has made in its opposition to the corrupt-practices act. This is a progressive age. This is an age when people have come to the conclusion that the Golden Rule instead of the rule of gold shall prevail; and I say to you Republicans that if you block the passage of the corrupt-practices act it will be because you believe now, as of old, that Senatorships and Presidencies can be acquired by auction instead of by election.

SEVERAL SENATORS. Vote!

Mr. SIMMONS. Mr. President, the Senator is entirely mistaken if he means to intimate that I have manifested any impatience with Senators who desire to offer amendments and who desire to discuss them. What I did in respect to this matter was not done in a spirit of impatience at all. When the Senator from Wisconsin [Mr. HUSTING] offered his amendment I was under the honest impression, and am still under that impression, that substantially the very same proposition had been presented by him earlier in the consideration of this bill, and that after very thorough and exhaustive discussion, and after a very lengthy and able speech delivered by the Senator himself, the Senate had voted upon his amendment. Whether it was a yea-and-nay vote I do not now recall, but I am rather inclined to think it was a yea-and-nay vote; and I did feel that the Senate, in the circumstances in which we find ourselves to-night, ought not to have its time taken up in a rediscussion of something upon which it had already acted and acted with fullness of information, so far as the Senate could get that information from the discussions which took place.

I do not think the discussion we have had to-night has developed any fact with reference to this matter that was not developed in the first discussion. I have no disposition to continue that discussion. This question was presented to the committee. We gave it very thorough consideration. We decided that the law as it is now written ought to be continued in force. Of course that is not binding upon the Senate. I am not insisting that the Senate shall be bound by the action of the committee; but I do say that we gave this matter thorough consideration, and considered all the arguments that presented themselves to our minds, pro and con. Now it is for the Senate to settle the question again.

I hope we may now have a vote, and I trust this amendment may not prevail, because I do not think it would be wise policy to throw these returns open.

Mr. SMITH of Georgia. Mr. President, I wish in just two or three minutes to give some of the reasons which have influenced the failure to make these returns public.

It has not been for the purpose of concealing the condition of the big corporations. Nearly every big corporation under its State laws, is required to disclose its condition each year. We certainly have not been influenced by any desire to keep the fortunes of the very rich from being made public. The true reason, the true argument, has been that there are a great many men in the smaller lines of business, men of small fortunes, men of limited business, who will be injured by the annual publication of their exact financial condition and their exact profit. That is what has influenced us to agree to the failure to make public any of these returns. There are a great many professional men of limited means and not large incomes who would be embarrassed by the publication annually of just what they were making.

It was in consideration, not of the great fortunes, not of the big corporations, but of those of much more limited means who might be adversely affected by publication that the committee took the action that it did; and the threat that this injury would come was one of the arguments usually made against income taxes.

Mr. PENROSE. And in this bill also.

The PRESIDING OFFICER. The question is on the adoption of the amendment proposed by the Senator from Wisconsin [Mr. HUSTING]. On that the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. SMITH]. In his absence I withhold my vote.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON], which I transfer to the senior Senator from Idaho [Mr. BORAH], and will vote. I vote "yea."

Mr. MYERS (when his name was called). I announce the same transfer of my pair as on the last roll call and vote "yea."

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). The present occupant of the Chair is paired with the junior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness. Being unable to get a transfer, I withhold my vote.

Mr. OWEN (when his name was called). I transfer my pair to the Senator from Kentucky [Mr. JAMES] and vote "yea."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the junior Senator from Arizona [Mr. SMITH] and will vote. I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the senior Senator from Connecticut [Mr. BRANDEGEE] to the junior Senator from South Dakota [Mr. JOHNSON] and vote "yea."

Mr. STONE (when his name was called). I have a standing pair with the senior Senator from Wyoming [Mr. CLARK]. Not being able to get a transfer, I withhold my vote. If at liberty to vote, I would vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the senior Senator from Maryland [Mr. SMITH] to the senior Senator from California [Mr. WORKS] and vote "nay."

Mr. SHAFROTH. I have a general pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. HARDWICK (after having voted in the negative). I inquire whether the junior Senator from Kansas [Mr. CURTIS] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. HARDWICK. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. STONE. I am advised that if my pair, the Senator from Wyoming [Mr. CLARK], were present he would vote as I have announced I would vote. Therefore I wish to have my vote recorded in the negative.

Mr. HARDWICK. I transfer my pair with the Senator from Kansas [Mr. CURTIS] to the Senator from Ohio [Mr. POMERENE] and will allow my vote in the negative to stand.

Mr. GALLINGER. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

The result was announced—yeas 26, nays 32, as follows:

YEAS—26.

Ashurst	Husting	McCumber	Shafroth
Brady	Jones	Martine, N. J.	Sheppard
Chamberlain	Kenyon	Myers	Smith, S. C.
Clapp	La Follette	Norris	Thompson
Cummins	Lane	Owen	Vardaman
Fall	Lea, Tenn.	Reed	
Gronna	Lewis	Robinson	

NAYS—32.

Bankhead	Gallinger	Phelan	Sterling
Beckham	Hardwick	Pittman	Stone
Bryan	Hughes	Ransdell	Swanson
Chilton	Lee, Md.	Sherman	Taggart
Colt	Martin, Va.	Shields	Thomas
Dillingham	Nelson	Simmons	Underwood
du Pont	Oliver	Smith, Ga.	Weeks
Fletcher	Penrose	Smoot	Williams

NOT VOTING—37.

Borah	Harding	Newlands	Sutherland
Brandegee	Hitchcock	O'Gorman	Tillman
Broussard	Hollis	Overman	Townsend
Catron	James	Page	Wadsworth
Clark, Wyo.	Johnson, Me.	Poindexter	Walsh
Clarke, Ark.	Johnson, S. Dak.	Pomerene	Warren
Culberson	Kern	Saulsbury	Works
Curtis	Lippitt	Smith, Ariz.	
Goff	Lodge	Smith, Md.	
Gore	McLean	Smith, Mich.	

So Mr. HUSTING's amendment was rejected.

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

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 141, after line 23, it is proposed to add as a new paragraph the following words:

The commission shall have power to investigate the Paris economy pact and similar organizations and arrangements in Europe.

Mr. SMITH of Georgia. After conferring with the chairman of the committee, I have agreed to make no objection to the amendment.

The amendment was agreed to.

Mr. WEEKS. I have one more amendment to offer.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. On page 21, line 24, after the word "partnership," insert "except income exempt under section 4 of this act," and on page 21, after line 25, after the word "deductions," insert "and credit."

Mr. SIMMONS. I think those are very proper amendments, and they ought to be added to the bill.

The amendments were agreed to.

Mr. STERLING. I offer the following amendment.

The SECRETARY. On page 143, at the end of line 15, insert:

The foregoing provision shall not be construed to deprive the proper State court of jurisdiction in actions for damages thereunder.

Mr. WILLIAMS. I ask to see the amendment for a moment.

Mr. STERLING. I think perhaps the chairman of the committee having the bill in charge will be willing to accept the amendment.

Mr. WILLIAMS. It is all right.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). The question is on agreeing to the amendment submitted by the Senator from South Dakota.

The amendment was agreed to.

Mr. HUGHES. I offer an amendment on page 99, line 15.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 99, after line 15, add a new section, as follows:

SEC. 56. That section 3255 of the Revised Statutes as amended by act of June 3, 1896, and as further amended by act of March 2, 1911, be further amended so as to read as follows:

"SEC. 3255. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, pears, pineapples, oranges, apricots, berries, plums, pawpaws, persimmons, prunes, figs, or cherries from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *Provided*, That where, in manufacture of wine, artificial sweetening has been used the wine or the fruit pomace residuum may be used in the distillation of brandy, as such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *And provided further*, That the distillers mentioned in this section may add to not less than 500 gallons (or 10 barrels) of grape cheese not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, such solution to have a saccharine strength of not to exceed 10 per cent, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material."

Mr. HUGHES. If there is any explanation necessary, I will state that the wine producers in certain sections of the country desire to use certain by-products, by means of which their products can be perfectly utilized and from which can be distilled brandy. This provision will add to the revenues of the Treasury $100,000 a year. The Department of Agriculture and the Treasury Department favor it. I know of no reason why it should not be adopted.

Mr. PHELAN. I move to amend the amendment by adding, in line 12, page 2, the words "95 per cent pure."

Mr. HUGHES. I have no objection to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HUGHES. I offer the following amendment.

The PRESIDING OFFICER. It will be read.

The SECRETARY. Following the amendment just agreed to, insert the following:

That distilled spirits, known commercially as gin, of not less than 80 per cent proof may at any time within eight years after entry in bond at any distillery be bottled in bond at such distillery for export without the payment of tax under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Mr. PENROSE. I should like to ask the Senator from New Jersey whether this amendment is not identical with a bill which has already passed the House of Representatives and which was pending before the Finance Committee?

Mr. HUGHES. The Senator is correct about that.

Mr. PENROSE. I wish to say, for the information of the Senate, that the bill was referred to a subcommittee at the last meeting of the Finance Committee of which I was a member, and I think the Senator from Kentucky [Mr. JAMES] was a member, and there was a third member of the committee whose name I do not recall; and I think the subcommittee is unanimous that the measure ought to pass. It is to correct an omission in the revenue law. I therefore, as a minority Member of this body, recommend the adoption of the amendment.

Mr. HUGHES. It is simply to cure a situation that has grown up as the result of the European war.

Mr. SIMMONS. I accept the amendment.

The PRESIDING OFFICER. The question is on the adoption of the amendment of the Senator from New Jersey.

The amendment was agreed to.

Mr. PHELAN. On page 90, line 3, I move to strike out "90 days" and in lieu thereof to insert "one year." I believe this is agreeable to the Senator in charge of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

Mr. STONE. I wish to know just what we are to vote upon.

Mr. PHELAN. Does the Senator desire an explanation.

Mr. STONE. Yes.

Mr. PHELAN. The provision is that there shall be levied against the producer of such wine a tax of 50 cents per proof gallon of grape brandy or wine spirits so used by him in the fortification of such wines during the preceding month, which assessment shall be paid by him within 90 days from the date of notice thereof.

Mr. STONE. Why should it be extended?

Mr. PHELAN. It should be extended because it would be impossible for the wine maker to finance himself and make a very considerable payment within 90 days.

Mr. HUGHES. I will state that while I am not authorized to accept the amendment, it seems to me to be a fair and just provision. We know the Government will not lose a dollar, but, as the Senator says, it will enable the wine makers to finance themselves.

Mr. PHELAN. For some years past they have paid a 3-cent or 10-cent tax.

Mr. OLIVER. Mr. President, we do not know what is going on on the other side.

The PRESIDING OFFICER. The Senate will be in order.

Mr. PHELAN. I am insisting that if they are to pay a 55-cent tax, we do not want to make it any more difficult for them than is possible. I want to make it as easy for them as I can.

Mr. THOMAS. Does not the Senator think one year is too long?

Mr. PHELAN. I will make the amendment read six months instead of 90 days.

Mr. THOMAS. I will not object to that.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 90, line 3, strike out "90 days" and insert "six months."

Mr. WILLIAMS. Mr. President, I hope the amendment will not be adopted. The entire matter has been fought out and thrashed out.

The PRESIDING OFFICER. The question is on the amendment of the Senator from California.

The amendment was agreed to.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. WILLIAMS. I call for the yeas and nays.

Mr. THOMAS. I rise to a question of order. The vote has been announced, and it is too late to call for the yeas and nays. Another Senator has been recognized.

The PRESIDING OFFICER. The point of order is sustained. The Senator from Illinois will proceed.

Mr. LEWIS. Mr. President, I desire to invite the attention of the Senate to an amendment which is lying on the table of the Secretary, tendered by myself and embodying what is known as the Webb bill. I make this announcement of designation that Senators who are interested in the subject may recall the contents of the measure by this designation.

Mr. President, I have tendered an amendment to the revenue bill in the form of a specific section to be added, if adopted, at the end of the bill. The amendment comprises the exact words, phraseology, and sentences of the bill which lately passed the House for the purpose of encouraging export trade.

Mr. President, I desire the consideration of that amendment, if such can be had this evening without serious inconvenience or embarrassment to the vote upon the revenue bill.

I really have but one or two words to state what I generally assume is known to be the purpose of this bill. It is assumed, Mr. President, by those who engage in large commerce in this country and those who are engaged in foreign commerce that they expect to expand their undertakings to foreign countries. That if they can be permitted to consolidate their agencies into a single body they will be enabled to sell abroad with such advantages by the lessening of expenses that they will be able to hold the markets in South America and in Europe against the competitors of the United States.

The Federal Trade Commission—certain members of it I may add, including its chairman, Edwin N. Hurley, a very able and efficient officer, schooled in all matters touching trade and having personally visited South America, and having given the subject his personal investigation, and aided by others in connection with that same commission—have reported that the expense upon each individual attempting to open a branch in Europe or in South America for the purpose of extending trade is so great and the inconveniences so many that it is discouraging to the entrance upon the undertaking, but that if there could be a measure which afforded an opportunity for consolidation in a single agency to one or half a dozen or a dozen different branches of commerce, such combination or consolidation to have its office and bureau for the purpose of purely export trade abroad, it would facilitate trade to such an extent as to make it profitable. For this reason they advocate it. Mr. Hurley has gone to great trouble to give to the legislative body volumes of information for their guidance. I now present the volumes for reference by them.

It is clear, Mr. President, and here I must state it, that these provisions impinge upon what is known as the Sherman Anti-trust Act, and likewise upon what is known as the Clayton Act, and work to a modified degree some repeal of those provisions so far as those laws would prevent organization to aid foreign trade. There is no object of modifying either of these statutes for domestic trade. The Federal Trade Commission, and particularly Chairman Hurley, are anxious to have it known that as to all domestic commerce they are anxious that nothing be done to change the status of those laws. It is as to foreign trade they are in this measure addressing themselves.

With this statement I should like to hear from the able Senator the chairman of the Finance Committee [Mr. SIMMONS] whether he feels from his own information and discussion with the Senators as to the amendment that I have tendered that it would take such a field and be so prolonged as to affect the due disposition of this measure. I pause for information from him.

Mr. SIMMONS. Mr. President——

Mr. LEWIS. I temporarily yield to the Senator at this time, not yielding the floor.

Mr. SIMMONS. Mr. President, the proposition of the Senator from Illinois to amend the pending bill by adding what is known as the Webb bill, the provisions and purpose of which he has just discussed, was considered by the Finance Committee very thoroughly. The committee was unable to agree, and it made no recommendations to the Senate with respect to it.

Personally, I am very much in favor of the amendment. I should like to see it added to the pending bill. I think it would accomplish great good; but I have conferred with my colleagues on both sides of the Chamber and I find very determined opposition to it.

I find that if the amendment is insisted upon it will probably be days, if not weeks, before we will be able to secure a vote upon this bill and before Congress will be able to adjourn.

I do not think, important as I believe the amendment to be, that it is so important to pass it just at this time that we should put Senators to the inconvenience of a delay of the adjournment of Congress and the passage of the pending bill for the length of time which I am absolutely sure it would take to dispose of the bill if the amendment is to be discussed and acted upon. I am saying this after most thorough investigation of the situation. If I had any doubt about the situation I would not say it; if I believed that we could secure action upon this amendment within two days I would favor pressing it; but I am absolutely sure that that can not be done. For that reason I am inclined to appeal to the Senator from Illinois to withdraw the amendment.

The bill which he now offers as an amendment has passed the other House by a very large majority; it is pending in this body, and it will not die with the adjournment of this session, but it will be on the calendar when we meet here in December. Then we can give it thorough consideration, with ample time to discuss it. I hope the Senator will not press his amendment under these circumstances.

Mr. LA FOLLETTE. Mr. President——

Mr. LEWIS. Mr. President, before I continue my observations, I yield to the Senator from Wisconsin, who, I understand, desires to give me some views as to the time he thinks the discussion from his viewpoint will require.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, for myself, I am very strongly opposed to the adoption of the proposed amendment at this time. I regard it as altogether too important to be taken up in the closing hours of this session. I think it would consume a very considerable portion of time if we were to debate it as thoroughly as its importance would require. I can not bring myself, with my present opinion upon the subject, to consent that the Sherman Act shall be so amended as to permit the formation of combinations in this country to exploit, as I be-

lieve such formations would exploit, the great masses of the people of other countries. I do not wish to take the time of the Senate now to go into the matter more fully, but I will say to the Senator from Illinois that I am convinced, from information which I have as to the attitude of Senators, not only upon this side of the Chamber but upon the other side as well, toward this amendment, that we should be entering upon a subject of discussion the end of which no Member of this body can at this time foretell.

Mr. MYERS. Mr. President, will the Senator from Illinois yield to me?

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

Mr. MYERS. As the genial Senator from Illinois is distributing his time, and has called for an expression of opinion as to the advisability of considering his amendment at this time, I take advantage of his generous offer to say a few words on the subject and to express my ideas in relation to it.

I am glad the Senator from Illinois has offered this amendment, and I have been very much in the hope that it would now be considered by the Senate and decided on its merits. I see no reason why it should not be. It is a matter of vast importance. It is a matter to which I have been giving much study and attention for the last two or three years, and it is a matter on which I have very decided views.

Two years ago, when the Interstate Commerce Committee of the Senate, of which I then had and have now the honor of being a member, was considering the bill for the Federal Trade Commission law and formulating it as it was reported to the Senate, and was sitting almost daily, I tried to have the principles of the Webb bill adopted by that committee and reported out and made a part of the Federal Trade Commission law. At that time my suggestions met with very slight consideration; no Senator seemed disposed to pay any attention to them; no Senator seemed to regard them as being of much merit or importance. I received very little encouragement. I am glad, however, to see that, with further publicity given to the matter, the principles embodied in the Webb bill have grown very much in public favor until they are now approved by no less a personage than the President of the United States, as evidenced by his remarks upon the subject at quite a number of recent public gatherings where he made addresses, and that they also have the unanimous approval and indorsement of the Federal Trade Commission.

I feel glad to have had the honor, so far as I know, of having originated—or, at least, if not having originated, of having originally presented—the principles embodied in this bill to a committee of this body and having urged their embodiment in a bill to be reported to the Senate. I feel very much gratified that my views, which two years ago met with such scant consideration, have grown so much in popular approval. While at that time I was not able to have the principles of the Webb bill embodied in the bill which was reported by the Interstate Commerce Committee of this body and made a part of its report in favor of the trade commission law, I did succeed in having adopted by the Senate Committee on Interstate Commerce, at my instance, the provision of the Federal Trade Commission law which authorizes and directs the Federal Trade Commission to investigate the practices of foreign combinations organized and conducted for the purpose of beating down and keeping down the prices of our export products. It was at my instance that that provision was by that committee put into the Federal Trade Commission law, which was passed by the Senate, accepted by the House, and became a part of the law.

I am also glad to say that when the members of the Federal Trade Commission were appointed and were assembled to organize, when the President of the United States addressed them on their duties and on his understanding of the meaning of the law, the President urged them, as their first and most important duty, to take up the work, authorized by my provision, of studying the workings and the practices of foreign combinations organized and conducted for the purpose of keeping down the prices of our export products.

The commission, I believe, did take that question up as its first work, and conducted an extended investigation through its agents in foreign countries of the workings of the combinations formed to keep down the prices of our export products. As the result of that investigation the commission has made an exhaustive report, which, I believe, was submitted to Congress, or to the President and Congress jointly, in which the commission reports findings of fact and gives its conclusions and views, unanimously taking the position that a law of this kind is badly needed and should be enacted. It reported as a result of that investigation that our export trade is the subject of vicious, unfair, and dishonest practices and combinations in foreign countries which work to the detriment of our export trade, and therefore to the detriment of this country and of its prosperity. I am glad to say the commission is unanimous in that report, and the report is before us; at least, it has been placed where it is available to us. I think that its reasoning is incontrovertible; I think it shows facts and submits conclusions that ought to convince any fair-minded man that there is great need of a law of this kind.

Our exporters in many instances are at the mercy of these conscienceless combinations in foreign countries. I know the testimony taken in that investigation, which I have read, shows that as to some of our products the buyers of Europe buy through one buying agency—that is, practically all of the principal buying in Europe in some lines of our products is done through one purchasing agent. That agent says to our exporters, "We will pay you so much for your product; and if you do not want to take that, you must wait until you are willing to sell at that price."

Our manufacturers and producers are engaged in continuous production of their goods. They must keep in operation. They can not afford to close down. They are men to whose capital there is some limit; they are not all possessed of unlimited capital; they can not afford to go ahead year after year producing their goods, laying them up, storing them away, and waiting before disposing of their goods an indefinite length of time, disregarding these unfair offers from abroad. The consequence is that in a measure they must take what they can get, and in many instances they have to take the prices that are offered by the foreign agencies.

Mr. President, the esteemed Senator from Illinois seems to be about to interrupt me. If I am taking him off of the floor, I will desist; but I understood him to invite other Senators to express their views, and I accepted his invitation.

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

Mr. LEWIS. I assure the Senator I do not want to disturb him. I will be very glad to hear his views as to whether this amendment should be considered to-night; but, if the Senator desires to continue further remarks as to the merits of the measure, I am afraid the measure will have to be laid before the Senate.

Mr. MYERS. I thought that was what the esteemed Senator wanted. I thought his amendment was before the Senate and that he had called for expressions about it. I will bring my remarks to a close very shortly, however. I know I am trespassing on the generosity of the esteemed Senator from Illinois, who is entitled to the floor.

Mr. LEWIS. I do not want to disturb the Senator, because his observations are very illuminating and entertaining upon that particular subject.

Mr. MYERS. I thank the Senator for the compliment. I appreciate that he says my remarks are very illuminating, but the Senator does not want to hear much more of them. I know I am trespassing on his time.

Mr. LEWIS. Mr. President, I may say, if that is true, it would merely be because of the contrast of the brilliancy of the Senator's observations to my feeble efforts, and I should have to protect myself under the law of self-preservation.

Mr. MYERS. The Senator is indulging in sarcasm, I fear. I am not worthy to be mentioned in the same breath with the brilliant Senator from Illinois. He is more generous with his compliments than his time. I shall desist directly, thanking him for his patience.

Mr. LEWIS. I want to say to the Senator that if he desires to continue his very interesting discussion upon the merits of the matter he must not let me cut him off. I only desire to remind him that if he could proceed without taking me from the floor I would be glad to yield.

Mr. MYERS. I am nearly through. I will finish in a very few minutes.

Mr. GALLINGER. Mr. President, I rise to a question of order. This symposium may be interesting, and possibly instructive, but the Senator from Illinois has no right to hold the floor and farm it out to other Senators indefinitely.

Mr. MYERS. Mr. President, if I am trespassing too far, I will conclude. I was fearful from what the Senator from Illinois said that he was about to withdraw his amendment. There would then be nothing before the Senate pertaining to it, and I wanted to urge him not to withdraw it. If the good Senator from New Hampshire and the good Senator from Illinois will bear with me just about one minute longer, I will close, and not say anything further.

Mr. OLIVER. Mr. President, it is getting very late and I presume the chairman of the Finance Committee wishes to dispose of this bill to-night. I really think the Senate ought to

proceed in order, and if the Senator from Illinois is going to withdraw his amendment, he should be allowed to do so. If he is going to offer it, then, of course, the Senator from Montana has a perfect right to proceed to debate it. He is debating the merits of a question now which is not before the Senate.

Mr. MYERS. Mr. President, that is not unusual at all. However, I will say to the Senator from Pennsylvania that if he will be patient for just a few moments, I will quit. I was fearful that if I did not say a few words now, I would have no opportunity at all. I presume I have occupied so much of the time of the Senate to-day that Senators are not to be blamed for becoming weary. I do not wonder at their protesting. I do not see why this amendment should not be considered on its merits. Suppose it does take two or three or four days, what are three or four days of time as compared to the importance of our export trade. [Laughter.] Mr. President, even if trespassing on the time of others, I am glad I am humorous. The Senator from North Carolina spoke of this debate continuing three or four days, and I was quoting him.

Mr. GALLINGER. Mr. President, three or four days of time is little compared to eternity; but I do not think we want to stay here and listen to the Senator for three or four days.

Mr. MYERS. I was not expecting to take that length of time nor a small part of it. I supposed others would speak on the amendment. The Senator from New Hampshire need not stay and listen to me a moment if he does not choose to do so.

Mr. GALLINGER. Mr. President, I renew my point of order. There is something before the Senate or there is not. Furthermore, the Senator from Illinois can not farm out the floor to other Senators.

The PRESIDING OFFICER. The Senator from Illinois is recognized, if he desires to proceed.

Mr. MYERS. Mr. President, I will finish in a few sentences, if the Senator will permit me.

Mr. LEWIS. If the Senator from Montana only desires that length of time, I will yield.

Mr. MYERS. Mr. President, I think we ought to consider the amendment now, and not put it over until December. The December session, the winter session, is going to be crowded with land-leasing legislation, water-power legislation, appropriation bills, and other things that must come up then, and we will be lucky if we get through with the program which has already been mapped out for the winter session. I hope the Senator will not withdraw his amendment, and that we may consider it now. Now, Mr. President, having trespassed further on the time of the genial Senator from Illinois than I intended, I close. I may have more to say to the Senate on this highly important subject at another time. I thank the esteemed Senator from Illinois for his kind indulgence and thank the Senate for its attention.

Mr. JONES. May I suggest to the Senator——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Washington?

Mr. JONES. I merely want to suggest to the Senator from Montana that there is nothing to prevent him offering the amendment if the Senator from Illinois withdraws it.

Mr. MYERS. The consensus of opinion seems to be that I am not entitled to the floor. Therefore I will not answer the esteemed Senator from Washington further than to thank him for his kind suggestion and to say I will consider it. I may act as he suggests. Circumstances will determine my course. This matter must and shall have attention.

Mr. LEWIS. Mr. President, from the carefully considered remarks of the able Senator from Montana [Mr. MYERS], and from the record I have produced, it is very apparent that this matter has great merit, and will at a proper time be considered by the Senate; but the eminent chairman of the committee having charge of this bill, feeling that the introduction of this matter at this time would seriously interfere with the prospects of an early vote and the proper disposition of the revenue bill, and as he is informed by six Senators on the Republican side and three or more on the Democratic that six days of debate would be consumed in an effort to defeat the measure, I am compelled to respect his wishes and not urge my amendment at this time; but I give notice now that I shall at the first opportunity, even if it has to be at the December session, press the matter because of the merit it discloses, as is shown by the report made upon it by the efficient officers of our Government who have given so deep and conscientious study to the subject. I shall have this bill passed. I yield for the present.

I ask, Mr. President, that my amendment may still remain on the table.

Mr. OLIVER. Mr. President, I offer an amendment, which I send to the Secretary's desk, and call the attention of the Senator from Colorado to it.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated.

The SECRETARY. On page 144, line 1, after the word "producer," it is proposed to insert the words "or merchant"; and on page 144, line 3, after the word "producer," it is proposed to insert the words "or merchant."

Mr. OLIVER. Mr. President, I will not take any time in explaining this amendment.

Mr. THOMAS. I will accept the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. JONES. Mr. President, I desire to present an amendment, which I have submitted to the chairman of the committee, to come in after line 4 on page 23.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 23, after line 4, it is proposed to insert:

> No penalty shall be imposed or collected from any person or corporation for failing heretofore or hereafter to retain a tax at the source, if it is shown satisfactorily that no tax was or would be due by reason of an exemption for which no claim was filed with such person or corporation by the person entitled to such exemption.

Mr. SIMMONS. Mr. President, I think that is a very proper amendment, and I accept it.

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

The amendment was agreed to.

Mr. OWEN. Mr. President, I have an amendment which I wish to offer, and to which I invite the attention of the members of the committee and of the Senate.

I can hardly hope that the Senate is prepared at this time to accept this amendment as an amendment to the revenue bill, but it contains a principle which I think ultimately will be written into the law, and which I think ought to be considered. I should be glad to have the Senate adopt it, although I think it will arouse some controversy that would preclude its present adoption. It proposes to add a new section, 96–A, on page 141, after line 23, as follows:

> The President of the United States shall have the right, after due public notice, to lower any rate on any article in any schedule of the tariff acts whenever he may find it practicable thereby to enlarge the exports of the United States to a foreign country by a reciprocal agreement whereby each party thereto shall agree to lower certain of its own tariff rates so as to enlarge the mutual exchange of commerce between the countries parties to such reciprocal contract, provided no rate shall be fixed by the President at a point lower than the difference in the cost of production at home and abroad, as ascertained by the United States Tariff Commission, or which shall permit unfair competition with American goods.

Mr. President, I am not going to detain the Senate by any discussion of this matter. I think every Senator here probably has his mind as fully made up now as it would be after several hours of discussion. I only wish now to submit it to the Senate. I shall not even ask for a record vote. If it be voted down, if it be not acceptable to the Senate, I shall not urge it. I am not a member of the committee. I think that we are able to expand our own internal activities in an important way by expanding our exports; we can not hope to expand our exports except to the extent that we permit imports to pay for those exports. Believing that, and believing that American exports can not be paid for in gold, but must be paid for ultimately in the products of other people, I believe that we should enlarge our own internal activities to the extent that we enlarge our exports, and that we must discriminate and permit imports of like value in order to expand these exports. Believing in that principle, I have drawn this proposed amendment for the RECORD, hoping to sow some seed that may ultimately lead to fruit.

Mr. SIMMONS. Mr. President, the Senator was kind enough to show me his amendment this afternoon, and I told him that it would be impossible for the committee to accept it. I trust we may have a vote on it, and that it may not prevail.

Mr. LA FOLLETTE. Mr. President, I am going to take just one minute to say that the proposition offered by the Senator from Oklahoma has the sanction of the name of a great leader of the Republican Party.

Mr. OWEN. McKinley.

Mr. LA FOLLETTE. Blaine's whole administration of the State Department, really, in so far as economic problems were concerned, was embodied in exactly that principle.

Mr. GALLINGER. But, Mr. President, will the Senator permit me?

Mr. LA FOLLETTE. In just a moment. I remember, as a member of the Ways and Means Committee, going to the State Department. The entire committee was called there to confer with Mr. Blaine upon exactly this proposition. It was his desire that we should retain the sugar duties—at the time sugar in the bill as we were framing it was made free—in order that

he, as Secretary of State, might have the opportunity to use those duties as a basis of enlarging our trade abroad.

Mr. GALLINGER. Mr. President, I quite agree with the Senator, so far as the reciprocity feature is concerned; but I do not recall that Mr. Blaine advocated giving the President of the United States authority to change tariff rates.

Mr. LA FOLLETTE. Yes; that was exactly the provision that was embodied in the Dingley bill. The President was given exactly that power.

Mr. GALLINGER. Under reciprocal relations?

Mr. LA FOLLETTE. Yes; in order that we might get reciprocal trade benefits out of it; just precisely that. If the Senator from Oklahoma had studied the tariff policy of Mr. Blaine as it was carried forward and, according to my recollection, embodied in the Dingley law by a provision in that law, I do not think he could have more accurately embodied it in an amendment than he has in the amendment which he has offered.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. LA FOLLETTE. I yield the floor.

Mr. STONE. No; I desire to ask the Senator a question. I understood the Senator from Wisconsin to say that when he was a Member of the House of Representatives and a member of the Ways and Means Committee of the House the entire committee was called to the State Department to confer with Secretary Blaine about tariff legislation.

Mr. LA FOLLETTE. Yes, Mr. President; that is exactly what I said.

Mr. STONE. May I inquire, if the Senator please, whether, according to his recollection, the honorable Senator from New Hampshire [Mr. GALLINGER] was at that time a member of the Committee on Ways and Means?

Mr. LA FOLLETTE. He was not, Mr. President. I do not know that he was ever a member of the Committee on Ways and Means of the House. He was not at that time, in any event.

Mr. GALLINGER. No; I was not. I served with the Senator when he was a member.

Mr. LA FOLLETTE. And permit me to say, Mr. President, on the question of the propriety of the committee's going to the State Department to confer with Secretary Blaine under the circumstances, that Mr. Blaine was in ill health at that time to such an extent that it was impossible for him to address the committee standing. It was not possible for him then to appear before the Committee on Ways and Means at the House end of the Capitol.

Mr. SIMMONS. May I inquire of my friend who was Speaker of the House at that time?

Mr. LA FOLLETTE. Reed, of Maine, was Speaker of the House at that time.

Mr. STONE. The great and conspicuous Speaker, the rather renowned Speaker.

Mr. LA FOLLETTE. He was, indeed, a great Speaker, as the Senator will recall. He was a Member of the House at that time.

Mr. STONE. I interrupt the Senator to call attention—special attention—to the fact that in those good old days of Republican control, even when Tom Reed, one of our great men, with whom I served in the House, as the Senator from Wisconsin did, was the Speaker of the House, as I understand the Senator, the Ways and Means Committee of the House, and I suppose also the Finance Committee of the Senate, were called to the State Department that they might gather around the then Secretary of State, Mr. Blaine, and receive not instructions, of course, but advice or suggestions from a wise and very able man as to public policies, legislative policies, then pending. I call attention to this fact because of the criticisms that have been recently made upon the Senate floor by Republican Senators that Democrats of one committee or another have been called into council with the Democratic President. This seems to be an old habit. Moreover, I think it altogether right that legislators and executive officials should so confer.

Mr. LA FOLLETTE. Mr. President, I had no idea that my reminiscent mood would be productive of anything political. The reason assigned for the Ways and Means Committee visiting the Department of State at that time was the condition of Mr. Blaine's health. I remember him as he greeted us, his face as white as parchment. The only thing in that face which seemed to be animated was those brilliant eyes that spoke of the wonderful intellect of the man. I recall that he attempted to discuss this question with us sitting in his chair, and that he finally said: "I am so accustomed to speak standing on my feet that I ask you to let me lean on the desk and speak to you." He was in very frail health. He made a talk to the Committee on Ways and Means that will always remain in my memory. He impressed upon us the importance of extending our trade and the importance of employing precisely the principle suggested by the Senator from Oklahoma as a means of opening foreign markets without sacrificing the principle of protection.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Oklahoma [Mr. OWEN].

The amendment was rejected.

Mr. SHIELDS. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 58, line 7, it is proposed to insert the following proviso:

Provided, That where any tax heretofore due and payable has been duly paid by the taxpayer, it shall not be re-collected from any person or corporation——

Mr. SIMMONS. Mr. President, I wish to say to the Senator from Tennessee that I think we have just adopted that amendment, offered by the Senator from Washington.

Mr. JONES. Oh, no; it is a different amendment.

Mr. SHIELDS. I will say that the Senator from North Carolina is mistaken. I ask that the reading be continued.

Mr. SIMMONS. Probably I did not hear enough of the reading.

The Secretary read as follows:

Provided, That where any tax heretofore due and payable has been duly paid by the taxpayer, it shall not be re-collected from any person or corporation required to retain it at its source, nor shall any penalty be imposed or collected in such cases from the taxpayer, or such person or corporation whose duty it was to retain it, for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment.

Mr. SHIELDS. This amendment is somewhat similar to the amendment offered by the Senator from Washington, but it covers a case that that does not. I will ask that the chairman of the committee accept this amendment, and the two can be reconciled by the conference committee.

The PRESIDING OFFICER. The question is upon the adoption of the amendment offered by the Senator from Tennessee.

Mr. SHIELDS. I do not think the Senator from North Carolina heard the statement I made.

Mr. SIMMONS. No; I did not. I beg the Senator's pardon.

Mr. SHIELDS. This amendment covers cases of injustice in the collection of taxes that are not covered by the amendment offered by the Senator from Washington, and just accepted by the committee. I will ask that this be accepted, and that the two be reconciled by the conference committee.

Mr. SIMMONS. I can see no objection to that, Mr. President. I am not able now to catch the difference; but in conference we can take the two amendments and write out the correct principle.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. LEE of Maryland. Mr. President, when the Army appropriation bill was before the Senate the Senator from Wisconsin [Mr. LA FOLLETTE], under a suspension of the rules, offered, and there was agreed to, an amendment providing for an appropriation of $2,000,000 for the support of the dependents of soldiers, enlisted men, in the militia and in the Regular Army for a certain period; that is to say, from the time of the call until the mustering out of the National Guard, a future event.

There have been two constructions of this amendment by the Comptroller of the Treasury. It seems that it was submitted to the comptroller before it had actually passed the Senate and House; and these two constructions by the comptroller very seriously affect the application of the appropriation. The comptroller holds that the benefits to the dependents of the National Guard can not begin to run until the date when the bill was signed, and in view of the veto and the subsequent delays, even on that theory there has been a very serious postponement. The object of the Senate, I submit, was to provide for the support of these dependents from the time that the bread winner entered the service and was unable to support his family, and the act, with all due submission, reads in that way, but the comptroller has ruled otherwise. In another respect he has held, as I see by the evening papers, that only those men who were in the National Guard at the time of the call of the President can have a benefit for their families, in this way cutting out a very large number of men with dependents who were recruited immediately after the call, and who were lawfully enlisted in the service of the United States. Since that time there has been a rule of recruiting adopted providing that men with dependents shall not be recruited, but at that time it was lawful, and on the impulse, responding to the call of the President, it was largely done.

I have therefore prepared and now offer an amendment, which I have discussed with a number of Senators on this side of the Chamber and with some on the other side, and which seems to be generally acceptable. This amendment seeks to correct the ruling made by the comptroller, and to make this provision for the dependents of the National Guardsmen take effect from the time that the man ceased to support his family and was sent to the frontier, and to be applicable to all classes of enlisted men with dependents who are serving there to-day.

The PRESIDING OFFICER. The Secretary will read the amendment.

The SECRETARY. It is proposed to add the following as a new section at the end of the bill:

SEC. 106. The act approved August 29, 1916, being an act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes, is hereby amended as follows: "The sum of $2,000,000 therein appropriated to be expended under the direction of the Secretary of War for the support of the family of each enlisted man of the Organized Militia or National Guard, or of the Regular Army, as therein provided, shall be available to be paid on the basis of and for time subsequent to June 18, 1916, the date of the call by the President, and the time for which such payment shall be made shall correspond with the time of service of the enlisted men, and payment shall be made without reference to the enlisted man having enlisted before or after the call by the President."

Mr. SIMMONS. Mr. President, the amendment offered by the Senator from Maryland is in the nature of an appropriation or to correct a mistake in an appropriation bill. It has no place upon this bill. Of course, it is impossible for me to accept it. If there is urgency about it, the Senator could easily to-morrow secure the passage of a joint resolution and send it over to the House, and action should be had upon it. We can not afford to encumber this bill with amendments covering all sorts of subjects. I trust the Senator will not insist upon it.

Mr. VARDAMAN. Mr. President——

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

Mr. SIMMONS. I do.

Mr. VARDAMAN. Is it not the understanding that Congress will adjourn to-morrow?

Mr. SIMMONS. I do not know that it is. No resolution has been passed. I do not think it will be possible for Congress to adjourn to-morrow.

Mr. VARDAMAN. What will be the objection to attaching it to this bill? It is to correct a manifest injustice and to carry out the will of the Congress imperfectly expressed in a measure passed some days ago.

Mr. SIMMONS. If the Senate wants to put it on the bill, that is for the Senate.

Mr. VARDAMAN. I hope the Senate will do it. These men are entitled to pay for the service rendered the Government. Congress has appropriated the money for that purpose, and to withhold it now would be very wrong.

Mr. SIMMONS. There are a great many other people in this country entitled to money that is due them, but we can not put claims of every class for every purpose upon a revenue bill.

Mr. VARDAMAN. The Senator understands that this amendment is simply for the correction of an act passed by Congress a few days ago. As stated by the Senator from Maryland the auditor has made an interpretation which was not expected and really is contrary to the opinion or conclusion of anybody who considered the bill upon its passage. The Government of the United States can not afford to be unjust to the men who have offered their services and their lives in defense of the Nation's flag and upheld the Nation's honor.

Mr. SIMMONS. If the Senator from Maryland is willing to have a vote taken upon the question, let it be taken.

Mr. LEE of Maryland. I merely ask the Senator to permit a vote.

Mr. SIMMONS. Surely I have no objection to the Senate passing upon the question.

Mr. LEE of Maryland. All I ask is a vote.

Mr. LA FOLLETTE. Mr. President, I rose for the purpose of asking for the yeas and nays upon the amendment; but if the amendment is voted upon, I am confident it will be voted into the bill viva voce, and I will not delay, unless it becomes necessary, the proceedings of the Senate by calling for a yea-and-nay vote. I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maryland.

The amendment was agreed to.

Mr. UNDERWOOD. I move to strike out of the bill sections 88, 89, 90, 92, 93, 94, 95, and 96.

Mr. STONE. Why not strike out all after the enacting clause?

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Alabama.

Mr. UNDERWOOD. There are really some revenue features of the bill that the Government needs and will be of benefit to the Government of the United States. The part that I endeavor to strike out is that part which is in the bill for political purposes and not for the benefit of the Government or the people of the United States.

I make this motion, and if the sections that I move to strike out go out of the bill it will carry out what is known as the tariff commission.

Mr. President, I have seen it stated in the papers that I am opposed to a tariff commission. That does not carry an absolute statement of the fact. I am opposed to this tariff commission. As a matter of fact, I have voted for a tariff commission in my legislative career, and I might do so again under certain circumstances. It is not the tariff commission that I object to; it is the purpose for which this tariff commission is to be created.

When the Dingley law was on the statute books, and a strong sentiment had grown up in this country against the protective tariff, the Republican Party at that time not being willing to lower the duties themselves, it was proposed that a tariff commission be created to help the Republican Party reduce its high tariff rates. I was heartily in favor of that commission, not because it was a tariff commission, but because the purpose of the commission was to move in a Democratic direction toward a lower tariff, and, besides, at that time there was not all the necessary machinery on the statute books to obtain the information that the Ways and Means Committee needed to properly legislate on the question of fixing customs duties.

Mr. HARDWICK. Will the Senator pardon me a moment?

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

Mr. UNDERWOOD. I do.

Mr. HARDWICK. I should like to suggest to the Senator that at the time to which he refers, when he and I were Members of the House, there was a large number of Democratic Members of that body who were opposed to the tariff commission, even under the circumstances described by the Senator.

Mr. UNDERWOOD. I am not contesting that proposition at all.

Mr. HARDWICK. I simply wanted to remind the Senator of that fact.

Mr. UNDERWOOD. But my opposition to this Tariff Commission is not the mere fact that it is a tariff commission or that it is intended to gather certain facts. My opposition to this Tariff Commission, as I stated a few moments ago, is the direction in which this legislation is moving.

Subsequent to the time I speak of, and that my friend from Georgia speaks of, the Democratic Party in the House created what is known as the Bureau of Foreign and Domestic Commerce in the Department of Commerce. That bureau is vested with practically all the power that is given to this so-called Tariff Commission, the power to investigate industrial conditions abroad and at home, to assemble facts and data for the information of Congress, and is required to report to the President of the United States and to the two Houses of Congress. I know of nothing that directly relates to the tariff that is embraced in the power given the commission in this bill that has not already been vested by Democratic legislation in the Bureau of Foreign and Domestic Commerce.

There are some other powers that are given to the commission in the bill, but every one of those powers is embraced in the powers that have been given to the Trade Commission. Taking the power that has been given to the Trade Commission, the power that has been given to the Bureau of Foreign and Domestic Commerce, and the work that is being done by the Census Bureau, every subject that it is proposed to have this commission investigate is provided for now. There is not a particle of this legislation that the machinery of the Government can not to-day operate in reference to and does not operate in reference to.

It was only a few days ago that I read on the floor of this Chamber from a very able document prepared by the Bureau of Foreign and Domestic Commerce, giving information in reference to the very subject it is proposed to appoint this commission to investigate.

If there were no governmental powers to obtain facts for the information of a Ways and Means Committee of the House or a Finance Committee of the Senate, I would be willing to create some governmental bureau or some governmental body with powers to ascertain those facts. I would not care whether you called it a tariff commission or whether you called it a bureau of the Government, the name would be entirely immaterial. But you already have a bureau to do this work, and the laws

have been enacted by the Democratic Party. Now you are proposing in this bill to make an annual appropriation of $300,000 a year to duplicate the work that is already being done by order of Democratic Congresses.

I do not know why the committee thought it necessary to make this an annual appropriation. Of course, I understand when they write in the law that the appropriation of $300,000 shall be an annual appropriation it will be paid out of the Treasury of the United States each year, and it will not be necessary to come back to Congress and ask for any more money unless they endeavored to exceed that amount, because the appropriation will be continued and Congress will have no further check over the matter unless there is a sentiment in both Houses of Congress existing at the same time to repeal the annual appropriation.

My objection to this tariff commission is that it is not going to accomplish the results desired. I hold in my hand an article that was written for the North American Review by Prof. F. W. Taussig, who occupies a chair in one of the leading universities of this country. Prof. Taussig is an authority on questions of this kind, and he writes this article on the proposal for a tariff commission. I will not read the entire article, but I desire to read to the Senate a few statements made by Prof. Taussig on this subject. He says:

> The first thing that needs to be borne in mind is that no tariff commission can settle policies. No administrative body of any kind can decide for the country whether it is to adopt protection or free trade, to apply more of protection or less, to enact "a tariff for revenue with incidental protection," or a system of purely fiscal duties. Such questions of principle must be settled by Congress—that is, by the voters.

Prof. Taussig is eminently right in reaching this conclusion. In fact he is so right that the Committee on Finance in preparing this bill has recognized that fact and do not authorize the commission that it proposes to appoint to do any work except a finding of facts. They are not authorized or directed to report their conclusions as to whether there shall be a high tariff rate or a low tariff rate to Congress; they are not authorized in any way to change the tariff laws of the country.

There has been a sentiment in the United States in favor of a tariff commission. There has been a sentiment in the United States that is in favor of taking the tariff out of politics. I think there has been a strong sentiment to that effect, and many men in the United States have favored and still favor and will continue to favor a tariff commission because they believe that if a tariff commission is created it will take away from the two Houses of Congress the control of tariff legislation and vest it in a body that will be independent of political control.

Well, of course, you and I know that that is an impossible proposition; that when the Constitution of the United States placed in the hands of the House of Representatives the sole authority to originate revenue legislation it decreed for all time to come that tariff legislation must originate in the House of Representatives; that it must be written by the Congress and can not be divorced from political control so long as that provision of the Constitution of the United States remains; and that provision of the Constitution will never be amended, because, no matter what gentlemen of high finance may think, and gentlemen who own the great industries of the country may desire, the plain people of the United States will never consent that the power to tax them shall be taken away from their immediate Representatives in the Congress of the United States.

It has been said that you are going to write a "scientific" tariff, and that the purpose of creating this board is to write a "scientific" tariff law. I am not surprised that men outside of the Congress of the United States should make that statement, but I am surprised that men in the Congress of the United States should stand for a proposition of that kind.

Do you Republicans believe that you can find men to act on this commission who will have a more intimate and scientific knowledge of industrial conditions and their relation to customs legislation than Walker, McKinley, Wilson, and Dingley?

In the first place, there can not be a scientific tariff law, and if there could be a scientific tariff law, are the Members of the Congress of the United States willing to admit that we can employ clerks in the departments who are more capable of writing scientific tariff laws than are we? If that be so, we had better send our commissions back to our people and ask them to send men here who are capable of representing them in connection with the great subjects with which we have to deal. Here is what Prof. Taussig says in reference to this subject:

> It is further to be borne in mind that the advocacy of a "scientific" settlement of the tariff does not carry us far. There are no scientific laws applicable to economic problems in the same way as the laws of physics are applicable to engineering problems. If we extend the term "science" to economics we must remember that it can refer in this subject only to certain generalizations and to a body of useful information, not to a system of clear-cut principles or laws.

He is eminently correct. You may establish a board or a bureau that can furnish Congress with a fund of useful information; and that is as far as you can go, because the representatives of the people must, of necessity, when they get that information, determine on what basis your tax laws shall be written.

It is the political principle that the people of the United States must decide how your custom tax laws shall be written. If they desire a low tariff, they elect a Democratic Congress; at least they are supposed to send them here for that purpose; if they want a high protective tariff, they send a Republican Congress; and on the basis of facts that your clerks may furnish you, either a Democratic House of Representatives or a Republican House of Representatives prepares a bill to meet the theory that the people of the United States have selected them to write on the statute books.

I know there is complaint about the committees of Congress making mistakes in the preparation of tariff legislation. In my own judgment there are mistakes made; there will always be mistakes made, no matter from what source you gather your information or in what hands you place the writing of the law; but the greatest difficulty that the Congress of the United States and its committees have to face on this subject is the fact that political exigencies drive the Republican Party or drive the Democratic Party to an entire revision of all the tariff schedules at one time. I do not think there is a Republican Member of this Senate who will deny the fact that if so unfortunate a thing to the country should happen in the next November election as the Republican Party being returned to power in both branches of Congress and the election of a Republican President, you would reenact tariff laws without waiting for the report of this tariff commission.

I ask, Is there a Senator on the Republican side who will controvert my statement? Not one. You are not going to await the report of this tariff commission if the people return you to power. We did not await the report of a tariff commission when the people returned us to power. They had given us the mandate; we obeyed it; and so will you.

The only thing I can say to you, if you want to enact carefully considered tariff laws, is to make them in detail; write one schedule at a time; take ample time, after careful consideration of each schedule, and you will improve the preparation of the law as we would improve the preparation of the law if we would go at it in that way. You will never improve it by paying $300,000 a year for a tariff commission, that will merely duplicate the facts that you will have in hand on the 4th day of March of next year if you are returned to power.

My friends on the Republican side of the Chamber have based their argument in favor of a tariff commission on the idea that the country and the Congress are entitled to know the difference in the cost of production at home and abroad, a theory which has been repudiated by Democratic Congresses until this tariff commission bill was presented to this Congress. The Democratic Party has never accepted until now this theory that we should write customhouse tax legislation by ascertaining what was the difference in the cost of production at home and abroad, because that of itself recognizes the fact that we should write such legislation for the special interests that it is desired to protect, and not primarily in the interest of the Government of the United States and its revenue.

Here I want to put on the stand on this subject of the difference in the cost of production at home and abroad, a Republican witness, Prof. Taussig, a man who believes in a protective tariff—a moderate protective tariff I must say, but a protective tariff—and I desire to call to your attention what he says with reference to this cost-of-production theory——

Mr. GALLINGER. Mr. President——

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

Mr. UNDERWOOD. I do.

Mr. GALLINGER. Before the Senator reads that, will the Senator tell me, for my personal information, where he gets the idea that Prof. Taussig is a Republican?

Mr. UNDERWOOD. I think I heard him so state before the Committee on Ways and Means at a hearing which was held when the Payne tariff bill was being considered.

Mr. GALLINGER. That will be news to the people of New England, I think.

Mr. PENROSE. Mr. President——

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

Mr. UNDERWOOD. I do.

Mr. PENROSE. I will state, for the information of the Senator from Alabama, that I studied political economy under Prof. Taussig some 33 or 34 years ago at Harvard College, and as soon as I graduated I endeavored to forget as rapidly as possible all I had learned under him. He was a free trader, with no politics, and is to-day. I speak that with the highest respect for Prof. Taussig, for he is a notable man, and has made many contributions to economic literature, for what they are worth.

Mr. UNDERWOOD. I am sure that the Senator from Pennsylvania proceeded to forget Prof. Taussig's instruction, because, as I have said, although Prof. Taussig believes in a protective tariff, he believes in a low protective tariff, and I am satisfied that the Senator from Pennsylvania differs from him, because the Senator from Pennsylvania believes in so high a protective tariff that the industries of Pennsylvania will meet with no competition whatever from abroad.

Mr. PENROSE. Mr. President——

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

Mr. PENROSE. If the Senator will permit me——

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. UNDERWOOD. I yield.

Mr. PENROSE. I am so accustomed to that kind of argument that I am becoming rather callous to it. As a Senator of this body, I am no more interested in the industries of Pennsylvania than I am in those of Alabama, but whether or not Prof. Taussig—and I speak with the greatest respect and regard for that gentleman—believes in duties on imports, the duties he favors are even lower than those ad valorem duties advocated by the Senator from Alabama, and, to my mind, amount to practically free trade and render him ineligible to qualify as a Republican witness.

Mr. UNDERWOOD. Well, I am satisfied if the Senator will take the trouble to read Prof. Taussig's latest book on the tariff——

Mr. PENROSE. I have read all his books.

Mr. UNDERWOOD. He will find that the professor states that he does favor a protective tariff. However, he is an able man, a man of very great scientific attainments; and here is what he says about the cost-of-production theory:

> For example, it is often maintained, not only in the United States but in other countries as well, that the scientific solution of the question is that of the equalization of competition, or the equalization of costs of production. The underlying idea is that such duties shall be imposed as will equalize the difference between cost of production within a country and a lower cost of production in foreign countries. Now, I do not myself believe that this is a scientific or a commendable basis for the levying of protective duties. Consistently carried out, it amounts to saying that all industries are equally worth having; but when differences in cost are great, duties should be correspondingly high; that every industry, no matter how ill adapted to a country's natural resources or its industrial qualities, should have the equalizing protection; that we should never stop to consider what are the directions in which we can apply a country's labor and capital to greatest advantage.

And no one can determine that except the Congress of the United States. You will accomplish nothing by telling this commission to ascertain production cost, as you do in this bill. You can not ascertain the production cost or the difference in the production cost at home and abroad, because the difference of cost between two plants in this country you would often find is greater than the difference between the average cost in this country and the cost in some plant abroad. It is a matter that can not be ascertained; it can only be guessed at. Prof. Taussig continues:

> Much is said at the present juncture about the importance of a tariff commission in order to put the country in a state of industrial "preparedness." The war, it is said, must necessarily come to a close before very long, and then new conditions of international competition will have to be faced. Should we not have a careful and elaborate inquiry as to the best way of facing the coming situation? On this matter also I doubt whether a tariff commission can help us much. No one, not the ablest set of men, even though provided with any amount of money for engaging "experts," can possibly learn what sort of industrial conditions will have to be faced when the war comes to an end. We could not go to European countries for the purpose of investigation, or send agents to European countries, for the obvious reason that the respective Governments would not allow us to peer into their affairs. Even if we could send agents and get all possible information concerning existing conditions, no prediction could be made concerning the course of development after peace

Omitting part of his statement, he continues:

> Incidentally, I venture to express my opinion that there is exaggeration in the talk about the necessity of preparedness for the coming conditions of peace. No doubt there will be a jar, a shock, when the war comes to a close, but it is not likely to be so great as that which came at the outbreak of the war. Then there was a crash from a clear sky. Now, everybody knows that the change is certain to come, and everybody is more or less on the lookout for it. It is in the highest degree improbable that the end of the war will cause an industrial crisis in any country at all comparable to that of the midsummer of 1914, least of all in the United States. No doubt there will be a period of readjustment, of uncertainty, very possibly of depression; then a gradual settling down to the new conditions. And as this gradual settlement takes place, I am by no means sure that any far-reaching change in international trade will be experienced.
>
> Certainly, so far as imports of manufactured articles into the United States are concerned, I see no probability that they will be greatly swelled. European industry is much more likely to be weakened than to be strengthened by the fearful strain of the war, and for some years in the future is less likely to be a formidable competitor than before. Undoubtedly there will be varying conditions in different industries, but I see no indications of a portentous outpouring of exports. Whether the great struggle will eventually have far-reaching consequences upon the commercial relations between nations it would be hazardous now to predict. But any long-drawn-out and slowly developing consequences of this kind can have no bearing upon the immediate tariff problem confronting the United States. To repeat, the tariff-commission project should be considered without regard to the war contingencies.

That statement can not be successfully controverted. I read, in a letter published by the National City Bank of New York last July, a statement that in the war zones of Europe there had been destroyed by the contending armies $3,000,000,000 worth of industrial plants. Does anyone suppose that they can be rebuilt in an hour or a day? Does anybody suppose that the railroads that have been torn up and destroyed are going to be rebuilt in an hour? Does not everyone know that the whole strain of the contending powers of Europe has been on winning this war, and not on industry; that there are millions and millions of dollars of machinery and industrial plants that have been worn out and destroyed and can not be replaced? Then, to say that the hour this war closes we will be in more danger of competition from abroad than we were before the war commenced is an idle theory, in my judgment.

Why should you create this tariff commission now? There never was a more ill-advised time. There is no competition from abroad that seriously jeopardizes any American industry of to-day. You can not ascertain the facts by the creation of this tariff commission. You can not ascertain them at home, and you can not ascertain them abroad, because all industry at home and abroad is in an abnormal condition. Your tariff commission can not go to the great countries of Europe and investigate cost conditions or trade conditions to-day. They probably will not, for a year or more, be able to do so. But even if they did, they would not find normal conditions on which to base their conclusions; and when you come to the conditions at home, is there a man in this Chamber who will assert that industrial conditions at home are normal? You know they are not. I know they are not. Then why pursue the indefensible policy of appointing a commission, giving certain gentlemen high office, and making a charge on the people of the United States of $300,000 a year to engage at this time in the investigation of industrial problems that everybody admits are not normal, and that will be of no value when normal conditions return? And everybody admits that until normal conditions return there is no necessity for their doing the work of finding these facts.

It was my purpose, Mr. President, to go very much more thoroughly into the discussion of this subject than I intend to do to-night. The hour is late. I had hoped that I could have brought this matter before the Senate this morning, but other Senators had the right of way with their amendments, and my opportunity to move to strike out these sections of the bill of necessity was delayed.

I know that the argument I make is idle for the present. The words I say in the main fall on deaf ears. But, Mr. President, for 20 years of my life, at the other end of the Capitol, I represented a great manufacturing district. Many of my constituency believed in the theory of a high protective tariff.

I honestly believed that we had no right to use the taxing power of this great Government to advance special interests; that we had no right to use the taxing power of this Government to tax a dollar out of one man's pocket and to put it into another man's pocket. For 20 years, representing a manufacturing district, I maintained that faith, and I had the great honor of aiding, in part, in ultimately writing that faith on the statute books of this land.

To-day I represent a larger constituency—a constituency that is largely agricultural and not manufacturing; a constituency that thoroughly sustains the view I take that the taxing power should not be used to advance special interests. Therefore, although I regret greatly that it is my misfortune to differ from my party colleagues, I would be recreant to the trust that the people of Alabama have imposed upon me if I remained silent and accepted a change of faith without protest.

As I said, I am not opposed to the mere appointing of some clerks and calling them a tariff commission. There are circumstances under which I might be willing to agree to it, and have agreed to it. I am not opposed to gathering all the facts

that can be gathered for the information of the Ways and Means Committee of the House or the Finance Committee of the Senate. The more facts they have, the better will be their legislation. I merely desire again to call to your attention the fact that every detail that you provide for this bill is already in the existing law; that the machinery of this Government is prepared to-day under the law to furnish the Congress of the United States with every fact that this so-called tariff commission can find for you, and that it is a waste of money to make this duplication.

But that is not the point to which I most object. My objection to the writing of this legislation into law at this time is that it is written in the statute books to move away from the fundamental principles of Democracy so far as its idea of writing the customs laws of this country is concerned. There never has been a tariff commission created in the history of this country for the purpose of sustaining fundamental principles, but they have all been created as an excuse to the people, to temporize with conditions.

Take the tariff board of 1883. There was a growing demand in the United States for a lowering of the tariff rates throughout the country. The tariff board of 1883 was appointed to meet that condition. That board met and reported in favor of a reduction of tariff rates, with what result? The finding of the board was repudiated by the Republican Party. The Republican Party a few years ago, when there came again a universal demand for a reduction of the tariff after the Payne tariff law had its disappointing effects on the country, tried to better conditions by the creation of a tariff board. The reports of that tariff board resulted in finding facts which did not sustain Republican theories, and I know of no Republican statesman who was willing to base his tariff views on the findings of his own board. They did not use it, and could not use it. It was appointed to temporize with political conditions.

I want to know from my Democratic colleagues why they want to temporize with conditions to-day? That is what this section of the bill means. Why do they want to temporize with conditions to-day? It is only three years ago that you wrote on the statute books a tariff bill which you said kept the faith to the American people, and which your party and your President said kept the faith. It has had no chance for trial. There has been no opportunity to determine fairly whether it was wise or not. During the few short months it was on the statute books before the outbreak of the European war it produced the necessary revenue to run the Government under the then existing conditions, and it did not bring about an alarming condition to the industries of this country, as shown by the facts. But most of the imports that competed with home industry came from Europe. A large proportion of our revenues came from Europe.

When all of Europe went to war, instead of the tariff law of to-day having an opportunity to show whether it was a fairly competitive tariff, and whether it was bringing ameliorating conditions to the American people, the war itself put up a protective wall that it was impossible to go over. The war itself destroyed competition and destroyed revenue, and those conditions will remain until after this war is over.

There is not an industry in America to-day whose business is being threatened by foreign competition. You are facing and enjoying the greatest era of prosperity in America to-day that this country has ever known, and you are enjoying it under Democratic laws and a Democratic administration. You have not given the child of your own loins an opportunity to grow and develop, and you are proposing to placate and yield to adverse criticism of your political enemies by attempting to buy their silence with the proposal of a tariff commission.

My colleagues, I do not criticize any other man, and what I say is not in the way of criticism; but I can not stand here in silence and accept the repudiation of the work of my own party under these conditions. Nothing could happen that would destroy industry if you waited until this war was over. There is nothing to be accomplished by the writing of this legislation at this time. It is merely a waste of money, unless you do it to avoid the criticism of your opponents; in other words, unless the Democratic Party is preparing to-day to lower its spear and, under the white flag to retreat, to make terms with the common enemy on the greatest principle that your party has advocated for more than half a century.

Mr. President, I can not stand with my colleagues on that position; and I must, in duty to the constituency I represent, protest against the retreat that has been sounded on fundamental principles.

Mr. SMITH of Georgia. Mr. President, in 1911 the Senator from Alabama [Mr. UNDERWOOD] was a Member of the House of Representatives and the leader there of the Democratic Party. He had been for many years a member of the Committee on Ways and Means of the House, charged with the duty of studying tariff bills and tariff problems.

At that time a bill came before the House of Representatives to create a tariff board. The question was as to the necessity for such a board. The provisions of the bill were broad. They gave much power to the board. Not as much power as the present bill, but it was a tariff-board bill, and the Senator from Alabama supported the bill not only by his vote upon the floor of the House; he also ably advocated it. Among other things at that time, he said:

> I say to you candidly that there is no proposition that I have ever had to face that has confronted me with more difficulty than to attempt properly to adjust the tariff rates in conformity to the principles of my party without having sufficient information on which I could base my judgment.

If, with his many years of experience upon the Ways and Means Committee, with his public life almost entirely devoted to the problem of revenue raising and the tariff, he needed information, what is the condition of the average legislator or Senator who is called upon to serve on the Ways and Means Committee of the House or the Finance Committee of the Senate?

Three years ago last summer we had before the Finance Committee of the Senate the tariff bill sent to us from the House. The tariff bill touched, either upon the free list or with tariff duties, every production of industry, every production of the farm, every production of the mine.

Mr. President, it was simply an impossibility then for Senators, with their other duties, to give it study and obtain a grasp of the details of the subject fit to handle it as we desired. At that time, being a member of that committee, I reached the conviction that a tariff board or tariff commission was essential and of the utmost importance to aid Congress in handling tariff problems, and I have advocated the creation of a tariff commission and have suggested it whenever I had an opportunity to the President on more than one occasion since.

Mr. UNDERWOOD. Will the Senator allow me to ask him a question? Is the Senator in favor of repealing the present Democratic tariff law?

Mr. SMITH of Georgia. No.

Mr. UNDERWOOD. Is there any particular feature of it that he desires to repeal at this time?

Mr. SMITH of Georgia. I can not say that there is.

Mr. UNDERWOOD. Then, why should we need a commission?

Mr. SMITH of Georgia. I will answer the Senator. Since that time the information upon which we acted is almost like a heap of scrap. The condition of the world has changed. The condition in foreign countries has changed. The war has simply placed an entirely new face upon foreign industries and domestic industries. Just to-day, perhaps, there is no occasion for action, although I do myself join heartily with the action of the Finance Committee and of the House of Representatives found in this present bill in placing a tax on dyestuffs. But with all the information we could obtain to draw the measure, I am not sure the rates fixed are right, but I approve of such legislation on account of the changed conditions.

I do not believe there is a Member of the Senate, I do not believe there is a Member of the Finance Committee who to-day would know how to handle a tariff bill. I do not believe they have the information if the war stopped in 60 days to know how to levy a tariff tax. If they favored high protection, or if they favored a tariff for revenue, or a competitive tariff, or a low protective tariff. I do not believe there is a member of the Finance Committee, I feel sure there is not one, who, if the war closed in 60 days, would be master of the subject to know how to draw a bill no matter which of the four lines it was desired to make it on. It is in view of what is ahead of us, in view of the fact that we know we must soon face a condition with which we are not familiar, with reference to which we have not the information, with reference to which we have not the time to study and gather the information, that I most cordially approve the creation of a tariff board of able men who may give all of their time, aided by statisticians and research men, handling the reports of our consuls from abroad, that they may become masters of the subject in advance, so far was it is possible, that they may have the knowledge necessary to aid in the character of legislation which then we may find necessary.

And, Mr. President, instead of raising the white flag to our enemies, instead of seeking to avoid attack by legislation along the line of our political enemies, I say that the creation of this tariff board is along the line of wisdom that has been shown by the Democratic administration, consisting both of the President and of the Congress, during the past three years and a half. We carry the responsibility of the Nation, and we look the

future in the face as well as the present, and we hold ourselves prepared to meet any emergency that may confront our country, and we intend to look in advance to see what that emergency may be. We will not be tied down by past tariff bills no matter who made them, no matter though they carry to-day the name of the Underwood-Simmons bill. We will drop those names if necessary to remodel the tariff bill to meet the conditions that will confront the world and our country a little later on.

I congratulate the country that it has an administration of Democrats in the House and in the Senate and in the White House prepared to look forward to meet any emergency that may confront the people. The creation of the tariff commission is only one of the many proofs that the Democratic Party is to-day progressive, ready to meet wisely any emergency that may come upon the country.

The PRESIDING OFFICER. The question is on the motion of the Senator from Alabama to strike out the sections he has indicated.

Mr. UNDERWOOD. Mr. President, just one word. The distinguished Senator from Georgia admits what I suspected to be the fact. He wants a tariff commission created to-day to ascertain the facts of to-day, abnormal facts with which to meet normal conditions of to-morrow, just as the Senator from Georgia advocated on yesterday the passage of an amendment to the tariff law relating to the dyestuffs that wrote on the statute books a high protective tariff that would have taken the breath away from the Republican Party itself if it had been taken unawares.

The Senator from Georgia states, and he speaks for those who advocate this tariff commission, that he is prepared to change the name at the head of the tariff law, the name that represents myself and the distinguished chairman of the Finance Committee, in order that legislation of yesterday may be succeeded by legislation that will meet the conditions of to-morrow.

Well might that be so, Mr. President. I am sure that I have no desire, so far as I am concerned, to have my identity or name carried on the legislation of my country unless the legislation with which it is connected serves my country and serves it well.

But, mark you, Mr. President, here to-night, before the happening of the event, when there are no importations from abroad, when no man can predict to-day what the importations of the future will be, we are told by the distinguished Senator from Georgia, the leader of this sentiment in his party, that we are prepared to surrender and retreat before we have reached the day when we will meet the common enemy.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama.

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

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. COLT (when his name was called). I make the same announcement in regard to my pair that I made before, and I vote "nay."

Mr. GALLINGER (when his name was called). Transferring my pair with the senior Senator from New York [Mr. O'GORMAN] to the junior Senator from Vermont [Mr. PAGE], I vote "nay."

Mr. GRONNA (when his name was called). I have a general pair with the senior Senator from Maine [Mr. JOHNSON], which I transfer to the senior Senator from Idaho [Mr. BORAH] and vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN'S name was called). The present occupant of the chair is paired with the junior Senator from Wyoming [Mr. WARREN], who is absent on account of sickness.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES] and vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from Connecticut [Mr. BRANDEGEE] to the Senator from South Dakota [Mr. JOHNSON] and vote "nay."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. STONE (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. Not being able to secure a transfer, I withhold my vote.

Mr. WEEKS (when his name was called). I have a general pair with the Senator from Kentucky [Mr. JAMES]. The Senator from Oklahoma [Mr. OWEN] is paired with the Senator from New Mexico [Mr. CATRON]. I transfer my pair to the Senator from New Mexico [Mr. CATRON] and vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the Senator from Maryland [Mr. SMITH] to the Senator from California [Mr. WORKS] and vote "nay."

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] if present would vote "nay."

I will also state that my colleague [Mr. POINDEXTER] if present would vote "nay."

Mr. WEEKS. I wish to state that if my colleague [Mr. LODGE] were present he would vote "nay."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN]. In his absence I am not able to obtain a transfer and I withhold my vote. If at liberty to vote, I would vote "nay."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED].

Mr. STONE. I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Arizona [Mr. SMITH] and vote "nay."

The result was announced—yeas 5, nays 55, as follows:

YEAS—5.

Bankhead	Shields	Underwood	Vardaman
Hardwick			

NAYS—55.

Ashurst	Gallinger	Martine, N. J.	Sherman
Beckham	Gronna	Nelson	Simmons
Brady	Hughes	Newlands	Smith, Ga.
Bryan	Husting	Norris	Smith, S. C.
Chamberlain	Jones	Oliver	Smoot
Chilton	Kenyon	Owen	Sterling
Clapp	Kern	Penrose	Stone
Colt	La Follette	Phelan	Swanson
Cummins	Lane	Pittman	Taggart
Curtis	Lea, Tenn.	Pomerene	Thomas
Dillingham	Lee, Md.	Ransdell	Thompson
du Pont	Lewis	Robinson	Weeks
Fall	McCumber	Shafroth	Williams
Fletcher	Martin, Va.	Sheppard	

NOT VOTING—35.

Borah	Harding	Myers	Smith, Mich.
Brandegee	Hitchcock	O'Gorman	Sutherland
Broussard	Hollis	Overman	Tillman
Catron	James	Page	Townsend
Clark, Wyo.	Johnson, Me.	Poindexter	Wadsworth
Clarke, Ark.	Johnson, S. Dak.	Reed	Walsh
Culberson	Lippitt	Saulsbury	Warren
Goff	Lodge	Smith, Ariz.	Works
Gore	McLean	Smith, Md.	

So Mr. UNDERWOOD'S amendment was rejected.

Mr. GALLINGER. Mr. President, there is one feature of this bill that I think does an injustice to the States. Almost every State in this Union has an inheritance-tax law. It is now proposed in this legislation to impose a Federal inheritance tax upon the people of the respective States. I propose an amendment, which I trust will receive the support of the Senate, which, to a certain extent, relieves the States from a burden that will be very oppressive unless the provision in the proposed law is changed, as I have suggested.

The PRESIDING OFFICER. The amendment proposed by the Senator from New Hampshire will be stated.

The SECRETARY. On page 62, line 7, after the name "United States," it is proposed to insert the following:

Provided, That 50 per cent of the tax collected under the provisions of this title in any case shall be paid into the treasury of the State of which the decedent was a citizen.

Mr. SIMMONS. Mr. President, I hope that amendment will not be adopted.

The PRESIDING OFFICER. The question is on the adoption of the amendment proposed by the Senator from New Hampshire.

The amendment was rejected.

Mr. PENROSE obtained the floor.

Mr. SIMMONS. Mr. President, I ask the Senator from Pennsylvania to let me have two formal amendments made to the bill before he proceeds.

Mr. PENROSE. Certainly.

Mr. SIMMONS. On page 23, line 1, I move to strike out the words "such commissioner," and to insert in lieu thereof the words "Commissioner of Internal Revenue."

The amendment was agreed to.

Mr. SIMMONS. On page 11, line 14, after the word "association," I move to insert the word "trustees."

The amendment was agreed to.

Mr. PENROSE. Mr. President, in order to keep the record of these proceedings complete, which are now drawing to a close, I desire to ask a vote upon the resolution which I introduced some days ago looking to the recommitment of this bill to the Finance Committee with instructions. I believe that the resolution has the approval of the minority members of the Finance Committee. It is modeled somewhat on the lines of a similar resolution which was voted on in the House of Representatives, commanding the support of the minority in that body; and the language is taken almost verbatim from the platform of the Republican Party adopted at Chicago by the last Republican national convention. I ask to have the resolution read, and then I shall ask for a yea-and-nay vote upon it.

The PRESIDING OFFICER. The Secretary will read the resolution.

The Secretary read the resolution (S. Res. 253), as follows:

Resolved, That H. R. 16763 be recommitted to the Committee on Finance, with instructions to amend the bill so as to raise an equitable portion of the required revenue from a protective tariff "sufficient to protect adequately American industry and American labor, and to be so adjusted as to prevent undue exactions by monopolies or trusts"; and

With further instructions to the Committee on Finance to give special attention to securing the industrial independence of the United States, to the end that "our industries can be so organized that they will become not only a commercial bulwark but a powerful aid to national defense"; and

That the bill be further amended so as to require the Tariff Commission to report the difference in wages and the cost of production between foreign countries and the United States.

The PRESIDING OFFICER. The question is on the resolution proposed by the Senator from Pennsylvania.

Mr. PENROSE. I ask for the yeas and nays on the resolution.

Mr. SIMMONS. I hope the resolution will not be adopted.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I again announce the transfer of my pair with the Senator from Maryland [Mr. SMITH] to the Senator from California [Mr. WORKS], and vote "yea."

Mr. GALLINGER (when his name was called). Announcing the same transfer of my pair as on the last vote, I vote "yea."

Mr. GRONNA (when his name was called). I transfer my pair with the Senator from Maine [Mr. JOHNSON] to the senior Senator from Idaho [Mr. BORAH], and vote "yea."

Mr. MYERS (when his name was called). On account of the absence of my pair, the Senator from Connecticut [Mr. MCLEAN], I withhold my vote. If at liberty to vote, I should vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN's name was called). The present occupant of the chair announces his pair as before, and withholds his vote.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES] and vote. I vote "nay."

Mr. ROBINSON (when his name was called). Again announcing the same transfer as I did on the previous vote, I vote "nay."

Mr. SHAFROTH (when his name was called). Making the same transfer as I did on the last preceding vote, 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 Arizona [Mr. SMITH] and vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). If the junior Senator from Michigan [Mr. TOWNSEND] were present and not paired, he would vote "yea."

Mr. WEEKS (when his name was called). Making the same announcement that I did on the last ballot, I vote "yea." If my colleague [Mr. LODGE] were present, he would vote the same way.

The roll call was concluded.

Mr. CURTIS. I am requested to announce that the junior Senator from Ohio [Mr. HARDING] is unavoidably detained from the Senate. Were he present, he would vote "yea."

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. If he were present and permitted to vote, my colleague would vote "yea."

Mr. GALLINGER. I desire to announce that the Senator from Wyoming [Mr. WARREN] is absent on account of sickness. If present, he would vote "yea." He is paired with the Senator who is now in the chair [Mr. OVERMAN].

The result was announced—yeas 21, nays 39, as follows:

YEAS—21.

Brady	du Pont	McCumber	Smoot
Clapp	Fall	Nelson	Sterling
Colt	Gallinger	Norris	Weeks
Cummins	Gronna	Oliver	
Curtis	Jones	Penrose	
Dillingham	Kenyon	Sherman	

NAYS—39.

Ashurst	Kern	Phelan	Smith, S. C.
Bankhead	La Follette	Pittman	Stone
Beckham	Lane	Pomerene	Swanson
Bryan	Lea, Tenn.	Ransdell	Taggart
Chamberlain	Lee, Md.	Robinson	Thomas
Chilton	Lewis	Shafroth	Thompson
Fletcher	Martin, Va.	Sheppard	Underwood
Hardwick	Martine, N. J.	Shields	Vardaman
Hughes	Newlands	Simmons	Williams
Husting	Owen	Smith, Ga.	

NOT VOTING—35.

Borah	Harding	Myers	Smith, Mich.
Brandegee	Hitchcock	O'Gorman	Sutherland
Broussard	Hollis	Overman	Tillman
Catron	James	Page	Townsend
Clark, Wyo.	Johnson, Me.	Poindexter	Wadsworth
Clarke, Ark.	Johnson, S. Dak.	Reed	Walsh
Culberson	Lippitt	Saulsbury	Warren
Goff	Lodge	Smith, Ariz.	Works
Gore	McLean	Smith, Md	

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and

The Senator from Michigan [Mr. SMITH] with the Senator from Missouri [Mr. REED].

So Mr. PENROSE's resolution was rejected.

The PRESIDING OFFICER. The bill is still before the Senate, as in Committee of the Whole, and open to amendment.

Mr. LA FOLLETTE. Mr. President, I offer the amendment which I send to the Secretary's desk, to be inserted after the word "production," in line 18, on page 137.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 137, line 18, after the word "production," it is proposed to insert:

That the commission shall investigate and report to Congress—

1. What is the nature and use of each commodity upon the dutiable list and each commodity upon the free list of the existing tariff law?
2. What are the raw materials used in its production?
3. What is the amount of the production of each commodity in this country?
4. What is the amount of the consumption of each commodity in this country?
5. How many concerns are engaged in the manufacture of each commodity?
6. Who are the principal producers?
7. What are the ruling market prices of each commodity in this country?
8. What are the ruling market prices of each commodity in competing countries?
9. What is the total cost of production per unit of each commodity in this country?
10. What is the total cost of production per unit of each product in competing countries?
11. What is the percentage of the labor cost to the total cost of a unit of product in this country?
12. What is the percentage of the labor cost to the total cost of a unit of product in competing foreign countries?
13. What is the cost of transportation to the principal markets in this country from the principal point of production in this country of each product?
14. What is the cost of transportation to the principal markets in this country from the principal points of production in competing foreign countries of each of said commodities?
15. What part of the existing duty represents the difference in the cost of production between this and competing foreign countries of each of said commodities?
16. What part of the existing duty represents the profit of the American manufacturer upon each of said commodities?

Mr. LA FOLLETTE. Mr. President, I do not purpose at this late hour to tax the patience of the Senate with an argument in favor of the amendment which I have presented. The answers to the questions which the amendment provides shall be answered by the Tariff Commission and submitted to Congress will embody the information necessary for Congress, it seems to me, intelligently to fix duties, whether it be, Mr. President, in connection with a bill based upon the principle which has been embodied in the Republican platform as a correct measure of protective duties, namely, the difference in the cost of production at home and abroad, or whether it be the principle embodied in the bill known as the Underwood-Simmons bill, which was passed during this administration. That bill, as stated by the House report, as stated by the Senate report, and

as stated by the Senator from North Carolina [Mr. SIMMONS] in his first speech submitted to the Senate upon it, was drawn with a view of fixing duties at such a rate as would constitute a competitive tariff, and it was called a "competitive-tariff bill."

It is impossible either to determine duties that will fix a competitive relation between foreign producers and producers in this country, or duties that will measure the difference in the cost of production at home and abroad without having exactly the information embodied in the 16 paragraphs which I have submitted in the amendment; but, Mr. President, I understand perfectly well that the Senate is in no temper to amend the bill.

It will be contended on the other side that the general provisions of the Tariff Commission section would permit the Tariff Commission to ascertain these specific facts. So they would; but answers to these specific questions will put into the hands of Congress the precise knowledge which it must have either to enact a competitive tariff bill or to enact a bill based upon the principle of the cost of production.

Mr. GALLINGER. Mr. President, in view of the fact that almost every nation in the world is in turmoil at the present time, it would be an absolute impossibility to ascertain the cost of production in those countries; and, in view of the fact that there is an abnormal increase in transportation rates, it would be of little use to ascertain the cost of transportation from other countries to this country of articles exported to our shores as compared with the cost of transportation of articles produced here.

Mr. President, the time may come when an inquiry of this kind might well be undertaken; that is, after normal conditions return to the countries of Europe; but I feel sure it would be idle to undertake it at the present time, and for that reason I trust the amendment will not be agreed to.

Mr. LA FOLLETTE. Mr. President, just one word. The tariff commission proposed in this bill is not to be a temporary body. It is expected, of course, that this tariff commission will report from time to time to Congress as the varying conditions will need to be reported, if Congress is to act intelligently upon the tariff question from time to time.

Furthermore, Mr. President, precisely those questions were offered by me as a resolution of direction to the Finance Committee of the Senate when it was framing the Underwood-Simmons bill; and, upon the motion of the Senator from Pennsylvania [Mr. PENROSE] that resolution was passed by the *Senate*.

Furthermore, Mr. President, the chairman of the Finance Committee of the Senate, the Senator from North Carolina [Mr. SIMMONS], embodied those questions as essential to the information of the committee in framing the Underwood-Simmons tariff bill, and they were sent to every individual or corporation that asked for a tariff hearing before the Democratic Finance Committee; and in the report of the committee to this body, upon which it acted, the answers to those questions were cited by the chairman of the Committee on Finance as embodying information which the Senate ought to consider as important in guiding its work and its deliberations.

I have said more than I intended to say, Mr. President.

Mr. SIMMONS. Mr. President, the Senator is undoubtedly right in his statement about the resolution directing the Finance Committee to send out questions to the various gentlemen representing industries in this country who had appeared before the Finance Committee. They were sent out under the authority of this resolution by the committee. I regret to say, however, that only a very few of the gentlemen who had appeared and asked for increased tariff rates answered the questions. I think what I did say about it was that I had secured so few answers and those that came were so utterly unsatisfactory——

Mr. LA FOLLETTE. Mr. President, will the Senator permit me?

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

Mr. SIMMONS. I do.

Mr. LA FOLLETTE. Granting that the Senator's recollection upon that matter is better than mine, the fact that the Senate adopted those questions and that the Finance Committee sent them out is an important fact for the Senate to consider in passing upon them now; and the fact that they were not voluntarily answered, that there was no compulsion, does not make against the interrogatories, but is rather in their favor. Special interests desiring an excessive tariff would not be inclined voluntarily and freely to give up their costs of production; but this commission would be empowered, if it were made a part of this bill, to get those facts and to lay them before the committee, and eventually they would come to the Senate and to the House. No Member here can for a moment, it seems to me, fail to appreciate the value of that information. If you had it before you when you were legislating upon the question of the tariff—if you knew, for instance, how much were the profits made by the protected industries of this country—then you would have some guide, as you would if the other questions were answered.

Mr. SIMMONS. Mr. President, to-day I went very thoroughly into a discussion of the powers conferred upon this commission in sections 90 and 92. I think they are exceedingly broad. They comprehend practically all the information that will be needed. Certainly there will be no lack of power in the commission to make their investigations as broad as the circumstances may seem to require. After the commission have secured the information that is necessary to enable them to reach a reasonable conclusion, section 91 gives to the Ways and Means Committee of the House, and to the Finance Committee of the Senate, power to call upon the commission for any information and report that they may desire, and in that request it will be competent for either of these two great committees to propound to the commission questions that would elicit the information they have secured by the exercise of the broad powers given them in sections 90 and 92.

Mr. LA FOLLETTE. Mr. President, will the Senator yield for just a moment before he sits down?

Mr. SIMMONS. Yes.

Mr. LA FOLLETTE. Granting that, Mr. President, it must be apparent to everybody that pending the consideration of a tariff bill by the Ways and Means Committee of the House, or by the Finance Committee of the Senate, or by this body, to call upon a tariff commission for that information would be utterly futile. It would require the time of the tariff commission for months to secure that information. Its accuracy depends upon an inspection of the cost production in each of the industries and would require much time, but the information would be invaluable.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wisconsin.

Mr. LA FOLLETTE. I ask for a roll call upon that amendment, as it is so important.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GALLINGER (when his name was called). Making the same announcement concerning my pair as on the last roll call, I vote "nay."

Mr. GRONNA (when his name was called). Making the same announcement as before, I vote "yea."

The PRESIDING OFFICER (when Mr. OVERMAN'S name was called). Making the same announcement as heretofore, I withhold my vote.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES], and vote "yea."

Mr. ROBINSON (when his name was called). Announcing the same pair and transfer as on a previous roll call, I vote "nay."

Mr. SHAFROTH (when his name was called). Announcing the same transfer that I made on preceding roll calls, 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 Arizona [Mr. SMITH], and vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the Senator from Maryland [Mr. SMITH] to the Senator from California [Mr. WORKS] and vote "yea."

Mr. MYERS. I transfer the pair which I have with the Senator from Connecticut [Mr. MCLEAN] to the Senator from Nevada [Mr. NEWLANDS] and vote "nay."

The result was announced—yeas 17, nays 40, as follows:

YEAS—17.

Clapp	Gronna	Lane	Owen
Colt	Husting	McCumber	Sterling
Cummins	Jones	Martine, N. J.	
Curtis	Kenyon	Norris	
Dillingham	La Follette	Oliver	

NAYS—40.

Ashurst	Hardwick	Phelan	Smith, Ga.
Bankhead	Hughes	Pittman	Smith, S. C.
Beckham	Kern	Pomerene	Smoot
Brady	Lea, Tenn.	Ransdell	Stone
Bryan	Lee, Md.	Robinson	Swanson
Chamberlain	Lewis	Shafroth	Taggart
Chilton	Martin, Va.	Sheppard	Thomas
du Pont	Myers	Sherman	Thompson
Fletcher	Nelson	Shields	Underwood
Gallinger	Penrose	Simmons	Williams

NOT VOTING—38.

Borah	Harding	O'Gorman	Tillman
Brandegee	Hitchcock	Overman	Townsend
Broussard	Hollis	Page	Vardaman
Catron	James	Poindexter	Wadsworth
Clark, Wyo.	Johnson, Me.	Reed	Walsh
Clarke, Ark.	Johnson, S. Dak.	Saulsbury	Warren
Culberson	Lippitt	Smith, Ariz.	Weeks
Fall	Lodge	Smith, Md.	Works
Goff	McLean	Smith, Mich.	
Gore	Newlands	Sutherland	

So Mr. LA FOLLETTE's amendment was rejected.

Mr. NORRIS. Mr. President, the exceedingly extravagant appropriations of this Congress make it necessary for some law to be enacted to raise additional revenue, and I presume the bill now about to pass is the result of that necessity.

I voted against nearly all of the appropriations that have brought about a condition where additional revenue has become necessary. I do not feel in any way responsible for that condition. In my weak way, I did what I could to defeat those appropriations; but Congress in its wisdom, or in its haste and unwisdom, has seen fit to make it necessary that some law should be enacted to meet these extraordinary appropriations.

I believe that it is the duty of a Senator or a Member of the House of Representatives, when that condition presents itself to him, not to vote against any bill for which he would otherwise vote for the production of additional revenue simply because he was opposed to the condition and voted against the appropriations that made necessary such additional revenue. It seems to me, therefore, that it is my duty, in passing on this bill, to vote the same as though it were a debt—which, in my judgment, it is—or an obligation of the Government that was legal, at least technically, and that had to be paid. I feel that it is the same as though I owed a debt—a judgment, perhaps—and that although I might believe it to be unjust, yet if it had the sanction of a duly constituted court having judisdiction, it would be one that I would have to pay.

Looking at it in that light, Mr. President, it seems to me that the bill under consideration raising revenue ought to be considered, and that I ought to act on it in the light of its being my duty, as a Member of the legislative body of the Nation, to provide as best I can, and in the way that I may help, the revenue necessary to pay the obligations.

I will not take the time of the Senate at this late hour to go over the past, but I only want to say that I have had no sympathy whatever with a great many of the things that have brought about these extraordinary appropriations and have made necessary additional revenue. If my conclusion is right thus far, then I ought to pass on this proposed legislation without reference to the causes or the conditions that have made this legislation or other revenue legislation necessary.

I believe that the present bill contains in it so many features that I have stood for, and that I believe in the main the party to which I belong has stood for, that I can not consistently vote against it. In other words, I am of the opinion that as far as raising this additional revenue is concerned, this bill has many good features. It raises the large bulk of the revenue in ways that I believe to be commendable. It has in it, for instance, an antidumping clause. It contains a protective-tariff proposition as far as dyestuffs are concerned. I think it is conceded by everybody that the existing war in Europe has disclosed the fact that we need some legislation in regard to dyestuffs, and that we ought to be able to produce in this country the dyestuffs that we need. I believe that this bill carries the necessary enactment to bring that about. It contains an antidumping clause—another condition that, in my judgment, and, I think, in the judgment of most thinking men, will have to be met when this war is over; and it seems to me that the provisions in regard to that are such that any fair-minded man trying to remedy a situation that I believe will be upon us when the war is over could not be opposed to the provisions on that subject.

The bill contains a provision for a tariff commission, a permanent tariff board—something that I have always advocated and believed in ever since I have been a Member of Congress; something that my party has always, or, at least, for several years past, advocated.

I know that the charge is made, and has been made, on this floor that this particular provision of the bill, coming from Democratic sources, coming from men who have always heretofore opposed a tariff commission, is not proposed in good faith. In my judgment, that is not a sufficient objection. I do not believe that I ought to vote against this bill when it contains provisions in which I believe simply because those provisions have been proposed by somebody whose good faith in the matter may be doubted, or who, in the past, has been opposed to it.

The tariff commission provision here is not just exactly what I should like to have, but in the main it strikes me as being sufficient to bring about the proper organization for a wise investigation of the tariff subject, enabling Congress, when it has that information, to legislate intelligently. It is a provision that, it seems to me, goes naturally and logically with the protective tariff idea, if that protection is to measure—as I think it ought to—the difference in cost of production at home and abroad.

The bill contains a repeal of the stamp taxes carried in the last so-called emergency revenue bill passed by a preceding Congress during this administration—provisions which were obnoxious to almost everybody, and which, in my judgment, never ought to have been adopted—and I hail with delight an opportunity to vote for their repeal.

The bill also contains a provision for an inheritance tax. It is not exactly the kind of inheritance tax I would provide for, but if we are going to enact a law for an inheritance tax, or, rather, an estate tax, as this is properly called, for the purpose of raising revenue, then the provisions of this bill will be ample.

In my judgment the provisions of the bill in regard to the estate tax will raise a large amount of revenue. I know the objection is made, and I have sympathy with it, that this is one of the methods of raising revenue by the States. I voted for the amendment offered by the Senator from New Hampshire to give half the money to the States. I would be willing to give more. When the Underwood tariff bill was before this body I offered an amendment providing for a progressive inheritance tax, that after making an exemption of $50,000 the tax should be collected in a progressive way, with the idea not particularly of raising money so much, although it would have raised a great deal, as to break up the large fortunes, and I provided, I think, that 90 or 95 per cent of the money so raised should practically be paid to the State, or, in other words, I provided that a State which had an inheritance tax and some one who was liable to pay it would present a receipt to the proper officer of the Federal Government showing the payment of the inheritance tax on that bequest to the State government he should be credited with 95 per cent of the amount that he had paid. This estate tax is, in my judgment, the best inheritance tax or estate tax of this kind that has ever been enacted by Congress in any law that it has ever passed. It provides for a progressive tax running up in very large estates to as high as 10 per cent.

The bill also provides for an increase of the income tax, and in a part of that I think the bill is wrong. I would not favor doubling the normal tax, but the increase of the tax on large incomes meets with my hearty approval and goes a great way to convince me that I ought to vote for the bill.

It has a tax on munitions of war. I have repeatedly said that while I was opposed to the various programs that were enacted to make it necessary for us to raise a large amount of revenue if we did carry out these various programs of the present administration and the many appropriations, I thought we ought to raise the additional revenue by an increased tax on large incomes, by an inheritance tax, and by a tax on munitions. The bill provides for a tax on munitions.

Mr. President, without going into details, I want to call attention to some of the profits of those who have been engaged in the manufacture of munitions of war since the beginning of the war. The figures that I give were taken from the Wall Street Journal, but placed in the RECORD by Representative GOOD of Iowa. In these two articles, quoted in full in the RECORD of July 12, 1916, at pages 12622 and several pages following, it appears that most of the munitions in this country shipped abroad during the war were made by 26 corporations. I want to call attention to the fact that the market value of the stocks of those corporations before the war began, as given by the Wall Street Journal, was $1,287,658,000. At the end of the year 1915 the market value of those stocks had increased to $2,212,986,000, and they have not quit going up yet. They have been going up a good deal since. These figures were taken at the end of the year 1915, making a total increase of $919,323,000—nearly a billion dollars.

There is quite a high tax levied on the people engaged in this business. I could go on at length and show the profits they have made and the per cent they have made. It has been astounding. It strikes me that institutions whose stocks have been increased in value in the several billion dollars' worth of orders that they have received—I do not know, I think somewhere about $3,000,000,000—not only ought to be required out of the profits they have made to pay a large portion of the tax, a great deal of which is to be spent for a continuation of their own business when the war ends. The great propaganda for preparedness that swept this country like a whirlwind was for

the benefit of those men and those corporations that had already made millions, and whose business would be curtailed somewhat when the war was over, and they were, therefore, directly interested in the great propaganda that went over the country for the so-called preparedness plan. So, when the war is over, instead of supplying these various materials to foreign countries, they are going, to a great extent, to supply them to our own country in time of peace.

It is no more than just, it is no more than fair, it seems to me, that the men who have made the money ought to be required to help very materially to contribute to the so-called expense.

Taking it all in all, it seems to me, Mr. President, that laying aside, of course, the conditions and the legislation and the appropriations that have made this revenue bill necessary, it would be difficult to draft a bill, according to my judgment, more systematically or better adapted to properly raise revenue for the payment of the debts that we have so foolishly and so extravagantly and ruthlessly contracted.

For that reason, it seems to me, Mr. President, that the bill ought to receive unanimous approval of this body. It ought to receive, it seems to me, the approval of every Republican for the several provisions that it contains, for which we have contested and contended and fought for years. The inheritance tax was one that we put in the Payne-Aldrich bill, so called. We had an income tax early, and a tariff commission. We have contested and contended for these principles. We get them now in this bill, even though they come from men who have been converted to our cause, and because the Democrats who have proposed it have changed front is no reason why we should change front and oppose it. As far as I am concerned I am just as willing to vote for it if it comes from the enemy as though it comes from our own house, if I believe it is right, and believing it is right, Mr. President, I am ready to vote for the bill.

The PRESIDING OFFICER. If there are no further amendments as in Committee of the Whole the bill will be reported to the Senate.

Mr. LANE. I give notice I shall offer in the Senate an amendment on pages 49 and 50.

The bill was reported to the Senate as amended, and the amendments were concurred in.

Mr. LANE. I present the following amendment and ask for a vote on it.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 49, line 22, insert after the word "any" the word "person"; on page 50, line 4, after the word "such" insert the words "under the same rules and regulations governing the inspection of public records generally"; and on page 50, line 4, strike out the words "*Provided*, That," and further strike out all of lines 5 to 15, inclusive, on page 50, so that subsection (b) of section 14 when so amended shall read as follows:

> When the assessments of any person, corporation, joint-stock company or association, or insurance company shall be made, as provided in this title, the returns together with any correction thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such, under the same rules and regulations governing the inspection of public records generally;"

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. PENROSE. That has been voted on once.

The PRESIDING OFFICER. It is renewed in the Senate. The Senator from Oregon has a right to present it. The question is on agreeing to the amendment.

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

The yeas and nays were not ordered.

The amendment was rejected.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

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

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Again announcing my pair with the Senator from Maryland [Mr. SMITH], and transferring my pair to the Senator from California [Mr. WORKS], I vote "nay."

Mr. GALLINGER (when his name was called). Announcing the same transfer of my pair as on the last vote, I vote "nay."

Mr. GRONNA (when his name was called). Again announcing the transfer of my pair with the junior Senator from Maine [Mr. JOHNSON] to the senior Senator from Idaho [Mr. BORAH], I vote "nay."

The PRESIDING OFFICER (when Mr. OVERMAN'S name was called). The present occupant of the chair is paired with the Senator from Wyoming [Mr. WARREN] and withholds his vote.

Mr. OWEN (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. CATRON] to the Senator from Kentucky [Mr. JAMES] and vote "yea."

Mr. REED (when his name was called). I am paired with the Senator from Michigan [Mr. SMITH]. If permitted to vote, I would vote "yea."

Mr. ROBINSON (when his name was called). I make the same transfer of my pair as on previous votes, and I vote "yea."

Mr. SHAFROTH (when his name was called). I am paired with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. STONE (when his name was called). I transfer my standing pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. VARDAMAN (when his name was called). I have a pair with the Senator from Idaho [Mr. BRADY] and withhold my vote.

Mr. WEEKS (when his name was called). Making the same announcement as on the last vote, I vote "nay."

If my colleague [Mr. LODGE] were present, he would vote "nay."

The roll call was concluded.

Mr. ROBINSON. The Senator from Delaware [Mr. SAULSBURY] is unavoidably absent. He is paired with the Senator from Rhode Island [Mr. COLT]. If the Senator from Delaware were present and at liberty to vote, he would vote "yea."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN]. He is absent and I am not able to obtain a transfer and I withhold my vote. If at liberty to vote, I would vote "yea."

My colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT]. If my colleague were present and at liberty to vote, he would vote "yea."

Mr. UNDERWOOD. The Senator from Arkansas [Mr. ROBINSON] made an incorrect statement as to the pair of the Senator from Delaware [Mr. SAULSBURY]. The Senator from Rhode Island [Mr. COLT] and myself have transferred our pairs, so that the Senator from Delaware [Mr. SAULSBURY] stands paired with the Senator from Ohio [Mr. HARDING].

Mr. ROBINSON. I was requested to make the announcement, and I withdraw it.

Mr. SMOOT. I desire to announce the absence of my colleague [Mr. SUTHERLAND]. He has a general pair with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present, he would vote "nay."

Mr. CURTIS. I was requested to announce the unavoidable absence of the junior Senator from Ohio [Mr. HARDING], and to state that if present he would vote "nay."

Mr. HUGHES. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. JAMES]. If he were present, he would vote "yea."

Mr. GALLINGER. I announce the unavoidable absence of the senior Senator from Wyoming [Mr. CLARK] and the junior Senator from Wyoming [Mr. WARREN]. If they were present, they would both vote "nay."

Mr. CURTIS. I was requested to announce the following pairs:

The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];

The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];

The Senator from Michigan [Mr. TOWNSEND] with the Senator from Florida [Mr. BRYAN]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS].

Mr. COLT. On account of the transfer of my pair, I am at liberty to vote on this question, and I vote "nay."

Mr. CURTIS. I was requested to announce that the senior Senator from Rhode Island [Mr. LIPPITT] and the senior Senator from Connecticut [Mr. BRANDEGEE] if present would both vote "nay."

Mr. SHEPPARD. I desire to announce that my colleague, the senior Senator from Texas [Mr. CULBERSON] is necessarily absent. He is paired with the Senator from Washington [Mr. POINDEXTER].

The result was announced—yeas 42, nays 16, as follows:

YEAS—42.

Ashurst	Husting	Norris	Smith, Ga.
Bankhead	Kenyon	Owen	Smith, S. C.
Beckham	Kern	Phelan	Stone
Bryan	La Follette	Pittman	Swanson
Chamberlain	Lane	Pomerene	Taggart
Chilton	Lea, Tenn.	Ransdell	Thomas
Clapp	Lee, Md.	Robinson	Thompson
Cummins	Lewis	Shafroth	Underwood
Fletcher	Martin, Va.	Sheppard	Williams
Hardwick	Martine, N. J.	Shields	
Hughes	Newlands	Simmons	

NAYS—16.

Colt	Fall	McCumber	Sherman
Curtis	Gallinger	Nelson	Smoot
Dillingham	Gronna	Oliver	Sterling
du Pont	Jones	Penrose	Weeks

NOT VOTING—37.

Borah	Harding	O'Gorman	Tillman
Brady	Hitchcock	Overman	Townsend
Brandegee	Hollis	Page	Vardaman
Broussard	James	Poindexter	Wadsworth
Catron	Johnson, Me.	Reed	Walsh
Clark, Wyo.	Johnson, S. Dak.	Saulsbury	Warren
Clarke, Ark.	Lippitt	Smith, Ariz.	Works
Culberson	Lodge	Smith, Md.	
Goff	McLean	Smith, Mich.	
Gore	Myers	Sutherland	

So the bill was passed.

Mr. SIMMONS. I move that the Senate request a conference with the House of Representatives on the bill and amendments and that the Chair appoint seven conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SIMMONS, Mr. WILLIAMS, Mr. SMITH of Georgia, Mr. HUGHES, Mr. PENROSE, Mr. MCCUMBER, and Mr. SMOOT conferees on the part of the Senate.

Mr. SIMMONS. I ask unanimous consent that the bill as amended be printed.

The PRESIDING OFFICER. If there is no objection that order will be made.

RECESS.

Mr. SIMMONS. Mr. President, I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 12 o'clock and 20 minutes a. m., Wednesday, September 6, 1916) the Senate took a recess until 11 o'clock a. m., Wednesday, September 6, 1916.

NOMINATION.

Executive nomination received by the Senate September 5 (legislative day of September 1), 1916.

REGISTER OF LAND OFFICE.

Charles S. Dunn, of La Grande, Oreg., to be register of the land office at La Grande, Oreg., vice Frank C. Bramwell, term expired.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 5 (legislative day of September 1), 1916.

CONSUL.

CLASS 8.

Frank Anderson Henry to be a consul of class 8.

COLLECTOR OF CUSTOMS.

George P. Woollen to be collector of customs for customs collection district No. 43.

PUBLIC HEALTH SERVICE.

Asst. Surg. Grover A. Kempf to be passed assistant surgeon.

POSTMASTERS.

LOUISIANA.

Lewis A. Wood, Ponchatoula.

MINNESOTA.

C. H. Leighty, Glenville.
George J. Reichert, Long Prairie.

PENNSYLVANIA.

Ira C. Gleim, Mount Holly Springs.
Alexander S. Guffey, Pittsburgh.
John F. Lavelle, Girardville.

TEXAS.

A. H. Buie, Ennis.

HOUSE OF REPRESENTATIVES.

TUESDAY, *September 5, 1916.*

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

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

Infinite and eternal God, inspire us with clear perceptions as to our calling in life that our hearts may beat true to the heavenly vision and follow with faith and confidence whithersoever it may lead that we may hallow Thy name by the absolute rectitude of our behavior in all that pertains to life, private and public, and thus emulate the virtues of the world's great Exemplar. For Thine is the kingdom and the power and the glory forever. Amen.

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

GENERAL DEFICIENCY BILL.

Mr. SISSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 17645, the general deficiency bill, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to take from the Speaker's table the bill H. R. 17645, disagree to the Senate amendments and agree to the conference asked for by the Senate. Is there objection?

Mr. COX. Reserving the right to object, and I am not going to object, I have no doubt that the gentleman from Mississippi will be a member of the conferees. I want to call his attention to an amendment put on in the Senate. It relates to what is known as the steel bloom bill, which carries an appropriation of $142.000, and there is no merit in the claim. It has no place on this bill, for it is not a deficiency. I see in the RECORD that one Senator said he was willing to let it go in on certain conditions, and he would appear before the conferees. I hope the gentleman will look seriously to that item before he concurs in that amendment.

The SPEAKER. Is there objection?

There was no objection.

The Speaker appointed as conferees on the part of the House Mr. FITZGERALD, Mr. SISSON, and Mr. CANNON.

THE FORT ASSINNIBOINE MILITARY RESERVATION.

Mr. RAKER. Mr. Speaker, I present a conference report on the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assinniboine Military Reservation, and I ask unanimous consent for its present consideration, notwithstanding it has not been printed.

The SPEAKER. The gentleman from California asks unanimous consent to consider this conference report, notwithstanding the rule with reference to printing. Is there objection?

Mr. MANN. Reserving the right to object, I do not know anything about it.

The SPEAKER. There were only two amendments; the first was to set aside a certain tract of land for the Indians as a permanent reservation, and the Senate agreed to the House amendment striking out the word "permanent." The last amendment was to set aside about 8,000 acres of land for a park and camping ground. The House receded from that amendment by striking out the word "permanent" and adding a provision that the use of the park should be without expense hereafter to the United States.

Mr. MANN. What did the Senate do?

Mr. RAKER. The Senate receded from its disagreement.

Mr. MANN. Let the conference report be read.

The SPEAKER. The Clerk will read the conference report.

The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1196).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assinniboine Military Reservation, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

Amendment numbered 2: That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be stricken out by the House insert the following:

"SEC. 12. That the Secretary of the Interior is hereby authorized and directed to withdraw and set aside as a camping

ground, the same to be kept and maintained without cost to the Government of the United States, the following-described land in said reservation lying on both sides of Beaver Creek within townships 29, 30, and 31 north, 15 and 16 east, to wit: The west half section 34; all of sections 33, 28, and 21; the west half southwest quarter, northwest quarter section 22; all of section 16; the south half, northwest quarter, west half northeast quarter, section 9; the east half northeast quarter section 8; the east half southeast quarter section 5; the west half, northeast quarter, west half southeast quarter section 4, township 29 north, range 16 east; and the south half southwest quarter, south half southeast quarter, northeast quarter southeast quarter, east half northeast quarter, section 33; the southeast quarter southeast quarter, north half southeast quarter, southwest quarter southwest quarter, north half southwest quarter, north half, section 28; the west half southeast quarter, west half northeast quarter, west half, section 21; the east half southeast quarter, east half northeast quarter, section 20; the west half section 16; east half, east half northwest quarter, section 17; the east half southwest quarter, east half northwest quarter, east half, section 8; the west half southwest quarter, west half northwest quarter, section 9; all of section 5; the northeast quarter section 6, township 30 north, range 16 east; and the southwest quarter section 32; the south half, northwest quarter, southwest quarter northeast quarter section 31, township 31 north, range 16 east; and the east half southeast quarter section 25; southeast quarter southeast quarter, northwest quarter southeast quarter, northeast quarter northeast quarter, west half northeast quarter, east half northwest quarter, northwest quarter northwest quarter, section 26; south half southwest quarter, south half southeast quarter, section 23, township 31 north, range 15 east, Montana principal meridian," embracing an area of approximately 8,880 acres.

JOHN E. RAKER,
CARL HAYDEN,
WM. L. LA FOLLETTE,
Managers on the part of the House.
H. L. MYERS,
M. A. SMITH,
REED SMOOT,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference of the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L.), providing for the opening of the Fort Assiniboine Military Reservation, submit the following written statement explaining the effect of the actions agreed upon:

House amendment No. 1: This amendment strikes out of the bill the word "permanent" and simply sets apart the tract of land as a reservation for the Rocky Boy's Band of Chippewas and other homeless Indians in the State of Montana as the Secretary of the Interior may see fit to locate thereon.

House amendment No. 2: This amendment struck out all of section 12, which authorized the Secretary of the Interior to withdraw and set aside as a camping ground approximately 8,880 acres. The amendment by the House was receded from with an amendment striking out the words "permanent park" and simply providing for camping ground and restoring all of section 12, with an amendment to the effect that after this land is set aside by the Secretary of the Interior the same is to be kept and maintained without any cost to the United States Government. It is made to appear to the conferees that these lands had been used for many years by the people in the surrounding community as a general camping ground and that it ought to be maintained for that purpose; that it would be kept up and maintained, as in the past, without any cost to the Government. It was believed that this was a wise provision, and with the amendment that the original section 12 should be agreed to, for the reasons stated.

The establishment of this camping ground and the maintenance of it, as it has been for many years in the past, without any cost or expense to the Government is a worthy object and much good will come from it. To dispose of the land involved for other purposes would be of no practical benefit to anyone and discommode those who have heretofore used the land involved as a camping ground, from which much benefit has been derived.

All of which is respectfully submitted.

JOHN E. RAKER,
CARL HAYDEN,
WM. L. LA FOLLETTE,
Managers on the Part of the House.

Mr. MANN. Reserving the right to object, as I understand, the House struck out that provision.

Mr. RAKER. It struck out section 12.

Mr. MANN. And this reinstates it.

Mr. RAKER. Yes; reinstates it, striking out the word "permanent" and inserting as an amendment that the camping ground may be set aside, but that it is without expense to the Government of the United States.

The SPEAKER. Is here objection?

There was no objection.

The conference report was agreed to.

WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe.

The Clerk read the bill at length.

The SPEAKER. Is there objection?

Mr. STAFFORD. Reserving the right to object, what are the circumstances in the case that call for this act?

Mr. FIELDS. This cadet while participating in drill service was kicked by a horse. A long illness followed, and as the result of that illness tuberculosis developed.

Mr. STAFFORD. I ask that the gentleman withdraw the bill for the present.

Mr. FIELDS. Mr. Speaker, I will withdraw it without prejudice.

Mr. MANN. There is no prejudice about it.

LEAVE TO ADDRESS THE HOUSE.

Mr. CHANDLER of New York. Mr. Speaker, I ask unanimous consent to address the House immediately at the close of the speech of the gentleman from New York [Mr. LONDON].

The SPEAKER. The gentleman from New York asks permission to address the House at the close of the speech of the gentleman from New York [Mr. LONDON]. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, I ask unanimous consent that my colleague, Mr. RODENBERG, be permitted to address the House for 30 minutes at the conclusion of the address of the others.

The SPEAKER. The gentleman from Illinois asks unanimous consent that his colleague, Mr. RODENBERG, at the conclusion of the addresses by the speakers already scheduled, be allowed to address the House for 30 minutes. Is there objection?

There was no objection.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes at the conclusion of the address of the gentleman from Illinois [Mr. RODENBERG].

The SPEAKER. The gentleman from Tennessee asks unanimous consent to address the House at the conclusion of the remarks of the gentleman from Illinois [Mr. RODENBERG]. Is there objection?

There was no objection.

SHERMAN COUNTY SETTLERS' RELIEF.

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the Sherman County settlers' relief bill.

The SPEAKER. Is there objection?

There was no objection.

CLERK TO COMMITTEE ON EDUCATION.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 224 (H. Rept. 1191).

Resolved, That in lieu of the session clerk heretofore assigned, the Committee on Education be, and is hereby, allotted an annual clerk at a salary of $2,000 per annum, to be paid out of the contingent fund of the House until otherwise provided by law.

With the following committee amendments:

Line 3, strike out the words "an annual" and insert the word "a."

Line 3, strike out the words "$2,000 per annum" and insert in lieu thereof the words "$180 per month during the remainder of the Sixty-fourth Congress."

The SPEAKER. The question is on agreeing to the committee amendments.

Mr. LLOYD. Mr. Speaker, the Committee on Education are very insistent that they shall have an annual clerk and insist that they have a lot of work to do between now and December. The Committee on Accounts refused to allow them the annual clerk, but by an amendment we provide that they may have a clerk during the interim between the close of this session and the next regular session of Congress.

Mr. MANN. Is the gentleman quite sure that this form of resolution does not authorize an appropriation for an annual clerk?

Mr. LLOYD. Very sure, because we take out the word "annual," and we provide that his employment shall conclude at the close of the Sixty-fourth Congress.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The resolution as amended was agreed to.

PREPAREDNESS.

Mr. CLINE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of preparedness.

The SPEAKER. Is there objection?

There was no objection.

MESSENGERS IN POST OFFICE.

Mr. LLOYD. Mr. Speaker, I present the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 353 (H. Rept. 1192).

Resolved, That nine messengers in the post office of the House of Representatives now authorized to be employed during the session may continue to be employed during the period between the adjournment of the present session and the 1st of December, 1916, and be paid out of the contingent fund of the House at the rate of $100 per month.

Mr. LLOYD. Mr. Speaker, this is the usual resolution passed at the adjournment of the long session with reference to the session employees of the House in the post office of the House.

Mr. MANN. Mr. Speaker, we authorize the employment of certain people in the post office of the House while Congress is in session because they deliver the mail to the Members. Of course this is just a present to these nine messengers during the recess.

Mr. LLOYD. Not altogether.

Mr. MANN. Formerly we used to provide for an extra month's pay for all of the employees. This provides an extra three months' pay for some of the employees but not for the balance. I rather think that the old method of treating all alike was fairer than it is to take a few and give them three months' extra pay. Of course we all know that they will not be employed.

Mr. LLOYD. Mr. Speaker, there are some of these people who will be employed all of this time. There are clerks of Members who remain here and there are a number of Members of Congress who come here shortly after the election and are here during the month of November, so that these messengers will have work to do nearly all of the time.

Mr. MANN. But two clerks can do all of the work. Four hundred and thirty-five Members of the House and the officers of the House conduct a very heavy correspondence while the House is in session, but when Congress adjourns they do not have very much to do. They have something to do, but not much. The clerks over there have something to do, but these are messengers. These are not clerks in the post office, as I understand it.

There are a number of annual employees connected with the post office. We need those, of course. However, if the gentleman from Missouri [Mr. LLOYD] and the Democratic side of the House think it is more proper to pay a few clerks three months' extra pay than it is to divide it up and pay all of the employees one month's extra pay, I do not know that I can help it. It is not according to my idea of the proprieties, however.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

JOSEPH S. M'COY.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 364.

Resolved, That the Clerk of the House is hereby authorized and directed to pay to Joseph S. McCoy, out of the contingent fund of the House, the sum of $325 for services rendered the Ways and Means Committee from April 3, to July 10, 1916.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, let us have an explanation of this.

Mr. LLOYD. Mr. Speaker, this provides for additional pay for an expert who is detailed from the Treasury Department to the Committee on Ways and Means. That expert is to receive $100 a month for extra services that he rendered the committee. This provides for three and one-quarter months' pay, from April to July 10.

Mr. STAFFORD. Is it customary to pay these clerks who are detailed from the Treasury Department to the committees of Congress?

Mr. LLOYD. Yes. They are usually provided for in a special fund, and the gentleman will remember that there was a special fund provided for, but it was not provided for this session of Congress. There is no fund out of which to pay this man.

Mr. STAFFORD. Is this the only clerk that will be paid?

Mr. LLOYD. Yes; this is the only extra compensation asked for by the Committee on Ways and Means.

Mr. NORTON. What does this clerk receive from the Treasury Department? This is in addition to his compensation from the Treasury Department.

Mr. LLOYD. I am not sure about his salary, but my understanding is that it is $2,500 a year.

Mr. KITCHIN. I will state to the gentleman that while working here he also does his work in the department. He gets down two or three hours earlier and returns there and keeps up his work there in addition to his committee work.

Mr. NORTON. This is additional work outside of their regular work in the department.

Mr. KITCHIN. Yes. This has been the custom heretofore.

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

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

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed joint resolution (S. J. Res. 173) authorizing payment of the salaries of officers and employees of Congress for September, 1916, in which the concurrence of the House of Representatives was requested.

CONDITIONS AT ELLIS ISLAND.

Mr. BENNET. Mr. Speaker, I move to discharge the Committee on Immigration and Naturalization from the further consideration of the following resolution, which is now privileged.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 341.

Resolved, That the Secretary of Labor be directed to send to the House of Representatives the results of the examinations into conditions on Ellis Island, taken by and before Byron H. Uhl, assistant commissioner of immigration, at Ellis Island July 25, 26, and 27, 1916.

The SPEAKER. This becomes privileged by virtue of the seven-day rule?

Mr. BENNET. Yes, sir.

Mr. HARRISON. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Mississippi rise?

Mr. HARRISON. To ask the gentleman if he will withhold that for a moment.

Mr. BENNET. Certainly; any particular reason?

Mr. HARRISON. I ask the gentleman to withhold it; I have some doubt about it being privileged. It is merely asking for some papers, as I heard it read, and not an investigation.

Mr. BENNET. That is all. It does not refer to the resolution before the Committee on Rules. It merely asks that the result of the examination into the conditions at Ellis Island, taken by and before the assistant commissioner on three successive days, be sent to the House of Representatives.

The SPEAKER. The gentleman from Mississippi asks the gentleman from New York to defer his motion for a few moments.

Mr. BENNET. Why, certainly.

The SPEAKER. The gentleman from Alabama [Mr. HEFLIN] is recognized for 10 minutes. [Applause.]

Mr. HEFLIN. Mr. Speaker——

PAYMENT OF SEPTEMBER SALARIES TO OFFICERS AND EMPLOYEES OF SENATE AND HOUSE OF REPRESENTATIVES.

Mr. LLOYD. Mr. Speaker, if the gentleman will permit me, I ask to take from the Speaker's table the resolution which has just come in from the Senate.

The SPEAKER. The gentleman from Missouri asks unanimous consent to take from the Speaker's table and consider the resolution which has just come over. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, what is the purpose of the resolution?

Mr. LLOYD. The Clerk will please read the resolution.

The SPEAKER. The Clerk will report the resolution. It is a Senate resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 173) authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they are hereby, authorized and instructed to pay to the officers and employees of the Senate and House of Representatives, including the Capitol police and pages, borne upon

the annual and session rolls, their respective salaries and per diem for the month of September, 1916, on the day of adjournment; and the Clerk of the House is authorized to pay on said day to Members, Delegates, and Resident Commissioners their allowances for clerk hire for said month of September: *Provided*, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of September, and a sufficient sum is appropriated, out of any money in the Treasury not otherwise appropriated, for that purpose.

Mr. STAFFORD. I take it the purpose of this resolution is to grant the employees of the House virtually an extra month's salary.

Mr. LLOYD. No, sir; it provides no additional salary of any kind. All it does is to provide that whatever they would receive in the month of September they receive on the day of adjournment, and the purpose of authorizing payment on the day of adjournment rather than on the 1st day of October is that some of these employees want to go home and, to be frank about it, have not got the money to do so, and this gives them an opportunity to go home.

Mr. STAFFORD. What is the purpose of the second clause which says that session employees shall be entitled to a full month's salary?

Mr. LLOYD. I did not so understand.

Mr. STAFFORD. I ask unanimous consent that the last clause be read again.

The SPEAKER. The Clerk will report the last clause.

The Clerk read as follows:

Provided, That the session employees of the Senate and House of Representatives shall be paid hereunder for the entire month of September.

Mr. STAFFORD. To be frank, its purpose is to give an extra month's salary to the session employees of the House and Senate. Now, of course, the Republicans, when they were in control, always granted the employees an extra month's salary; but when the Democrats took possession, with their great cardinal position of economy, they refused to grant it.

Mr. LLOYD. Mr Speaker, I have not carefully but casually examined the resolution in the RECORD, and I did not notice that the word "entire" was used there. The only purpose we have is to have a resolution which will pay session clerks on the day of adjournment for the services they have rendered up to the end of this session. I do not think the House would favor any proposition that would pay these session clerks to the 1st day of October, because we have consistently and persistently refused to pay any extra month's salary, and therefore I should desire to amend the resolution by providing that session clerks shall be paid up to the day of adjournment on the day of adjournment.

The SPEAKER. What is the amendment?

Mr. LLOYD. I have not the text before me, but it is that the session clerks shall be paid on the date of adjournment for services rendered in September.

Mr. BUCHANAN of Illinois. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. BUCHANAN of Illinois. To ask unanimous consent that the resolution be so amended that it will provide that mileage at the rate of 5 cents per mile be paid to these employees going to their homes.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent to withdraw this resolution for the moment.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and therefore the motion of the gentleman falls to the ground.

THE EIGHT-HOUR LAW.

Mr. HEFLIN. Mr. Speaker, on yesterday the gentleman from Pennsylvania [Mr. MOORE] showed that he was considerably worried and disturbed in his mind because a Democratic House, Senate, and President had averted the greatest strike that ever threatened the country. I have been wondering, Mr. Speaker, why it was that these gentlemen voted against the measure intended to prevent the strike, and the best reason that I can find is in the Scripture, which says, "The ox knoweth his owner and the ass his master's crib." [Applause on the Democratic side.]

Mr. Speaker, in my speech of last Friday I said that many Republicans did not want the railroad strike settled; that some of them were really hoping that the strike, with all its demoralization and ruin, would come upon the country, and the gentleman from Pennsylvania [Mr. MOORE] has proven that I was *correct in that* position. [Applause on the Democratic side.] Last Friday he moaned and groaned because he feared that we would settle the strike, and on yesterday he was visibly affected and noticeably sad because we had settled it. [Applause on the Democratic side.] Poor old degenerated and conscienceless Republican Party, reckless and desperate now, it is the tool of the bosses and the slave of special interests. [Applause on the Democratic side.]

If there ever was a time when you could test out a situation and show just where Representatives stand, it is on an occasion like that in the House last Friday and that presented in the Senate on Saturday. If there ever was a time when the people could find out who is on the people's side, it is on an occasion of that character. When the people's welfare is involved and the rights of the laboring man are at stake, you always find the Democratic Party on the side of right and on the side of the people. [Applause on the Democratic side.]

Mr. Speaker, the Republican leaders are indignant because President Wilson invited the trainmen of the United States to the White House. They are actually mad because the President has dared to consider and dignify the appeal of this honest industrial army. [Applause on the Democratic side.] They are so accustomed to star-chamber proceedings and so used to being told by the bosses what to do that they can not grasp the question from the standpoint of right or get the humane viewpoint of the masses of the people. [Applause on Democratic side.] They have betrayed the confidence of the American citizen and lost the respect and support of hundreds of thousands of patriotic Republicans. [Applause on the Democratic side.] They have shown a willingness to sacrifice principle to obtain power and to injure the country to carry the national election. [Applause on the Democratic side.] They can not realize that this is a Government of the people. They are out of touch and sympathy with the spirit of our institutions. [Applause on the Democratic side.] The present subserviency, management, and leadership of the Republican Party have damned and destroyed its usefulness. [Applause on the Democratic side.] The Progressives left it because it was dominated by the bosses and owned by the privileged interests. [Applause on Democratic side.] Four years ago they refused to bow the knee and humble themselves at the feet of the "porch-climbing" bosses of the Republican Party, and conditions now are worse than then. [Applause on Democratic side.] Do you think that they will throw away their self-respect, be false to their sense of duty, and unfaithful to their country and come back to be the menials of the same brazen bosses who outraged them and betrayed their country four years ago? [Applause on Democratic side.] No, gentlemen, a new day has dawned.

The bosses and the haughty privileged classes have had their day, but now in the freedom of the new day men are standing with heads erect and light upon their faces and ready to render patriotic service to their country. [Applause on the Democratic side.] All hail to the new freedom and all praise to Woodrow Wilson for the wholesome and happy new order of things! [Applause on the Democratic side.]

The gentleman from Pennsylvania [Mr. MOORE] is sad because the President used four pens in signing the strike-prevention measure, and he is disturbed because the President gave the four pens to the heads of the brotherhoods of the trainmen of the United States. Why should he not have given the pens to these faithful soldiers of the rail? [Applause on the Democratic side.] He has employed more pens for more good purposes in three and a half years than your Republican Presidents have in a dozen administrations. [Applause on the Democratic side.] As the gentleman from Pennsylvania spoke of the disposition of those pens I wondered what Mr. Roosevelt had done with the pen that he used when he addressed "My Dear Harriman," and requested him to come over and read his message to Congress and see if there was anything in it to which special interests objected. [Applause on the Democratic side.] I wondered what Mr. Taft had done with the pen that he used when he signed Ballinger's commission for a place in his Cabinet, a man who, in secret league with certain lumber kings and coal barons, was turning over to them the public domain of the West. [Applause on the Democratic side.] And I am still wondering what he did with the pens that he used when he signed the Payne-Aldrich tariff bill, with its Schedule K; but I said he must have given one to the head of the Wool Trust and the other to the captain of industry at Lawrence, Mass., where they were grinding out the lives of little children. [Applause on the Democratic side.]

But what about this man Wilson? Is he a man of the people? Do the people have his ear? Yes; and he is serving them faithfully. [Applause on the Democratic side.] Merchants and bankers came to him and said, "We want a banking system that will serve our needs, prevent panics, and take away from a few men in Wall Street the control of the credit and money supply of the country; and he gave it to them. [Applause on the Democratic side.] When the farmers of the country came and said, "We want banking facilities that will serve our pur-

pose and meet our needs," he gave them a rural credit system. [Applause on the Democratic side.] When the laboring people came and said, "In some localities the courts are used to coerce and intimidate the toiler, and we ask for the right of trial by jury in certain contempt cases," and Woodrow Wilson gave it to them. [Applause on the Democratic side.]

Mr. Speaker, on last Friday, when the President of the United States and the Congress were trying to avert the greatest railroad strike that ever threatened the country, I saw Republican leaders here and in the Senate doing all in their power to defeat the measure that would prevent the strike. [Applause on the Democratic side.] When manufacturers all over the country and business men in our industrial centers were urging the President, by telegrams and telephone messages, to avert the strike if possible and prevent the widespread demoralization of business that would surely follow, what was the conduct of Republican leaders then? Majority leader KITCHIN, anxious to pass the measure and get it over to the Senate as soon as possible, asked unanimous consent to take the bill up and consider it at once, and the leader of the Republican Party in this House [Mr. MANN] objected. [Applause on the Democratic side.] And, Mr. Speaker, when the cities of the country, dependent upon regular freight-train service for their food supplies, were about to be cut off from the base of supplies, upon the farms of the country, and when mothers whose little children's lives depended upon fresh milk supplies that came in each day from the country were imploring the President to prevent the strike and save their children, Mr. MANN, the leader of the Republican Party in this House, voted against the measure that prevented the strike. [Applause on the Democratic side.]

Yes, Mr. Speaker, when a railroad strike had been ordered and was ready to break upon us in all its fury, tying up the transportation facilities of the country, demoralizing business, paralyzing interstate commerce, and starving people in many of the large cities, the leader of the Republican Party in this House, Mr. MANN, and the leaders of the Republican Party in the Senate, Messrs. SMOOT, PENROSE, and GALLINGER, all voted against the measure that has averted the strike and prevented untold suffering and misery amongst the people of the whole country. [Applause on the Democratic side.]

But the gentleman from Pennsylvania [Mr. MOORE] objects to the trainmen getting the pens that the President used in signing the bill. He objects to these toilers being received and their course considered by the President.

Mr. Speaker—

There's glory in the shuttle song; there's triumph in the anvil stroke.
There's merit in the brave and strong who dig the mine or fell the oak.
I doubt if he who lolls his head where idleness and plenty meet
Enjoys his pillow or his bread as those who earn the meals they eat.

And I can say to these trainmen in the language of Eliza Cook—

Hold up your brow in honest pride,
Though rough and swart your hands may be—
Such hands are sap veins that provide
The life blood for the Nation's tree.

[Applause on Democratic side.]

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield to me for a question?

The SPEAKER. The time of the gentleman has expired. The Chair suggests to the gentleman to wait until we get this straightened out first.

Mr. GOODWIN of Arkansas. I yield 10 minutes to the gentleman from Alabama.

Mr. MOORE of Pennsylvania. Just one question would be all that I desire to ask the gentleman.

Mr. HEFLIN. Very well; just one question.

Mr. MOORE of Pennsylvania. Is the gentleman from Alabama in favor of an eight-hour law in Alabama?

Mr. HEFLIN. Is that your question?

Mr. MOORE of Pennsylvania. That is my question.

Mr. HEFLIN. I am in favor of the eight-hour principle for trainmen.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STAFFORD. Has the gentleman's time been extended at the request of the gentleman from Pennsylvania?

The SPEAKER. By the gentleman from Arkansas [Mr. GOODWIN], who has an hour assigned to him.

Mr. STAFFORD. I did not understand that one gentleman to whom time had been granted by unanimous consent could assign any of it.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama may proceed for 10 minutes.

Mr. STAFFORD. When a gentleman was entitled to an hour he could assign part of that time to others. I ask that the gentleman from Alabama may proceed for 10 minutes.

Mr. HEFLIN. Does the gentleman object?

The SPEAKER. If the gentleman from Wisconsin objects, the Chair will sustain the objection.

Mr. STAFFORD. I do not object. I ask that the gentleman's time be extended.

Mr. MOORE of Pennsylvania. I submitted a request for unanimous consent, which was the regular order.

The SPEAKER. Nobody would care about this yielding of 10 minutes here to-day, but we do not want to set a general rule that when a Member is granted permission to speak 10 or 15 or 20 minutes, or whatever it is—an unusual sort of request—he can parcel it out. It would be setting a bad example, and the Chair sustains the point of order, and puts the request, both of the gentleman from New York [Mr. BENNET] and that of the gentleman from Wisconsin [Mr. STAFFORD], that the time of the gentleman be extended 10 minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Will the gentleman from Alabama yield for one question?

Mr. HEFLIN. For one question.

Mr. MOORE of Pennsylvania. I desire to ask the gentleman from Alabama if he is in favor of an eight-hour law covering the farmers of Alabama?

Mr. HEFLIN. I will be glad to answer the gentleman's question. I am in favor of it for trainmen in Alabama engaged in the service like that we considered Friday.

Mr. MOORE of Pennsylvania. If the gentleman pleases, he has not answered my question.

Mr. HEFLIN. I will answer it, and answer it in my own way. Of course, I am not in favor of an eight-hour law for farmers, and the gentleman knows that we have nothing to do with that subject.

Mr. MOORE of Pennsylvania. That is what I thought.

Mr. HEFLIN. I am in favor of more people working on the farm. I would be in favor of putting the gentleman from Pennsylvania on a farm [laughter], and if he were anywhere else except in the stand-pat district that he represents I think they would send him to the farm on account of his votes here. [Laughter.] Out on the farm people are in the open air, in the sunshine, where they fare well and become healthy and physically strong, but in the sweat shops and factories, from which places Woodrow Wilson has taken the little children, the situation is quite different. [Applause on the Democratic side.]

Now, Mr. Speaker——

Mr. HASTINGS. Mr. Speaker, will the gentleman yield for a second?

Mr. HEFLIN. I would rather not. I have but little time.

Mr. HASTINGS. I wanted to call attention to the fact that gentlemen on the other side do not know anything about the farmers and the needs of the farmers, because they are not referred to at all in their platform of 1916.

Mr. HEFLIN. That is true. They know how to "farm" the farmer. That is the only kind of farming that they know or care anything about. [Laughter.]

Mr. Speaker, Republicans are indignant because the trainmen were invited to the White House, but it was all right for the railroad presidents to go to the White House when Theodore Roosevelt was President and have the Treasury of your country and mine to issue money upon railroad bonds. You did not criticize that; not one of you. [Applause on the Democratic side.] But it is all wrong for this army of trainmen, these laboring people, to come to the White House and ask that a just and humane principle be acknowledged and their rights considered. It was all right for you to write into your platform in 1908 a guaranty to the manufacturer of a reasonable profit on the money he had invested, and you even permitted him to be the judge of what a reasonable profit should be. [Applause on the Democratic side.]

And it was all right when the money lords of Wall Street told Roosevelt that they would produce a panic if he did not let them have the Government's money, and when he refused they produced the panic in 1907; and then he opened the Treasury to them and took the Government's money to New York and turned it over to them, and they loaned it out at a high rate of interest. [Applause on the Democratic side.]

That was all right, you say. You loaned the people's money to the railroad presidents on railroad bonds. It was all right to go into the purse of the people and take millions to Wall Street when they held the threat of a panic over Roosevelt's head. That was all right.

And it is all right, you say, to use a pen in writing a guaranty of a reasonable profit to the manufacturer, forgetting the farmer, the merchant, the laboring man, the preacher, the teacher,

and the toilers of every class. [Applause on the Democratic side].

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. HEFLIN. I can not yield. I have only a few minutes remaining.

The SPEAKER. The gentleman declines to yield.

Mr. HEFLIN. I would like very much to yield to my good friend, because he is in trouble. [Laughter.]

Mr. MOORE of Pennsylvania. Then why do you not?

Mr. HEFLIN. He is in trouble because of the position that he took on the strike question Friday and yesterday. It ought to disturb him and haunt him and make him lose sleep. I do not believe that he has slept a wink since the President signed that bill. [Laughter and applause on the Democratic side.]

The gentleman just simply can not get used to the people's rule. He was trained in the school of the bosses. When they had the Ways and Means Committee and passed the Payne-Aldrich tariff bill they did not have the consumers before the committee, not one of them. They did not invite the laboring men. They had only the bosses and the captains of industry who contributed to the campaign funds of the Republican Party [applause on the Democratic side], and that is why they *wrote a guaranty* to the manufacturers for a reasonable profit. And yet you have the gall to stand up here and talk about the President putting his nose into this railroad controversy in the effort to prevent a strike. When the situation threatened starvation in big cities, transportation facilities tied up, interstate commerce paralyzed, children starving, men and women terror stricken begging the President to prevent the strike, and here you are playing a miserable game of politics at the cost of principle and to the detriment and great injury of your country. [Applause on the Democratic side.] Oh, Mr. Speaker, these gentlemen would like to see the old order of things restored, and if the country should be so reckless as to place the Republicans in control of the House they will restore Cannonism and take from the Members the power to elect committees. They will again give that power to the Speaker, and the Cannon dynasty will be reestablished. Bills will be buried in committees unless the Speaker wishes them brought out. [Applause on the Democratic side.] That is the condition that will obtain in this House if you should get control. [Applause on the Democratic side.]

Mr. Speaker, the bosses of the Republican Party are misrepresenting the administration and slandering the President, and are using money corruptly. They intend to try to buy the election in some places and to obtain it under false pretenses in others. [Applause on the Democratic side.] Yes; and then they are appealing to sectional prejudice.

I want the gentleman from Illinois [Mr. RODENBERG] to bear this in mind when he comes to speak. When we had the Panama exposition matter up in this House, and he was pleading for it to go New Orleans, he talked about sectionalism being dead. He said the last vestige of it was gone, and he thanked God that we had a reunited country. But not long ago, strange to say, he made an appeal to sectionalism and sought to arouse sectional prejudice. The Republican candidate for President speaks of Americanism in one breath and then appeals to sectionalism in another. [Applause on the Democratic side.] That is not the Americanism that Grant had in mind when he refused to take Lee's sword at Appomattox. That is not the Americanism that Grant had in his heart when he said to Gen. Lee, "Tell your men to take their horses home and make a crop." [Applause on the Democratic side.] That is not the kind of Americanism that Lincoln stood for when he heard of Lee's surrender, for tears came into his eyes as he caught a glimpse of that great America to be, and he told the bandmaster to play Dixie. [Applause on the Democratic side.] That is not the kind of Americanism that Fitzhugh Lee and Frederick Grant illustrated when, in uniforms of blue, they stood under Old Glory at San Juan Hill. [Applause on the Democratic side.] No, Mr. Hughes, your Americanism is not the kind of Americanism that McKinley spoke for when he stood in the capitol of Georgia, the home State of Alexander H. Stephens, vice president of the Confederacy, and congratulated the country upon the increasing cordiality and growing friendship between the sections. [Applause on the Democratic side.] It is not the Americanism that McKinley had in mind when he said the graves of Confederate dead on the Nation's battle fields shall be marked and cared for. [Applause on the Democratic side.] Not the kind of Americanism that Taft stood for when he appointed the associate justices from the South and appointed an ex-Confederate soldier to the Chief Justiceship of the highest court in the land. [Applause on the Democratic side.] Gentlemen, no sincere patriot, no genuine American statesman, will do anything now to try to disturb this increasing cordiality and growing friendship between the sections. [Applause on the Democratic side.] The man who does it is not a friend of the American people; he is an enemy to his country. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. HEFLIN. Just one minute more, Mr. Speaker.

Mr. MOORE of Pennsylvania. I ask unanimous consent that the gentleman from Alabama have one minute more.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the gentleman from Alabama may have one minute more. Is there objection?

There was no objection.

Mr. HEFLIN. That is very kind of my friend, but they would not let me follow him on yesterday.

Mr. MOORE of Pennsylvania. I desired to have him follow me yesterday, I will say to the gentleman.

Mr. HEFLIN. President Wilson is the Lincoln of the twentieth century [applause on the Democratic side], with all his humane impulses and love for the common people. [Applause on the Democratic side.] No President has encountered so many serious and trying difficulties, so many grave and perplexing problems. He has met and mastered problems of State, interstate, national, and international character. With powerful foreign influences at work trying to draw him into the war, and with powerful sinister interests at home trying to drive him into war, he has kept his country free from war. [Applause on the Democratic side.] With a diplomacy unparalleled in history, he has upheld the dignity of our country, preserved the national honor, and kept us at peace with the world. [Applause on the Democratic side.] And, Mr. Speaker, when the history of this trying time shall finally be made up, the history of the great men most conspicuous in it, the master spirit, the sublimest figure of them all, will be Woodrow Wilson, President of these United States. [Applause on the Democratic side.] And, Mr. Speaker, long after those who malign him have passed away and those who traduce him are dead and forgotten, his deeds will live in the hearts of the people and his name will be radiant in the history of his country as one who loved and served mankind. [Prolonged applause.]

LEAVE TO ADDRESS THE HOUSE.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent that following the gentleman from Tennessee [Mr. BYRNS] I may have 20 minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that following the gentleman from Tennessee [Mr. BYRNS] he be permitted to address the House for not exceeding 20 minutes.

Mr. BARKLEY. Mr. Speaker, I desire to couple with it the request that if I am unable to speak this afternoon, it may go over until to-morrow morning.

Mr. BENNET. It is a continuing order.

The SPEAKER. They all go over. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. HUDDLESTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

MILEAGE FOR EMPLOYEES.

Mr. BUCHANAN of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of the following resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the immediate consideration of the resolution which the Clerk will report.

The Clerk read as follows:

Joint resolution authorizing the payment of mileage to officers and employees of the Senate and House of Representatives.

Resolved, etc., That the Secretary of the Senate and the Clerk of the House of Representatives be, and they hereby are, directed to pay to the officers and employees of the Senate and House of Representatives, including clerks to Members, Delegates, and Resident Commissioners, the Capitol police, and W. A. Smith, CONGRESSIONAL RECORD clerk, borne on the annual and session rolls on the 1st day of September, 1916, mileage at the rate of 5 cents per mile, each way, to be estimated by the nearest route usually traveled in coming from and returning to their homes

That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sum sufficient to carry out the provisions of this act, the same to be immediately available.

The SPEAKER. Is there objection?

Mr. CULLOP. I object.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed with amendments the bill (H. R. 15807) to provide for holding sessions of the United States district court in the district of Maine, and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 169. Joint resolution interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

COMMITTEE ON MILITARY AFFAIRS.

Mr. KITCHIN. Mr. Speaker, I want to bring a little matter to the attention of the House. The gentleman from Virginia [Mr. HAY] has handed in his resignation as a Member of the House, to take effect on September 30. That will leave a vacancy in the chairmanship of the Committee on Military Affairs. That committee will have to meet, as they generally do, before the next session convenes in order to make up appropriations, and it is necessary that a chairman should be elected in his place. I therefore desire to nominate and move the election of the Hon. S. H. DENT, Jr., of Alabama, as chairman of the Military Affairs Committee, to take effect October 1 next.

Mr. GARRETT. Mr. Speaker, I have no objection to Mr. DENT, but my impression was that under the rules of the House Mr. DENT would automatically become chairman.

Mr. KITCHIN. No; not in the case of a resignation; only in the case of temporary absence of the chairman.

The SPEAKER. The gentleman from North Carolina moves the election of the gentleman from Alabama [Mr. DENT] as chairman of the Committee on Military Affairs, to take effect October 1 next. Are there any other nominations?

There were no other nominations.

The question was taken; and Mr. DENT was declared elected chairman of the Committee on Military Affairs.

SANITARY CONDITION OF DAIRIES IN UNITED STATES.

Mr. CHANDLER of New York. Mr. Chairman, in the closing hours of this session of Congress I want to register a vigorous protest against the failure of the House Rules Committee to report out House resolution 137, a resolution providing for a committee to investigate the sanitary conditions of dairies in the United States. I want also to serve notice at this time that I shall unite my efforts with those of other friends of this measure at the opening of the regular session in December to have this resolution reported out and passed by the House

During the last nine months we have been in almost constant session, presumably legislating for the common defense and promoting the public welfare of our country. To a certain extent we have succeeded. Some very beneficial legislative measures have been passed. Others not so good, and some positively bad and vicious, have run the gantlet of both the House and Senate.

I am a Republican in politics. I believe that the principles of the Republican Party are best suited for the happy and prosperous development and government of our land. But I hold that at times, when occasion demands, the true representative of the people should bury his partisanship in his patriotism, and that severe punishment should be administered to any public servant who seeks to derive partisan advantage at the expense of the welfare of his country. I have made it a point, therefore, during my congressional career to support any measures, from whatever source they came, that were designed to contribute to the prosperity of the people and to augment the glory and grandeur of the Republic.

Following this nonpartisan impulse, and in obedience to this patriotic principle, it has afforded me pleasure to support the resolution (H. Res. 137) of my distinguished Democratic colleague from Maryland, Mr. LINTHICUM. My pleasure in rendering this support has been only heightened by the reflection that I was redeeming one of my promises to the people of my district at the last election, when I told them that I would do everything in my power to strengthen and improve our Federal pure-food laws.

It is all very well for us to sit from day to day in solemn session discussing national preparedness, Philippine independence, the tariff, and other revenue measures, but matters of equally great importance, though not so august in name or pompous in sound, are those questions that seriously affect the physical well-being and health of the people of our country. We can not be either healthy or happy without sound bodies, and we can not have sound bodies by being compelled to eat and drink unhealthful things. In our immigration laws, in our criminal enactments, and in the encouragement that we give to religious freedom, we seek to raise the standard of the morals of the community. In our statutes pertaining to public instruction we seek to elevate the intellect and strengthen the public intelligence of the Nation. This is all very well, but we should not neglect the very foundation of all these things—the proper care of the bodies of our citizens and rigid legislative provisions looking to their protection against bad food and drink.

The resolution of my colleague from Maryland illustrates very clearly its own meaning, and in its every line and letter offers its own best argument. I therefore insert it at this point entire. It is as follows:

"[H. Res. 137, Sixty-fourth Congress, first session.]

"Whereas it is reported by the Bureau of Animal Industry that 94.5 per cent of the creameries of the country are insanitary to a greater or less degree; that 61.5 per cent of the cream used is unclean or decomposed, or both; that 72.6 per cent of the cream is not pasteurized, but is made into butter to be consumed in raw state, in which state disease germs retain their virulence for a long period of time; that a large percentage of all dairy cattle are affected with tuberculosis; and that infected dairy products are among the active agents in the spread of tuberculosis, typhoid fever, and other infectious diseases; and

"Whereas dairy products are the most widely used of all human foods; and

"Whereas dairies and dairy products are not subject to Federal inspection, so that there is a growing sense of alarm among the consumers: Therefore be it

"*Resolved*, That the Speaker of the House of Representatives appoint a committee of five Members of the House, whose duty it shall be to investigate and report as speedily as practicable (a) whether conditions prevailing in dairies and dairy products seriously menace the health and property of people of the United States; (b) whether Federal inspection and supervision, either alone or in cooperation with State and municipal inspection and supervision, is necessary to the reasonable protection of the health and property of the citizens of the United States; (c) if so, then the best and most economic methods of inaugurating and enforcing the inspection and supervision.

"Second. That for the purpose of fulfilling its functions said committee is empowered to summon and examine witnesses, enforce the production of records, and to do all other things needful and lawful to accomplish its purpose.

"*Resolved further*, That the expenses of said inquiry and investigation shall be paid out of the contingent fund of the House upon vouchers approved by the chairman of said committee, to be immediately available."

The beauty of this resolution is the official basis upon which it rests. The introductory, or "Whereas," clause is an almost literal quotation from the report of the Bureau of Animal Industry of 1912. Being official, we may reasonably assume it to be true. In fact, an official document as to the correctness of the statements contained in it is one of the strongest forms of evidence that we have. Then note, if you please, this verbatim quotation from the report of the department:

"Investigations have shown that 61 per cent out of 1,554 lots of cream received at creameries and buying stations was of third grade—that is, dirty, decomposed, and very sour—that 94.5 per cent of 715 creameries investigated were insanitary to a greater or less degree; and that 72.6 per cent of these creameries did not pasteurize the milk so as to destroy any disease germs that might be present. As disease-producing germs are known to survive for long periods in butter made from unpasteurized cream, and as butter is eaten in the raw state, this product when made under such conditions as prevail in the majority of creameries can not be said to be wholesome and free from danger to human health."

I am well aware that this report of the Bureau of Animal Industry has been attacked as false and misleading. The National Dairy Union is especially vehement in its denials and accusations. Mr. William T. Creasy, secretary of the National Dairy Union, in the hearings before the Rules Committee, spoke of "the broad sweep and unwarranted conclusion" of the report. Subsequently, in a letter to Mr. Creasy upon the subject Hon. D. F. Houston, Secretary of Agriculture, made the following statement:

"So far as can now be determined the report itself is a fair index of conditions existing in the territory surveyed at the

time it was issued. The statements are very moderate in the light of the data in the department's files. This information was collected by the Dairy Division staff by men who were identified with and friendly to the dairy industry. It is unfortunate if this report, issued in 1912, has been distorted or misrepresented or made to appear applicable to existing conditions and necessarily to sections other than those involved in the survey. But I do not see how explanations could be made without repeating to a considerable extent what was said in the report. While it is believed that dairy conditions have improved considerably since the report was issued, it is not thought that they have yet reached a standard of perfection that much can be said on the subject without giving information that would still be to some extent unfavorable and objectionable to the interests that you represent."

The fact that there is a dispute between certain agents of the Government and certain representatives of the National Dairy Union as to the truthfulness of statements in the report of the Bureau of Animal Industry is the very best reason and the very strongest argument for the appointment of a congressional investigating committee to determine who is right. Undoubtedly there is a prima facie case made by the official statement of the Government for congressional action, if we are not wholly inclined to the accommodation of private interests rather than *to a zealous* guardianship of the public welfare. The result of the investigation might show that Mr. Creasy and the National Dairy Union were right when they attacked the report. It might be developed at the hearings before the committee that the investigations made by the Bureau of Animal Industry, which formed the basis of the report of 1912, were too limited in physical area or numerically too small in the number of cows and creameries examined to justify congressional action in the matter of framing Federal laws. The matter could then be left to the control of State inspection, although this is admitted to be exceedingly deficient and unsatisfactory. On the other hand, it might be discovered that the report of the Government was well founded both as to extent of territory and as to the number of cows and creameries examined. It might also be shown that the whole United States was infected, and that the conditions existing were a serious menace to the health of the public. What then could intelligent, conscientious, responsible representatives of the people do but get ready at once to legislate against the evil? Would our neglect to act immediately upon such a report be anything less than a flagrant breach of public duty?

The alarming extent of the evil which we suspect may be judged by a few extracts from the testimony of the experts at the hearings before the Committee on Rules. The following is pertinent:

"Mr. LENROOT. How many creameries are there in the United States?

"Dr. MELVIN. Creameries or dairies? There are 6,000 creameries.

"Mr. LENROOT. And how many dairies?

"Dr. MELVIN. We were estimating on that yesterday. There are about 22,000,000 dairy cows in the United States, and I think they estimate from 7 to 9 head in each dairy, so even at that 10 to each dairy would make it 2,200,000."

At the same hearings, Mr. E. C. Schroeder, a scientist of the Bureau of Animal Industry, declared "that a trifle more than 9 per cent of the cattle of the United States are affected with tuberculosis, and this means virtually one cow out of every ten."

If the testimony of the experts be true, we have, then, about 10 per cent of 22,000,000 dairy cows in the United States affected with tuberculosis. These 2,200,000 tubercular cows are a menace to the health and lives of the people of our country, and it is our solemn duty as representatives of the people to give the matter serious and careful consideration. It is not a matter for jest or conjecture. I insist that it is a serious and solemn proposition. The gravity of the situation may be shown by data and statistics furnished by physicians and experts as the result of complete scientific research and experiment.

From the New York Globe of September 30, 1915, we quote the following:

"At the interstate conference on milk control, held at the New York Academy of Medicine, February 5 and 6, 1913, Dr. William H. Park said: 'We attack this problem in New York City by examining many hundreds of children and adults that have tuberculosis, our experience being the same as that recorded in Germany and England—that 10 per cent of the fatal cases of tuberculosis among children were due to bovine bacilli; that of all the children which were fed with raw dairy products one-half died of bovine bacilli; and that about one-half of all the people, younger children and older children, that had gland tuberculosis had bovine infection.'"

And again, in the same paper, of the same issue, we find the following:

"At the congress held in Washington, from which Dr. Park's statements were quoted here, Dr. G. Sims Woodhead, University of Cambridge, said: 'It can undoubtedly be demonstrated that a considerable proportion of cases of tuberculosis of the intestines and of the lymphatic glands are caused by bovine infection—milk, pot cheese, ice cream, and butter. Such infection occurs especially in the early years of life, and affects not only the intestines, with their associated glands, but also the bones, and even the lungs.' It has been generally accepted that the milk from cows in which the udder is manifestly tuberculous contains tubercle bacilli, and that the milk of one such cow mixed with the milk of 99 perfectly healthy cows infects the entire batch.

"At this congress the work of Dr. Delepine, of Manchester, was reviewed. Dr. Delepine demonstrated that tuberculosis other than tuberculosis of the lungs is responsible for a little less than one-third of the total number of deaths attributed to tuberculosis. All these cases, he holds, are due to food infection and aero infection. These are his words: 'Taking all evidence into consideration, it is possible to say, without fear of exaggeration, that not less than 25 per cent of the children suffering from tuberculosis under 5 years of age suffer from tuberculosis of bovine origin, and that this rate is much lower than one based on probabilities would be.'"

In the testimony of experts heretofore adduced we have both the cause and the effect demonstrated. Dr. Melvin and Dr. Schroeder tell us how many tubercular cows there are in the United States. Dr. Park and Dr. Delepine point out the large percentage of deaths due to tuberculosis of bovine origin, and still we doubt and hesitate to act in the simple matter of a proposition to appoint a congressional committee to investigate the matter thoroughly and report to the Congress the results of its investigation.

The report of the Bureau of Animal Industry of 1912 furnishes not only a very fine basis for congressional investigation of the sanitary conditions of dairies in the United States, but outlines as well a most wise and efficient course of Federal legislation to remedy existing evils. As a supplement to State inspection laws, the following suggestions are made:

It is believed that a proper law well enforced would remove nearly all of the bad conditions now existing. A Federal law would, of course, apply only to products made for interstate or export shipment or to establishments engaged in interstate or foreign commerce. Such a law should embody the following requirements:

(1) That a proper standard of sanitation in the plants be maintained.

(2) Compulsory pasteurization of all cream.

(3) The power should be given to inspect the cream received at such establishments and to supervise the processes of manufacture, as well as to inspect the finished product and to condemn and destroy for food purposes any milk, cream, or butter found to be unwholesome or unfit for human food.

(4) Low-grade cream which is neutralized, blown, or otherwise renovated should be required to be handled in a separate plant and the butter made from such cream labeled so as to indicate that it is made from renovated cream; in other words, it should be handled in the same manner as renovated butter.

(5) The stamp of approval of the United States Government should be required upon all cases before any transportation company is allowed to accept them for interstate or export shipment.

(6) The interstate shipment for food purposes of cream or other dairy products that are unwholesome or unfit for human food should be prohibited.

(7) Suitable penalties should be provided for all violations.

I know of no more humane and beneficent service that the Congress of the United States could render to all the people of the Nation than to institute an investigation into one of the great causes of tuberculosis and then to pass Federal laws that would help to restrain and suppress the evil. We have it upon good authority that nearly 100,000 people die annually within the boundaries of our country of tuberculosis. This dread disease is the scourge of the race, and all the forces of mercy, philanthropy, and charity are combining their efforts to combat it and stamp it out. Religion, through the denominational sanitarium, is lending its aid. Organized charity is doing its part magnificently and well. The profession of medicine is yielding its secrets and dedicating the best products of its labors and of its genius in a grand, gigantic effort to stem the tide. Let not Congress be a coward or a laggard in this great and

humane struggle. Let us perform our duties like brave and intelligent men. Let us stand by the babies and small children of our country and hold over them a protecting arm. Let us extend to suffering humanity a helping hand. Let us pass this resolution, and then, if need be, enact Federal laws that the emergency demands. We shall then each enjoy the approval of a good conscience and merit the commendation of a grateful constituency. [Applause.]

THE EIGHT-HOUR LAW.

Mr. LONDON. Mr. Speaker, the gentleman from Pennsylvania, Mr. MOORE, was evidently staggering under the blow which he inflicted upon himself when he voted against the eight-hour bill. Let us be serious about it. One of the greatest strikes in history confronted the country. The most powerful union in the world put forth certain demands. The President offered his services as mediator. When he failed he came to Congress and asked Congress to act. The truth is that the railway brotherhoods have been heretofore opposed to legislation in the matter of wages and hours. They are so conservative that even the conservative American Federation of Labor is too radical for them, and they do not belong to the American Federation of Labor. The enactment of what is now known as the eight-hour law is one of the greatest events in American political history. It came as a complete surprise to the railway men themselves. The brotherhoods became the plaything of economic forces which they do not understand. The great membership of this Congress hardly appreciate the significance of that eight-hour bill. Although it is not an eight-hour bill, it is a most important act. It will probably give a new direction to the entire labor movement. The temporary feature of it is that a strike has been prevented, and it is the height of folly to criticize the President for having prevented the strike. [Applause on the Democratic side.] It is the height of injustice and of narrow, unreasoning partisanship to attempt to make political capital out of this situation.

I am not holding a brief for the President or the Democratic Party. I do not intend to do so. I intend to fight both political parties until the great masses of the working people will be intelligent enough to see that both old parties are worthless. But I want to be just.

What has happened? You have not really legislated, you acted the part of a mediator. Mediation was offered to the railroad companies by the Chief Executive, the representative of the entire people. Instead of looking upon themselves as agents of a public utility and servants of the people, they took the ground that they were absolute owners of the railroad companies and they refused mediation. Having refused the President's mediation, they had to take the mediation of Congress.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. LONDON. No; I have only a few minutes. I may yield when I get through. The great difficulty with compulsory arbitration is to find an impartial arbitrator in a controversy arising out of a conflict of class interests. The proposition of an eight-hour day may appear preposterous to the banker and to the financial magnate, while to the worker it is a matter of elementary justice.

It is a question of a viewpoint, of a philosophy of life dictated by economic interests. These things do not lend themselves to arbitration, and if they are to be arbitrated at all there should be no smaller arbitrator than the elected Representatives of the people of the United States, and that is what happened here. [Applause on the Democratic side.]

You, unconsciously, unknowingly, and perhaps unintelligently acted the part of arbitrators of a great controversy. Before I close, I want to ask you gentlemen, particularly those who take so much pride in having passed the law, not to take away with the left hand what you have given with the right. Do not permit yourselves to be deceived into the belief that compulsory arbitration is a possible thing in the United States. Do not permit yourselves to believe for one moment that the working people will stand for compulsory arbitration. Those who talk about establishing an industrial court utterly fail to comprehend the real character of industrial disputes. They are bread and butter questions. They lie at the very root of all endeavor for betterment. Ultimately, we will have to have national ownership of the railways in this country. The presidents of the railways, as well as the hundreds of thousands of workers employed, have to realize that they are the servants of the people. In this particular dispute the railroad workers were weak and helpless, because they were so powerful. Their strike would have paralyzed the country, and they realized it when the moment to strike came. They were helpless in their great strength, and they were happy, and they are happy now that the Congress of the United States has come in and helped to adjust this great difficulty. There is danger that compulsory arbitration will become an issue after the election is over. This issue should be nipped in the bud. There can not be any compulsory arbitration. I now yield to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE of Pennsylvania. The gentleman stated that it was the policy of organized labor, including the American Federation of Labor, not to ask for legislation——

Mr. LONDON. Upon the subject of hours and wages.

Mr. MOORE of Pennsylvania. With respect to hours and wages. That is true. Is it not a fact that the American Federation of Labor, in its convention at San Francisco last year, passed a resolution asking Congress and other legislative bodies to keep hands off in the matter of hours and wages?

Mr. LONDON. I know there was a vote of something like 8,000 to 6,000, the majority holding that they should not appeal to the legislature for an eight-hour law.

Mr. MOORE of Pennsylvania. The gentleman is a thinker upon this subject——

Mr. LONDON. Pardon me, but what I was trying to emphasize is this. You talk about the railroad men holding up Congress. That is absolutely untrue, because they never asked Congress to legislate for them. I do not mean the gentleman individually, but I refer to the people who are talking generally with reference to the railroad men having held up Congress.

Mr. MOORE of Pennsylvania. Gentlemen on the other side who make political speeches may not believe it, but I am in sympathy with the eight-hour principle, and have said so time and again in this House and have voted that way, but I object to dictation, as does the gentleman, from the White House or elsewhere so far as my legislative duty is concerned.

Mr. LONDON. Oh, I want to say, so far as the White House is concerned, that the President has such a powerful grip upon his party that it follows him wherever he leads.

DEMOCRATIC LEGISLATION.

The SPEAKER. The gentleman from Illinois [Mr. WM. ELZA WILLIAMS] is recognized for 30 minutes.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, my attention has been called to a matter to which I desire to invite the attention of the House. We have a campaign in Illinois that is becoming very interesting, and some one recently sent me a newspaper published at Aurora, Ill.—the Aurora Beacon News. When I opened it, I discovered the very handsome countenance of my genial colleague, the Hon. IRA C. COPLEY. Attracted by the picture of the distinguished gentleman, I commenced to read and was surprised and at the same time gratified and pleased at the compliment extended to the Democratic Party and its accomplishments. I understand there are other gentlemen in Illinois resorting to the same method of campaigning, who seek an election, even a nomination, by taking credit for Democratic legislation. I understand that my colleague Mr. MCKENZIE and my colleague Mr. Foss rejoice that they are different from other Republicans and only those Republicans who live in very strong Republican districts, stand-pat in sentiment, have the courage to pursue any other course. Some of these gentlemen went so far the other day as to vote for a Democratic measure—the eight-hour law. My colleague Mr. CANNON, with workshops, railroad shops, and thousands of railroad men in his district, voted for the eight-hour law.

I will read just what our friend and colleague Mr. COPLEY has to say, and upon what theory he is seeking the nomination as well as election. He starts out:

HON. IRA C. COPLEY, CONGRESSMAN OF THE ELEVENTH DISTRICT OF ILLINOIS, CANDIDATE FOR RENOMINATION AT THE REPUBLICAN PRIMARIES.

To the Voters of the Eleventh Congressional District of Illinois:

During the five and one-half years since Mr. COPLEY entered Congress, he has had an active part in the enactment of many constructive acts of legislation, among which are the following:

The Clayton antitrust law.

[Applause on the Democratic side.]

The bill to create the Department of Labor.

[Applause on the Democratic side.]

The rural credits act—

[Applause on the Democratic side.]

which is calculated to place the farmer upon the same footing as other business men in respect to credits.

Mr. KEATING. Will the gentleman yield?

Mr. WM. ELZA WILLIAMS. Yes, sir.

Mr. KEATING. Is this rural credits bill mentioned by Mr. COPLEY, Republican candidate for Congress in Illinois, the same rural credits bill which was denounced in the last Republican national platform as being a mere makeshift?

Mr. WM. ELZA WILLIAMS. It is the same which the Republicans denounced in their platform as ineffective.

Mr. BRITTEN. Did my colleague Mr. COPLEY refer to the Mexican resolution wherein we justified our Army and Navy going into Vera Cruz?

Mr. WM. ELZA WILLIAMS. I do not know how Mr. COPLEY voted on that question.

Mr. BRITTEN. I am asking about the gentleman who has the floor, who voted to justify the President's action in the use of the Army and Navy at Vera Cruz.

Mr. WM. ELZA WILLIAMS. So I did, and I would do it again. [Applause on the Democratic side.]

Mr. BRITTEN. Is Mr. COPLEY boasting of it?

Mr. WM. ELZA WILLIAMS. If the gentleman will listen he will find out how many things Mr. COPLEY boasts of.

Mr. FARR. Will the gentleman yield simply for a question?

Mr. WM. ELZA WILLIAMS. Oh, yes.

Mr. FARR. Did not President Taft sign the measure creating the Department of Labor?

Mr. WM. ELZA WILLIAMS. That may be, but it was passed by a Democratic House.

Mr. FARR. No; by a Republican Senate, signed by a Republican President. Would not Mr. COPLEY be justified in having voted for that measure and in having engaged in its enactment?

Mr. WM. ELZA WILLIAMS. Well, it passed a Democratic House and he takes credit for his vote. As I understand, it originated here on a bill introduced by Mr. Wilson, now Secretary of Labor.

Mr. STEENERSON. In regard to rural credits legislation, is it not a fact the first time the subject was mentioned in any platform was four years ago, and that both parties favored rural credits legislation, and therefore it could not be called a one-party measure.

Mr. WM. ELZA WILLIAMS. Does the gentleman recall the language of his platform recently adopted at Chicago?

Mr. STEENERSON. I was speaking of the platform that Mr. COPLEY was elected on four years ago.

Mr. WM. ELZA WILLIAMS. I will read the platform he is running on at the present time. Here is the present Republican platform:

We favor an effective system of rural credits as opposed to the ineffective law proposed by the present Democratic administration.

Mr. STEENERSON. That is this year.

Mr. WM. ELZA WILLIAMS. After that platform was adopted, and this ineffective measure, which you condemned in your convention speeches, came up for a vote in the House, but 10 Republicans in the House and 5 in the Senate had the courage to vote against it.

Mr. STEENERSON. But the gentleman must remember it was the only rural credits act we could get, and the gentleman also knows the present rural credits act is ineffective. It is simply making a lot of loan agents throughout the country. We were in favor of rural credits, but this was the only plan which we could vote on. We had nothing else offered.

Mr. GLASS. Did the gentleman vote to create these loan agents throughout the United States?

Mr. STEENERSON. I certainly did.

Mr. GLASS. Why did he do it, if he thought it was ineffective?

Mr. STEENERSON. Because it was the best thing we could get.

Mr. GLASS. It is the best thing the gentleman will ever get.

Mr. STEENERSON. It establishes a reserve system so as to keep all the money in the reserve banks for commercial and speculative purposes and not to allow the farmers to employ the money——

Mr. GLASS. There is not a provision in the act that relates to speculative purposes. The gentleman from Virginia reported a rural-credits act so good that the gentleman from Minnesota was afraid to vote against it.

Mr. STEENERSON. I wanted a better rural-credits law, and the gentleman knows that speculators in Wall Street never had such a chance since the reserve system was created——

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I have the floor.

The SPEAKER. The gentleman from Illinois has the floor.

Mr. WM. ELZA WILLIAMS. I want to say further in regard to the rural-credits act that I voted for it. The entire Democratic membership of this House and Senate voted for it in sincere good faith, believing that it would be effective, while our friends on the other side of the House voted for what they profess to believe to be an ineffective law and then——

Mr. STEENERSON. It was the best we could get.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I will read further from Mr. COPLEY's list of Democratic legislation which he voted for:

A nonpartisan tariff commission which will enable Congress to approach tariff legislation from a fair and scientific standpoint.

The sixteenth amendment to the Constitution of the United States, which provides for the election of United States Senators by direct vote of the people.

Mr. HENSLEY. Mr. Speaker, will the gentleman yield?

Mr. WM. ELZA WILLIAMS. Yes.

Mr. HENSLEY. Did the Republican Party ever make any serious effort to enact any rural-credit legislation during the time they were in power?

Mr. WM. ELZA WILLIAMS. Never, to my knowledge. They never introduced a bill.

Mr. STEENERSON. No platform demanded it, either Democrat, Republican, Populist, or any other one.

Mr. WM. ELZA WILLIAMS. Reading further, Mr. COPLEY says he voted for—

The inheritance tax, which exempts moderate inheritances and imposes a tax upon the larger inheritances, which it is estimated will yield $50,000,000 annually.

The income-tax law in its present form, which exempts moderate incomes and imposes a graduated tax upon the larger incomes, whereby, according to conservative estimates, $150,000,000 annually will be raised.

The Federal reserve act, otherwise known as the currency law. The importance of this act is hardly yet fully realized. It makes it impossible for a half dozen Wall Street bankers to create for their purposes a money panic, such as we experienced in 1907 and on numerous other occasions.

The Trade Commission, which gives the Government regulation and control of the large industrial corporations whose business approaches the proportions of a monopoly. The business of this country can not be conducted without these great corporations, which in the past have been groping in the dark as to their legal rights, as a result of which they have too often violated the law when there was no intention to do so. This act, in addition, gives these corporations the benefit of governmental guidance in their operations which makes a violation of the antitrust laws inexcusable.

Then, not content with a mere recital of the many good laws supported by him, Mr. COPLEY concludes his address to the people with the following sweeping declaration, which we all indorse:

Congressman COPLEY is now completing his third term in Congress. During this time more legislation of a constructive character has been considered and enacted into law than in any like period in the history of the country

[Applause on the Democratic side.]

Congressman COPLEY is a candidate for renomination on the Republican ticket at the primaries to be held Wednesday, September 13. We bespeak your support of Congressman COPLEY at the primaries.

COPLEY CAMPAIGN COMMITTEE.

Mr. Speaker, I believe I stated that others of my colleagues in Illinois had resorted to the same method of campaigning. The fact is they are awakening to a sentiment that prevails in that great agricultural and industrial State. The spirit of progressiveness, of constructive legislation, dominates the political sentiment of the State of Illinois, and it is only those Republicans who live in overwhelming Republican districts who have dared face this sentiment and turn it down. In the district represented by my friend from Bloomington [Mr. STERLING], another represented by the minority leader [Mr. MANN], the Republicans are so overwhelming in numbers that they dare face this sentiment and yield nothing.

In the election of 1912 three-fifths of the Republicans of the State of Illinois voted for Mr. Roosevelt; two-fifths of them voted for Mr. Taft. That is about the correct proportion of standpatters and Progressives in the ranks of the Republican Party in the State of Illinois. And I want to say to my friends here upon the Republican side of this Chamber, you deceive yourselves when you believe that there is a consolidation of the two elements, the standpatters and the Progressives, and you reckon without your host when you say that you can add those two votes together and have as a result a majority of so many thousand.

My correspondence in the State has been extensive for the last six weeks, from every congressional district and from all parts of the State. I violate no secret when I say that a poll of the State of Illinois, conducted in the most systematic manner, with extensive correspondence reaching into every district and into every precinct of the State, discloses that among Republicans, and especially among progressive Republicans, there is a wide-prevailing and deep-seated sentiment and love and affection for Mr. Wilson and a revolt against the Republican Party that is portentous; and outside of the city of Chicago and down through the agricultural portion of the State the Democrats are going to make enormous gains from those who formerly voted the Republican ticket, and that section of the State which heretofore has furnished the Republican majority is going to split even in the coming election. [Applause on the Democratic side.]

And I break a little news to the further consternation, perhaps, of my good friends representing the Republican Party on the floor of this House when I say that a systematic poll in the city of Chicago, among all classes of voters, in Democratic and Republican precincts alike, covering the entire city of Chicago, discloses a change in sentiment and an avowed purpose and intention to vote the Democratic ticket, which will land Chicago in the Democratic column by over 100,000.

Mr. BORLAND. Mr. Speaker, will the gentleman yield?

Mr. WM. ELZA WILLIAMS. Yes, sir.

Mr. BORLAND. It may interest the gentleman to know that the regularly nominated Progressive candidate in the fifth district of Missouri has withdrawn from the race and has issued a statement in which he says he intends to support Woodrow Wilson and the entire Democratic ticket. [Applause on the Democratic side.] The reason he gives for that action is that the present administration of the White House has carried out all the progressive and humanitarian measures which were the foundation of the Progressive Party. [Applause on the Democratic side.]

Mr. WM. ELZA WILLIAMS. I will say, Mr. Speaker, in that connection that these changes and declarations on the part of the rank and file in Illinois have become so everyday and so common that they hardly create a passing interest. Illinois is going to line up in the Democratic column. Immediately after Mr. Hughes's nomination there seemed to be considerable sentiment in the State in his favor and the Republicans seemed very much encouraged; but after he made his speech of acceptance and started on his swing around the circle you could just feel the reaction. It has come. Our friends have to admit it. There is no disguising the fact, and I think that I am safe in predicting—perhaps in the last opportunity that I will take to address this House at this session and prior to the coming election—that the electoral vote of Illinois will be cast for Woodrow Wilson. [Applause on the Democratic side.]

Mr. Speaker, I wish to ask unanimous consent, entirely independent of what I have said here to-day, for leave to extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. VENABLE). The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD.

Mr. WM. ELZA WILLIAMS. Independent of what I have said to-day.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. FARR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the speech of Col. Roosevelt, recently made at Lewiston, Me.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by inserting the speech of Col. Roosevelt, recently made at Lewiston, Me. Is there objection?

There was no objection.

Mr. BORLAND. Mr. Speaker, reserving the right to object, I think the gentleman ought to accompany that with the telegram of congratulation from Candidate Hughes, for the benefit of our German friends.

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] is recognized for 25 minutes.

IMMIGRATION STATION AT ELLIS ISLAND.

Mr. BENNET. Mr. Speaker, on the 18th of July, in pursuance of what seemed to me to be a clear public duty, I made certain statements on the floor of this House in relation to the Commissioner of Immgration at Ellis Island. A Member of this House is by the Constitution protected in whatever he says from any action taken elsewhere, and therefore we ought to be more careful to be accurate in our statements. I have come before the House in these closing days of the session to detail briefly some of the results of the remarks that I made at that time. I made, as they appear on page 11261 of the RECORD, four charges:

First. That Commissioner Howe permitted the prostitutes, the pimps, the procurers, to mingle at will with the other inmates at Ellis Island.

Second——

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. BENNET. Yes; for a question.

Mr. KEATING. I wanted to ask the gentleman if he would yield to permit me to make a unanimous-consent request in connection with his speech. The unanimous-consent request I desired to make was this: This is the second time the gentleman from New York has addressed the House on this subject. I have some facts that I would like to present to the House in relation to this same matter at the conclusion of the gentleman's remarks, as a matter of fairness to Mr. Howe, and I wanted at this time to ask the House for permission to follow the gentleman for a limited time, to present some facts on the other side of this question.

Mr. MANN. For how long a time?

Mr. KEATING. How much time has the gentleman?

Mr. BENNET. Twenty-five minutes.

Mr. KEATING. And he took about half an hour before.

Mr. MANN. There are other gentlemen to follow him.

Mr. KEATING. I realize that, and therefore I hesitate to prefer this request. I would like to have 20 minutes. I would like to follow the gentleman, so that I can have it in the RECORD.

Mr. MANN. If the gentleman will be content with 20 minutes, and after he uses it will not put somebody in an embarrassing position by asking for more——

Mr. BYRNS of Tennessee. Mr. Speaker, reserving the right to object, I understand the gentleman asks for 20 minutes, to follow the gentleman from New York [Mr. BENNET]. I want to say to the gentleman that I have been very kindly given permission by the House to speak for 30 minutes. I rarely take up the time of the House, and I want to speak on a matter that is of some importance to the people I represent, relative to an amendment in the revenue bill. I dislike very much to object to the request of the gentleman from Colorado, but under the circumstances I do not think I can consent. I must object.

Mr. KEATING. I request that the gentleman withhold his objection for a moment—long enough for me to refer to some of the matters concerning the Commissioner of Immigration. Those facts ought to go into the RECORD.

Mr. BYRNS of Tennessee. That is true, Mr. Speaker, but 3,000,000 people are suffering in this country now because of the belligerent powers denying the rights of shippers of tobacco to get to their market. I want to get in before this conference report on the revenue bill is agreed to.

Mr. KEATING. Then, Mr. Speaker, I will not press my request.

Mr. SLOAN. Mr. Speaker, reserving the right to object, what is the occasion for making any further speeches after all these matters have been finally settled by the gentleman from Illinois [Mr. WILLIAMS]?

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] is recognized for 25 minutes.

Mr. BENNET. Mr. Speaker, as I was about to say when I yielded to the gentleman from Colorado to make a request for unanimous consent, to which request I did not object, I had made four charges against the commissioner at Ellis Island.

Immediately I became the target for the abuse of Mr. Howe's newspaper friends. On July 18 I told the House that I had incurred the enmity of the Globe in 1913 by representing Hudgins & Dumar, the Ellis Island contractors, as their attorney during the investigation of the charges made against them by the Globe. These charges I was able to prove to be false and unfounded, and even to prove the motives behind them. The truth won the investigation for my clients, but the fact that I had the temerity to oppose the Globe earned me its enmity.

In the present controversy it at once connected my fight against Government operation of the privileges at Ellis Island with my former retainer. It ignored the fact that my amendment was offered June 24 and that the Hudgins & Dumar contract expired June 30, only six days later. It has never published the fact that Mr. Hudgins, who is now the proprietor of Hudgins & Dumar, did not bid to succeed himself and that the contract for the feeding privilege has been let to a Mr. Lusier, the present proprietor of the restaurant in front of which Herman Rosenthal was killed. In the face of these facts it continues to assert, even so recently as September 6, that my action of June 24 was intended to benefit my former client, Mr. Hudgins. I have made arrangements to sue the Globe, Times, and Vorwarts for libel, as some of their false and outrageous statements have gone far beyond the limits of legitimate criticism of a public official.

Before I was interrupted I had read one of the charges I made July 18. The second was that this commissioner turns them—alluding to the class I had mentioned, men, women, and children—out into a common recreation ground; hardened prostitutes and adolescent youths. Third, in relation to a Mrs. Harris whom I mentioned, that the result of her coming to Ellis Island had been beneficial, and that upon some of her recommendations the conditions there have been somewhat mitigated and some of the scandalous occurrences that used to typify the twilight hours of the island had ceased to exist. And fourth, I charged that in the two years, on repeated occasions, in a number of cases, he has recommended to the department at Washington that these

individual prostitutes be admitted on bond, which simply means a license to proceed wherever they will to practice their vocation.

In connection with those four charges I mentioned two illustrative cases, one of a prostitute known as Giulietta La Marca. Mr. Howe, from Siasconset, Mass., under date of July 20, 1916, wired an interview several columns long to the New York Globe. In relation to Giulietta La Marca, he said:

I investigated her case and found that her husband had stolen her clothes and compelled her to receive men. The husband was sent to prison and Giulietta to the island.

Mr. Speaker, as stated by Mr. Howe, that is a most pitiful case; but the most pitiful thing about it is that Mr. Howe's statement is entirely, absolutely, completely untrue. The facts in relation to the case are on file in the Bureau of Immigration, file No. 53986. Giulietta La Marca, an Italian by birth, was what is known as a clandestine prostitute, who lived in 1913 in Algiers, Africa, with one Paolo Palumbo. She had been married abroad prior to that time, and so far as the State Department is able to find out her husband, an entirely respectable Italian, is still living at 30 Strada Vico, Resina, Italy. She had a child, but she abandoned that child, as she abandoned her husband, and entered into this life of prostitution. In the spring of 1914 she came to the United States on the steamship *Martha Washington*, landing in Brooklyn on June 10, 1914, stating that she was going to her husband at 116 Van Brunt Street, Brooklyn, care of M. Ciro. She had no husband at 116 Van Brunt Street, Brooklyn. The facts, as disclosed by the documents, are that she and Paolo Palumbo and one Vincenzo Palumbo, Paolo's brother, had agreed that she should leave Algiers and go to the United States for the purpose of practicing prostitution, and that when she came to the United States she went to Vincenzo Palumbo, alias Michael Maggio, alias Marco Ciro, at 116 Van Brunt Street, Brooklyn. After about a year she was caught in the practice of prostitution in the United States of America. There were caught with her Vincenzo Palumbo and a man who occupied to her the position of a broker, called Francisco Messina, whose dirty business it was to bring to her customers on a commission. Palumbo and Messino were tried in the United States District Court for the Eastern District of New York, Brooklyn, in June and July, 1915, and I read the letter of the United States attorney for that district, written to me in relation to the case:

DEPARTMENT OF JUSTICE,
OFFICE OF THE UNITED STATES ATTORNEY,
Brooklyn, N. Y., August 7, 1916.

Hon. WILLIAM S. BENNET,
House of Representatives, Washington, D. C.

SIR: I acknowledge receipt of your letter of August 5, 1916, inquiring as to the date of trial of Palumbo and Messina.

In reply thereto I beg to advise you that Vincenzo Palumbo and Francesco Messina were indicted on June 3, 1915, for violation of section 3 of the act of February 20, 1907, as amended by the act of March 26, 1910, for importing an alien woman, Giulietta La Marca, for the purpose of prostitution. Trial was begun on June 29 and finished July 2, 1915, both defendants being found guilty. Palumbo was sentenced to seven and one-half years at Atlanta and Messina to three years at Atlanta.

I trust that this gives you the information which you desire.

Respectfully,

MELVILLE J. FRANCE,
United States Attorney.

After that conviction Giulietta La Marca was examined at Ellis Island, as the law requires, to show cause why she should not be deported. *She made no claim that she had been forced into her life by any husband.* She denied that she had ever been a prostitute. She made a claim that she was living with a mythical husband in Brooklyn who never existed, and whose nonexistence was very easily ascertained by the officers of the law.

And yet after all those facts, after the trial, after the conviction, after the examination, the commissioner of immigration, over his own signature, says:

I investigated her case and found that her husband had stolen her clothes and compelled her to receive men. The husband was sent to prison and Giulietta to the island.

Comment is unnecessary.

I used another illustration in relation to a young man whom I described as a Portuguese, because he spoke the Portuguese language. His nationality was Brazilian. I said that he had taken a woman on Ellis Island into one of the rooms in the detention quarters and that they had locked the door. Mr. Howe came before the Committee on Immigration here in Washington on July 28 and, among other things, met that in a way which would have been a complete defense except for one thing, and that was that the defense was untrue. Here was the defense. He said:

There is not a single door in the detention quarters at Ellis Island that locks on the inside.

And I thought from the positive way he said it that he knew what he was talking about, and I thought I had been misinformed. On the 4th of August I went over to Ellis Island, went up into that corridor with an inspector furnished me by Commissioner Howe, and found that there were eight doors to rooms in that corridor and that seven of those doors to rooms had locks on the inside. In the meantime Mr. Dinsmore, the Assistant Secretary of Labor, had made the same statement as Mr. Howe to the Committee on Immigration as of his personal knowledge. The Secretary of Labor had made the same statement to this House over his own signature as a matter of knowledge, when the facts were as I have stated. Commissioner Howe, on the same day that I was there, after he knew that I had found out the truth about the locks, wrote me a letter, in which he said:

I do not know whether you noticed it or not, but the room where we always kept the women warrant cases up to a recent transfer is room 216. It is known as the women's warrant room and has always been so designated. This is where the difficult cases we have recently had were kept up to the time when we separated them as far as possible in the corridor from the warrant men.

I said nothing about room 216 in my statement on the floor of the House. I said a room in the detention quarters.

This room can not be locked on the inside. The inside of the lock is a blank, and there is no aperture through which a key could be placed. This is known as the immoral women's room, and I presume the lock was taken off the inside for this very reason. Up to this morning I had supposed that all the rooms were alike in this regard.

Mr. Howe has been commissioner of immigration on Ellis Island for two years. He came down here on notice to testify before a committee of the House, and he stated as an absolute fact something that was not so—that a moment's investigation would have found out that it was not so. I do not know whether he did not know it or whether he did know it and presumed upon the fact that nobody would ever go down there and look at those doors. I give you the facts.

Mr. MANN. Are there locks on the inside of the doors?

Mr. BENNET. On seven of the eight rooms; and Mr. Howe admits it in his letter and says:

Up to this morning I had supposed that all the rooms were alike in this regard.

Mr. MANN. He says in his letter that one door does not have a lock on the inside.

Mr. BENNET. The other seven had.

Mr. SLAYDEN. Will the gentleman permit a question?

Mr. BENNET. Yes; a question.

Mr. SLAYDEN. Does the gentleman believe that a man of Mr. Howe's character and his generally efficient administration there would deliberately state a falsehood about things of that kind?

Mr. BENNET. Was the gentleman in the room when I stated the facts in relation to Giulietta La Marca?

Mr. SLAYDEN. No; I was not. I was getting some lunch.

Mr. BENNET. I will refer the gentleman to that part of my remarks.

Mr. SLAYDEN. With reference to whom?

Mr. BENNET. Giulietta La Marca, in which case Commissioner Howe, over his own signature, on the 20th of July, made a statement which the records of the Bureau of Immigration demonstrate to be untrue from start to finish.

Mr. SLAYDEN. A man may make an incorrect statement.

Mr. BENNET. That was not an incorrect statement. It was untrue from start to finish.

Mr. SLAYDEN. There is a difference between an incorrect statement and a falsehood.

Mr. BENNET. The gentleman can make his own comment at any time. Now as to the charges. I made my remarks on the 18th of July. On the 19th of July a New York World reporter was sent to Ellis Island to make an independent investigation, and this is what that reporter reported:

No great surprise was occasioned at Ellis Island to-day by the charges made by WILLIAM S. BENNET, of New York, in Congress yesterday. There was regret expressed that conditions on the island were to be made the subject of public scandal, for many of Commissioner Frederick C. Howe's lieutenants, although disagreeing with him in his views, feel they will be subject to criticism equally with their chief. The Evening World reporter found no difficulty in confirming many of the statements made by Representative BENNET.

Commissioner Howe has absented himself from his office more than any other immigration head in several years. It is seldom that he may be found at the island, and then usually by appointment. The affairs of the island are conducted through Byron H. Uhl, the assistant commissioner and the superintendent of the immigration station. When Commissioner Howe's return is asked about the official questioned usually replies by naming all the days of the week and then adding, "or possibly some time next week or so."

HOWE DID AWAY WITH SEGREGATION SYSTEM.

It was Commissioner Howe who first inaugurated the system of allowing all the detained aliens to mingle freely with one another. In the past it had been the custom to segregate criminals from the others. Now, however, they mingle as one family. Efforts had been made to have Commissioner Howe reverse himself, and it was felt by several of his subordinates that he was beginning to realize the falsity of his system.

Although Commissioner Howe is freely criticized by his subordinates, there are none that charge him with deliberately allowing or bringing about conditions that would make for wrong. They say the commis-

sioner is a dreamer, who does things under the belief that he is aiding the penned-up immigrants.

Abnormal conditions developed on Ellis Island with the outbreak of hostilities in Europe. There were several hundred detained immigrants whose deportation had been ordered. The majority of these aliens were from Germany and Austria-Hungary. It was impossible to send them back, and for months they were held almost as prisoners on the island. Then gradually steps were taken to allow them to land, and but seven or eight remain.

Commissioner Howe instituted the rule to allow all the aliens to mingle with each other, believing it a humanitarian step. As a result there has been an intermingling of the sexes that provokes scandal.

Representative SIEGEL, a member of the Committee on Immigration, visited Ellis Island on the 20th, and wrote to the chairman of the Committee on Immigration, making among other things this suggestion:

That all known prostitutes, who are held on warrant for deportation, be immediately segregated and kept apart from all other persons on the island; second, that all ex-convicts, being held on warrant for deportation, be kept separate and apart from all other persons on the island.

On the same day, only two days after I made my remarks, Mr. Densmore, the acting Secretary of Labor, in the absence of Mr. Howe and without consulting him, visited Ellis Island, and when he found what the conditions were he directed that an order be issued that prostitutes and convicts be segregated on the balconies and on the recreation grounds. Here is the order:

UNITED STATES DEPARTMENT OF LABOR,
IMMIGRATION SERVICE,
OFFICE OF COMMISSIONER OF IMMIGRATION,
Ellis Island, New York Harbor, N. Y., July 20, 1916.

Inspector in charge deporting division:

You will see to it that hereafter prostitutes and ex-convicts detained at this station do not mingle with any other detained persons. Prostitutes may be given access to the porch or playground when either of these places is not occupied by other immigrants. This course may also be followed as to detained ex-convicts, but ex-convicts and prostitutes should not be given access to either of the places named, or any other quarters, at the same time.

BYRON H. UHL,
Assistant Commissioner.

This order is right and does that for which I contended. It separates the immoral persons from the decent, reputable immigrants.

The testimony on July 28 was that the order was issued under the direction of the secretary, Mr. Densmore.

The executive secretary of a great missionary society of a Protestant denomination wrote me on July 19, 1916, as follows:

I have read with great interest the report in the morning papers of your speech before Congress exposing unfavorable conditions at Ellis Island. Kindly accept my congratulations for your courageous utterance. From our touch with the work at Ellis Island I can simply say that the situation has been very trying since the appointment of Commissioner Howe. We assumed, however, that the administration favored his methods and that naturally there was no alternative but to make the best of it. This we have done without complaint or criticism.

We sincerely hope and pray that your resolution may bring forth a more healthful condition of affairs than is maintained at this port of entry.

A Roman Catholic priest from my district wrote me as follows:

A few days before you spoke about Ellis Island I was down there with a friend, and we went through the plant. I knew all your speech three days before, because from the guide on Ellis Island we heard of free love and the loose way things were running without any head.

A missionary on duty at Ellis Island writes as follows:

The missionaries have always shown their disapproval of the unfortunate mixture of sexes, conditions, and life here on the island. Demogogic experiments should have been done in different places, not where good honest families, for the rigid necessities of the law, are detained against their will.

Mr. KEATING. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. KEATING. Will the gentleman insert the names of these priests and ministers and missionaries.

Mr. BENNET. If the investigation I have asked for is ordered by the House I will produce them before the committee.

Now, that relates to charges 1 and 2 and, I think, fully proves them. I might say in addition to the second that nobody denies, and Commissioner Howe admits, that the prostitutes and convicts were turned out together on the common lawn. In his hearing before the House committee on July 28, after he had been reversed by the department he said: "I defend my policy. I say that there is far more safety at Ellis Island in letting the people out on a big open porch 300 feet long and 150 feet wide."

He does not seem to comprehend that good decent women and children and adolescent youth were not accustomed to mingling with prostitutes, pimps, and procurers and have a right to be protected from that kind of people.

The next thing I said was that some of Mrs. Harris's recommendations have been adopted and conditions there have been to some extent mitigated, and some of the scandalous occurrences that seem to typify the twilight hours have ceased to exist.

I will not read the rules except to say that I will put them in. They are as follows:

1. The detained warrant men will be instructed to keep to their rooms or the men's day detention room; not to traverse the corridors except by way of the men's detention room to meals, and not otherwise; and not to enter the laundry or other rooms where women are detained.

They will be permitted on that part of the balcony to the east of the benches and will be instructed that if they violate this rule and pass this line and mingle with the women, the privilege of using the porch will be taken away from them.

2. The same instructions will be given to the warrant women, who are to be moved to room 212. They are permitted on the west side of the balcony, with instructions not to cross to the east end or to mingle with the men.

3. The doors of the corridors are to be kept closed.

4. There is to be no loitering in the corridors. This rule applies not only to warrant cases but to all aliens detained here. Watchmen and matrons are instructed to send both men and women out of all the corridors into the day detention rooms, except when they are passing through the corridors for meals or some other business.

5. The warrant cases will be advised that continuance of the privileges they are receiving depends upon their good behavior, and these privileges will be taken away from them if they are guilty of any improprieties.

6. Warrant men and warrant women are not to sit together at the tables.

Now, Mr. Howe says that one of the reasons why he has had so much trouble is on account of there having been so many people to deal with. Why, Mr. Speaker, there never has been a commissioner that had so few people to deal with on Ellis Island as has Mr. Howe.

On the 4th of August I went there and made inquiries to verify my recollection. Ellis Island holds, and has beds for, over 2,000 people, and more have stayed there.

On December 9, 1913, there were 2,371; on December 9, 1915, there were 425; on December 13, 1913, there were 1,575; on December 13, 1915, there were 257; on September 5, 1913, there were 1,440, and on September 15, 1915, there were 288.

Here are some sample figures of overnight detentions at Ellis Island before and during the European war, showing the great shrinkage in immigration:

Aug. 4, 1913	2,003
Aug. 4, 1915	273
Aug. 5, 1913	2,034
Aug. 5, 1915	257
Aug. 6, 1913	1,567
Aug. 6, 1915	247
Aug. 7, 1913	1,766
Aug. 7, 1915	279
Sept. 4, 1913	1,603
Sept. 4, 1915	311
Sept. 5, 1913	1,440
Sept. 5, 1915	288
Sept. 6, 1913	1,279
Sept. 6, 1915	290
Oct. 7, 1913	2,005
Oct. 7, 1915	599
Oct. 12, 1913	1,516
Oct. 12, 1915	382
Oct. 30, 1913	1,948
Oct. 30, 1915	292
Nov. 25, 1913	1,518
Nov. 25, 1915	368
Dec. 9, 1913	2,371
Dec. 9, 1915	425
Dec. 13, 1913	1,575
Dec. 13, 1915	257
Dec. 25, 1913	1,983
Dec. 25, 1915	319

Room? Why, not only has he the extra room in the administration building, but Congress, through its generosity, built on the third island hospital buildings for an emergency far in excess of the normal needs purposely for a case of epidemic, and there are 11 hospital buildings of a capacity, as my colleague, Mr. FITZGERALD, said, for 660 people. On the 2d of August there were 39 people in these 11 buildings. Mr. Howe had all that extra space in addition to the room in the administration building. Now, that about cleans up everything.

Mr. BURNETT. Will the gentleman yield?

Mr. BENNET. Yes.

Mr. BURNETT. Does the gentleman think the commissioner would be justified in using the hospital buildings for anything except hospital needs?

Mr. BENNET. Under the law the commissioner has.

Mr. BURNETT. The gentleman thinks so, without doubt?

Mr. BENNET. Without doubt. I said that Mr. Howe was the most negligent commissioner we have ever had at Ellis Island. Until the investigation called for in my resolution, 317, is had that can not be fully proved, but I call attention to some facts which are patent. Mr. Howe's is an important position. The commissioner at Ellis Island gets $1,500 a year more than the Assistant Secretary of Labor. He gets $6,500 a year, and he ought to attend to his business. Every other commissioner in my experience has. Mr. Howe was the director of the People's Institute in New York when he was appointed. He is still a director of the People's Institute, although, I understand, with-

out compensation. Mr. Howe was chairman of the national board of censorship of motion pictures of New York and chairman of the executive committee of the same organization. Their last report, dated January, 1915, discloses that Mr. Howe then occupied both those offices.

Mr. SLAYDEN. Mr. Speaker, will the gentleman yield for a question?

Mr. BENNET. Yes.

Mr. SLAYDEN. How much of his time does that position on the board of censorship take?

Mr. BENNET. I do not know. I have mentioned two positions that he occupies, and I am about to mention a third. I have not got through yet. One of the burning questions in our city is the question of the municipal operation of public utilities. I find in the New York Times of July 31 that Frederick C. Howe is president of the League for Municipal Ownership and Operation in New York City, and engaged in a bitter controversy with the public-service commission, and if he does what he ought to do that will take at least half of his time. Nor is that all. Mr. Howe is an author—a professional writer, is what he calls himself.

The Library of Congress furnishes me with the following:

[Memorandum from the Division of Bibliography.]

AUGUST 4, 1916.

The following is a list of the books and articles in periodicals published by Frederic C. Howe during 1914–1916:

The City: The Hope of Democracy. New and cheaper edition. New York, C. Scribner's Sons, 1914.

The Modern City and Its Problems. New York, Chicago, C. Scribner's Sons [1915]. 390 pages.

Socialized Germany. New York, C. Scribner's Sons, 1915. 342 pages.

Why War? New York, C. Scribner's Sons, 1916. 366 pages.

National Board of Censorship of Motion Pictures, New York. The Question of Motion-Picture Censorship. New York City, 1914. 16 pages. Frederic C. Howe, chairman.

National Board of Censorship of Motion Pictures, New York. The Policy and Standards of the National Board of Censorship of Motion Pictures. Revised January, 1915. New York City [1915]. 23 pages. Frederic C. Howe, chairman.

ARTICLES IN PERIODICALS.

Leisure. Survey, January 3, 1914, volume 31: 415–416.

Joseph Fels. Survey, March 28, 1914, volume 31: 812–813.

German system of labor exchanges. American Labor Legislation Review, May, 1914, volume 4: 300–304.

What to do with the motion-picture show. Outlook, June 20, 1914, volume 107: 412–416.

Constitution and public opinion. Academy of Political Science. Proceedings, October, 1914, volume 5: 7–19.

Municipal ownership—the testing of foreign experience. American Academy of Political and Social Science. Annals, January, 1915, volume 57: 194–208. Also published separately. 1915. 15 pages. 25 cents.

Reservoirs of strife. Survey, March 6, 1915, volume 33: 614–615.

Unemployment. Century Magazine, April, 1915, volume 89: 843–848.

Home rule for American cities. Technical World Magazine, April 1915, volume 23: 234–237.

Free ports: an agency for the development of American commerce. American Academy of Political and Social Science. Annals, May, 1915, volume 59: 236–244. Also published separately. 1915. 9 pages, 15 cents. Same condensed. Popular Science Magazine, April, 1915, volume 86: 384–388.

Background of modern Germany. Scribner's Magazine, July, 1915, volume 58: 46–51.

Immigration, industry, and the war. American review of reviews, November, 1915, volume 52: 598–602.

Immigration after the war. Scribner's Magazine, November, 1915, volume 58: 635–639. Same condensed. Current opinion, December, 1915, volume 59: 420–421.

Incomplete preparedness. New Republic, Feb. 26, 1916, volume 6: 94–96.

Baker: trained administrator. Independent, March 20, 1916, volume 85: 414–415.

Labor and industry after the war. Engineering Magazine, April, 1916, volume 51: 22–24.

Better towns. Independent, May 29, 1916, volume 86: 338–339.

Turned back in time of war. Survey, May 6, 1916, volume 36: 147–156.

Flag and the investor. New Republic, June 17, 1916, volume 7: 170–171.

Respectfully submitted.

F. S. HELLMAN,
Acting Chief Bibliographer.

With all those vocations and avocations, in addition to his official position, what I now present is the logical sequence. He had to do some of his private work on Ellis Island, and here it is. Here are 100 or 150 pages of manuscript of one of his books, written on Government paper at Ellis Island by a Government stenographer That is the way that Mr. Howe has discharged his duties as Commissioner of Immigration at Ellis Island.

As to the charge that he recommended the admission of women charged with being prostitutes, he admits that and places the number at nine.

Under leave granted me by the House, I extend my remarks to comment briefly on the speech of Representative KEATING, of Colorado, delivered September 5 (RECORD, p. 13887), and to one which, by leave of the House, he inserted in the RECORD September 7.

There are 42 Representatives from New York, other than myself, and 21 from Ohio, in which two States Mr. Howe has lived and held office. Among these 63 Representatives are Democrats, Republicans, and 1 Socialist. It is somewhat singular that none of the Representatives from the States where Mr. Howe is best known took up the cudgels for him. Mr. KEATING, of Colorado, is Mr. Howe's enthusiastic friend. But, being from Colorado and probably never having set foot on Ellis Island, he very properly does not pretend any real knowledge of Ellis Island conditions. He inserted in his remarks in full the statement of Mr. Howe before the House Committee on Immigration on July 28. I asked unanimous consent that I have six minutes' time in which to comment on Mr. Howe's examination and that Mr. KEATING have six minutes to reply to me. Mr. KEATING first agreed, but finally objected and prevented me from occupying the time, but the House later gave me leave to extend my remarks.

Mr. Howe claims for himself one thing on which I wish to comment:

That he makes the steamship companies pay $100,000 more a year than they used to for hospital charges. Probably that is true. But why does not Mr. Howe tell the whole truth? Prior to 1913 the steamship companies had contested in the courts the right of the Government to make them pay these hospital charges. They won their case. Thereupon Congress in 1913 passed an act *requiring* the steamship companies to pay these charges. Mr. Howe is the first commissioner to have the benefit of this act, and naturally he can make the steamship companies pay.

Outside of this there is only one other matter in Mr. Howe's statement which requires comment. Mr. Howe says:

I want to open with the statement that the immigration law says that it is the duty of the commissioner to protect the immigrants from fraud and loss. That is an obligation upon him just as much as any other obligation, *but it is an obligation that, so far as I know, no other commissioner ever took very seriously*

This is an unconscious revelation of Mr. Howe. He only came to New York City in 1910 and was appointed in 1914.

Commissioner Williams was a hard man in many respects, but he certainly did protect the immigrants from fraud and loss. Robert Watchorn, himself an immigrant, was constantly protecting the immigrant. My personal knowledge goes back no further than these two.

Mr. KEATING's inserted remarks on September 7 consist of a statement by Mr. Howe. It displays Mr. Howe's unquestioned literary ability. But he does not stick to facts. He says: "The immoral cases were kept by themselves," and so forth. This is untrue. The gravamen of my complaint was that they were permitted to mingle. If they were not permitted to mingle, why was the department order of July 20, forbidding them to mingle any more, issued?

Mr. Howe says that an investigation was made at Ellis Island of each of the cases referred to by me. That is true. It was made on July 25, 26, and 27. I introduced a resolution to have those investigations sent to Congress. It is as follows:

House resolution 341.

Resolved, That the Secretary of Labor be directed to send to the House of Representatives the examinations into conditions on Ellis Island, taken by and before Byron H. Uhl, assistant commissioner of immigration, at Ellis Island, July 25, 26, and 27, 1916.

The Department of Labor has refused me, a Representative chosen by the people, permission even to see the testimony taken. Why not let Congress, rather than Mr. Howe, pass on Mr. Howe's investigation? Mr. Howe leaves the impression that the food contract is a very valuable contract. Why not tell the truth?

Official correspondence in Mr. Howe's office shows that in May, 1915, the then food contractor found that he was losing so much money that he notified the steamship companies that unless they would increase, voluntarily, what they were paying him from 8 cents a meal to 15 cents a meal, he would abandon the contract. They made the increase, and the contractor served until June 30, 1916—the end of his contract period. During the summer Mr. Howe relet the contract, after receiving bids, to a Mr. Lusier. The former contractors, Hudgins & Dumar, did not bid.

If Mr. Howe has given Mr. Lusier a contract by which he can charge the immigrants and the steamship companies cost and a clear profit of 10 per cent, he has given out the most profitable food contract Ellis Island has seen since the days of the scandals of 1892.

I represent a district composed largely of immigrants and descendants of immigrants. I have as a member of the United States Immigration Commission of 1907–1910 visited the homes of the immigrants in Russia, Roumania, Greece, Italy, Palestine, Syria, and other countries. I have seen them board ship at Beirut, Patra, Hamburg, Naples, Geneva, Messina, Palermo,

and Liverpool. I know the immigrant and his needs. He is a human being, and for years I have fought to have him treated as such. Mr. Howe writes beautifully about the immigrant. Some of the things which he does, such as concerts, are good, but, never having really mingled with the immigrant, he fails to comprehend that the immigrant women are as much entitled to be protected from forced association with prostitutes and criminals as are the good women who make up his family and mine. I am glad that, as he could not see this himself, his superiors have taken the bull by the horns and by the order of July 20 protected the decent women and children from these distasteful and dangerous companionships.

FREDERIC C. HOWE.

Mr. KEATING. Mr. Speaker, I renew my request for unanimous consent that I be permitted to address the House for 20 minutes in reply to the gentleman from New York.

The SPEAKER pro tempore. The gentleman from Colorado asks unanimous consent to address the House for 20 minutes. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, do I understand that this is with the approval of the gentleman from Tennessee [Mr. BYRNS]?

Mr. KEATING. Yes.

Mr. STAFFORD. I have no objection.

The SPEAKER pro tempore. The Chair hears no objection. The gentleman is recognized for 20 minutes.

Mr. KEATING. Mr. Speaker, Frederic C. Howe is my friend. That is my excuse for taking part in this discussion. In addition to that, I come from the "untutored West," where it is not considered good form to strike a man when his hands are tied, or to assail the reputation—the good name—of a distinguished citizen, of a splendid public official, in a forum where that official has no chance to reply.

Mr. BENNET. Mr. Speaker, will the gentleman yield?

Mr. KEATING. Certainly.

Mr. BENNET. Does the gentleman think we ought never to criticize public officials on the floor of this House?

Mr. KEATING. Oh, no; I do not hold to that at all; but I do hold that when gentlemen appear upon the floor of this House and indulge in the vilest of personalities they should be sure of their facts.

In the speech which the gentleman delivered on July 18, he charged among other things that Frederic C. Howe believed in free love. I am informed that the gentleman has cut that sentence from his printed speech.

Mr. BENNET. Mr. Speaker, will the gentleman yield?

Mr. KEATING. Yes.

Mr. BENNET. I do not recall having made such a statement in that way. I used the expression "free love" as an adjective, and the gentleman ought to be fair enough to say that when Mr. Howe denied that he was a believer in free love I had his letter published in the CONGRESSIONAL RECORD.

Mr. KEATING. Mr. Speaker, let me read the exact words used by the gentleman from New York on that occasion:

Mr. Speaker, it is of very little moment to the people at large whether in offering the particular amendment which I read in your hearing I discharged my duty to the best of my capacity. I believe I did, I know I did. But it is of tremendous importance that a half-baked radical, who has free-love ideas, no proper idea of the effect of the mingling of the bad with the good, should be spoken of plainly.

That is the statement that the gentleman made on the floor of this House on July 18. Of course anyone who knows Frederic C. Howe, anyone who has ever heard him lecture, anyone who has ever read his books, anyone who has ever come in personal contact with the man, knows the charge is cruelly untrue.

The gentleman says that Mr. Howe is an author, and that seems to be the most serious charge that he brings against him to-day; that Mr. Howe writes books and magazine articles. There was a time when our Republican friends insisted that the Democrats were unlettered, illiterate, ignorant, and that for that reason they were incapable of conducting the Government.

The gentleman now charges that we put men of letters in responsible positions; that they write books and magazine articles; and that because a man has written 3 books and 16 magazine articles it is self-evident that he could not have performed his official duties. That all depends. It may be that the gentleman from New York, if he had an opportunity to work from now until the end of his days, could not write one book that anyone on top of God's earth would read; but there are others, including Mr. Howe, who are capable of performing the duties they owe to Uncle Sam and at the same time contributing to the world's literature. But, gentlemen, think of a Representative of the American people coming upon the floor of this House and in one breath telling you that this man is a great author, is capable of producing 3 books of wide circulation and 16 magazine articles in two years, and then producing the kind of testimony the gentleman from New York has presented to this House to-day for the purpose of blackening that man's good name.

Mr. OVERMYER. Will the gentleman yield?

Mr. KEATING. The gentleman will have to pardon me; I have not the time.

Mr. OVERMYER. I just wanted to inquire if the gentleman thinks the gentleman from New York might be a little peeved because Mr. Howe was one of the 37 eminent writers who addressed letters to Mr. Hughes a short time ago?

Mr. KEATING. That is not the reason the gentleman from New York is "peeved." I will tell the House why the gentleman is "peeved." I will tell the House why the gentleman from New York made the attack of July 18 and why he has renewed it to-day.

The firm of Hudgins & Dumar has a contract or concession for feeding immigrants at the Ellis Island immigrant station. The gentleman from New York while out of Congress was attorney for that firm. I understand he now says that since he came back to Congress he has ceased to be their legal representative, but there is no question that he was their attorney at one time.

Hudgins & Dumar's contract to feed the immigrants at Ellis Island was a very valuable one. On an investment of fifteen or twenty thousand dollars they did a business of about half a million dollars a year. The net profits were probably between fifty and one hundred thousand dollars a year. I do not pretend that these figures are official, but they will be found to be approximately correct.

When Frederic C. Howe took charge of the immigration station at Ellis Island he decided that public policy demanded that the task of feeding the immigrants should be performed by the Government, and he therefore recommended that the Government take charge of the work and refuse to renew the contract held by Hudgins & Dumar.

Mr. BENNET rose.

Mr. KEATING. I trust the gentleman will pardon me, but I can not yield, as I have very little time.

It was then that the gentleman from New York began his activities against Mr. Howe. The contract held by Hudgins & Dumar, and that alone, is at the bottom of all the attacks that the gentleman from New York has made on Mr. Howe.

The Secretary of Labor decided to support Mr. Howe in his contention that the Government should take charge of the work of feeding the immigrants, and plans were made to terminate the contract of Hudgins & Dumar. When the gentleman from New York learned of this he offered an amendment to the sundry civil appropriation bill, as follows:

Page 168, line 26, after the end of the line, insert:
"*Provided further*, That no part of the sum hereby appropriated shall be expended for the maintenance at any United States immigrant station of any of the privileges now disposed of after public competition, as provided by the act of February 20, 1907, entitled 'An act to regulate the immigration of aliens into the United States.'"

This amendment rendered it impossible for Commissioner Howe and the Department of Labor to proceed with their plans. The incident led to some discussion in New York newspapers, and the gentleman from New York, because of his former connection with the firm of Hudgins & Dumar, was charged in the public prints with "practicing law" on the floor of the House.

In response to this attack the gentleman from New York introduced a resolution calling on the Department of Labor for certain information in relation to the conduct of Ellis Island, and in support of that resolution the gentleman from New York delivered his first attack on Mr. Howe.

The resolution introduced by the gentleman from New York was referred to the Committee on Immigration and Naturalization. The committee held a hearing. The gentleman from New York was present and had an opportunity to cross-examine the witnesses. Commissioner Howe was also there.

Among the other cases considered was that of this prostitute Giulietta La Marca.

In his first speech the gentleman from New York stated that Mr. Howe had had this prostitute released to himself and later transferred to a friend. In order that I may not do the gentleman from New York an injustice I will quote his exact language:

As I was saying, he has recommended the admission of prostitutes on bond, and in one case, something unexampled, he recommended the admission of one of these prostitutes to himself, a woman named Giulietta, and had her transferred to the family of a friend as a servant. I do not believe that he is morally wrong in the sense that my remarks might indicate; I simply think that his governmental ideas are wrong, and, as he is said to have said, "What these people did with their bodies was their own business."

Now, what are the facts? Mr. Howe in his statement to the Committee on Immigration and Naturalization—and remember,

the gentleman from New York was present and in a position to cross-examine Mr. Howe—referred to the case of Giulietta La Marca, and told the story of her release as follows:

I want to take up the thing that concerns me as a citizen first; that is, the case of Giulietta La Marca, referred to by Mr. BENNET and said to have been committed to the custody of a friend. That is not true. I want to read my official letter bearing upon that woman. It was stated that I urged her admission. Here is the letter to the bureau:

DEPARTMENT OF LABOR, IMMIGRATION SERVICE,
OFFICE OF THE COMMISSIONER OF IMMIGRATION,
Ellis Island, New York Harbor, N. Y., February 1½, 1916.

COMMISSIONER GENERAL OF IMMIGRATION,
Washington, D. C.:

This refers to bureau No. 53986/43, in the case of Giulietta (or Giuletta) La Marca, who has been detained at this station since May 28, 1915, awaiting deportation. The St. Raphael Society for Italian Immigrants has offered to take the woman and find her a good position where she can earn an honest living if released into their custody. As the alien is unable to furnish a bond, and there is no likelihood of her being able to return to her native country in the near future, I request authority to release her upon her own recognizance

FREDERIC C. HOWE, *Commissioner.*

That woman, either through the St. Raphael Society or some other agency, got in touch with one of the physicians at the station, who offered to take her as a servant. She went there as a servant. She has been there ever since. She is earning $5 a week. She is cooking and washing for 13 people and reports regularly to the station, and the doctor reports also. So far as I know, she is deporting herself with the utmost propriety. She is sticking to the hardest domestic job that I have heard of for a long time at $5 a week.

The CHAIRMAN. The society recommended the doctor to you?

Mr HOWE. I do not remember that fact. He is a physician at the station; a perfectly reputable physician. He is one of the Treasury Department's physicians; not ours.

Mr. SIEGEL. He is connected with the Public Health Service?

Mr. HOWE. Yes, sir. This woman was at the station for months. Matron after matron came to me and recommended her admission. They said, "This woman has conducted herself with propriety. She has kept away from the men. She has a son in Italy, and she wants to make a little money in order to bring him over here." The matter came up three or four times, and finally she was admitted. She could not be deported because transportation was suspended to the Mediterranean.

It will be seen from Mr. Howe's statement that the St. Raphael Society, a religious organization which operates at Ellis Island, recommended this girl's release. The physician in the Public Health Service, and according to all the evidence in the hearing, a reputable gentleman, agreed to take this girl into his family and give her a chance to make good.

On the suggestion of the San Raphael Society, Mr. Howe recommended the release of this girl. She was taken into the home of this physician; she is there now, so far as this evidence shows, and she is making good. Her shame would never have been revealed if it had not been for the desire of the gentleman from New York to besmirch the good name of a great and pure-mined official.

Now, what has Commissioner Howe been doing while in office in addition to writing three books—and, by the way, he has not written three books since he has been commissioner of immigration, but that is a detail of small importance, and it is quite as reliable and accurate as most of the statements made by the gentleman? The Secretary of Labor reported to the Committee on Immigration that Mr. Howe, while writing these 3 books and these 16 magazine articles referred to by the gentleman from New York, had "made thorough investigation with experts as to the cost of the hospitals, which were alleged to be self-sustaining. The commissioner found that the hospitals were losing over $100,000 a year, which loss was being paid by the Government for the benefit of the steamship companies."

Are there any attorneys for steamship companies in the House?

These steamship companies had been saving $100,000 a year under previous administrations, and Mr. Howe discovered the loss and compelled them to come across and put up $100,000 a year.

I ask again, are there any attorneys for steamship companies or ex-attorneys for steamship companies directing criticism at Frederic C. Howe? I would be glad to be interrupted now.

Second, he reinvestigated requests for money for permanent appropriations and after the investigation reduced such requests in 1915 by $300,000.

Mr. BENNET. Mr. Speaker, as the gentleman has indicated he is willing to be interrupted by request——

Mr. KEATING. Yes; I will yield.

Mr. BENNET. Will the gentleman tell the House in connection with this the reason Mr. Howe cut them down was because this Congress in 1913 for the first time passed a law permitting the Department of Labor to collect these amounts from the steamship companies?

Mr. KEATING. I am reading from the report of the Secretary of Labor. Mr. Howe is a subordinate official and the Secretary probably knows what his subordinate has been doing.

Mr. BENNET. Is it not true, I will ask the gentleman——

Mr. KEATING. I will have to decline to yield further, because my time is passing so rapidly.

I will place in the RECORD at this point the summary of Mr. Howe's achievements as commissioner of immigration at Ellis Island as prepared by the Secretary of Labor and submitted to the House Committee on Immigration and Naturalization. It is as follows:

(1) A thorough investigation with experts was made of the cost of the hospitals which were alleged to be self-sustaining. The commissioner found that the hospitals were losing over $100,000 a year, which loss was being paid by the Government for the benefit of the steamship companies. He secured an increase in hospital charges to steamship companies which has increased the earnings of the hospital by approximately $100,000;

(2) He reinvestigated requests for money for permanent appropriations and after investigation reduced such request, in 1915, by $300,000;

(3) He reduced, in response to war conditions, the operating salary costs of the Ellis Island station by approximately $100,000 a year;

(4) He investigated the many immigration lodging houses and homes in New York and brought about a clean-up in a number of them;

(5) He secured the cooperation of the commissioner of police to clean up the conditions which surrounded the barge office, and by so doing protected the incoming immigrants at New York from the individuals who had previously preyed upon them;

(6) He investigated and brought about many reforms in the protection of the aliens en route from Ellis Island, both at Jersey City and along the route;

(7) He organized all of the employees at the station into an association for making the wants of the employees known and for securing the cooperation of all the employees in the administration of the station;

(8) He brought about a reorganization of the purchasing of supplies for the hospitals at a great saving and improvement in the service;

(9) He made an investigation of the conditions under which landing of first and second cabin aliens were made at the various piers around New York, and ended many abuses and losses to which the aliens were exposed;

(10) He brought about a change in the inspection of first and second cabin aliens on shipboard which greatly improved the service;

(11) He made a number of studies, at the request of the department, as to means for increasing the efficiency and the rating of the employees;

(12) He greatly increased the output of the Divisions of Statistics and brought about a complete change in the filing system;

(13) He worked in cooperation with the board of education in New York for the opening of night schools for the education of adult aliens;

(14) He organized a number of agencies looking to the protection of aliens in New York;

(15) He organized a movement in 1916 for Americanization day celebrations throughout the country, and over 100 cities held citizenship celebrations as a result of the commissioner's efforts; and

(16) During the past two years Ellis Island has been almost free from the constant criticism on the part of foreign organizations and of the foreign press, which prior to his administration was continuous. It was directed at the alleged lack of kindness and consideration to incoming aliens. The nonforeign press of New York has been almost unanimous in its approval of his administration and the many changes and improvements which he has brought about.

I remain, very respectfully, yours,

W. B. WILSON,
Secretary of Labor.

Hon. JOHN L. BURNETT,
Chairman Committee on Immigration and Naturalization,
House of Representatives, Washington, D. C.

These are some of the things Mr. Howe was doing when the reporters mentioned by the gentleman from New York called at his office: Instead of being there to chat with reporters, he was out organizing "Americanization Day" celebrations so as to assist in making the alien an American; instead of being there to converse with the reporters he was out investigating conditions in the lodging houses of Jersey City, Hoboken, and New York; instead of conversing with the reporters he was investigating how he might reduce the cost of feeding the immigrants and how he might protect them from the harpies who preyed upon them when they landed on these shores. And that is the great duty that this administration wanted Frederick C. Howe to perform.

Mr. SLAYDEN. Will the gentleman yield?

Mr. KEATING. Yes.

Mr. SLAYDEN. How does the press of New York, that is investigating this matter, regard Mr. Howe?

Mr. KEATING. At the time the gentleman made his first attack on Mr. Howe I took occasion to read the papers, and the papers I read sustained Mr. Howe's side of the case. But it is not necessary to appeal to the press of New York. All that I ask on behalf of my friend, Frederic C. Howe, is that every Member of this House who is interested in this subject, or who has heard the gentleman's charges, will read Mr. Howe's statement, which I will place in the RECORD; will read the letter of Secretary Wilson, which I will place in the RECORD. I am willing to go to the jury on those two statements, because when the gentleman from New York had his day in court before the Committee on Immigration, when Mr. Howe was there in a forum where he could answer the gentleman from New York, and the gentleman from New York had the opportunity to propound questions, the gentleman was unable to make a dent in Mr. Howe's armor. The hearings will show that every charge was disposed of to the perfect satisfaction of fair-minded men.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD to the extent of inserting the letter of the Secre-

tary of Labor and the statement of Commissioner Howe before the Committee on Immigration and Naturalization.

The SPEAKER pro tempore. The gentleman from Colorado asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

SECRETARY OF LABOR WILSON'S STATEMENT.

Mr. KEATING. Mr. Speaker, the letter of Secretary W. D. Wilson of the Department of Labor to the chairman of the House Committee on Immigration and Naturalization, in reference to the Howe case, is as follows:

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, July 27, 1916.

SIR: In response to House resolution No. 317, introduced by Mr. Bennet July 21, 1916, and referred to the Committee on Immigration and Naturalization, requesting information bearing upon conditions at Ellis Island, I beg to inclose herewith the following, requested by such resolution:

(1) Copy of memorandum inclosed by the Solicitor of the Department of Labor in his letter to the Department of Justice under date of April 15, 1916.

(2) Copies of all letters of commendation or criticism of the food contractors at Ellis Island written by the commissioner at Ellis Island between July 1, 1915, and June 30, 1916.

(3) No written report was made by the night watchman in the cabin detention quarters to Frank McKee. A report was submitted, however, by the inspector in charge of the night force to Supt. Baker. The substance of the report was immediately transmitted to the bureau under date of July 10, 1916, with a request for the deportation of the woman alien involved, who came from Austria and could not be deported under existing orders of the department. Officials at the station could make no further investigation of the case because the alien man involved had been ordered landed temporarily by the department before the facts referred to came to the attention of the station.

(4) The regulations at Ellis Island bearing upon the freedom of action of the ordinary nonwarrant aliens were not in written form. In general, they provided for permitting families to be together during the day in the large detention rooms at one end of the building. They also permitted the aliens to go upon the porch and also to the playgrounds after it was opened by the commissioner. In detention rooms, on the playgrounds, and porch matrons and watchmen are always in attendance, while charwomen and other employees are constantly cleaning the place.

(5) Copy of orders of Commissioner Howe bearing upon the segregation of the immoral cases. The orders were issued after a conference with the assistant commissioner, superintendent, chief of detention division, and Matron Harris. These orders followed an investigation by the matron, which were ordered a few days before, upon her appointment. The orders requested her to report on anything she could find to criticize, and were of a confidential nature. I do not deem it to be for the good of the service to have this confidential communication published.

(6) Copies of all letters written by Commissioner Howe recommending the admission of warrant-case women, as well as recommendations by him as to women who have been taken from the liners by inspectors for hearings before the board of special inquiry, which cases came before the commissioner on appeal. Of the former I find there are but 9 and of the latter 12.

(7) Copy of official letter from Commissioner Howe recommending the admission of an alleged immoral woman, Giulietta, which letter, however, did not recommend her admission to "his custody" as alleged, but to the custody of the St. Raphael Society for Italian Immigrants. This alien was, however, paroled to a physician, where she has since been working as a domestic and has been regularly reporting to the station.

(8) I am informed that no general orders were issued bearing upon the use of the playgrounds and porch by the ordinary aliens. As to the immoral cases, their privileges are covered by the standing order referred to in item 5 above. Immoral cases are not permitted to mingle with other cases. There are strict rules bearing upon them made by the commissioner. They are segregated in so far as physical limitations of the station permit.

(9) It is impossible to satisfy the request asking for the number of official communications from Ellis Island which bear the signature of the commissioner and other officials. A quarter of a million aliens enter Ellis Island each year. It is the great office of naturalization. The correspondence of the station is colossal. Only a part of it is on file at this office.

Inasmuch as this resolution bears upon the alleged immoral conditions at Ellis Island and the admission to this country of certain persons charged with immorality, it seems proper to me that the difficulties imposed upon the commissioner at Ellis Island, the improvements he has made in the service, as well as the problems the Department of Labor has had to face should also be laid before your body, for these conditions have been a matter of departmental concern and frequent conference and investigation.

I also desire to call attention to my own interpretation of the kind of service which should be rendered incoming aliens at immigration stations, and the directions to officials that these stations are "not intended to be penalizing." The reference to this matter appears in my annual report of 1913 and is as follows:

"For a satisfactory administration of the immigration laws the character and condition of immigrant stations at ports of entry are of prime importance. So far, therefore, as the Department of Labor is permitted by law and equipped for the purpose it aims to make these stations as much like temporary homes as possible. While regulation and exclusion, and therefore detention, are necessary in respect of immigration, it should be understood by all who participate in administering these laws that they are not intended to be penalizing. It is with no unfriendliness to aliens that immigrants are detained and some of them excluded, but solely for the protection of our people and our own institutions. Indifference, then, to the physical or mental comfort of these wards of ours from other lands should not be tolerated. Accordingly every reasonable effort is made by the department, within the limits of the appropriations, to minimize all the necessary hardships of their detention and to abolish all that are not necessary.

The war upset the administration of Ellis Island. The station was designed as a rapid clearing house for peace conditions, the detained cases being deported within a few days after their arrival at the station. All of the internal construction of the station was planned to meet such conditions. There are no individual cells at the station, only a series of large dormitories scattered over a very great area and located on different floors and in different parts of the building. A long corridor, possibly 200 feet long, contains smaller dormitories which were designed to be used by first and second cabin passengers who were detained; other rooms designed for the temporary detention of men cases held under warrant for various offenses and other rooms for women offenders held under similar conditions. Thus, we have been compelled to hold in the same corridor first-cabin aliens, who may be detained merely because of sickness or some other question involving their right to land, as well as offenders of every shade of offense who have been brought to this port. This includes men and women who have been picked out of the passengers on board of the liners because of suspicion from anonymous or other communications or other reason for thinking that possibly they may fall within the excluded classes.

Hundreds of aliens were at the station when the war broke out. They came from Russia, Poland, Austria-Hungary, Germany, and the whole of central Europe, to which countries they could no longer be deported. Ships in transit increased this number. Excludable aliens were being brought to Ellis Island by inland immigration officials because of lack of detention quarters at other stations, to be held at Ellis Island for deportation. For months the accumulation was permitted to grow in the hope of an early termination of the war. Incoming ships were adding to the congestion, while warrant cases were being thrown upon the station because of the responsibility of the Federal Government to care for such cases. The station was confronted with the necessity of carrying on its current business, and, in addition, there was thrown upon it the burden of being a detention camp for those who could not be deported, who represented every shade of suspected or convicted persons.

Only two alternatives were presented to the department, either to permit warrant cases to accumulate, and, by so doing, contaminate the innocent persons detained because of sickness, poverty, or some other cause, or to relieve the situation by the admission of such cases as could be landed with reasonable propriety and safety to the country. For the only accommodations for immoral cases is in a corridor designed by Congress for offenders as well as perfectly innocent first and second cabin passengers.

After some months, a policy of selection was decided upon. An investigation of the record in each case was held. On several occasions representatives of the department at Washington went to New York and examined numbers of excluded cases. Specially selected boards made studies of individual cases. Rarely was anyone admitted until they had been at the station a sufficient length of time to permit of the matrons, representatives of religious and other societies to gain an impression of them, or to find an institution, society, or private person who would be willing to assume the responsibility of accepting the alien under their employment.

In this work of finding homes the Young Men's Christian Association and religious societies cooperated.

From an examination of the records, only nine warrant cases have been admitted bearing the personal indorsement of Commissioner Howe.

In addition to the so-called warrant or arrest cases, there are appeal cases. The appeal cases relate to persons seeking admission to the country who are temporarily held for examination by the inspector and are then examined by the board of special inquiry, and finally take an appeal to the Secretary of Labor. These persons, it should be remembered, are first, second, and third cabin passengers. They are held on various kinds of evidence, such as their general appearance, unsatisfactory, inconclusive statements as to the persons to whom they are going, communications received concerning them, or matters which develop at the trial. The great majority of these cases do not look any different from other aliens; they usually deny their guilt, and very great delicacy has to be exercised by the department before it stamps a woman as a prostitute or places her in the dormitory in which the prostitutes are held. A single mistake of this kind would not only be a disgrace to the detained alien, it would be a serious wrong for the department to commit. Only 12 communications recommending admission of appeal cases of this class have been found in the files.

As to the alleged immorality at the station among the detained cases, probably 300,000 persons have slept at Ellis Island during the past two years, the average detention being probably 400 a day. The men sleep in one dormitory in one part of the building and the women and children sleep in another, there being no provision for individual accommodations. There has not been reported to us, and Commissioner Howe reports that no case has been reported to him, of any irregularity among the aliens who are temporarily detained in this way in the large dormitories.

There have, however, been several cases of immorality reported by detained immoral men and women who offered to disclose specific facts, provided some privilege, such as admission to the country, or the payment of transportation to some other country than that from which the alien came, was granted by the Government. Each of these cases has been investigated officially. One alleged instance related to a male prostitute slipping into an unlocked room when the watchman on the corridor had temporarily left his post, and another case reported by an immoral alien involved a watchman whose name he did not divulge. There have been a few other cases of a similar sort, all of which have arisen within the past few months. They have all been investigated and acted on, in so far as action was possible.

I am advised by the commissioner that the following are and have always been the regulations for preventing such occurrences: Immoral men and women are locked in their rooms at night. The aliens are counted into their room before the doors are locked. There are watchmen and matrons on duty at all times. The cabins for these aliens are on a separate floor from the great mass of the aliens and no possible means of communication exists.

During the day the warrant cases are for the most part kept in their rooms, the women being segregated in one room and the men in another. The rooms can be locked only on the outside by officials. They are always liable to be opened. At the end of the corridor, and with a clear view of it, a watchman is stationed, while all day long watchmen, matrons, officials of the station, and representatives of the religious and philanthropic societies, of which there are 70 at the island, are going and coming in these corridors. Usually a matron sits in the room with the women warrant cases. During the day the men warrant cases are permitted to be at one end of the porch, with a barrier dividing them from other aliens.

Immorality under these conditions can only occur under accidental circumstances, when all of the precautions provided fail to the ground at the same time.

As stated before, there are between 60 and 70 representatives of agencies at Ellis Island to look after the moral and physical welfare of the aliens. They include the Y. M. C. A., Y. W. C. A., and the various Protestant and Catholic denominations. They are among them all the time, hearing their stories, ascertaining their needs. Friends and relatives of aliens come to the island daily. The commissioner has placed complaint boxes about the detention quarters, into which communications can be placed. Notwithstanding these facts, up to the present time none of the representatives of religious organizations has reported any immorality at the island, and no suggestions of the same have reached officials through the complaint boxes, nor have any of the thousands of friends of aliens complained. There is no difficulty in reaching the commissioner, as his office is known to be open to any employee, no matter how humble, to any society or representative, or to anyone else at the island who desires to call upon him, as many of these representatives constantly do.

The situation, as stated before, is an extremely difficult one. The station is not built for complete segregation, short of locking suspected persons in their rooms day and night without employment of any kind to relieve their minds. The alternative of locking immoral women in their rooms some months ago resulted in their smashing down the doors opening into the corridor. A similar outbreak occurred on Sunday last. The following freedom has been given the alien prostitutes: Immoral women are segregated at the table. They eat by themselves On the north side of the building an immense open porch has been built, probably 300 feet long and 150 feet wide, onto which the aliens go from the day detention quarters. Upon this porch there are watchmen and matrons. The immoral women have been permitted to go onto this open porch, to sit on the benches, but the orders are that they shall not mingle with the other aliens. They are ordered to remain on the westerly end, as is indicated by the standing orders attached. Similar orders require the men to remain at the eastern end of the porch. All of the aliens are permitted to go to a large open lawn in the mornings and afternoons, under the supervision of watchmen and matrons. Here, too, they are under constant supervision. The standing orders relative to the freedom allowed and the supervision to be exercised were issued after a conference between the commissioner, assistant commissioner, superintendent, chief of the detention quarters, and the matron in charge, and are attached herewith.

Separate and apart from the quarters of detained immoral cases are three large day detention rooms, two of which are set aside for women with children and one for men. In view of the fact that whole families have been detained at Ellis Island for weeks and months at a time, and a large number of persons have been detained for nearly two years, the old rules which provided for the complete separation of families and men and women have been modified by Commissioner Howe, although husbands and wives sleep in separate dormitories. In each of these day detention rooms there is a corps of scrubwomen and matrons at work all of the time keeping the place clean.

Ellis Island, as stated before, was not built for this kind of a strain brought about by the hundreds of persons detained there. Along with the maintenance of a great inclosed hotel for an average of from 400 to 600 persons, precautions had to be taken to keep the immoral cases away from the others with the most limited facilities for doing so. The aliens have nothing to do, and the Government has no authority to provide employment for them. They sit day in and day out awaiting for the war to end, under circumstances which in prison have been universally recognized as conducive to insanity.

To meet these conditions, the commissioner has done a number of things. Among these are the opening of playgrounds to which the aliens go during the day. Concerts have been arranged for every Sunday for nearly two years. These concerts are given by various foreign and other societies, including the churches, schools, and public organizations. During the week motion pictures are shown in the main detention rooms. Calisthentics were introduced among the men by the Y. M. C. A. Religious societies organized classes in sewing for the women. The commissioner secured the cooperation of the board of education to open a classroom for the detained children which was continued until the board of education was compelled to abandon it. A big indoor children's playroom was opened. During the Christmas holidays, entertainments were given for nearly two weeks in the evenings. Swings, games of all kinds, victrolas, and other means of recreation have been secured by the commissioner for various organizations. The Y. M. C. A. and the Y. W. C. A. have detailed men and women to aid in relieving the tedium of the long detention, while hundreds of organizations have cooperated in the endeavor to relieve conditions imposed upon the station by the war.

As to the final request in the resolution for a statement of the number of official communications received from the commissioner during the year bearing his name, I beg to say that between 80 and 90 per cent of the immigration of the country passes through Ellis Island. The correspondence is colossal. The appeal cases alone run into the thousands, while tens of thousands of applicants for naturalization, with endless other correspondence on every variety of the station's activities form part of the routine work of the station. Our records show that the appeals are duplicates largely signed by the commissioner; that all letters bearing on matters of policy bear his signature, as do contracts, many pay-roll vouchers, recommendations relative to the personnel and the general conduct of the station. Merely to sign all the communications from Ellis Island would occupy more than one man's time.

As bearing upon the above intimation of neglect, I beg to say, however, that the following substantial achievements in the efficient administration of the station have been effected by Commissioner Howe:

(1) A thorough investigation with experts was made of the cost of the hospitals which were alleged to be self-sustaining. The commissioner found that the hospitals were losing over $100,000 a year, which loss was being paid by the Government for the benefit of the steamship companies. He secured an increase in hospital charges to steamship companies which has increased the earnings of the hospitals by approximately $100,000;

(2) He reinvestigated requests for money for permanent appropriations and after investigation reduced such request, in 1915, by $300,000;

(3) He reduced, in response to war conditions, the operating salary costs of the Ellis Island station by approximately $100,000 a year;

(4) He investigated the many immigration lodging houses and homes in New York and brought about a clean-up in a number of them;

(5) He secured the cooperation of the commissioner of police to clean up the conditions which surrounded the barge office, and by so doing protected the incoming immigrants at New York from the individuals who had previously preyed upon them;

(6) He investigated and brought about many reforms in the protection of the aliens en route from Ellis Island, both at Jersey City and along the route;

(7) He organized all of the employees at the station into an association for making the wants of the employees known and for securing the cooperation of all the employees in the administration of the station;

(8) He brought about a reorganization of the purchasing of supplies for the hospitals at a great saving and improvement in the service;

(9) He made an investigation of the conditions under which landing of first and second cabin aliens were made at the various piers around New York, and ended many abuses and losses to which the aliens were exposed;

(10) He brought about a change in the inspection of first and second cabin aliens on shipboard which greatly improved the service;

(11) He made a number of studies at the request of the department as to means for increasing the efficiency and the rating of the employees;

(12) He greatly increased the output of the Division of Statistics and brought about a complete change in the filing system;

(13) He worked in cooperation with the board of education in New York for the opening of night schools for the education of adult aliens;

(14) He organized a number of agencies looking to the protection of aliens in New York;

(15) He organized a movement in 1916 for Americanization day celebrations throughout the country, and over 100 cities held citizenship celebrations as a result of the commissioner's efforts;

(16) During the past two years Ellis Island has been almost free from the constant criticism on the part of foreign organizations and of the foreign press, which, prior to his administration, was continuous. It was directed at the alleged lack of kindness and consideration to incoming aliens. The nonforeign press of New York has been almost unanimous in its approval of his administration and the many changes and improvements which he has brought about.

I remain, very respectfully, yours,

W. B. WILSON, *Secretary of Labor.*

Hon. JOHN L. BURNETT,
Chairman Committee on Immigration and Naturalization,
House of Representatives, Washington, D. C.

COMMISSIONER HOWE'S STATEMENT.

Mr. Speaker, Commissioner Howe's statement before the House Committee on Immigration and Naturalization, in answer to the charges of the gentleman from New York, was as follows:

Mr. HOWE. I want to take up the thing that concerns me as a citizen first; that is the case of Giuletta La Marca, referred to by Mr. BENNET, and said to have been committed to the custody of a friend. That is not true. I want to read my official letter bearing upon that woman. It was stated that I urged her admission. Here is the letter to the bureau:

DEPARTMENT OF LABOR, IMMIGRATION SERVICE,
OFFICE OF COMMISSIONER OF IMMIGRATION,
Ellis Island, New York Harbor, N. Y., February 14, 1916.

COMMISSIONER GENERAL OF IMMIGRATION,
Washington, D. C.:

This refers to bureau No. 53986/43, in the case of Giulietta (or Giuletta) La Marca, who has been detained at this station since May 28, 1915, awaiting deportation. The St. Raphael Society for Italian Immigrants has offered to take the woman and find her a good position where she can earn an honest living if released into their custody. As the alien is unable to furnish a bond and there is no likelihood of her being able to return to her native country in the near future, I request authority to release her upon her own recognizance.

FREDERIC C. HOWE, *Commissioner.*

That woman, either through the St. Raphael Society or some other agency, got in touch with one of the physicians at the station, who offered to take her as a servant. She went there as a servant. She has been there ever since. She is earning $5 a week. She is cooking and washing for 13 people, and reports regularly to the station, and the doctor reports also. So far as I know, she is deporting herself with the utmost propriety. She is sticking to the hardest domestic job that I have heard of for a long time, at $5 a week.

The CHAIRMAN. That society recommended the doctor to you?

Mr. HOWE. I do not remember that fact. He is a physician at the station, a perfectly reputable physician. He is one of the Treasury Department's physicians; not ours.

Mr. SIEGEL. He is connected with the Public Health Service?

Mr. HOWE. Yes, sir. This woman was at the station for months. Matron after matron came to me and recommended her admission. They said, "This woman has conducted herself with propriety. She has kept away from the men. She has a son in Italy, and she wants to make a little money in order to bring him over here." The matter came up three or four times, and finally she was admitted. She could not be deported, because transportation was suspended to the Mediterranean.

Second. Along the same line, it was urged that I encouraged the admission of a large number of warrant cases. I have no power to admit anyone. The department has made an investigation, and I find that in two years' time I have recommended the admission of nine out of I do not know how many cases—warrant cases—in every case through a society, through an organization, or through some one who was responsible for it. Almost all the aliens who have been admitted there were admitted after a long conference; the representatives of the Department of Labor came over there, and they held court; they brought the aliens in and they took testimony and relieved the congestion in that way.

Mr. SLAYDEN. They have authority to do that under the law?

Mr. HOWE. They are the only persons who have authority; I have not any authority.

Mr. SLAYDEN. You have authority to recommend?

Mr. HOWE. That is all. In two years' time there were only nine cases of the class whom I can find to have been recommended by me for admission. After they are admitted they are inspected just as periodically as possible. We send out persons, and, so far as I know, they are all making good; they are all working and have not gone back to prostitution

Mr. RAKER. You recommended the admission of nine?

Mr. HOWE. In I do not know how many cases.

Mr. RAKER. Were those nine admitted?

Mr. HOWE. Yes, sir.

Mr. RAKER. And they are making good, so far as you know?

Mr. HOWE. Yes, sir.

The CHAIRMAN. They report to you frequently?

Mr. HOWE. Some of them. I know, report to me or to the station, or they are inspected by special inspectors whom we have out there all the time, covering the territory as well as we can. Of course, with our limited force we can not keep watch of them all the time.

Mr. SLAYDEN. You keep up with them?

Mr. HOWE. We keep up with them as well as we can. The alternative was of permitting I don't know how many of these people who had accumulated there to create the evil conditions complained of. We were between the devil and the deep blue sea, with all of these warrant persons in detention there and having all these other ordinary aliens with us. We tried putting many of them in homes like the Florence Crittenden homes, and we found other homes for them; but there is no home that they have gone into that I did not know about personally, and we have declined to permit them to go to some homes. I never recommended the admission of a single alien to my own custody, except one—or, rather, there were four of them. I was going around the station one day, and I saw sitting on a bench a big Irish woman who was 60 or 65 years of age. She was as big as any two of us. She had with her three beautiful children, who were sitting alongside her. I said to the woman, "Are you a visitor here, waiting to see some one?" She said, "No, sir; I am held here."

I said, "Is there anything I can do for you?" She said, "I am held here as one likely to become a public charge." I said that that did not seem to be likely to me, and I told her I wished she would come down to the office to see me.

She came down to the office with her three little children, one 7 years old, one 9 years old, and the other 13 years old. She said that her husband had been shot to pieces in Flanders; that one of her sons had been killed in South Africa; and that another son had disappeared in South Africa. They had a farm down there, but everything living had been taken from it by the British Government. She had come to this country to join a married sister in North Carolina, but when she got there her sister's husband refused to receive her. Then she was sent back as a person likely to become a public charge. I wrote to the department and said she ought to be admitted, because I did not think there was any likelihood of a big, strong woman like that becoming a public charge. She said that she would receive a pension on account of the injury to her husband in London, but she could not go back to London or South Africa because there was nothing there for her to do. I appended a note to the letter, stating that the children had won me so much and that I liked them so much that, if nothing else could be done with them, I would adopt them. The department wrote back that the woman and the three children were admitted in the custody of the commissioner. I carried them up to my own home and wanted to adopt two of the children. I got a cottage for them and I expected to get a job for the woman as a nurse. They were on my hands for five months and cost me $200 before I could find employment for them. I finally sent them down to a farm in West Virginia, where they obtained work. That is the only case where any alien has ever been admitted in the commissioner's custody.

The CHAIRMAN. That includes the four—the woman and her three children?

Mr. HOWE. Yes, sir; they were the most beautiful children you ever saw. They were round, rosy, laughing children, climbing all over you in a minute. It almost broke my heart to send them away. I would adopt them in a minute if I had some place to send them.

Now, I want to come to the last thing discussed in this resolution—that is, about the attention I give to my official duties and the efficiency with which I have run that station, and in this connection I want to open with the statement that the immigration law says that it is the duty of the commissioner to protect the immigrants from fraud and loss. That is an obligation upon him just as much as any other obligation, but it is an obligation that, so far as I know, no other commissioner ever took very seriously. It is a thing that I have taken as seriously as I have taken anything else, and it has occupied as much of my time as anything else. The first thing I did when I went there was to communicate with the representatives of many of the most prominent philanthropic organizations in New York. For instance, I conferred with such men as Oscar Straus and with such women as Mrs. Lillian D. Wald.

I conferred with people and organizations all over New York, Jews and gentiles alike, and we mapped out a program for the protection of the immigrants. That program of protection ran into all sorts of places, both weak and powerful. I found that the second-cabin aliens were being dumped over in Hoboken and in Brooklyn and all along the water front of New York. I recommended to the department that the second-cabin aliens be brought to Ellis Island for protection from loss. The department had hearings on the matter at Ellis Island, and it seems to me that all of Hoboken came in there. The city officials, representatives of the chamber of commerce, etc., came to the hearings. They said that Hoboken lived off of the immigrants. They said, "They give us $500,000 a year." The hotels and expressmen were represented at the hearings, and the board of trade and merchants' association sent representatives. There were representatives from the hotel companies, from the express companies, and the railroad companies. They filled a great room like this. That room was filled with people protesting against the loss of the rake-off that they were getting in one way or another from the immigrants. It cost from $5 to $10 or $15 for an alien to land at Hoboken and then come over to New York, then drop back to the barge office, and then go west. It meant a loss of two days, possibly, and I do not know how many people preyed on him unnecessarily. Now, he might have come directly to Ellis Island and gone west from there. There was probably three-quarters of a million dollars involved in it.

I ordered an investigation of places around New York, for proper things or improper things, and I found that many men were preying on the aliens. I had the police department send around the best men that could be obtained in those investigations. We found that the railroad situation in Jersey City was not right. We found that the railroad pool there routed the aliens; we found that they sent them, say, over the Baltimore & Ohio and Chesapeake & Ohio to Chicago. It took them 50 hours to go to Chicago. Then they were packed in cars with inadequate toilet facilities, the men and women being bunched in together. We found that they were likely to be killed by the score in going over the tracks at Jersey City. We cleaned up that situation as well as we could with our limited powers.

The CHAIRMAN. Did you move the Hoboken station?

Mr. HOWE. No, sir; there was no Hoboken station at the time. They were fighting for one when the war was over.

Then I began an investigation of conditions surrounding the alien at Ellis Island. As soon as admitted the alien goes down to a place to get his money changed, and you can see the aliens lined up for 100 feet waiting to get their money changed by private money changers. Richards & Co. have that concession. Now, I do not say that they were dishonest, because I do not mean anything of that kind, but they have their clerks there doing the work. Now, the money that the alien gets he gets from a private individual—the clerk of a private person—who has every opportunity in the world to short change the alien. The alien wants to get a 20-franc piece exchanged and the man may give him $4 or he may not. The next man may have a piece of Greek money to be exchanged, and the next may be Russian or German. The alien only wants to get out. He does not know what the rate of exchange is, and he takes what is given to him.

Then he has to pass by the telegraph offices. The telegraph offices are there to make money, and they have men out urging the aliens to come in and telegraph to their friends. We have men there trying to stop any abuse, but we do not know what they do. Then they go over to the railroad office, and finally come to the food concessionaire, who sells cartons of food. It may be proper to sell them at the price at which they are sold, but it is to the interest of the private concessionaire to sell as many as he can for as much as he can. He has a man out trying to encourage them to buy. My protest is not as to the dishonesty of any man because I do not know about that. There is somebody trying to get money out of the alien all the time, and he wants to get through. He is eager to get out, and he has learned abroad that the only way to get out is to buy something all along the line. I say that that is a bad system—a rotten bad system—and the United States Government ought not to have private concessionaires at the threshold of this country for that purpose. I am sure that if the Government furnished the food it would do it as well as in the case of the hospital. I am sure that the hospital supplies are bought right down to the bone. We buy $40,000 worth a year——

Mr. BENNET. What proportion of the food for the hospitals is supplied by Rhodes & Brand?

Mr. HOWE. I do not know of any. We have competition for that every three months.

Mr. BENNET. They are the contractors, are they not?

Mr. HOWE. I do not know. I do know of one change that would take place if we ran the concessions there, and that is we would pay more wages. We would provide for $2 per day. We would provide that no wages less than $2 per day should be paid there.

Mr. SLAYDEN. To anyone?

Mr. HOWE. Yes, sir; to anyone.

Mr. SLAYDEN. What do they pay now?

Mr. HOWE. As low as $6 per week.

Now, I want to come to the thing that affects me officially; that is, as to whether I have been an efficient commissioner, or whether I have been a good business administrator. I do not think that is the primary thing, but that is the point of view that many people take. I assumed that my obligation to the Government there was just the same as would be my obligation to a private person, and I tried to effect all the economies I could, to make that station just as serviceable as I could, and to cut down any expense I could. They came to me and said that the hospital was earning money and that it made a profit last year. I said, "We will find out about that." I had experts to go through all of the hospital records to find out whether they were making a profit or not. I did not believe that they were, and when these experts got through we found that they were losing $120,000 a year, although the department's instructions are that the charges to the steamship companies should be enough to make the hospital self-supporting. In other words, the steamboat companies were receiving outdoor relief to the extent of $120,000 a year from the Government. We eliminated from the cost the payments to the doctors, who were in the Public Health Service, and we only put in the cost of the food, the cost of the nurses, the depreciation on the buildings, and the cost of lights, water, and heat, and we increased the earnings of the hospital $100,000 a year by increasing the charges to the steamship companies. The steamship companies beefed and bellowed about it, and they have been beefing and bellowing about it ever since, but it is not my conception of my official duty to permit them, who are responsible for the bringing of improper aliens to this country, to enjoy that kind of privileges furnished by the United States Government without paying for it.

Then, when the order came from the department two years ago that economy was to be urged, I took up all of our requests for appropriations and went over them very carefully. I cut out something like $300,000 for permanent improvements. I am partially responsible for the fact that we have not made application for first-cabin accommodations, because I voluntarily reduced the requests that had been pending for years, believing that when the Secretary of Labor made that request he meant it. We cut out $300,000, and those things have never been requested from that day until this, although all of them could be defended.

Then later, when the Secretary said to me that it was urgent in order to meet the demands of Congress to make a reduction in our expenses, I took that mandate also seriously, and I cut them down with the cooperation of the department. We did that by transferring employees and finding other jobs for them, and by means of furloughs, and other ways. We cut the labor cost at Ellis Island $100,000. We cut down the clerical force alone $30,000, and then we lost a number of our watchmen. We lost a lot of men who went to the border on the call for troops, and as soon as the watchmen were gone, or simultaneously with their going, these troubles arose.

Now, there is another thing that I take a real, genuine, and hearty pride in. When I went to Ellis Island it was organized on the basis of what some people would say was the best kind of discipline. I called all of the employees into my office by groups, and I said to them, "My office is open every day from 11 o'clock to 1 o'clock for you to make any suggestions on any question and to give me any information on anything you want to bring before me. If there is anything you want to bring to the attention of the commissioner you bring it here to me; do not bring it up through the chief of your division, and if there is anything you want to see me about come to me." That rule has been in effect ever since. I found that every employee at the station there was in a hierarchy, composed of the commissioner, the assistant commissioner, and the chiefs of divisions. I said to the men, "You go out and organize yourselves into what we will call a union; let the matrons organize, let the inspectors organize, let the stenographers and engineers and every one of you organize. You get together and talk over the welfare of this station, and talk over anything that we can do to better it, and if you have any plan for improving it, bring that up through a committee. If you want a raise in salary, get your own associates to agree on it before you bring it to me."

Then we created another group to hear appeals, so that nothing would come to me of a frivolous nature. That had the effect of putting them on their mettle; they were put upon their honor, and they never took advantage of it. I got 98 suggestions. They ran all the way from the big things down to the little things. There was a suggestion by one humble employee by which an economy of $40,000 would have been effected in one division alone. Now, that is my idea of efficiency. It is the way to call out the full working capacity of any man, no matter how humble he may be. I like it, and it has been successful. Now, some men at the top do not like that, because it has diminished the power of their positions. Some men do not like to have other men have access to me, but I do like it. I am sure it has protected me, because it has given me 500 sources of information that a man who looks to only one or two men in the force would not have.

Then, I put complaint boxes all over the station, and I did that for the same reason. Those are complaint boxes into which anybody can put a complaint at any time, or a suggestion at any time. They may come from aliens, inspectors, or from visitors, and that is the way I keep in touch with the aliens and with the visitors who come over there. Very often they make valuable suggestions to me.

Mr. SIEGEL. The signs on the complaint boxes are in English. Has it occurred to you that they might be put into different languages?

Mr. HOWE. That may be, but the complaints come in every language now.

Mr. SIEGEL. They have other signs around there in different languages, but not these particular ones.

The CHAIRMAN. They know they are complaint boxes, whether they can read the signs on them or not?

Mr. SIEGEL. Some of them do, but some of them do not. They read in all kinds of languages.

Mr. SLAYDEN. Don't you suppose that the news as to what they are *gets about* among all of them?

Mr. HOWE. Yes, sir. Now, I want to explain something else: Our statistical division employs 60 men, and I went into that division and studied it. I shook it up. I said to them, "You hate to be appointed into this division, and you call it the morgue. Now, let us see if we can not improve this division." I took it up, and in six months' time we had nearly doubled the per capita output of work in that division, and had cut down the operating cost. They were copying cards and doing that sort of work.

I took hold of the filing system in the same way, and appointed experts to make a study of the best filing systems in New York. We cleaned up the filing system, and I put the best man I could get at the head of it. As soon as I get a division like that cleaned up and reporting regularly I forget it, or take it as a purely routine matter. I went through the station division by division in the same way, making them efficient from my point of view.

Now, the war broke out on me just as I was appointed, and the war is responsible for this trouble that Mr. BENNET talks about. On the very day I went there, almost, the war broke out, and we had 400 or 500 aliens; and I am not sure but there were 800 aliens when I went there. They could not be deported to Russia, Austria, Hungary, Poland, Germany, or Belgium. At the same time they were coming in from the interior, from stations that had no places or facilities for taking care of warrant cases or the crooked cases. We have at the present time 90 people who have been there since the war broke out—men, women, and children.

I used to go through the detention rooms day after day, and I would see these little children sitting on benches with their parents. They were getting anemic and going to pieces. The only exercise they had was in walking to and from the dining room. At the end of a couple of months I said, "I can not keep these children there any longer; you have got to get them out and put them on the grass." Some of the people said, "You can not put them on the grass out there, because we have been working for three years to get the grass growing." They have had trouble with it because they have not had any too much soil. I said, "I am more concerned over dead children than I am over dead grass; put them out and see what happens." They turned them all out in front of my window and I watched them. They lay down on the grass like animals; they rolled over and over; they hugged the grass; they kissed the grass; and tears rolled down their cheeks. They were peasants, and that was the first time they had had access to the land for months. Then I opened up the playground as a permanent institution, and gave them their freedom.

The appetites of the children came back. And this is an interesting psychological fact. Prior to giving them freedom these aliens sawed their way through those heavy bars, as thick as your finger; they tore them down; they crawled out and got down by the use of suspenders, and so on, and leaped into the river; they leaped into the icy river in order to swim to the Jersey shore. They were so obsessed; they had nothing to do; there was nothing to do there, and you know what happens in prisons when people have nothing to do. People go insane. I gave them this freedom outside and permitted them to walk around. I got a lot of things for the children to play with. We organized classes; we organized sewing classes for the women; we put in a schoolroom for the detained children, there being no provision for such a thing there for the children. I got a Y. W. C. A. woman to take charge of it, because I had no money with which to do such a thing. With the exception of two German deserters, there is not a soul who has attempted to escape since they were given freedom.

What applied to that in that way applied also to these immoral cases. We locked them up, as they had committed some wrong. Those rooms had 10 to 12 beds in them, the rooms in which the prostitutes are kept. We keep as close a watch on them as we possibly can. There is almost always a matron in there looking after them. As we had no other place to put them, we had to do it in that way. Last Saturday we locked them up, and on Sunday morning we had a rough house. Two aliens attacked a guard and beat him up pretty badly. Men and women were raising Cain going through the corridors. It was all we could do to keep them from causing any damage. Now, we are up against that situation, with 400, sometimes 600, and sometimes 800 aliens over there, some of them kept there for months and months at a stretch.

The CHAIRMAN. How many warrant cases have you?

Mr. HOWE. At the present time 6 women and 16 men. The number will go up and down; sometimes we will have a large number there. Mr. BENNET says that at one time we had 100, and if we had 100 we had every available space occupied. I do not want 100 warrant cases there very long. At this moment, with those men locked in a room, as they are at the present time, and with the women locked up, you may expect anything to happen. I expect them to assault a guard who is unprotected. I should not be surprised that anything might be the result of the present policy.

Now, we had the alternative of locking them up or the other alternative of what has been called permitting them to mingle, which they did not really do. I defend my policy. I defend my policy and say that there is far more safety at Ellis Island in letting these people out on a big open porch, which is 300 feet long and 150 feet wide, with a watchman at this end and a watchman at that end and matrons going along all the time, and having the people where we could see them, than there was in locking them in their rooms. The same is true of the lawns.

Now, we have rules, which were adopted after an inspection made by Matron Harris, who was appointed last spring. I want to say that for the first 15 months I was there I had no head matron. The department could not give me any money so that I could employ a head matron. All I had was a lot of matrons there and a lot of scrub women there, with nobody over them. I think there ought to be a deputy woman commissioner at Ellis Island, and I said so before Mrs. Harris was appointed. I told her to make an investigation of anything she could find. She came back and made a report. Two days afterwards I called a conference of Mr. Uhl, Mr. Baker, Mr. McKee, superintendent of the deporting division, and Mrs. Harris, and we framed up these rules, which are the rules Mr. BENNET requests:

APRIL 15, 1916.

MEMORANDUM AS TO RULES GOVERNING WARRANT CASES.

1. The detained warrant men will be instructed to keep to their rooms or the men's day detention room; not to traverse the corridors except by way of the men's detention room to meals, and not otherwise; and not to enter the laundry or other rooms where women are detained.

They will be permitted on that part of the balcony to the east of the benches, and will be instructed that if they violate this rule and pass this line and mingle with the women the privilege of using the porch will be taken away from them.

Now, let me describe conditions there. Here are all the accommodations we have for warrant cases at Ellis Island [indicating on sketch]; here are all of the accommodations that we have for first-cabin aliens, who are just as clean as we are [indicating]; here are all of the accommodations that we have for second-cabin aliens [indicating]. Now, these are the ample, generous, and palatial accommodations that Congress has given us to take care of all the worst cases and the best cases as well [indicating]. There is a little laundry over there [indicating]. And that is a pathetic room. About three months ago I opened a laundry. These people had not many clothes, many of them having only the clothes they had on their backs. They would not send them to the laundries because they would mangle them, and so I opened this little laundry down here [indicating]; I put in washtubs and ironing boards, and the next day it was filled with these women aliens, who had nothing to do and who had not had a change of underwear for a long time. They went to their trunks there and pulled out a lot of things and washed them; then they came out with cleaner clothes, and it is the most popular place on the island, and that did more to improve their morals than a lot of other things might do.

They had no place in which to read or write, and so I fitted up this room [indicating] as a reading room and rest room. So the women are kept over there all day long. Now, there are almost as many children as there are women; maybe not as many as that, but there are many of them and they are of all ages. They are all around making noises and they are sometimes sick. They had no place to go except out here on the porch.

Mr. RAKER. You say children?

Mr. HOWE. Yes. In order to take care of the children I wanted to go out and buy a farm and take some of them on it. When I found the department could not do that, I was going to do it myself, but I found that if I did I might be indicted for making a profit out of the aliens. So I had to give it up. These little children were in there with their mothers, romping all around, and raising Cain all the time. Many of you gentlemen have families and you know what happens to your peace of mind when children are romping around all the time and raising Cain generally. They would get sick or their mothers would get sick. Now, we got them out on the porch and I opened up that rest room in there where the sick mothers could go, and that is the only place they could go except some little place in here [indicating], where there are a few beds; otherwise the children are compelled to lie on hard board floors.

Now, in the old days the women were there and the men were kept over there [indicating]. Three times a day the men come through here, walked out through here, and the women walked out through here [indicating], and they ate together. I let the husbands and wives be together all day long, and they met in this room over here [indicating]; they sat there and talked; they chat and they walk up and down the porch together. That left us a room for the first and second cabin passengers and four warrant rooms.

Now, here is the way we try to protect from immorality. It has not been perfect; it has not been completely successful, because we have had these cases for many months that have to be deported. We investigate them and we report our investigations to the department. Within 24 hours after a complaint of that kind comes it is a matter of record, if we get any knowledge at all. I think we get everything that happens through our system and through the talk and gossip that naturally takes place. It is all a matter of record right down here. Then, let me tell you that the only people who gossip or report on cases of immorality are prostitutes, pimps, and procurers, and nobody else, that I know of. And they often tell things for the purpose of making a deal. There was one man who offered to tell some things if we would send him to South America instead of sending him back to Austria, but we could not bribe him in that way. I want to say that whenever these reports come to us we investigate them up to the point where proof is almost impossible.

Mr SIEGEL. As I understand it, this man Fair, who has been referred to, has been trying for about two weeks to bargain with the department so that he would be sent to Brazil instead of to Germany. He stated he would make certain confessions provided such a bargain was made with him.

Mr. HOWE. Yes. Here is the arrangement we have to protect these warrant cases. A watchman stays there [indicating] all day long; there is a corridor which goes up there, and there is a corridor which goes across there [indicating], and there is a corridor coming down there [indicating]. There is the men's detention room, and here is the women's [indicating]. There is a man there all the time on duty; those are the orders, and I have never been there when there was not one there.

The CHAIRMAN. Day and night?

Mr. HOWE. Well, I have never slept at the station at night, but the orders are to patrol that corridor at night; yes, sir. Now, there are no bolts on the inside of the doors; they all lock on the outside. At night these warrant men are locked in, and the keys are carried by the man on duty at night. In the daytime the doors are generally open. This is where we keep a matron [indicating], and nine times out of ten when I have been through there a matron has been there. Then, again, scrub women are scrubbing there all the time, because it is a dirty place. These people spit on the floor, and it is necessary to keep cleaning the floor all the time. There are matrons going back and forth, and there are workmen going back and forth all the time.

I give it all as much attention is I can, because the aliens interest me. I have met as many interesting people on Ellis Island as I have met anywhere. Then we have representatives of societies at Ellis Island. We have agents of the Y. W. C. A.; we have agents of the Presbyterian Church, the Lutheran Church, and the Catholic Church. I think there are 70 such institutions represented there. They are at the island all the time, and I am sure the ministers would see some of this immorality and bring it to my attention if it existed to any great degree. But, as I say, everything is done to prevent it. I think it is better to have these people outside than to have them locked in rooms all the time. I think there is less likelihood of immorality on the street than there is in a cellarway. I have adopted it as a policy that the more I can get them out the easier it will be to watch them; it will be easier to have somebody watch them while they are out on the lawn than it would be if they were locked in these rooms or compelled to remain in these rooms, where it might be possible for somebody to sneak in. Of course, that is a matter of judgment, but it is my judgment that that is the better plan, and it has worked pretty well and did work pretty well up to the time we were stripped of our employees who had to go to the war, when we could not watch them as carefully as we did before. Mr. Bennet, is it not true that every one of these stories has arisen within the last six weeks; I mean stories of immorality?

Mr. BENNET. Yes.

Mr. HOWE Every one that I have heard of has arisen within the last six weeks, and I guess I got them all.

Mr. DENSMORE. When you refer to your employees going to the war you mean that they went to the Mexican border?

Mr. HOWE. Yes. They called out our men, and we lost a number of them.

Mr. SLAYDEN. Would it annoy you if I would ask you a question merely for the expression of an opinion?

Mr. HOWE. Not at all.

Mr. SLAYDEN. We have been immensely interested in your statement. In your judgment, what percentage of the people who are detained at Ellis Island are downright immoral people? For instance, that woman and her three children, while they were detained, were not immoral.

Mr. HOWE Of course not——

Mr. SLAYDEN (interposing). I say that that woman was clearly not immoral. Now, what percentage of the people there, in your judgment, might be accounted as decidedly immoral people, such as pimps, procurers, prostitutes, and others of that kind?

Mr. HOWE. It probably ranges from 20 to 50 out of from 400 to 600. It may be 5 per cent, or it may rise to 10 per cent.

The CHAIRMAN. Of course those who are not detained upon that ground are supposed to be all right?

Mr. HOWE Of course we know how many warrant cases there are.

Mr. SLAYDEN. It is a comparatively small number?

Mr HOWE. Yes, sir. Mr. Bennet, have you ever heard of any immorality among the ordinary detained aliens? Have you ever heard of a case of immorality among the ordinary run of aliens down there, outside of the detained warrant cases?

Mr. BENNET. I can not say that I have—not in your time.

Mr. HOWE. Possibly you would not include those Chinamen among nonwarrant cases?

Mr. BENNET. No, sir; I would include them, in view of your statement—I think I would not call them warrant cases. They were not detained there for any immorality, but simply because they were Chinamen.

The CHAIRMAN. There was no warrant for them, and they were not warrant cases?

Mr. HOWE. No, sir. Within two years' time 300,000 people have slept at Ellis Island since I have been the commissioner. They have slept in those dormitories upstairs. Husbands are separated from their wives. The husbands have not slept with their wives all the time they have been there. As I was saying, while 300,000 people have slept there during the last two years, there had not been any suggestion of any immorality there.

The CHAIRMAN. There is no place where husbands and wives can sleep together?

Mr. HOWE. They do not.

The CHAIRMAN. You have kept them together in the daytime?

Mr. HOWE. Yes, sir. The trouble there is largely due to the fact that these people have been detained there for a long time. Ellis Island is not built like a prison, and we are not prison keepers. We have no means of punishment. They have to be either watched in those rooms or kept outside.

Mr. RAKER. Is not another great trouble due to the fact, not that you have no place to punish them but that you have nothing for them to do?

Mr. HOWE. That is true.

Mr. RAKER. I want you to elaborate somewhat on the question of punishment and the question of having something for them to do.

Mr. SIEGEL. On the other hand, you would not have any authority to put them to work?

Mr. HOWE. No, sir.

Mr. DENSMORE. In connection with whatever immorality that has been even alleged over there, if it has been committed, it has been committed upon one single prostitute who is absolutely incorrigible. From what Mrs. Harris told me, she is subnormal or abnormal. She is positively a degenerate. I refer to Ella Lebewetz. There is no difficulty with even the other prostitutes, except possibly Anna Bell.

Mr. HOWE. I want to complete the regulations we adopted governing the warrant cases.

Mr. SLAYDEN. I move that Mr. Howe be permitted to get through with his statement without interruption

Mr. HOWE Here are the orders adopted after that conference:

"1. The detained warrent men will be instructed to keep to their rooms or the men's day detention room; not to traverse the corridors except by way of the men's detention room to meals, and not otherwise; and not to enter the laundry or other rooms where women are detained.

"They will be permitted on that part of the balcony to the east of the benches, and will be instructed that if they violate this rule and pass this line and mingle with the women, the privilege of using the porch will be taken away from them.

"2. The same instructions will be given to the warrant women, who are to be moved to room 212. They are permitted on the west side of the balcony, with instructions not to cross to the east end or to mingle with the men.

"3. The doors of the corridors are to be kept closed."

They are to be kept closed so that they can only be opened by the officials.

"4. There is to be no loitering in the corridors. This rule applies not only to warrant cases but to all aliens detained here. Watchmen and matrons are instructed to send both men and women out of all the corridors into the day detention rooms, except when they are passing through the corridors for meals or some other business.

"5. The warrant cases will be advised that continuance of the privileges they are receiving depends upon their good behavior, and these privileges will be taken away from them if they are guilty of any improprieties.

"6. Warrant men and warrant women are not to sit together at the tables.

"FREDERIC C. HOWE, *Commissioner.*"

That is signed by the commissioner, and it is dated April 6, 1916. Previous to that these questions had been handled piecemeal under rules substantially like those I have read, although I think there were some abuses there that are covered in these rules that are not like the general instructions we gave to the matrons and watchmen. They had standing rules to see that the prostitutes did not go with the other people and to see that they stayed by themselves on the playground; to see that they walked together on the porch; and to see that they did not converse with the men. Two cases were reported to me by matrons. A matron came down one day and said: "Mr. Howe, there are familiarities going on on the porch by that prostitute who was brought over this morning. I watched her and saw her slap a man on the back and walk along the porch with him. I went to her and said, 'See here, you ought not to be familiar with the men like that; you have only been here since this morning and have not been introduced to anybody.'" I said, "What did she say?" The matron said, "She said, 'If you had been in a Florence Crittendon Home for eight months and had not seen a man in all that time, I think probably you would put your hands on a man, too, if you saw one.'"

We tried to watch it as well as we could. Now, I have talked longer than I intended to, but I simply wanted to show that I am perfectly open and frank about this matter.

Mr. DENSMORE. Mr. Howe, did you make it clear that the instructions that you have just read with regard to the warrant cases were made after Mrs. Harris had made to you her report that this resolution calls for?

Mr. HOWE. I did. They were delivered to the assistant commissioner and they were delivered to Mr. Baker, who was the superintendent; they were given to Mr. McKee, who is at the head of the detention division, and also to Mrs. Harris. Mrs. Harris has the power to enforce any rule just the same as I have, and Mr. McKee has the same power, but they are inadequately supplied with help. We are inadequately supplied with men, and we are trying to run a prison in an immigration station, and can not do it. I did not invite that when I was appointed commissioner. I did not expect to be the keeper of a prison.

The CHAIRMAN. There was some question raised about absenteeism.

Mr. HOWE. Yes: and I would like to answer that, too. Mr. Chairman, I get to the office all the way from half past 8 in the morning until 10 o'clock, depending upon the train connection that I make, or, rather, the ferry connection. If I do not catch the 9 o'clock ferry, I come in at 10 o'clock. As a matter of fact, I usually have a launch that brings me over at approximately half past 9 o'clock. I think I work with more rapidity than almost anybody else, and I usually catch the 5 o'clock train to the country, which means that I leave the station a little bit before the others do. They leave at 4.40 o'clock, while I leave at a quarter past 4. On many days I leave before that when I clean up all the work and there is nothing more to do. When the work is cleaned up and there is nothing further to be done, I leave. When I became commissioner I said that I would make it a rule to trust the men as far as I found I could trust them, and as soon as I found I could trust officials, I trusted them. I insist, however, that everything that relates to administrative policy shall be decided by me, and I decide everything that relates to personnel. I pass upon—I can not tell you the percentage of appeals—but I pass upon all the appeals when I am there, and upon the pay rolls and vouchers, and all administrative policies. I also sign all contracts. I have been devoting a large part of my time to the work of protecting the aliens from fraud and loss, to the question of bad conditions, and to the question of making economies in the expenditures.

The CHAIRMAN. It is not that so much, as I understand it, but the charge relates to absenteeism from the island.

Mr. HOWE. I can answer that, I think. Probably there has not been any two weeks in this year, and certainly not any three weeks, that I have not been called to Washington. Ellis Island does from 80 per cent to 90 per cent of the work of the entire Immigration Service, and I am here often anywhere from one to three days. So far as I can recollect, I have been away on my own personal matters only twice—I have been away possibly six times. Then, in addition to that I was away from the station to make, I suppose, 20 speeches—generally bunching them—on the subject of immigration. I have done that intentionally and consciously, because I was trying to interest the people of the United States in the question of immigration. In addition to that, I started, by correspondence and otherwise, 100 cities to having citizenship receptions on the Fourth of July. That was a year ago. I have spoken in St. Louis, to chambers of commerce in North Dakota, in Milwaukee, Chicago, Philadelphia, Boston, and, I think, in Providence and Syracuse, on the immigration policy, which is a policy that would educate the immigrants after we got them and which would protect them. I have given a great deal of time to that and considered it as a part of my duty as immigration commissioner, because I felt that the duty of the Government did not end when a man was admitted to this country; that there was some obligation on the part of the Government to see that he was not imposed upon after he got here.

The CHAIRMAN. Has that taken up any unusual amount of your time?

Mr. HOWE. No.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in connection with the statement of Mr. Howe, which has just been inserted in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend——

Mr. BENNET. Or in the alternative, if there is opportunity before the close of the session, that I may have six minutes, confined simply to that statement of Mr. Howe.

Mr. KEATING. Reserving the right to object, all that I want under the circumstances is simply an opportunity to comment upon what the gentleman may say. I have no desire to restrict the gentleman's activities at all.

Mr. BENNET. Then I ask unanimous consent that the gentleman from Colorado may also have six minutes to comment on what I say after I am through.

The SPEAKER pro tempore. The gentleman from New York [Mr. BENNET] asks unanimous consent that he may extend his remarks in the RECORD——

Mr. BENNET. This request was made at the conclusion of the gentleman's remarks, and he already has the consent.

Mr. KEATING This will take the place of unanimous consent to insert matter in the RECORD.

Mr. BENNET. If I do not get a chance to speak, I will insert the matter in the RECORD.

Mr. KEATING. The gentleman's request is that he have six minutes, and that I take six minutes at the conclusion of these other speeches.

Mr. BENNET. My request is that I have the alternative, if I can be reached at this session, of having six minutes to comment on Mr. Howe's statement, and if I can not be reached that I have the right to extend my remarks in the RECORD in relation to Mr. Howe's statement, which the gentleman from Colorado [Mr. KEATING] has put in the RECORD, and if I do speak six minutes that the gentleman from Colorado may also speak six minutes after I am through.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that he and the gentleman from Colorado [Mr. KEATING] be allowed six minutes each to comment on the statements made by Mr. Howe, or, if that is not possible, that the gentleman from New York may have unanimous consent to extend his remark in the RECORD in order to comment on the statement of Mr. Howe. Is there objection?

Mr. KEATING. Reserving the right to object, I feel that this discussion should close unless Mr. Howe is given the same opportunity for a statement, through his friends on this floor, that the gentleman from New York desires.

Mr. BENNET. Mr. Speaker, on the 17th of July I offered a resolution for investigation of the whole matter. If the House Committee on Rules will report that out, not only will Mr. Howe, but everybody else, have an opportunity to be heard.

Mr. WINGO. Mr. Speaker, I demand the regular order.

Mr. MANN. I will say to the gentleman from Arkansas I would not do that.

Mr. WINGO. The gentlemen have already taken up about 15 minutes in talk. I am willing to have the gentlemen use six minutes apiece, but there is no use of bandying words across the aisle.

Mr. BENNET. I make the request, Mr. Speaker.

Mr. KEATING. I object, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. GODWIN] is recognized for 60 minutes.

IS THE PRESENT UNEQUALED AMERICAN PROSPERITY TEMPORARY.

Mr. GOODWIN of Arkansas. Mr. Speaker, in the midst of the greatest war of all time, a war in which 15 nations are already engaged, with 30,000,000 men on the firing line and 14,000,000 men already killed, wounded, and missing, with an expenditure of over $55,000,000,000 and countless billions of dollars' worth of property destroyed; in the midst of this great war, which is shaking the very foundations of European society, bringing devastation, poverty, ruin, and despair to a great civilization, the American Commonwealth, sir, is at peace with the world and all mankind and is enjoying a period of prosperity unequaled before in the annals of any country.

Sir, this gives our friends, the enemy, on that side of the aisle no little concern. In fact, it has much perturbed the spirit of their dreams. Many have been the efforts sought to be made to account for this widespread and unequaled prosperity. Among other speeches made upon this floor was one made a few weeks ago by the distinguished gentleman from Illinois [Mr. RODENBERG], always engaging, often plausible, sometimes convincing, in an effort on his part to resurrect his party from political insolvency and bankruptcy. Strange and extraordinary indeed, Mr. Speaker, was a part of the speech of the gentleman from Illinois. In giving an account of the causes that brought about the overthrow of that party, let me read to you the queer and novel statement made by the distinguished gentleman from Illinois [Mr. RODENBERG]:

> But, strange and anomalous as it may seem, it was this very unprecedented and unparalleled prosperity that was responsible for the overthrow of the Republican supremacy and for the installation of the Democratic administration. The American people are in some respects a peculiar people. They are always restless, and they are never entirely satisfied. They are constantly looking for something new, and when they have found it they are willing to experiment with it simply because it is new. Especially is this true when everything is moving along smoothly and there are no signs of impending disaster in the skies.

Mr. Speaker, the Republican Party has indeed been very ingenious in drilling into the minds of the people of the country, controlling as it has done and as it still does largely the great press of the country, the theory that the Democratic Party and hard times go hand in hand, and that the Republican Party and prosperity are concomitant, coeval, and coterminous. Sir, the distinguished gentleman never once referred to the great panic in 1907, when all the coordinate branches of the Government were absolutely and unqualifiedly within the control of the Republican Party. He does not refer to that greatest of all modern scandals, the absorption of the Tennessee Coal & Iron Co. by its only great rival, the United States Steel Corporation, by an executive order of the then President of the United States, Theodore Roosevelt, and does not recall that other scandal, sir, in connection with that great panic, when the news spread all over the country that a great financier in the city of New York, Mr. J. Pierpont Morgan, had thrown himself into the breach and proclaimed to the world that he was the world's benefactor in that behalf [applause on the Democratic side], when he said that he would stop the panic and go to the rescue of the failing banks—which did not stop the panic—and by loaning his own funds and those which he controlled in the various banks, $25,000,000; but, later on, sir, when an investigation was held it was then and there learned that the $25,000,000 did not come from his coffers, but that it was the people's money, deposited in the great banking institutions of Wall Street, loaned not to the small bankers of the country to meet local emergencies but loaned upon the stock exchange, in the gambling pit, upon the curb, upon call loans, not at a small rate per cent, not at 4 or 5 or 10 per cent, but at the exorbitant rate of interest as high as 125 per cent upon call loans.

Why, Mr. Speaker, if the so-called "good times" of those days—a misnomer in fact and in name—were the cause of the downfall, the death, the despair, the hell and damnation of the Republican Party [applause on the Democratic side], then, sir, indeed every red-blooded, patriotic American citizen to-day may well tremble in his boots lest our Republic be overthrown and destroyed when he realizes the unequaled prosperity now overflowing the country, under the auspices of the Democratic Party, guided by a Democratic President. [Applause on the Democratic side.]

But here we listen to much said about "efficiency" and the "lack of efficiency" now in our governmental institutions. It has been the policy of the Republican Party to say that it is the only one qualified to administer the affairs of government. I remember in the great coal strike a few years ago, Mr. George F. Baer, the president of the Reading Railroad and of the Reading Coal & Iron Co., owner of extensive anthracite coal fields in Pennsylvania, said that the good Lord had vouchsafed these vast fields of coal to him, and to his friends, as "trustees for the American people"—a partnership, if you please, between the Lord and those who sit in high financial places.

Sir, there is efficiency, there should be efficiency, in government, but there should not only be efficiency but there should likewise be honesty in the conduct of affairs of administration. Does anyone suppose for one moment, Mr. Speaker, that a parallel could now take place under Woodrow Wilson's administration in the absorption by a great trust of its only rival by violating the Sherman antitrust law, as was done in the absorption of the Tennessee Coal & Iron Co. by the United States Steel Corporation with the permission of Theodore Roosevelt? Does anyone, Mr. Speaker, for one moment think an iniquity like the spending of the Government's money by J. Pierpont Morgan upon call loans as high as 125 per cent could take place with William Gibbs McAdoo as Secretary of the Treasury? Nobody has challenged the honesty of this administration. [Applause on the Democratic side.]

But the Republicans say they are the only ones who are efficient. Let me call your attention, Mr. Speaker, to something else that they would like to remain forever a closed book. A few years ago—and I guess it is well within the memory of most of us—there had been conducted in the customhouse of New York a system of highway robbery which redounded to the behoof and

to the interest of the great Sugar Trust and sugar importers of this country.

Throughout part of the administration of Mr. Roosevelt, while Mr. W. H. Moody was Attorney General, all throughout the administration of Charles J. Bonaparte as Attorney General, and partially through the administration of William Howard Taft, when Mr. Wickersham was Attorney General, efforts had been made for years and years by George H. Earle, jr., to induce the Attorney General and his staff to investigate those awful sugar frauds. These letters were afterwards published in a Senate document, letter after letter showing the unqualified proof. Neither Mr. Roosevelt, Mr. Moody, Mr. Bonaparte, Mr. Taft, nor Mr. Wickersham took action until public opinion was so thoroughly aroused that they were forced and compelled to take action, and when action was taken what happened? The Sugar Trust and the importers of sugar came across and compromised with Uncle Sam by paying into the coffers of the Federal Treasury, as I now recall, $3,600,000 as an evidence of their graft and of their misdeeds.

What else in that connection? I want to read a letter written by Mr. Wickersham to Henry A. Wise, district attorney of New York, dated Washington, D. C., June 27, 1909:

[From the Cleveland Plain Dealer, August, 1909.]

WASHINGTON, *Sunday, June 27, 1909.*

MY DEAR WISE: Senator Root has sent me the proof of a petition signed by Bowers, Milburn & Guthrie in support of their contention that the statute of limitations has run in favor of Messrs. Parsons, Kissel & Harned. If the only overt acts done to carry out the objects of the unlawful conspiracy were those referred to in the brief, I should think they were insufficient to save the bar of the statute.

A strong effort will be made to-morrow to persuade the President to interfere in some way to prevent the indictments, but aside from that no indictments should be returned against anyone if there is no reasonable ground to believe they can be sustained. If, for instance, the offenses charged are clearly barred by the statute. I need hardly say this to you.

What I want to impress upon you is that, if you have any reasonable doubt in the matter, you either have the grand jury or ask the court for instructions, or, if that is not feasible, that you advise the department of the specific charges on which you rely to save the statute before actually having the indictments brought in. You may telephone either to me, or to Mr. Ellis if I should be out of the department, when you call on this point.

GEORGE W. WICKERSHAM.

P. S.—As I am writing from my house and have no copy of this, will you kindly have your typewriter make and send me a copy?

Now, Mr. Speaker, that letter was written some five or six years after these sugar frauds had been known all that time to other Attorneys General, including Mr. Wickersham, and to two Republican Presidents of the United States. When Mr. Earle, the receiver of a defunct real estate company up there, familiar with all those proceedings, had begged and importuned the department to take action in the premises, we have the spectacle of a Senator of the United States, a great lawyer, writing to the Attorney General in the way indicated in that letter. I will not charge that he was the attorney for the Sugar Trust or for those who committed the sugar fraud, but at that time Elihu Root wore the toga as a Senator from the great Empire State of New York, and hurriedly, on Sunday evening, he wrote a letter to the then Attorney General, George W. Wickersham, and upon that as a predicate and a basis, this letter which I have just read to the House was penned at the home of the Attorney General in this city to the then district attorney at New York, Henry A. Wise. When this letter and additional evidence came before the people, so strong and potential became the wrath and sense of outrage of the people of this country, that proceedings were brought, and the compromise which I have referred to followed by the payment into the Federal Treasury of the amount as I recall named by me.

Now, Mr. Speaker, I do not contend that all of the virtue is in the ranks of the Democracy or all the turpitude and baseness in the Republican Party. Men are corrupt regardless of party affiliations; but that which I do want to emphasize is this: While distinguished gentlemen upon that side of the aisle claim to have a monopoly of efficiency, we want and we have coupled with efficiency, honesty and integrity in administering the affairs of government. [Applause on the Democratic side.]

I here now, Mr. Speaker, charge, and I ask our good Republican friends on that side of the aisle to now rise in their places, and I will pause for an answer at any time throughout this address, for any challenge of the fact that for many years past there has been an alliance, a distinct and a most unqualified alliance subsisting between the great, big business, privilege-seeking interests of this country upon one side and the great Republican Party upon the other side; that in exchange for heavy campaign contributions levied upon the coffers of those for whom special legislation had been enacted, to carry the elections at the polls, that party, sir, not unmindful, not ungrateful to their benefactors, put upon the statute books in return certain laws, in order that the contributors might extract from the bounty and the substance of the people the donations and the contributions made for Republican success at the polls. [Applause on the Democratic side.] I here now challenge, and I invite successful contradiction of the charge and allegation, that the Standard Oil Co. for many years has been a most liberal benefactor and contributor to the Republican Party; and that it has contributed lavishly to its campaigns.

I here now charge, while speaking upon the question of integrity and honesty in the discharge of the functions of government, that in 1904 the great Standard Oil Co. contributed $125,000 to bring success to the Republican Party in that year in its campaign. I furthermore charge that that was done with the knowledge, by the connivance and with the consent of Theodore Roosevelt and George B. Cortelyou, a member of his Cabinet, who had been promoted to the chairmanship of the Republican national committee. And I furthermore here and now charge, and I challenge successful contradiction, that an additional $150,000 was demanded of the same Standard Oil Co. in that campaign, urgently insisted upon by Theodore Roosevelt, by George B. Cortelyou and others who stood in high places. Does any gentleman upon that side of the aisle deny or challenge that charge? If so, I will give him time now to interrupt me. You do not deny it, do you, Mr. FESS?

Mr. FESS. Oh, I have not the facts.

Mr. GOODWIN of Arkansas. No; but I have the facts, and that is the beauty of our contention. The facts have been put in the CONGRESSIONAL RECORD.

Mr. Speaker, four years ago—I believe it was on the 21st of August, 1912—when the great kilkenny cat fight was on between the regulars, the "Old Guard," the standpat Republicans, and the Progressives, when the Progressive Party, through Theodore Roosevelt and others of its adherents, had called the "Old Guard," the standpat Republicans, porch climbers, thieves, thugs, highwaymen, robbers—and I have heard no good Democrat or Progressive deny those charges to this day, and when the "Old Guard" said that Theodore Roosevelt was a mountebank and a buffoon, and since then I have heard no standpat Republican deny that charge—on that 21st day of August, 1912, I chanced into the United States Senate, and there I heard and saw the distinguished senior Senator from the Keystone State, BOIES PENROSE, arise in his place and expose and wash the dirty linen of his party and the good Progressive friends who now have lined up with him ostensibly. In that speech he said the same things that I have charged here against campaign contributions for that year, that Theodore Roosevelt knew of the $125,000 campaign contribution made by the Standard Oil Co. in that campaign; that in addition to that Roosevelt sought another $150,000 to be contributed by the Standard Oil Co. to the Republican campaign fund.

Furthermore, he said that William J. Flynn, who in that year had suddenly been converted to the Progressive cause, had offered him and a man by the name of Durham, from Pennsylvania, $1,000,000, or even $2,000,000, if the late governor, Samuel W. Pennypacker, who only a few days ago passed off the stage of life—if those two gentlemen would be responsible for the governor appointing him, Flynn, successor to the late Matthew Stanley Quay as United States Senator for Pennsylvania.

One million or even as high as two million dollars was the sum, was the gratuity, was the consideration. Ah, Mr. Speaker, I do not know what a senatorship is worth to gentlemen from the great State of Pennsylvania or of the neighboring States to Pennsylvania, but if they can give $2,000,000 for a temporary appointment by the governor, what might be given for a full senatorship?

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GOODWIN of Arkansas. I will.

Mr. MOORE of Pennsylvania. Mr. Speaker, I have just come in, and I have observed that the gentleman from Arkansas is making an attack on my State and naming a Senator of the United States. I do not want to make a point of order, but the gentleman is wholly without the rules in using the name of a Senator, and for the present I shall ask the gentleman where he got all this remarkable information about the governor of Pennsylvania whose body was laid away in its grave day before yesterday.

The SPEAKER. The gentleman from Arkansas can not refer to a Senator of the United States by name.

Mr. GOODWIN of Arkansas. I am referring only to what is in the CONGRESSIONAL RECORD.

The SPEAKER. It makes no difference about the RECORD, the rule is that the gentleman can not do it.

Mr. GOODWIN of Arkansas. I am not making any reflection, Mr. Speaker, on the late governor of Pennsylvania. I am simply giving some data that was furnished by the senior Senator from Pennsylvania as to certain propositions and transactions that took place in 1904.

The SPEAKER. The rule is that Members of the House can not refer to the Senate or a Senator.

Mr. GOODWIN of Arkansas. I always do so, Mr. Speaker, with the greatest deference.

Mr. MOORE of Pennsylvania. The gentleman is not referring in complimentary terms to the senior Senator, and is naming him, and as he is not here I shall have to make the point of order against the use of his name in debate.

The SPEAKER. The gentleman will proceed and comply with the rule.

Mr. GOODWIN of Arkansas. I need not call the Senator's name, but I will read the telegram from Mr. Flynn to John D. Archbold, which the senior Senator from Pennsylvania read while addressing the Senate, and if that disturbs the gentleman's equanimity he can go home and take a powder to make him sleep.

Mr. MOORE of Pennsylvania. Mr. Speaker, what the gentleman says or does as to record matters I have nothing to do. If the matter to which he refers is a matter of record, he may proceed to use the record; but I hope the gentleman will confine himself to the rule, so far as personalities are concerned.

Mr. GOODWIN of Arkansas. I am somewhat familiar with the rule, and all I have said is historical and in complimentary terms if one wants to consider it as such.

I will now read a telegram from William Flynn to John D. Archbold, of the Standard Oil Co.

Mr. MOORE of Pennsylvania. Does the gentleman think that a senatorial toga from Pennsylvania or from Arkansas is worth one or two million dollars?

Mr. GOODWIN of Arkansas. I do not know what it is worth in the gentleman's State, but down our way we have not been offering quite that price. [Laughter.]

Mr. MOORE of Pennsylvania. Has the gentleman's State been entirely free from criticism in times past in reference to political conditions around and about the State capitol?

Mr. GOODWIN of Arkansas. Mr. Speaker, there have always been and always will be corruption in high places and in low places. But I was only making certain animadversions on some persons in the State of Pennsylvania standing high in Republican councils, and I insist that honor and integrity should be a cardinal principle as well as efficiency in government.

Mr. MOORE of Pennsylvania. Will the gentleman include the State of Arkansas in his animadversions?

Mr. GOODWIN of Arkansas. Mr. Speaker, the lack of efficiency is coupled with every criticism Republicans make of Woodrow Wilson's administration, and it seems to be the shibboleth of the Republican Party.

Mr. MOORE of Pennsylvania. Is it not true that several years ago a lieutenant governor in the State of Arkansas and several members of the legislature were tried for passing contracts out of which there was some graft taken for the benefit of themselves?

Mr. GOODWIN of Arkansas. I will say that the gentleman is correct about there being certain indictments down there. I think there has been corruption, unfortunately, in many legislatures of the country, but I do not here allege corruption in the Arkansas Legislature; but, Mr. Speaker, that is far from the mark. I am only addressing myself to the contention that you gentlemen insist on efficiency and by your preachments you have never said anything about official honesty and official integrity.

Mr. MOORE of Pennsylvania. I think the gentleman will concede, as colleague to colleague, that members of the Pennsylvania delegation do the best they can to uphold the honor of the State in this House, and they concede the same right to their colleagues.

Mr. GOODWIN of Arkansas. I will agree to that, and I have some of my best friends among the Representatives from that State.

Mr. MOORE of Pennsylvania. If we had time we could pick flaws in each other's State if we desired so to do.

Mr. GOODWIN of Arkansas. I think so, but "art is long but time is fleeting," and I must proceed, as my time is limited.

Mr. MOORE of Pennsylvania. I realize that, but a million dollars is a large sum of money.

Mr. GOODWIN of Arkansas. And two millions is twice as much, and a large amount to give for a temporary senatorial appointment.

Now, I will read the telegram sent from William Flynn to John D. Archbold as read into the Senate proceedings on the occasion I have referred to. It is as follows:

PITTSBURGH, PA., *June 7, 1904.*

I tried to talk to you over the phone last night, but could not hear you. I am making an effort to go to the United States Senate as M. S. Quay's successor. As it now stands the appointment will go to Allegheny County, and I expect to get it. The Republican organization of Allegheny County are desirous of my appointment and are working in. Also the Republican organization of the surrounding counties. The decision of the question is up to Senator BOIES PENROSE, State chairman, and Israel W. Durham. The efforts of a few of my influential friends put forth at once with PENROSE and Durham will settle the question. If you will use your influence with them in my behalf I will greatly appreciate it. The decision will probably be reached Wednesday. Can you help me?

WILLIAM FLYNN.

You see Mr. Flynn sent forth an S O S signal—something must be doing right soon. Now, read the answer to that telegram. It is dated June 7, 1904, and this is a classic, and I will ask gentlemen to listen to it very attentively:

Telegram received. Sorry that the Posy did not shout friskiness. I expect to jail pop sharply parsed fanning, and until flagon prefix it is lamented for me to have flood hatred reship.

[Applause.]

Mr. Speaker, that must be a cipher code, so to speak. I have heard it said—and I do not know how true it is—that these big fellows—I will not say any Member of this House or the other House knows the meaning of all of that code, but I have understood that they have practically a Webster's unabridged cipher-code dictionary, which they use in big business affairs. What does that telegram mean when translated according to the code? Here is the interpretation as made by the senior Senator from Pennsylvania in his speech:

Telegram received. Sorry that the phone did not work better. I expect to have talk with Senator PENROSE, and until after that it is impossible for me to have any definite view.

JOHN D. ARCHBOLD.

Mr. Speaker, I am only speaking now in reply to the charge made against the Democratic Party that it is inefficient in the Government's business. I maintain, as I am making every effort to show and will show later, that we have been not only efficient, but likewise that we have been honest in our dealings with the American people.

Mr. MEEKER. Mr. Speaker, will the gentleman yield?

Mr. GOODWIN of Arkansas. Yes.

Mr. MEEKER. I wish at this particular time that the gentleman would inject into his remarks the speech made by the chairman of the Committee on Appropriations last year in respect to Democratic economy.

Mr. GOODWIN of Arkansas. Did the chairman of the Committee on Appropriations make any insinuations as to the political integrity of the Democratic Party?

Mr. MEEKER. But the gentleman has been talking about economic efficiency.

Mr. GOODWIN of Arkansas. I am talking about economic efficiency, business efficiency in affairs of government, as contradistinguished somewhat from economies in savings.

Mr. MEEKER. The gentleman makes no charge against his party that it has been economic in its expenditures?

Mr. GOODWIN of Arkansas. I say that it has been the most economic, efficient, business administration in a broad sense of any administration since the Civil War, and no Republican, however bitter in his partisanship, has ever questioned the honesty and integrity of a single official act of Woodrow Wilson's administration.

Mr. STAFFORD. The gentleman means in a liberal sense. [Laughter.]

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GOODWIN of Arkansas. Yes.

Mr. MOORE of Pennsylvania. The gentleman absolves the Democratic Party from any contact with corporations or big interests, as I understand him?

Mr. GOODWIN of Arkansas. Oh, I make no absolution of any political party as to its whole history.

Mr. MOORE of Pennsylvania. How does the gentleman account for the reception of the President two years ago of the 62 presidents of the railroad corporations and other large concerns, including the Standard Oil and the United States Steel interests, who desired certain things in the way of legislation?

Mr. GOODWIN of Arkansas. Are the presidents of the railroads supporting Mr. Woodrow Wilson to-day? Are they not supporting Mr. Hughes?

Mr. MOORE of Pennsylvania. They supported Mr. Wilson until very recently, up until the threatened railroad strike; and does the gentleman mean to say that the Standard Oil Co. is not sympathetic with the President to-day?

Mr. GOODWIN of Arkansas. I am sure that the great industrial corporations are not supporting Mr. Wilson, nor is the Standard Oil, and no one knows it any better than the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Does the gentleman mean to say that the United States Steel Corporation is not in favor with the departments and the White House to-day?

Mr. GOODWIN of Arkansas. Has the gentleman any proof that it is? The gentleman from Pennsylvania is an adept at

making insinuations in debate that can not be supported by proof.

Mr. MOORE of Pennsylvania. I have seen the evidence of the appreciation by this administration of the assistance that has been given to it by the United States Steel Corporation.

Mr. GOODWIN of Arkansas. Has the gentleman any evidence like a certain letter that Theodore Roosevelt, grateful and appreciative of things done for him by Wall Street and by the late Mr. Harriman, addressed to Mr. Harriman after his election in 1904, when he said—and I am not quoting the exact words—in effect:

MY DEAR HARRIMAN: You and I are practical men. I appreciate the $250,000 you went out on the curb of Wall Street and raised. I am deeply appreciative of that. Come down to the White House; come in at the back door, as it may be best for you not to be seen. I have just finished my message. Perhaps you would like to look it over before it is submitted to the Federal Congress.

Has the gentleman from Pennsylvania any proof, document, or evidence or any inferential proof that Mr. Wilson ever even winked in that direction?

Mr. MOORE of Pennsylvania. I have seen the list of contributors to the Wilson campaign in 1912, and they include representatives of the United States Steel Corporation, the Standard Oil Co., and all the big railroad interests of the country, and Mr. Schiff, of Kuhn, Loeb & Co., now operating large financial affairs, was one of those who contributed large sums of money.

Mr. GOODWIN of Arkansas. And are they supporting his administration to-day or contributing to the Democratic campaign fund? They are supporting your candidate for the Presidency.

Mr. MOORE of Pennsylvania. I think not.

Mr. GOODWIN of Arkansas. We know they are.

Mr. MOORE of Pennsylvania. The gentleman knows full well that when Mr. Vanderlip, who is now operating large transactions in South America and Europe and a number of other gentlemen heading railroad corporations, appeared before the President of the United States two years ago and asked him to establish a war-risk insurance bureau, taking $5,000,000 of capital out of the Treasury of the United States, which any one of them could have furnished himself, the President when they recommended it came up here and forced the Democratic Party to grant it.

Mr. GOODWIN of Arkansas. And I will say that I know nothing about the correctness of Mr. Vanderlip's visiting the President, but I will say this—did not you oppose the war-risk insurance bill? And is not Mr. Vanderlip strongly supporting Mr. Hughes for President?

Mr. MOORE of Pennsylvania. I surely did.

Mr. GOODWIN of Arkansas. And in doing so, you are absolutely consistent with your political record. In those days war-insurance rates were absolutely prohibitive and confiscatory and by coming to the rescue of the shipping interests, agricultural as well as manufactured products, we cut the rates down that had been so high on the high seas, and in doing so we put $2,000,000 of profit into the Federal Treasury. Otherwise over-sea commerce would have been paralyzed and it was practically paralyzed until a Democratic Congress had the Government of the United States take over the war-risk insurance, thus reviving commerce on the high seas, giving us the greatest foreign trade in the history of the country. You were standing by the insurance trust; we were standing by the people.

Mr. MOORE of Pennsylvania. Who got that benefit? The Standard Oil Co. and the United States Steel Corporation in their transport business——

Mr. GOODWIN of Arkansas. Nothing of the kind. It was a benefit enjoyed by the shipper of grain, the shipper of wool, the shipper of steel, and of cotton—in short, for all American shippers alike.

Mr. MOORE of Pennsylvania. It was the large corporations who got the entire benefit from it.

Mr. GOODWIN of Arkansas. Oh, the gentleman knows he is mistaken.

Mr. MOORE of Pennsylvania. The President came up here only last month——

Mr. GOODWIN of Arkansas. Mr. Speaker, I shall have to decline to yield further, as my time is fast slipping by.

Mr. MOORE of Pennsylvania. And asked——

The SPEAKER. The gentleman declines to yield.

Mr. GOODWIN of Arkansas. Mr. Speaker, I must decline to yield. Some people talk ad infinitum and some talk ad nauseam. [Laughter.]

Mr. HASTINGS. The gentleman referred to the very thing to which I wish to call attention, namely, that we had made $2,237,000 by the enactment of the war-risk bill.

Mr. MOORE of Pennsylvania. And lost $700,000 the first crack out of the box when the *Evelyn* and——

The SPEAKER. Does the gentleman from Arkansas yield?

Mr. GOODWIN of Arkansas. Not further. I will say, furthermore, Mr. Speaker, that neither the Standard Oil Co. nor the Steel Trust needed this insurance, because they are wealthy enough to carry their own insurance. They have their own vessels that plow the high seas.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. GOODWIN of Arkansas. I will not yield further.

The SPEAKER. The Chair wants to know whether the gentleman yields further or not. If he does not, the Chair will keep everybody out of his speech.

Mr. GOODWIN of Arkansas. Mr. Speaker, I think I had better proceed now, because I have only a few minutes left. Mr. Speaker, it has been said in this connection and repeated upon the other side that the great unrivaled and unprecedented prosperity is only temporary in this country. That has been one of the contentions of Charles Evans Hughes, the Republican candidate. Mr. Hughes said that we are indeed living in a "fool's paradise."

I am glad that the titular head and leader of the Republican Party is forced by these unexampled times, good times, fat times, to admit that we are in a paradise in this country, a land literally flowing with milk and honey, but he says it is a "fool's paradise," and having a paradise, Mr. Speaker, it is most lamentable, indeed, that this paradise can not be inhabited by wise men, but the foolish, who, like the poor, we always have them with us, especially during Republican ascendency, inhabit a part of the paradise that the balance of the country is rejoiced to live in. But are the good times due to the war? I want to be fair in this discussion. I want to be dispassionate in everything I say. I want to say that some of this prosperity—of course no man except he be a blind partisan would deny that—is, of course, due to the abnormal condition of the world. But let us analyze the figures. The wealth of this country when Mr. Taft left the Presidency was $187,000,000,000, less than four years ago, and to-day, Mr. Speaker, so tremendous have been these good times that the national wealth of this country is $228,000,000,000, an increase of $41,000,000,000. Dividing $41,000,000,000 of increase in national wealth by 100,000,000 American people and we have a per capita increase—you may not have it, I may not have it, all the people may not have it—but there is a per capita increase in wealth of every man, woman, and child of this country for the past three and a half years of $410. Never before has there been such an increase in the history of all the world. But they say this great increase in wealth may be ascribed entirely to the development and condition of our great export trade. But let us see in regard to our export trade. The average increase of exports over imports for the past four years before Woodrow Wilson assumed the reins of government was $550,000,000 per annum, or $1,110,000,000 for the years 1911 and 1912. Now, proceeding upon the theory that this increased prosperity is due absolutely to the war, we will see how the books stand. From 1914 to 1916, giving the fiscal years, our excess, not our total foreign trade, but, sir, our excess exports over imports, were $2,310,000,000, or $23.10 per capita. Twenty-three dollars and ten cents for every man, woman, and child! Now, that even is not fair, because all of these exports were not profits.

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

Mr. GOODWIN of Arkansas. Not right now, please. All of these were not profits, Mr. Speaker. But counting, for the sake of argument, all of our excess exports as profits—and I suppose 15 or 20 per cent possibly would register the amount of profits—still we only have $23.10 as the result of the prosperity coming to the average man, woman, and child of this country on account of the war as against $410 per capita, the increase of wealth during the period to which I have referred. Subtract $23.10 from 410 and we have $386.90, if my figures be correct, as I am speaking entirely from my recollection of the figures. In other words, sir, the American people to-day for every man, woman, and child are nearly $400 more prosperous up to this time than they were when Mr. William Howard Taft quit the Presidency of the United States. Now, I will yield to the gentleman from Oklahoma.

Mr. HASTINGS. The gentleman has been making a very excellent speech. In referring to the prosperity of the country, in reference to the prosperity of the farmers, I would ask if the gentleman has read the last Republican platform of 1916, and did he know that no reference whatever was made to the farmers in the last Republican platform, and that the word "farmer" is not mentioned or referred to, nor is "agriculture" mentioned at all?

Mr. GOODWIN of Arkansas. I understand that to be the case. I will say that I have not read the platform that closely, but my good friend from Oklahoma [Mr. HASTINGS] I know has, for he is certainly one of the fairest and most exact Members

of this House, and he would not make that suggestion if he were not sure of his footing. But I will say in reply to my good friend from Oklahoma that it causes no surprise to me, because the great rank and file, the producers, the men who bare their backs to the hot sun, and with tanned cheeks and face feed and clothe the world, are seldom looked after in the legislative proceedings of that party, and it is quite possible that the Republicans were unmindful of that splendid class of people when their platform was enunciated at Chicago. [Applause on the Democratic side.]

And what else, Mr. Speaker? Is the Republican Party the only hand that can stanch the commercial wound the European countries will seek to inflict upon American commerce when the war is over? They say they should come into power because they are a great constructive party. They have coupled our name with the word "destructive," because they say we are not constructive but destructive. Since when, sir, did the Republican Party ever think of expanding our commerce across the seas? Since when did they begin to have ambition to go out and conquer the world commercially and to have our ships floating upon all the seas and entering all the ports of the world with the products of our fields and factories? Why, sir, I well recall——

Mr. FOCHT. The gentleman asks us to answer. He said, "When," and I will tell him. It was when Grover Cleveland abrogated the reciprocal trade relations with Central and South American Republics that our commerce ceased.

Mr. GOODWIN of Arkansas. That great Secretary of State, James G. Blaine, in 1890, under President Harrison, had a vision as to the great South American trade.

Mr. FOCHT. And he got it, too.

Mr. GOODWIN of Arkansas. And so did Mr. McKinley have a vision, as demonstrated by that great utterance of his just before the assassin's bullet felled him to an untimely grave. But what have you done in all that time, from Blaine in 1890, as Secretary of State, to Philander C. Knox in 1913, to extend American commerce abroad and to break the shackles that have fettered and bound the country to a domestic, to a provincial commercialism?

Mr. FOCHT. You ask the question, and I will answer. We were kept busy supplying our own home market under the protective tariff.

Mr. GOODWIN of Arkansas. We have not only done that, but we have sent our products and merchandise into the four corners of the earth.

Let me give you some figures. You talk about building up a merchant marine. Why, in July, 1912, under Taft's administration, there were only 131 ships, steel ships, then in the course of construction, with a tonnage of 271,313, but on the 1st of July, 1916, under the great forward-looking, world-wide progressive administration of Woodrow Wilson, we have 385 ships, with a total of 1,225,794 tons; or, in other words, Mr. Speaker, three years from the time Mr. Taft went out of office, there were under course of construction three times as many ships of commerce as were under construction when Taft left office—that is, American steel ships—there was more than five times the amount of tonnage under course of construction. That is what we have done within three years, manifestly more than your party would accomplish, if uninterrupted in the course of government control, in the course of a quarter of a century.

I am quoting the figures from a letter I received from the Department of Commerce on August 10, 1916. I will give the figures to my friend from Pennsylvania [Mr. FOCHT] for his investigation.

Mr. FOCHT. Now, my good friend, we will agree that you are building a great tonnage, but will you show the House the figures as to how the commerce with Central and South America has fallen off ever since Woodrow Wilson was elected President?

Mr. GOODWIN of Arkansas. The gentleman from Pennsylvania is quite mistaken. Our trade with South and Central America has not only not decreased since the Democratic Party came into power three and one-half years ago, but has increased wonderfully during the past three years, as shown by the following figures. This commerce, of course, shows a balance of trade against the United States and in favor of South and Central America, but this, I believe, has been the invariable rule under all administrations, Democratic or Republican, for the reason that we buy pretty much all our coffees, citrus fruits, and the like from these countries, and many hides and other raw material, which we manufacture into the finished product; and under the liberalized terms of the Underwood bill and the Federal reserve act we have given a stimulus to American industry not only at home but abroad.

There was a falling off of exports to South America for the first two years, but the gentleman should know that practically all European credits had been withdrawn, not only from South America but from other borrowing nations of European capital, for the reason that Europe was upon the brink of war and she was withdrawing and reservoiring in her banks all foreign loans as rapidly as they fell due for the purpose of prosecuting the war that she knew inevitably would follow. Therefore our neighbors to the south of us had no credit. Moratorium after moratorium was declared throughout 1913 and 1914. Debts could not be collected and practically all further credits had been withdrawn. Not only was South and Central America without credit, Mr. Speaker, and therefore unable to buy from us as much as had been their custom, but the country knows that when the European war came on over-sea commerce was largely at a standstill. Ships could not be had. War-risk insurance was prohibitive, so high were the rates, until the Treasury Department, through Democratic legislation, took over the war risks and made possible a renewal of American commerce for all American products. I here quote the figures of our Latin-American trade:

Foreign commerce of United States with Latin America, comparing last three years of Taft's administration with last three years of present administration.

Year ending June 30—	Imports from Latin America.	Exports to Latin America.	Total trade.
1910	$392,955,257	$242,123,502	
1911	371,300,234	273,525,344	
1912	423,037,208	296,141,651	
Total	1,187,292,799	811,790,497	$1,999,083,296
1914	469,082,667	282,070,153	
1915	557,413,053	251,469,431	
1916	760,132,729	411,474,170	
Total	1,786,628,449	945,013,754	2,731,642,203
Increase in Latin American trade under present administration			732,558,907

England, the mistress of the seas, is conducting her export trade, not in a reciprocal way by carrying commerce of her neighbors and the balance of the world, but her commerce has increased by confining her carrying trade largely to her own wares. England has ships, Germany has ships, all the warring nations have ships; but these ships, Mr. Speaker, are not to-day engaged in world trade save and except for the benefit of the nations themselves engaged in war. Is that satisfactory to my good friend from Pennsylvania?

Mr. FOCHT. If the gentleman will add the postscript that it is all due to the horrible war and the munitions that are sent there.

Mr. GOODWIN of Arkansas. In spite of the horrible war, I am endeavoring to show that this country is going forward by leaps and bounds commercially and enjoying a prosperity never before equaled in the history of this country.

But my friend from Pennsylvania insists, as do other Republicans, that our great volume of export trade as well as domestic prosperity is due to the European war. I submit herewith, Mr. Speaker, a group of imports and exports for the fiscal years 1914 and 1916, respectively:

Analysis of the foreign commerce of the United States for the nine months ending March, 1916, compared with the nine months ending March, 1914.

Groups	Nine months ending March—			
	1916	Percent of total.	1914	Percent of total.
IMPORTS.				
Crude materials for use in manufacturing	$648,103,223	43.1	$454,525,833	32.5
Foodstuffs in crude condition, and food animals	186,594,695	12.4	189,735,389	13.6
Foodstuffs partly or wholly manufactured	193,993,357	12.9	151,606,383	10.8
Manufactures for further use in manufacturing	237,179,073	15.7	242,207,584	17.3
Manufactures ready for consumption	225,435,201	15.0	346,682,925	24.8
Miscellaneous	13,309,169	.9	13,494,459	1.0
Total imports	1,504,614,718	100.0	1,398,352,578	100.0
EXPORTS.				
Crude materials for use in manufacturing	386,568,200	13.1	684,429,750	36.8
Foodstuffs in crude condition and food animals	285,406,588	9.7	110,001,318	5.9
Foodstuffs partly or wholly manufactured	428,448,792	14.5	233,062,645	12.5

Analysis of the foreign commerce of the United States, etc.—Continued.

Groups.	Nine months ending March—			
	1915	Percent of total.	1914	Percent of total.
EXPORTS—continued.				
Manufactures for further use in manufacturing	$441,592,642	15.0	$280,656,211	15.1
Manufactured ready for consumption	1,324,344,607	44.9	545,746,785	29.4
Miscellaneous	82,805,505	2.8	5,219,435	.3
Total domestic exports	2,949,166,335	100.0	1,859,116,144	100.0
Foreign merchandise exported	48,006,037	.....	24,105,771	.....
Total exports	2,997,172,472	.....	1,883,221,915	.....

It will be noticed that our excess imports of 1916 over 1914 consist largely of crude and raw materials, and that our excess exports for 1916 over 1914 are over $1,000,000,000, and that only a small part of these exports consist of munitions. In fact, Mr. Speaker, our excess exports to the European warring nations exceed our usual exports to those countries only 3 per cent of our industrial production, and this excess is $1,350,000,000, whereas our total export business amounts to $4,300,000,000, and that is less than 10 per cent of our aggregate volume of production, which for the fiscal year 1916 was $45,000,000,000. Does the gentleman think this is temporary prosperity, or that this unequaled American business is due entirely to the European war? Do our Republican friends contend that our total manufactures for the fiscal year 1916, exceeding $30,000,000,000 as against $20,670,000,000, as shown by the 1910 census, or an increase of 45 per cent, is due entirely to the European war? Do gentlemen on that side of the aisle contend that the railroad earnings of 1916, the heaviest on record and which amount to from fifty to sixty million dollars per month, an increase of over 25 per cent as compared to 1912, can be ascribed to the European war and to temporary prosperity? Do our Republican friends seriously contend that the increase in farm products from $9,000,000,000 per annum under Mr. Taft to $10,000,000,000 per annum under Woodrow Wilson's administration, and but $7,000,000,000 during the Roosevelt administration, constitute temporary prosperity and due entirely to the European war? Or do they contend, Mr. Speaker, that the increase in bank deposits in the United States and the Hawaiian Islands from $8,015,511,000 in 1912 under Mr. Taft's administration, whereas the deposits in 1915 were $11,135,000,322, or an increase of over $3,000,000,000 in the national banks alone in this country, constitute temporary prosperity and that the Woodrow Wilson administration is a blight upon the hopes and happiness of the American people? Or, sir, do they contend that the total bank deposits of all banking institutions in this country, which amounted to $19,207,000,000 in 1912 under Taft, as compared with $24,208,000,000 under President Wilson, an increase of over $5,000,000,000, or an increase of over 26 per cent, constitute temporary prosperity and that this prosperity is due entirely to the European war? Or that our foreign commerce in 1913, amounting to $6,531,000,000, as against $4,278,000,000 in 1912, making an increase of $2,253,000,000, or over 52 per cent increased foreign trade, constitutes only temporary prosperity?

Or will our good Republican friends insist that our great prosperity is due to the European war, when less than two-thirds of 1 per cent of the total industrial production of the United States for the fiscal year 1916 consists of war munitions?

Or that the increase in wages paid to laboring people in this country under Wilson's administration was $3,000,000,000 more than the wages paid to these people during the Taft régime, and that this constitutes temporary prosperity and due to the European war?

Or that the increase in manufactured products from $22,800,000,000 in 1912 to $32,200,000,000 in 1916, or over 41 per cent increase, is due to the European war, and that this brings us only temporary prosperity?

Or will our friends insist that the Wilson administration has been a failure in the face of an increase of $41,000,000,000 of national wealth during the past three years, and that to-day the American people possess more national wealth than Great Britain, Ireland, Germany, and France combined, with several billion dollars to spare?

I might continue indefinitely, Mr. Speaker, in giving additional data as to the great increase in business, as well as prosperity of the country, under the Democratic administration over any other period in our national history; but this certainly should be an answer—a complete and final answer—to the hue and cry raised every day upon this floor and throughout the country in the Republican press that the Democratic Party is incapable of governing the country and the best interests of all the people.

We have been, Mr. Speaker, not only efficient, but no Republican can point to any official act of the administration and claim that the same was corrupt. Nay, he can not point his finger to one legislative achievement and even insinuate with a grain of truth that such legislation was backed up by certain interests expecting to be served and against the interests of the great mass of the people. Therefore I say that we have been not only efficient, but we have been honest with the American people in our dealings, and these two virtues—efficiency and honesty—should be our slogan throughout this campaign, efficient in all the fiscal and economic laws that we have placed upon the statute books, honest in our endeavor to serve the great body of American people without fear or favor to the predatory interests of the country, who in the past, as well as to-day, have lent succor and help to perpetuate the Republican Party in power.

We stand on our record and our achievements, and upon the fact that we have peace with the world and all mankind, and that this peace has been maintained without the sacrifice of national honor or national dignity.

But, Mr. Speaker, in the face of this most horrible war, when every American patriot, regardless of politics, should have been holding up the hands of the administration, we find our partisan friends on that side of the aisle, and the partisan press of the country, doing all within their power to complicate and embarrass the very delicate international disputes and controversies that have engaged our Republic, and, Mr. Speaker, no administration has ever before been confronted with more perilous and threatening international controversies. Yet these have been settled—settled without the sword being drawn, settled by international law as it has existed for many years, adjusted with honor and with peace to the American people.

Mr. Wilson, like every great man who meets a crisis courageously and patriotically, has been assailed hundreds of times upon this floor when he should have had his hands upheld by gentlemen on that side of the aisle. He has been the recipient of more epithets, and more indignities have been heaped upon him than any American of modern times. It was so to a large extent with Washington, with Jefferson, with Jackson; it was so with Lincoln, and it was the same with Grant, but these men have survived in the hearts and the memories of the American people; yea, they have been enshrined in the affections of the American people, while their detractors have long since been forgotten; and I am glad, Mr. Speaker, that the American people in 1912 once more turned their eyes to the "Old Dominion" for a son that should lead them in peace and in honor during the greatest crisis in the history of all the world. All honor to Woodrow Wilson and to the glory of his achievements. All honor to Virginia, who claims him as her own, as there he first saw the light of day, and we may say of Mr. Wilson as Lowell said of Washington:

> Virginia gave us this majestic man,
> Cast in the massive mold
> Of those high-statured, ages old.
> She gave us this imperial gentleman.
> What shall we give her back but love and praise?

[Prolonged applause.]

EXTENSION OF REMARKS.

Mr. STONE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. BORLAND). The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the gentlemen who are on the list to speak to-day who may not be reached before adjournment shall have leave to address the House to-morrow under the same conditions.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that all Members who are on the list to-day to speak who are not reached before adjournment shall have leave to speak to-morrow under the same conditions. Is there objection?

There was no objection.

MISSISSIPPI CENTENNIAL EXPOSITION AT GULFPORT, MISS.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 252.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution by title, as follows:

Joint resolution (H. J. Res. 252) authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss

The SPEAKER pro tempore. Is there objection?

Mr. STAFFORD. Reserving the right to object. Mr. Speaker, I understand the gentleman from Mississippi [Mr. HARRISON] has some amendments to cover the hiatus between the termination of the exposition at San Diego and the opening of the exposition at Gulfport.

Mr. HARRISON. I have; and I will offer an amendment that will be satisfactory to the gentleman.

Mr. STAFFORD. Can the gentleman explain what the purport of the amendment is?

Mr. HARRISON. Yes. The purport of the amendment is, that if, in the discretion of the exhibit board, with the approval of the President, they should desire to take this exhibit and rearrange it and add to or subtract from it in the meantime, they can do so, between the closing of the San Diego Exposition and the beginning of the Gulfport Exposition.

Mr. STAFFORD. Does the gentleman know what will become of the exhibit during that period of time?

Mr. HARRISON. No; except to leave it absolutely in the discretion of the exhibit board. The same provisions will be applicable to the board then as are now applicable to it.

Mr. STAFFORD. Is it the gentleman's purpose to have the same expense continue in connection with the exhibit when neither exposition is in progress?

Mr. HARRISON. Oh, no. The idea is to bring a large portion of the exhibits to Washington for rearrangement. I have talked with the gentleman in charge of the exhibit and he tells me that will be done.

Mr. STAFFORD. One further inquiry: The gentleman limits the amount that will be expended under this resolution by the Government to $75,000. Does the gentleman think that will meet all the expenses of the exhibit at the Mississippi Exposition?

Mr. HARRISON. Yes. I have a letter from the board stating that that will be an ample amount to cover the expense necessary to transfer, maintain, and keep this exhibit. I assure the gentleman that it will not be violated. There will be no greater amount asked.

Mr. STAFFORD. Of course, I am in sympathy with the idea of having the exhibit presented at the Mississippi Centennial Exposition, but I thought it might involve considerable expense to keep it intact for nine months or more, from the time the San Diego Exposition closes on December 31 next until the time of the opening of the Gulfport Exposition.

Mr. HARRISON. I understand some of the departments are not now represented, and they have a larger exhibit for other departments.

Mr. STAFFORD. Mr. Speaker, I withdraw my objection on the explanation of the gentleman from Mississippi.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, the bill is on the Union Calendar.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that this House joint resolution be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the resolution be considered in the House as in Committee of the Whole. Is there objection.

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Whereas there is to be held at Gulfport, Miss., beginning in October, 1917, and ending in March, 1918, the Mississippi Centennial Exposition to commemorate the one hundredth anniversary of the admission of Mississippi into the Union; and

Whereas there is now a Government exhibit at the Panama-California International Exposition at San Diego, Cal., which exposition will close December 31, 1916: Therefore be it

Resolved, etc., That the said Government exhibit at the Panama-California International Exposition, or such portion thereof as may be *determined by the* President as advisable, be transferred at the close of the Panama-California International Exposition to the Mississippi Centennial Exposition at Gulfport, Miss., and to be maintained during the continuance of the said Mississippi Centennial Exposition and until not later than March 31, 1918: *Provided*, That the Government of the United States does not become responsible in any manner for any bond, debt, contract, expenditure, expense, or liability of the said Mississippi Centennial Exposition, its officers, agents, servants, or employees, or incident to or growing out of the said exposition beyond such appropriation as is necessary to cover the expense of transferring and maintaining the said exhibit of such portion thereof as may be determined by the President as advisable, said appropriation to be expended out of any funds not heretofore appropriated.

With a committee amendment, as follows:

On page 2, after the word "eighteen," in line 10, insert "and for the purposes herein named there is herein authorized to be expended the sum of $75,000, or so much thereof as is necessary to cover the expenses of transferring and maintaining the said exhibit, or such part thereof as may be determined by the President as available." And, on page 2, strike out, in line 24, after the word "advisable," the comma and the words "said appropriation to be expended out of any funds not heretofore appropriated."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I desire to offer an amendment to the second paragraph, on page 1. Strike out "October" and insert "December," and, on the next line, strike out "March" and insert "April."

The SPEAKER. The Clerk will report the amendment.

The Clerk reads as follows:

On page 1, on the second paragraph, strike out the word "October" and insert the word "December."

Mr. HARRISON. That is on the second "whereas."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. I desire, Mr. Speaker, to strike out "March 31" and insert "April 30."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 2, line 10, by striking out "March 31" and inserting "April 30."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I would like to strike out, on page 2, line 15, the colon and insert a period.

The SPEAKER. What line is it in?

Mr. HARRISON. Line 15, page 2. Strike out the colon and insert a period.

The Clerk read as follows:

Line 15, page 2, strike out the colon and insert a period.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I desire to offer another amendment.

The SPEAKER. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARRISON: Page 2, line 5, strike out "*Provided*" and insert in lieu thereof a new section, No. 2, as follows:

"That all laws or parts of laws relating to said Government exhibit and constituting a Government exhibit board and authorizing the detail of civilians and Army and Navy officers of the United States in connection with the Government exhibit at the Panama-Pacific International Exposition and which were continued and made applicable by act of Congress, December 17, 1915, so far as the same could be made applicable, to the Panama-California International Exposition at San Diego, Cal., is hereby continued and made applicable, so far as the same may be made applicable, to the Mississippi Centennial Exposition, at Gulfport, Miss., during its said continuance."

Mr. STAFFORD. Mr. Speaker——

Mr. HARRISON. I may say, Mr. Speaker, that is in the exact words, except changed to meet this case, of the law with reference to San Diego touching the exhibit that was moved from San Francisco to San Diego.

Mr. STAFFORD. Is it purposed by this amendment to continue in office all those servants and attachés who are now connected with the exhibit at San Diego?

Mr. MANN. Oh, not at all. The Government board consists of men from various departments, who constitute a Government exhibit board. No extra expense attaches, so far as that is concerned. Dr. Stratton of the Bureau of Standards, is one of them, and Mr. Ravenel of the National Museum, is one of them. There are four or five of them who constitute a Government board on exhibits. They do not get any extra salaries.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I offer another amendment.

The SPEAKER. The gentleman from Mississippi offers another amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARRISON: After section 2 insert the following as section 3:

"That nothing herein contained shall prevent the Government exhibit board, in their discretion, with the approval of the President, from transferring said Government exhibit at the close of the Panama-California International Exposition from San Diego to some other

point in the United States, if desirable, for being rearranged, repaired, or added to before transferring said exhibit to the Mississippi Centennial Exposition at Gulfport."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HARRISON. Mr. Speaker, I offer another amendment.

The SPEAKER. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARRISON: After section 3 insert as section 4 all on line 15, page 2, from the word "That" to and including all on line 24, page 2.

Mr. MANN. Does the gentleman want to include the part that was stricken out by amendment?

Mr. WEBB. No; I am just making the last provision into a new section, to be numbered section 4.

Mr. MANN. I understand, but line 24 includes "said appropriation to be expended out of any funds not," which words were eliminated.

Mr. HARRISON. Yes; they were eliminated by action of the House.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. HARRISON, a motion to reconsider the last vote was laid on the table.

LEAVE TO EXTEND REMARKS.

Mr. GOODWIN of Arkansas. Mr. Speaker, I desire to revise and extend my remarks in the RECORD.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection.

There was no objection.

Mr. LONDON. Mr. Speaker, I ask leave to revise, extend, and enlarge my remarks.

The SPEAKER. The gentleman from New York [Mr. LONDON] asks leave to revise, extend, and enlarge his remarks. Is there objection?

There was no objection.

Mr. STINESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by President Howard Edwards, of the Rhode Island State College, delivered June 13, 1915.

The SPEAKER. The gentleman from Rhode Island asks unanimous consent to extend his remarks in the RECORD by printing an address of President Howard Edwards, of the Rhode Island State College. Is there objection?

There was no objection.

Mr. SUTHERLAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the state of the Union.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection?

There was no objection.

Mr. FOSTER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the state of the Union.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the state of the Union. Is there objection?

There was no objection.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

OREGON NATIONAL FOREST.

Mr. McARTHUR. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 13046) to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon.

The SPEAKER. The gentleman from Oregon asks unanimous consent for the present consideration of a bill, which the clerk will report.

The bill was read, as follows:

Be it enacted, etc., That for the purpose of consolidating forest lands belonging to the United States within the Oregon National Forest, the Secretary of the Interior be, and he hereby is, authorized and empowered, upon the recommendation of the Secretary of Agriculture, to exchange, upon the basis of equal value, lands belonging to the United States in national forests in the State of Oregon for privately owned lands lying within the exterior limits of the Oregon National Forest; and upon the consummation of such exchanges the lands deeded to the United States shall become parts of the Oregon National Forest.

SEC. 2. That for the purpose of carrying out the provisions of this act there is hereby appropriated, out of the Treasury of the United States, from money not otherwise appropriated, the sum of $6,000, or so much thereof as may be necessary, said payment to be made by the Treasury Department upon warrants or order of the Secretary of Agriculture.

The SPEAKER. Is there objection?

There was no objection.

Mr. McARTHUR. I ask unanimous consent that this bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Oregon asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The following committee amendments were read, considered, and agreed to:

Page 1, line 8, after the word "in," strike out the words "national forests in the State of Oregon" and insert "the Oregon National Forest."

Page 2, lines 3 to 9, inclusive, strike out all of section 2.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 5407. An act authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga.;

S. 708. An act to make immediately available for the use of the State of Georgia in paying expenses incurred by said State in connection with the joint encampment held at Augusta, Ga., July 22 to 31, 1914, certain sums appropriated for arming and equipping the militia of said State; and

S. 3268. An act for the relief of John Duggan.

HOUR OF MEETING TO-MORROW.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet to-morrow at 10 o'clock.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that when the House adjourns to-day it adjourn to meet at 10 o'clock to-morrow morning. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. DARROW (at the request of Mr. MOORE of Pennsylvania) indefinitely, on account of a death in his family.

ADJOURNMENT.

Mr. HARRISON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 52 minutes p. m.), under the order heretofore made, the House adjourned until to-morrow, Wednesday, September 6, 1916, at 10 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. REILLY, from the Committee on Agriculture, to which was referred the bill (H. R. 17381) to establish game sanctuaries in national forests, and for other purposes, reported the same without amendment, accompanied by a report (No. 1189), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SMITH of New York, from the Committee on Patents, to which was referred the bill (H. R. 8955) granting an extension of patent to Thomas A. Dicks, reported the same without amendment, accompanied by a report (No. 1193), which said bill and report were referred to the Private Calendar.

Mr. SHALLENBERGER, from the Committee on Military Affairs, to which was referred the bill (H. R. 1018) to remove the charge of desertion from the record of Joseph A. Choate, reported the same with amendment, accompanied by a report (No. 1194), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. SMALL: A bill (H. R. 17753) to exempt from compulsory pilotage, imposed by the laws of the several States (except the State of Louisiana), the barges and sail vessels while in tow of steam vessels navigated by Government pilots; to the Committee on the Merchant Marine and Fisheries.

By Mr. McCLINTIC (by request): A bill (H. R. 17754) to provide for the vesting of title to certain lands in Oklahoma in municipal corporations; to the Committee on the Public Lands.

By Mr. DAVENPORT: A bill (H. R. 17755) granting a pension to the deputy United States marshals of the United States district court for the Western District of Arkansas and the United States courts in the Indian Territory, while the said court for the Western District and the United States courts in the Indian Territory had jurisdiction over the Indian Territory prior to September 1, 1896; to the Committee on Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 17756) providing for the reclamation of the lands embraced in the King Hill irrigation system in southern Idaho, and the completion of said system by the Reclamation Service under the direction of the Secretary of the Interior; to the Committee on Appropriations.

By Mr. CARLIN: Resolution (H. Res. 365) to pay R. T. Cook for extra services rendered in the folding room of the House; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. COLEMAN: A bill (H. R. 17757) granting a pension to Mary A. Stoddart; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17758) to correct the naval record of John Stoddart; to the Committee on Naval Affairs.

By Mr. HASTINGS: A bill (H. R. 17759) granting an increase of pension to Joshua Gague; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 17760) for the relief of Amos Dahuff; to the Committee on Military Affairs.

By Mr. HUMPHREY of Washington: A bill (H. R. 17761) granting an increase of pension to Carlton H. Finley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17762) granting an increase of pension to Josiah Wilson; to the Committee on Invalid Pensions.

By Mr. SEARS: A bill (H. R. 17763) granting an increase of pension to Theodore R. Kuntz; to the Committee on Pensions.

By Mr. STEELE of Iowa: A bill (H. R. 17764) granting a pension to Elizabeth Holliday; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 17765) granting a pension to Cordelia Holder; to the Committee on Invalid Pensions.

By Mr. WATSON of Pennsylvania: A bill (H. R. 17766) granting a pension to Mary J. Guy; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of sundry negro women in re lynching; to the Committee on the Judiciary.

By Mr. CHARLES: Protest of Thomas P. Bayles, of Schenectady, N. Y., against the usurpation of American rights by Great Britain; to the Committee on Foreign Affairs.

By Mr. GARDNER: Communication from Rev. L. M. Powers, of Gloucester, Mass., protesting against certain acts of Great Britain; to the Committee on Foreign Affairs.

By Mr. HASTINGS: Petition of Epworth League of Checotah, Okla., for House joint resolutions 84 and 85; to the Committee on the Judiciary.

By Mr. MATTHEWS: Petition of J. F. Bockrath, of Ottawa, Ohio, against the seizure of United States mails by the British; to the Committee on Foreign Affairs.

By Mr. MILLER of Minnesota: Petition of the Western Rug Co., of Duluth, Minn., urging the passage of House bill 702, to establish and maintain the manufacture of dyestuffs; to the Committee on Ways and Means.

By Mr. MORIN: Petition of Swedish Evangelical Free Church of North America, in session at Chicago, in re embargo on arms to Europe; to the Committee on Foreign Affairs.

SENATE.

WEDNESDAY, *September 6, 1916.*

(Legislative day of Friday, September 1, 1916.)

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

The VICE PRESIDENT resumed the chair.

Mr. OWEN. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 15842) to revise, amend, and codify the laws relating to publicity of contributions and expenditures made for the purpose of influencing the nomination and election of candidates for the offices of Senator and Representative in the Congress of the United States, extending the same to candidates for nomination and election to the offices of President and Vice President of the United States, limiting the amount which may be expended, providing for the publicity of campaign expenses, 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	Hughes	Martine, N. J.	Simmons
Beckham	Husting	Myers	Smith, Ga.
Brady	James	Nelson	Smith, S. C.
Bryan	Jones	Norris	Smoot
Chamberlain	Kenyon	Overman	Sterling
Chilton	Kern	Owen	Stone
Clapp	La Follette	Penrose	Taggart
Culberson	Lane	Phelan	Thomas
Cummins	Lea, Tenn.	Pomerene	Thompson
Curtis	Lee, Md.	Robinson	Vardaman
Dillingham	Lewis	Shafroth	
Gallinger	McCumber	Sheppard	
Gronna	Martin, Va.	Sherman	

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent on account of illness in his family. I will allow this announcement to stand for the day.

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

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the joint resolution (S. J. Res. 173) authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes; and

H. R. 15316. An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

OREGON NATIONAL FOREST.

The VICE PRESIDENT. The Chair lays before the Senate a bill from the House of Representatives and calls the attention of the Senator from Oregon [Mr. CHAMBERLAIN] to it.

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon, was read twice by its title.

Mr. CHAMBERLAIN. That is a local bill and it is exactly the same as a bill which is now on the calendar, Senate bill 5515, reported out by the Committee on Agriculture and Forestry. I ask unanimous consent for the immediate consideration of the bill.

Mr. OWEN. I am not willing to yield the floor. By unanimous consent the bill may be disposed of without taking me from the floor.

The VICE PRESIDENT. The Chair will recognize the Senator from Oklahoma next, but the Senator from Oklahoma does not have the floor. He could not get it in the absence of a quorum. Is there objection to the consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That for the purpose of consolidating forest lands belonging to the United States within the Oregon National Forest, the Secretary of the Interior be, and he hereby is, authorized and empowered, upon the recommendation of the Secretary of Agriculture, to exchange, upon the basis of equal value, lands belonging to the United States in the Oregon National Forest for privately owned lands lying