Helene Rose, S. G. Carley, Ethel G. Mitchell, Roger F. Williams, Paul Hosmer, Raymond Williams, William L. Redmond, Grace Andrews, Ord K. Lobdell, A. J. Tyner, Roger Williams, Earl H. Bishop, John Prouty, Roy S. Bishop, and William Redmond, favoring national prohibition; to the Committee on Judiciary.

Also, petition of Methodist Episcopal Church, De Kalb Junction, N. Y., H. M. McGrun, S. G. Carley, George Elsey, sr., William P. Sham, Iona Rose, Ralph Bishop, Earl H. Bishop, Earl G. Bishop, Raymond Rice, Raymond Bishop, L. C. Rice, G. A. Bishop, Mrs. G. A. Bishop, J. A. Carson, Mrs. George Elsey, jr., Mrs. T. Hosmer, Mrs. D. H. Roulston, Albert Hosmer, H. L. Paterson, L. L. Rasey, Macey L. Patterson, Mrs. Stevenson, Mrs. Taylor, Mrs. Nora Robinson, Mrs. L. C. Rice, Victor Bishop, Mabel Carley, Wesley H. Rice, Paul Hosmer, Everett Gardner, William Alkerton, Dorothea R. Mitchell, Helena B. Patterson, Mrs. Edwin Lee, Mrs. William Olkerton, John Prouty, Ethel Mitchell, Harold Patterson, Raymond Williams, George Soper, Raymond Monthorp, Robert C. Hayes, Guy W. Roulston, Otto B. Davis, Myrtle Penney, Mrs. Ellis, Ruth Elsey, Mrs. James Tanner, and Helena Rose, favoring national prohibition; to the Committee on the Judiciary.

By Mr. WATSON of Pennsylvania: Petition of Congregation of Christ Episcopal Church of Pottstown, Pa., calling on Congress to provide for the national defense, and for other purposes; to the Committee on Military Affairs.

SENATE.

SATURDAY, *February 24, 1917.*

(Legislative day of Tuesday, February 20, 1917.)

The Senate reassembled at 10.30 o'clock a. m., on the expiration of the recess.

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

Mr. NORRIS. Will the Senator permit me to introduce a bill before he demands a call?

Mr. PENROSE. The Senator can do that after a quorum is here. 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:

Bryan	Hughes	Norris	Sutherland
Chamberlain	Johnson, S. Dak.	Oliver	Swanson
Clark	Jones	Overman	Thomas
Colt	Kenyon	Penrose	Vardaman
Culberson	Kirby	Poindexter	Walsh
Cummins	La Follette	Sheppard	Warren
Curtis	Lane	Sherman	Watson
Dillingham	Lea, Tenn.	Simmons	Weeks
Fernald	Lodge	Smith, Ga.	Works
Fletcher	McCumber	Smith, Mich.	
Gronna	McLean	Smoot	
Hollis	Martin, Va.	Stone	

Mr. CURTIS. I desire to announce the unavoidable absence of the Senator from New Hampshire [Mr. GALLINGER]. He is paired with the Senator from New York [Mr. O'GORMAN]. This announcement may stand for the day.

Mr. LEA of Tennessee. I wish to state that the Senator from South Carolina [Mr. SMITH] is detained from the Senate by illness in his family.

The VICE PRESIDENT. Forty-five Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. CLAPP, Mr. HITCHCOCK, Mr. KERN, Mr. REED, Mr. SHAFROTH, Mr. SMITH of South Carolina, Mr. STERLING, and Mr. UNDERWOOD answered to their names when called.

Mr. DU PONT, Mr. BRADY, Mr. THOMPSON, and Mr. SHIELDS entered the Chamber and answered to their names.

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

DANISH WEST INDIAN ISLANDS—CONFERENCE REPORT.

Mr. STONE. Mr. President, with the consent of the Senator from North Carolina [Mr. SIMMONS], I desire to have the conference report on the Danish West Indian Islands government bill laid before the Senate.

Mr. SIMMONS. I have no objection, Mr. President.

The VICE PRESIDENT. The Chair lays before the Senate the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 20755) to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention entered into between said countries on the 4th day of August, 1916, and ratified by the Senate of the United States on the 7th day of September, 1917, and for other purposes.

Mr. STONE. I ask for the adoption of the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. STONE. I should like to say that I would be glad to have the action of the Senate reported to the House of Representatives as soon as possible.

The VICE PRESIDENT. The House of Representatives will be notified of the action of the Senate on the conference report.

LEGISLATIVE, ETC., APPROPRIATIONS—CONFERENCE REPORT.

Mr. OVERMAN. I ask my colleague if he will consent that the Senate now take up the conference report on the legislative, executive, and judicial appropriation bill (H. R. 18542) and have the report adopted?

Mr. SIMMONS. Does the Senator anticipate that it will lead to any debate?

Mr. OVERMAN. There may be some questions asked regarding it; but I do not think it will lead to any extensive debate.

Mr. SIMMONS. I dislike very much to interfere with the consideration of a conference report upon one of the great appropriation bills——

Mr. OVERMAN. This is a very important bill, as the Senator knows.

Mr. SIMMONS. But I should not like to have matter injected here that would consume much time.

Mr. OVERMAN. I desire to say that this is a full agreement. Of course, the Senate now having the bill must first act upon it, and then it will have to go to the House. I should like to have the report taken up at this time.

Mr. SIMMONS. Will the Senator agree if the report leads to prolonged discussion to withdraw it?

Mr. OVERMAN. I do not see how it can lead to much discussion.

Mr. SIMMONS. I will not object.

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

Mr. POINDEXTER. I hope the Senator from North Carolina will not insist upon taking up that conference report in the midst of the consideration of the revenue bill.

Mr. OVERMAN. It will have to be acted upon, if we are to get it through at this session.

Mr. POINDEXTER. It will precipitate considerable debate. There are some very important questions involved in it.

Mr. OVERMAN. I do not see how it can lead to much debate. The conference report has already been once before the Senate, and the Senate has heretofore agreed to most of the items in it. When the report was heretofore presented it was sent back to conference, as the Senator remembers, and there is nothing now that the Senate can do except to agree to the report or not to agree to it.

Mr. POINDEXTER. I recall the matter of the so-called Smoot amendment, and there are other matters of importance in the bill.

Mr. OVERMAN. There was a test vote on that, resulting 70 to 4.

Mr. POINDEXTER. I do not understand the Senator.

Mr. OVERMAN. I say that the former report has been heretofore considered, as the Senator remembers, and the Senate refused to agree to it, and sent it back to conference. Now the conferees come back and report a complete agreement.

Mr. POINDEXTER. I understand the situation. Now the conference report is before the Senate for an agreement.

Mr. OVERMAN. For final agreement. In other words, the Senate is not in a position to make any fight on the Smoot amendment, because the House has agreed to the Senate action, and the Senate can not take up that question now.

Mr. POINDEXTER. I do not desire to argue that question, but I do desire to argue some other questions involved in the report.

Mr. OVERMAN. I know what the Senator is alluding to, and I do not see why we should not take it up and get through with it, because if we are going to have an appropriation bill at all it has to go to the House of Representatives. It is here, and it has to be acted on there before it can become a law. It may go over there and not be agreed to, and then we will be without a bill on the subject. I hope the Senator will agree to let it come up.

Mr. POINDEXTER. There are a great many other appropriation bills, of course; but I understand that the intention is to pass the revenue bill before adjournment.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Mr. OVERMAN. It does not look as though we were going to pass it before adjournment. If the revenue bill is taken up and these conference reports are not acted upon, of course, we will have an extra session. We will have no appropriation bills.

Mr. POINDEXTER. I do not desire to have an extra session, so far as I am concerned. That is not my purpose in desiring to argue this question; but I do desire to have an opportunity of presenting the important questions involved in this legislation.

Mr. OVERMAN. If the Senator objects to taking it up——

Mr. POINDEXTER. I object to taking it up now.

Mr. OVERMAN. Then, Mr. President, I move that the Senate proceed to the consideration of the conference report on the legislative, executive, and judicial appropriation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from North Carolina. [Putting the question.] By the sound the ayes seem to have it.

Mr. POINDEXTER. I call for the yeas and nays, Mr. President.

The yeas and nays were not ordered.

The VICE PRESIDENT. The ayes have it, and the Chair lays the conference report before the Senate.

The Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18542) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1918, and for other purposes.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the following bills:

S. 784. An act to authorize the sale of certain lands at or near Belton, Mont., for hotel purposes;

S. 6692. An act to amend section 6 of an act to expedite the settlement of title to lands in the State of California;

S. 8113. 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. 8227. An act granting the consent of Congress to the city of Fort Atkinson, in Jefferson County, Wis., for the construction of a bridge across the Rock River.

The message also announced that the House had passed the bill (S. 8295) 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, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution authorizing the printing of 10,000 copies of the immigration law, public No. 301, Sixty-fourth Congress, for distribution by the Senate and House of Representatives, etc., in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 8120) granting pensions and increase of pensions 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, with amendments, in which it requested the concurrence of the Senate, insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS managers at the conference on the part of the House.

The message further announced that the House had passed the bill (S. 8296) granting pensions and increase of pensions 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, with amendments, in which it requested the concurrence of the Senate, insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses theeron, and had appointed Mr. KEY of Ohio, Mr. KEATING, and Mr. SELLS managers at the conference on the part of the House.

The message also announced that the House disagrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 19359) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1918, further insists upon its disagreement to the amendments of the Senate to the bill, asks a further conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. LEVER, Mr. LEE, and Mr. HAUGEN managers at the further conference on the part of the House.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes.

The message also announced that the House agreed to a concurrent resolution authorizing the Clerk of the House of Representatives in the enrollment of the bill (S. 9533) to provide a civil government for Porto Rico, and for other purposes, to strike out the words "and who does not own in his individual right taxable property in Porto Rico to the value of not less than $1,000," etc., in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

The message further announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 784. An act to authorize the sale of certan lands at or near Belton, Mont., for hotel purposes;

S. 1878. An act making appropriation for payment of certain claims in accordance with findings of the Court of Claims, reported under the provisions of the acts approved March 3, 1883, and March 3, 1887, and commonly known as the Bowman and the Tucker Acts, and under the provisions of section numbered 151 of the act approved March 3, 1911, commonly known as the Judicial Code;

S. 6692. An act to amend section 6 of an act to expedite the settlement of title to lands in the State of California;

S. 7601. An act for the relief of Caleb T. Holland;

S. 8113. 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;

S. 8252. An act to authorize the change of name of the steamer *Charles L. Hutchinson* to *Fayette Brown;*

S. J. Res. 201. Joint resolution requesting the President of the United States to designate and appoint a day on which funds may be raised for the relief of the Ruthenians (Ukrainians);

H. R. 16855. An act for the relief of Riverside Military Academy;

H. R. 18181. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 18894. An act to amend the public-building act approved March 4, 1913, authorizing the acquisition of a suitable site for a public building at Pittston, Pa.; and

H. R. 19937. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

PETITIONS AND MEMORIALS.

Mr. LODGE. I ask permission to present certain resolutions of the Legislature of the Commonwealth of Massachusetts, which I ask may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS, 1917.

Resolutions in favor of an amendment to the Constitution of the United States giving Congress power to regulate the hours of labor.

Resolved, That the General Court of Massachusetts hereby records its belief that public interest will be better served and the hardships of human life ameliorated by the national regulation of the hours of labor by Congress, and respectfully petitions the Congress of the United States to propose an amendment to the Constitution giving it the power to regulate the hours of labor and to make the same uniform throughout the United States; and

Resolved, That certified copies of these resolutions be sent by the secretary of the Commonwealth to the presiding officers of both branches of Congress and to each of the Senators and Representatives in Congress from Massachusetts.

In house of representatives, adopted, February 8, 1917.

In senate, adopted, in concurrence, February 12, 1917.

A true copy.

Attest:

ALBERT P. LANGTRY,
Secretary of the Commonwealth.

Mr. McLEAN. I ask to have printed in the RECORD a resolution adopted by the Yale Corporation supporting the President.

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

Voted, That the Yale Corporation places itself on record as supporting the President of the United States in the steps he has taken to uphold international law and American rights.

Voted, That the Yale Corporation assures the governor of the State of its readiness to cooperate with him by placing the facilities of the university at his disposal in any ways that may seem feasible in carrying out the plans he has initiated for helping to safeguard the interests of the State and Nation. (Corporation records, Feb. 19, 1917.)

Mr. OLIVER. I present resolutions of the Legislature of the State of Pennsylvania. The resolutions are not long and I ask that they be read.

There being no objection, the resolutions were read, as follows:

IN THE SENATE, *February 19, 1917.*

Whereas there is now pending in the Congress of the United States Senate bill No. 392, introduced by Hon. CHARLES E. TOWNSEND, known as the Civil War Volunteer retired list bill, to authorize placing thereon, with retired pay, certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War; and

Whereas the Committee on Military Affairs have reported the same to the Senate with amendments and as thus amended the committee recommended that the bill do pass; and

Whereas the provisions of said bills are as pledged by Congress and President Lincoln at the opening of the Civil War to the several States and to the Volunteers furnished by them; and

Whereas the present policy of the Government is to retire all officers of the Regular Army and Navy at three-fourths pay for life at ages less than any of those who will receive the recognition accorded by the above contemplated act; and

Whereas full retired pay for life to all survivors of the Revolutionary War, the War of 1812, and Indian wars in accordance with rank has been granted and furnished a commanding precedent; and

Whereas public sentiment of the Nation is shown by the unanimous action of the legislatures of 13 States, speaking for approximately 60,000,000 of our people, recommending the enactment of such a measure: Therefore be it

Resolved (if the house of representatives concur), That our Senators and Representatives in Congress and the entire Congress of the United States of America be, and they are hereby, memorialized and requested that said bill, known as the Volunteer retired bill, which will give Civil War Volunteer retired officers the same aid according to rank as that given to the retired officers of the Regular Army, be speedily taken up and put upon its final passage; and be it further

Resolved, That the chief clerk of the senate is hereby directed to submit certified copies of this memorial to the President of the Senate and Speaker of the House of Representatives of the National Congress and to each of the Senators and Representatives in Congress.

I hereby certify that the foregoing resolution is a true and correct copy of resolution passed by the legislature, session of 1917.

[SEAL.] HARMON M. KEPHART,
Chief Clerk Senate of Pennsylvania.

Mr. CURTIS (for Mr. GALLINGER) presented the petition of Mrs. Harriet G. Burlingame and 90 other women of Exeter, N. H., praying for the enactment of legislation for the protection of migratory birds, which was ordered to lie on the table.

Mr. WEEKS presented petitions of sundry citizens of Massachusetts, praying for national prohibition, which were ordered to lie on the table.

He also presented resolutions adopted at a mass meeting of citizens of Boston, Mass., held in Tremont Temple, in that city, pledging their support to the President in the present German crisis, which were referred to the Committee on Foreign Relations.

He also presented resolutions of the General Court of Massachusetts, favoring the adoption of an amendment to the Constitution for the regulation of hours of labor, which were referred to the Committee on the Judiciary.

Mr. WADSWORTH presented petitions of sundry citizens of New York, praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. TOWNSEND presented a petition of the Richmond (Mich.) Post, Grand Army of the Republic, praying for universal compulsory military training, which was ordered to lie on the table.

He also presented a memorial of the congregation of the Bingham Lutheran Church, of Bad Axe, Mich., remonstrating against the United States engaging in war with Germany, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Scandinavian Woman's Christian Temperance Union of Muskegon, Mich., praying for national prohibition, which was ordered to lie on the table.

Mr. CHAMBERLAIN. I present a joint memorial of the Legislature of the State of Oregon, which I ask may be printed in the RECORD and referred to the Committee on Military Affairs.

There being no objection, the joint memorial was referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

STATE OF OREGON,
DEPARTMENT OF STATE,
Salem, February 17, 1917.

Mr. GEORGE E. CHAMBERLAIN,
United States Senate, Washington, D. C.

DEAR SIR: Herewith please find copy of House joint memorial No. 8, enacted by the Twenty-ninth Legislative Assembly of the State of Oregon and filed in the office of the secretary of state, which is transmitted for your information.

Yours, very truly, BEN W. OLCOTT,
Secretary of State,
By S. A. KOZER, *Deputy.*

UNITED STATES OF AMERICA,
STATE OF OREGON,
OFFICE OF THE SECRETARY OF STATE.

I, Ben W. Olcott, secretary of state of the State of Oregon, and custodian of the seal of said State, do hereby certify:

That I have carefully compared the annexed copy of house joint memorial No. 8 with the original thereof enacted by the Twenty-ninth Legislative Assembly of the State of Oregon and filed in the office of the secretary of state, and that the same is a full, true, and correct transcript therefrom and of the whole thereof.

In testimony whereof I have hereunto set my hand and affixed hereto the seal of the State of Oregon.

Done at the capitol at Salem, Oreg., this 17th day of February, A. D. 1917.

[SEAL.] BEN W. OLCOTT,
Secretary of State.

House joint memorial 8.

Whereas J. Benjamin Hayes, a resident of Portland, Oreg., is now a second lieutenant of Field Artillery, and assigned to duty with Battery A, Oregon Field Artillery, under date of June 20, 1916, and was on November 1, 1916, detailed as assistant to the adjutant of Camp John H. Beacom, Calexico, Cal., and was appointed police and prison officer of said camp November 24, 1916; and

Whereas the said Lieut. J. Benjamin Hayes has had many years of military experience and bears an excellent military record, and is indorsed by his superior officers for promotion and a commission in the Regular Army; and

Whereas the age of the said J. Benjamin Hayes is slightly in excess of the maximum permitted by law, which allows the examination of persons for the purpose of commissioning them as Regular Army officers; and

Whereas there is now pending in the Senate of the United States a bill entitled "A bill authorizing the President to appoint J. Benjamin Hayes a first lieutenant in the Regular Army"; and

Whereas the said J. Benjamin Hayes has by his patriotic services in the past, as well as his soldierly qualifications, well earned the opportunity which he seeks to take an examination for a commission in the Regular Army: Therefore be it

Resolved by the house (the senate concurring), That the Congress of the United States be, and it is hereby, respectfully requested to pass said Senate bill No. 7604, and each of the Senators and Representatives from Oregon are further hereby respectfully memorialized to use their best endeavors to secure the passage of said bill at an early date; and be it further

Resolved, That the secretary of state is hereby authorized and directed to transmit a copy of this memorial, under the seal of his office, to every member of the Oregon delegation, and to the presiding officer of the Senate of the United States and to the presiding officer of the House of Representatives in Congress.

Adopted by the house February 10, 1917.

R. N. STANFIELD,
Speaker of the House.

Adopted by the senate February 16, 1917.

GUS C. MOSER,
President of the Senate.

(Indorsed:) House joint memorial No. 8, by Mr. Mackay. W. F. Drager, chief clerk. Filed February 16, 1917, at 4.50 o'clock p. m. Ben W. Olcott, secretary of state, by S. A. Kozer, deputy.

BILLS INTRODUCED.

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

By Mr. NORRIS:

A bill (S. 8307) authorizing the granting of patent to certain lands adjacent to the agricultural experiment station at Scottsbluff, Nebr., to the regents of the University of the State of Nebraska for dry-land agricultural experimental purposes; to the Committee on Public Lands.

By Mr. WADSWORTH:

A bill (S. 8308) to appoint Henry F. Grimm, jr., an ensign on the active list of the United States Navy; to the Committee on Naval Affairs.

A bill (S. 8309) for the relief of the legal representatives of Samuel Schiffer, deceased; to the Committee on Claims.

By Mr. JONES:

A bill (S. 8310) to provide compensation for employees of the United States separated from the service on account of injuries received while in the performance of duty, and for other purposes; to the Committee on the Judiciary.

A bill (S. 8311) granting an increase of pension to John Zellers (with accompanying papers); to the Committee on Pensions.

By Mr. WORKS:

A bill (S. 8312) to grant a right of way to the Southern Pacific Railroad Co. across the military reservation of San Pedro, Cal.; to the Committee on Military Affairs.

By Mr. FLETCHER:

A bill (S. 8313) to provide for the erection of a public building at De Funiak Springs, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. LEE of Maryland:

A bill (S. 8315) relative to the appointment of brigadier generals to the grade of major general on the retired list of the Army; to the Committee on Military Affairs.

AMENDMENTS TO APPROPRIATION BILLS.

Mr. WORKS submitted an amendment proposing to appropriate $200,000 for the construction and equipment of a storehouse at Benicia Arsenal, Cal., intended to be proposed by him

to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment authorizing the Secretary of War to form a national constructive military reserve, etc., intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

Mr. SHEPPARD submitted an amendment proposing to appropriate $650,000 for the purchase of land and the construction of an aviation post at El Paso, Tex., intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment proposing to appropriate $50,000 for the purpose of conducting an investigation looking to the advancement of the mineral industries, etc., intended to be proposed by him to the sundry civil appropriation bill (H. R. 20967), which was referred to the Committee on Appropriations and ordered to be printed.

Mr. OLIVER submitted an amendment relative to the construction of section 3 of the act approved February 27, 1906, to prohibit the Secretary of War from accepting the gratuitous services of members of the Officers' Reserve Corps of the Army, etc., intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment authorizing the Secretary of War in time of peace to order members of the engineer section of the Officers' Reserve Corps of the Army, with their consent, to active duty in the service of the United States, etc., intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment proposing to appropriate $135,000 for a general storehouse, intended to be proposed by him to the sundry civil appropriation bill (H. R. 20967), which was referred to the Committee on Appropriations and ordered to be printed.

Mr. FLETCHER submitted an amendment proposing to appropriate $1,000,000 for manufacture and purchase of arms, appendages, and accessories, ammunition, etc., for small-arms target practice, intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment proposing to appropriate $20,000 for rain shelters, etc., to improve the rifle range and its facilities at State Camp Florida, intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment proposing to establish and maintain indoor and outdoor rifle ranges for the use of all able-bodied male citizens between the ages of 16 and 45, etc., intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment proposing to strike out the provision relative to the detail of enlisted men in the Army as temporary instructors in rifle practice, etc., intended to be proposed by him to the Army appropriation bill (H. R. 20783), which was referred to the Committee on Military Affairs and ordered to be printed.

Mr. RANSDELL submitted an amendment providing for the creation of a division of rural sanitation in the United States Public Health Service, etc., intended to be proposed by him to the sundry civil appropriation bill (H. R. 20967), which was referred to the Committee on Appropriations and ordered to be printed.

ADJUDICATION OF PRIVATE CLAIMS.

Mr. CURTIS (for Mr. GALLINGER) submitted an amendment intended to be proposed by him to the bill (H. R. 6918) to relieve Congress from the adjudication of private claims against the Government, which was ordered to lie on the table.

PUBLIC BUILDINGS.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the public-buildings bill (H. R. 18994), which was referred to the Committee on Public Buildings and Grounds and ordered to be printed.

FEDERAL RESERVE ACT.

Mr. GRONNA submitted an amendment intended to be proposed by him to the bill (S. 8259) to amend the act approved December 23, 1913, known as the Federal reserve act, as amended by the acts of August 4, 1914; August 15, 1914; March 3, 1915; and September 7, 1916; which was ordered to lie on the table and to be printed.

DISTRICT OF COLUMBIA APPROPRIATIONS.

Mr. MARTIN of Virginia. Mr. President, I ask the Senator to yield to me for one moment.

Mr. POINDEXTER. I have just been admonished by the Chair that if I yield for anything but a question I will lose the floor. If I can yield to the Senator from Virginia without losing the floor—because I have yet a good deal to say about this matter—I shall be glad to do so.

Mr. MARTIN of Virginia. I will say to the Senator from Washington that I am sure he will not lose the floor. I simply desire to ask for the appointment of a conferee on the District of Columbia appropriation bill (H. R. 19119) in the place of the Senator from New Hampshire [Mr. GALLINGER], who is too ill to attend to this duty.

Mr. LA FOLLETTE. The Senator had better get a ruling first.

Mr. POINDEXTER. I assume, Mr. President——

The PRESIDING OFFICER (Mr. WALSH in the chair). The Chair understands that the Senator from Virginia desires to ask unanimous consent.

Mr. POINDEXTER. Well, by giving my unanimous consent do I lose the floor?

The PRESIDING OFFICER. The Chair would rule otherwise.

Mr. POINDEXTER. I take pleasure, then, in yielding to the Senator from Virginia.

Mr. MARTIN of Virginia. Mr. President, I simply ask that a conferee on the District of Columbia appropriation bill be appointed in place of the senior Senator from New Hampshire [Mr. GALLINGER], who is too ill to discharge the duties which were assigned to him.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the Chair appoints the Senator from Vermont [Mr. DILLINGHAM] a conferee on the part of the Senate in the place of the Senator from New Hampshire [Mr. GALLINGER].

GERMAN AND AUSTRIAN VESSELS (S. DOC. NO. 722).

Mr. LODGE. I present a table prepared by the Department of Commerce showing the German and Austrian vessels in United States ports. It is very short, and I ask that it may be printed in the RECORD and also as a document.

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

German and Austrian vessels in ports of the United States.

[Asterisk (*) designates Austrian vessels; all others are German.]

Name.	Gross tons.	Net tons.	Passengers.	Crew.	Speed.	At—	Owner.
Vaterland	54,282	23,548	2,264	923	24	New York, N. Y.	Hamburg-American.
George Washington	25,570	15,379	2,755	525	19	do	North German Lloyd.
Amerika	22,622	13,637	2,567	541	17½	Boston, Mass.	Hamburg-American.
Kronprinzessin Cecilie	19,503	6,584	1,576	650	23½	do	North German Lloyd.
Kaiser Wilhelm II	19,361	6,353	1,593	655	23½	New York, N. Y.	Do.
President Lincoln	18,168	11,171	2,751	305	14½	do	Hamburg-American.
President Grant	18,072	11,112	3,303	292	14½	do	Do.
Cincinnati	16,339	9,733	2,449	370	15½	Boston, Mass.	Do.
Pennsylvania	13,333	8,527	2,671	222	13½	New York, N. Y.	Do.
Grosser Kurfurst	13,102	7,881	1,965	260	15½	do	North German Lloyd.
Bulgaria	11,440	7,218				Baltimore, Md.	Hamburg-American.
Barbarossa	10,984	6,463	1,838	215	14	New York, N. Y.	North German Lloyd.
Prinzess Irene	10,893	6,443	1,930	235	15½	do	Do.
Friedrich der Grosse	10,771	6,585	1,827	215	14½	do	Do.
Hamburg	10,531	6,420	1,382	232	16	do	Hamburg-American.
Rhein	10,058	6,398	2,080	155	13	Baltimore, Md.	North German Lloyd.
Neckar	9,835	6,200	1,920	170	14	do	Do.

German and Austrian vessels in ports of the United States—Continued.

Name.	Gross tons.	Net tons.	Passengers.	Crew.	Speed.	At—	Owner.
Konig Wilhelm II	9,410	5,764		172	15½	New York, N. Y	Hamburg-American.
Bohemia	8,414	5,248			13	do	Do.
*Martha Washington	8,312	5,379	1,101	250	17	do	Unione Austriaca.
Koln	7,409	4,666	656	105	12½	Boston, Mass	North German Lloyd.
*Dora	7,037	4,536			13	New York, N. Y	Unione Austriaca.
Rhaetia	6,600	4,141		81	12½	Philadelphia, Pa	Hamburg-American.
*Erny	6,515	4,171			13	Boston, Mass	Unione Austriaca.
Prinz Oskar	6,026	3,777	1,045	104	13	Philadelphia, Pa	Hamburg-American.
Wittekind	5,640	3,607	1,265	90	12	Boston, Mass	North German Lloyd.
Ockenfels	5,621	3,452		69		do	Hansa.
Armenia	5,464	3,386	978	44		New York, N. Y	Hamburg-American.
Arcadia	5,454	3,412		44		Norfolk, Va	Do.
Adamsturm	5,000	3,159		66		New York, N. Y	Hansa.
Pisa	4,967	3,148	1,148	42	12	do	Hamburg-American.
*Himalaia	4,948	3,152				do	D. Tripovich S. S. Co.
*Morawitz	4,795	3,106				Galveston, Tex	Atlantica Sea Nav. Co.
Willehad	4,761	3,012	1,071	91	12	Boston, Mass	North German Lloyd.
Prinz Joachim	4,760	2,981		96	13	New York, N. Y	Hamburg-American.
Serapis	4,756	3,068		43		San Francisco, Cal	Kosmos Line.
*Ida	4,730	3,093			12	New York, N. Y	Unione Austriaca.
Prinz Eitel Friedrich	4,650	2,921		62	12	do	Hamburg-American.
*Franconia	4,637	3,019				Philadelphia	D. Tripovich S. S. Co.
Allemannia	4,630	2,915		82	13	New York, N. Y	Hamburg-American.
Harburg	4,472	2,837				do	Deutsche-Australische.
Saxonia	4,424	2,782		48		Seattle, Wash	Hamburg-American.
*Clare	3,932	2,541				New Orleans, La	Unione Austriaca.
Nassovia	3,902	2,475		44		New York, N. Y	Hamburg-American
*Teresa	3,769	2,381				New Orleans, La	Unione Austriaca.
*Budapest	3,651	2,321				Norfolk, Va	Atlantic Sea Nav. Co.
*Campania	3,551	2,267				Galveston, Tex	D. Tripovich S. S. Co.
Hohenfelde	2,974	1,887		37		Savannah, Ga	Kissie & Gunther MFLG.
Portonia	2,778	1,744		28		New York, N. Y	Dampschiffs Reed Horn Atk.
Maia	2,555	1,635		20		do	Holm and Molzen.
Clara Mennig	1,685	1,005				do	Otto Zelch.
*Anna	1,575	989				New Orleans, La	Unione Austriaca.
Neptun	197	131				San Francisco	Joilet.
Pommern	6,557	4,086			12½	Honolulu	North German Lloyd.
C. J. D. Ahlers	7,490	4,737				Hilo	Hansa.
Prinz Waldemar	3,227	1,737			12	Honolulu	North German Lloyd.
Setos	4,730	3,084				do	Kosmos.
Holsatia	5,649	3,533				do	Hamburg-American.
Locksun	1,657	1,020				do	North German Lloyd.
Loong Moon	1,971	1,245				do	Hamburg-American.
Staatssekretar Kraetke	2,009	1,208			12	do	Do.
Governeur Jaeschke	1,738	1,045				do	Do.
*Lucia	6,744	4,386			13	Pensacola	Unione Austriaca.
Rudolph Blumberg	1,769	1,077				do	Leonhardt & Blumberg.
Vogesen	3,716	2,357				do	H. Vogemann.
Frieda Leonhardt	2,822	1,818				Jacksonville	Leonhardt & Blumberg.
*Borneo	3,621	2,337				Tampa, Fla	Soc. Anon. Ungherese di Armanento Maritt. Orient.
Odenwald	3,537	2,098				San Juan, P. R	Hamburg-American Line.
69 vessels	530,835	308,503	42,135	7,685			
Kronprinz Wilhelm	14,908	5,162		535	23	Norfolk, Va	North German Lloyd.
Prinz Eitel Friedrich	8,797	4,812		388	15	do	Do.

GERMAN AND AUSTRIAN VESSELS IN PORTS OF THE PHILIPPINE ISLANDS.

Borneo	2,168	1,344		47		Zamboanga	North German Lloyd.
Darvel	1,308	899		53		do	Do.
Marudu	1,514	902		49		do	Do.
Princess Alice	10,981	6,629		235	15½	Cebu	Do.
Tsintau	1,685	1,002		42		do	North German Lloyd (Ak. Ges.).
Wiegand	499	292		25		do	Deutsche Sudseephosphat.
Andalusia	5,433	3,371		50		Manila	Hamburg-American Line.
Bochum	6,161	3,837				do	Deutsch Austral. Dmpfsch.
Camilla Rickmers	5,130	3,163				do	Rickmers Reismuhlen Reed.
Carl Diederichsen	1,243	774		25		do	M. Jebsen.
Clara Jebsen	1,735	1,103		27		do	Do.
Coblenz	3,130	1,869		53		do	North German Lloyd.
Elmshorn	4,594	2,871		41		do	Deutsch Austral. Dmfsch.
Esslingen	4,902	3,087		42		do	Do.
Johanne	1,531	952		27		do	M. Jebsen.
Lyeemoon	1,925	1,238		37		do	Hamburg-American Line.
Mark	6,579	4,091			12½	do	North German Lloyd.
Pongtong	1,631	997		42		do	Do.
Rajah	2,028	1,275		41		do	Do.
Sachsen	8,007	5,088		60	12	do	Hamburg-American Line.
Sambia	4,765	3,011		48		do	Do.
Suevia	3,789	2,381		44		do	Do.
Tubingen	5,586	3,609		48		do	North German Lloyd.
23 vessels	86,524	53,765		1,036			

GERMAN VESSEL IN PORT OF THE PACIFIC ISLANDS.

Elsass	6,591	4,154			12½	Pago Pago	North German Lloyd.

GERMAN VESSELS IN PORTS OF THE UNITED STATES—ADDITIONAL.

Dalbek	2,723	2,544				Portland, Oreg	Knohr & Burchard, Newfoundland.
Steinbek	2,164	2,062				Winslow, Wash	Do.
2 vessels	4,887	4,606					
Previously stated: 69 vessels	530,835	308,503					
Total	535,722	313,109					

SUMMARY.

	Number of vessels.	Gross tons.	Net tons.
In United States ports	71	535,722	313,109
In Philippine ports	23	86,524	53,765
In Pacific Island ports	1	6,591	4,154
Grand total	95	628,837	371,028

German and Austrian vessels in ports of the United States—Continued.

GERMAN VESSELS IN PORTS OF THE UNITED STATES—SECOND ADDITION.

Name.	Gross tons.	Net tons.	Passengers.	Crew.	Speed.	At—	Owner.
Liebenfels	4,525	2,830		56		Charleston, S. C.	Hansa.
Magdeburg	4,497	2,876		44		New York, N. Y.	German-Australian S. S. Co.
Nicaria	3,974	2,298		40		Southport, N. C.	Hamburg-American Line.
Kiel	4,494	2,872		44		do	German-Australian S. S. Co.
Indra (schooner)	1,746	1,643		23		New York, N. Y.	Wachsmuth & Krogmann.
Matador (bark)	1,468	1,365		20		do	Carl J. Klingenberg & Co.
Arnoldus Vinnen (ship)	1,859	1,789		26		Astoria, Oreg.	F. A. Vinnen & Co.
Kurt (bark)	3,109	2,875		34		do	G. J. H. Siemers & Co.
Ottawa (bark)	2,659	2,542		31		San Francisco	Rhederei Aktien Ges. von 1896.
Breslau	7,524	4,808	609	106	12½	New Orleans, La.	North German Lloyd.
Andromeda	2,554	1,546				do	Argo S. S. Co.
Total	38,409	27,445					

SUMMARY.

	Number of vessels.	Gross tons.	Net tons.
Elsewhere set down less Prince August Wilhelm	94	624,104	368,053
Second addition	11	38,409	37,445
	105	662,513	395,498
Austrian	14	67,817	43,678
German	91	594,696	351,820
	105	662,513	395,498

IMPORTATION OF SISAL AND MANILA HEMP.

Mr. WADSWORTH. Mr. President, there is a very serious error in the print of the report of the Committee on Agriculture and Forestry on the subject of the importation of sisal and manila hemp. I have here a copy of the report with the corrections made on page 10. I ask that this copy be referred to the Committee on Printing, with the request that the corrections be made and that the usual number of corrected copies of the report be printed for the use of the committee.

Mr. SMOOT. I understand the Senator does not request the usual number, but he wants to have 3,000 copies printed.

Mr. WADSWORTH. Yes; 3,000 copies.

Mr. SMOOT. That is all right.

Mr. WADSWORTH. It is impossible to send out the report in its present shape to people interested.

The VICE PRESIDENT. Without objection, the order is made.

ADDRESS BY JUDGE BLAIR.

Mr. OWEN. Mr. President, I desire to have printed as a Senate document an address by Judge Blair before the National Conference of the National Popular Government League on Bribery in Adams County, Ohio. I ask that it be referred to the Committee on Printing.

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

LEGISLATIVE, ETC., APPROPRIATIONS—CONFERENCE REPORT.

Mr. OVERMAN. I call for the regular order.

The Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 18542) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1918, and for other purposes.

Mr. POINDEXTER. Mr. President, when the bill passed the Senate it contained a provision attached to a Senate amendment that hereafter the office of postmaster in each class should be subject to civil-service regulations and appointments thereto should be made upon merit and without regard to political affiliation. For some reason the matter has been dropped out of the bill. The conferees have agreed to recede from the Senate amendment. I understand the matter was taken up in the House of Representatives, and that a separate vote was had upon it without a roll call. So there has been no real test of sentiment in that branch of Congress upon the amendment and the great principle involved in it.

I am somewhat surprised that the conferees have yielded upon this proposition in view of the pronouncement of the President of the United States of his interest in the matter and his support of it. Not only the incumbent of the Presidency at the present time has publicly declared in favor of taking the post-office business of the country out of the spoils system of politics, but the greatest of his predecessors have declared in favor of it. Among recent Presidents who have been advocates of the merit system in appointments of officials, including postmasters, are Grover Cleveland, Theodore Roosevelt, and still more recently Mr. Taft. The Republican candidate for the Presidency, the leader of his party in the recent campaign, Mr. Hughes, has pronounced himself in very strong terms in favor of this vital reform in conducting the business of the Government.

Mr. SMITH of Michigan. May I ask the Senator a question?

Mr. POINDEXTER. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. Does the Senator's amendment contemplate the designation of the postmaster for a given place, from any department of the public service, wherever he may have resided? For instance, would it have been possible to have designated a citizen of Spokane as postmaster of the city of Detroit under the amendment of the Senator from Washington? Would it have been possible to have designated a clerk in a department of the Government here to act as postmaster under this civil-service amendment of the Senator from Washington? Have we got to a point where no such thing as local self-government or local representation in distinctly local officers shall be had?

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

Mr. POINDEXTER. In just a moment. I prefer to answer the question of the Senator from Michigan. I will say that the practical operation of this amendment, in my understanding, would be that the incumbents of these offices, most of whom have been appointed from the community where the office is situated and to some extent upon the recommendation of the patrons of the office, would have an opportunity upon a demonstration of their fitness for the place and ability to conduct the business of the post office, which is that of receiving and distributing mail, to remain in the positions which they now occupy. Those who were not qualified would have to give way to some who could qualify.

To show that there is no need for the apprehension which the Senator from Michigan expresses, I call his attention to the fact that one class of post offices is already under civil service—the fourth class. I have never known of anyone being appointed to the office who did not reside in the community where the office was situated. The fact of the case is that upon investigation most of the objections which are made to this proposition are found to be purely imaginary and chimerical.

Mr. SMITH of Michigan. The suggestion which I made was not imaginary, for this reason. The Senator said fourth-class postmasters are already, in the main, covered by this rule, but a fourth-class postmaster drawing $500 a year must of necessity live within the vicinage where he serves. No clerk in a department in Washington drawing a salary of $1,200 a year and eligible under the civil-service law for promotion would think of taking a place like that. So the circumstances make it local. But if a clerk drawing $1,200 or $1,500 a year under the civil service may enter into competition for the postmastership of the city of Detroit, then I say there is a great inducement. A mere classification such as the Senator refers to would not confine the ambitions of men who are under the civil-service law.

Mr. CLARK. Mr. President——

Mr. POINDEXTER. Just one further answer to the Senator from Michigan, and then I will yield to the Senator from Wyoming. The rules of the civil service are not rigid. They are subject to the discretion of the President of the United States and under the advice of the heads of the departments. I know there have been a great many abuses, some instances more or less the subject of ridicule, more or less a just subject of ridicule in some features of the administration; but that is not an argument against the merit system. There is nothing in the principle that is involved if it should be decided by those in authority, including the Senator from Michigan with his great influence, that the appointment should be confined to the residents of the community where the office is situated to prevent having that as a part of the system. Whether it should be done or not is a matter of difference of opinion. My own opinion is that there ought to be an opportunity for the subordinate officials in the post office who render faithful service to the Government, who prove their capacity to serve the people in post-office work, to be promoted up through the different grades in that service to have charge of the office, and preferably the subordinates in the local post office. I yield to the Senator from Wyoming.

Mr. CLARK. Mr. President, there is no one who keeps so close track of the affairs of the Government, I imagine, as the Senator from Michigan. At the same time, I am somewhat surprised that at this day he raises the objection that a postmaster might be appointed outside of the delivery of his office because we have upon the calendar now that very condition of affairs. In more than one of the nominations they are appointed from outside the delivery of the office.

Mr. SMITH of Michigan. By favor, however.

Mr. CLARK. Objection is raised by Senators representing the particular localities. The answer is made from the Post Office Department, and perhaps also from other departments of the Government, I know not, that the law, as a rule, requiring the residence of postmasters within the delivery of their office only means that while they are postmasters they shall reside within the delivery of the office. They can be appointed when they are still outside the delivery of the office from any place the Postmaster General or the President seeks to take them. The only thing the law means to the Post Office Department is that when they accept the office they shall move and reside during the continuance of office within the delivery of the office.

Mr. BRANDEGEE. There is a nomination on the calendar now for a town in my State, who is not a resident of the State, brought down from Massachusetts. He has not even come yet. I suppose he is waiting to see whether he will be confirmed.

Mr. CLARK. I have not any doubt of it. I only wanted to express surprise at the apparent lack of enterprise of the Senator from Michigan in ascertaining the fact.

Mr. SMITH of Michigan. I do not know that I lack any enterprise in that regard. I know there have been offenses of this kind committed, but I also know that it is not a desirable thing to introduce generally into the Government. There is great pride in the local patrons of the post office if they may have their will as to who shall serve them. I know when the Rural Free Delivery System was inaugurated there was great interest as to who should deliver mail on the routes that were established, and as they were established and laid out in my State I left it to the people on each route to say who among their citizens and neighbors should perform this service, and they got very good service.

But because we have tolerated here and there an exception to the very general rule that postmasters shall be appointed from the vicinity in which they propose to serve that is no answer why we should establish a principle that a man from Spokane should qualify himself and become an applicant and a successful candidate for the postmastership of Detroit, any more than a citizen of Detroit should become postmaster at Spokane. I think it is rather a bad thing to introduce into our Government. I believe that there is genuine merit in local representation, in the ability of the people to get at their officials directly, that if they come in contact with these officials in the performance of their duties and know their character and their reputation, the public will be served.

After all, the whole purposes of the Government are that the public may be appropriately served, and it is not necessary to import into a community a stranger and decorate him with the highest official reward that may be conferred upon a citizen in order that you may have a good service in the management and delivery of the mail.

Mr. POINDEXTER. The trouble with the present system, Mr. President, is that in many instances it is solely a reward and a decoration rather than the performance of the business of the office that governs the appointment. The Senator knows that as well as I do.

Mr. SMITH of Michigan. Undoubtedly, in many cases; but if the Senator aims at the qualification of a subordinate in the post office, that he may have a right through the lawful channels of the Government to compete for the appointment of postmaster in his own town, there can be very little said against that kind of a rule, although for myself I am not very much of a devotee or worshiper of the civil-service rule. I suppose in the strictest parlance I would be regarded as being a spoilsman, because I believe in party reward for party service. In a democracy like ours I can see no reason in the world why there should be a permanent office-holding class and why the citizens should not be rewarded for the services they render. The public can get at a man who is appointed in that way very easily if he is unsatisfactory. If I appoint a postmaster in my home city who is repugnant to the people of the community and I am the representative in Congress they can very easily get at me. They have their remedy. I am bound to name a good man and one acceptable to the community, or the community will name a different referee when it comes to choice of postmaster.

I am rather a firm believer in the idea that in a republic a permanent office-holding class is undesirable. I believe that in a republic the opportunity should be passed around for citizens to serve the Government, and that the reward of party service is almost essential to the highest and best party spirit, not that it alone is the stimulating impulse that this brings. Not at all. There are principles underlying it, but, after all, when you get out and make war and conduct your campaign, I believe in rewarding the active and not the inactive; I will not go back to that roll for an official in my State. I have never appointed a drone in my life to a public office.

Mr. POINDEXTER. I hope the Senator will take the floor, when I am through, and discuss that matter at length.

Mr. SMITH of Michigan. I do not want to discuss it at length. I am through now.

Mr. POINDEXTER. That states the exact issue that is involved in this amendment. The Senator very frankly confesses that he is opposed to a so-called civil-service system.

But, yet he admits, notwithstanding his feeling upon that subject, that there could not be any objection raised, even from his standpoint, to the opening of the door of opportunity to faithful employees in post offices to be promoted to be postmasters, and to have a chance to be appointed upon their merits, rather than upon mere political favoritism.

Mr. SMITH of Michigan. Certainly; and the Senator has done the same thing, I have no doubt.

Mr. POINDEXTER. I never was instrumental in securing the appointment of a postmaster in my life, nor was the Senator, who knew very much about the business that he was paid to conduct when he went into the office.

Mr. SMITH of Michigan. That is so. Such a postmaster knew more about the political aspect than about the business of the office.

Mr. POINDEXTER. It generally takes him half of the term to learn to do the work in which the community is interested, and the community is not interested in anything else. He is paid out of the public funds to perform these duties; and the community, regardless of party, is indifferent to the political services which the postmaster may have rendered to some candidate for Congress.

Mr. CUMMINS. Mr. President——

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

Mr. CUMMINS. May I remind the Senator from Washington that in three-fourths of the post offices the assistant postmaster is the efficient head of the service?

Mr. POINDEXTER. That is absolutely true.

Mr. CUMMINS. And the assistant postmasters of the country are under civil service and are appointed upon the merit system. Why should not the postmaster himself, if he is intended to be anything more than a political agent, be appointed under the same system?

Mr. POINDEXTER. There is no answer to that question, except in the affirmative, on any basis of logic or from the standpoint of the efficiency of the service.

To show that there is not very much danger of postmasters from some other community being appointed, to which the Senator referred, I have already mentioned the fact that we have avoided that in fourth-class post offices—and the fact that the salary is small, and, as the Senator says, they can not afford upon that salary to go to some other office, is no answer to the proposition. The fact still remains that they are under the civil service. I confess that there is a very lame and halting administration of it in this class of offices. There are three on the eligible list, one of whom is usually a Democrat, and he is always appointed.

Mr. SMITH of Michigan. Yes.

Mr. POINDEXTER. That is the objection that some people have to the system, but the objection to the system upon such grounds as that is illogical. The objection should be to the administration of the system, to the failure to carry out the merit system in the civil establishment. The objection really is to the spoils system. When you object to the condition now prevailing in the administration of fourth-class post offices it is because the merit system is not properly applied.

There are inspectors of post offices who in many respects have greater power not only in the town but in the surrounding country than the postmaster has.

Mr. SMITH of Michigan. Some of them are named for political reasons.

Mr. POINDEXTER. They are in the permanent civil service, and they are frequently moved from one portion of the country to another. I have never heard any objection to that. I have never heard any objection in the community or any objection in Congress to the appointment of an inspector in charge of some special post office, whose business it is to watch over the work of the department in the district, and, upon inquiry, to report to the department the conduct of officials and the manner in which work is being carried on; and there would not be any objection even though the postmasters themselves should be appointed in the same way.

But that is not necessary. The civil-service merit system can be applied by confining the selection to the communities served by the post office, if that is desired. That is an immaterial, and is at least a secondary proposition. The important thing is, when we have given an office to a man who is familiar with its duties, who renders service commensurate with the salary which he receives and to the satisfaction of the patrons of the office, that we should not periodically, at short intervals, merely because one political party prevails over another, turn him out and then appoint a man to his position, to take his place, who has no other qualifications than that he helped the successful candidate for Congress to be elected.

There is no one who desires to reward his personal or his political friends more ardently than do I; there is no one who derives more intense satisfaction from having the opportunity to repay acts of friendship or of favor which have been rendered him than I; but I want to say that it would be better for the people of this country, it would be an improvement in the public service, if there were appropriated out of the Treasury money by which Representatives and Senators could pay in cash for political services of their friends, rather than that they should be paid by appointments to the offices of the Government.

Mr. SMITH of Michigan. Mr. President, it is not a question of paying a cash reward in such cases. Very few men do political service for that purpose; it is the honor of serving the community in the highest places in the community that a man may properly covet. I do not think there is any wrong in that. A man may appropriately covet a place; and, if he does, he ought to have it.

Mr. POINDEXTER. Neither do I think there is any wrong in it—any moral wrong—so long as it is the established system. But I am speaking of the effect of it from a practical standpoint on the Government business. It is not only direct, but it is indirect.

I think that you can demonstrate, with very clear logic, the truth of the statement that I made a moment ago. If you reward a man by the payment to him in cash value for the services that he has rendered to you, nobody is concerned but you and that man; but if you are allowed, under the spoils system of politics, which is advocated by so many, to repay him—and the fact remains that we do so under the present system, and there can be no complaint made against the individual for accepting the conditions which exist throughout the country—if you reward him by giving him charge of the Government business, then the entire people who are affected by the Government business are concerned.

Mr. HUGHES. Mr. President——

Mr. POINDEXTER. I yield to the Senator from New Jersey.

Mr. HUGHES. The Senator from Washington does not seem to have a proper appreciation of the convenience of paying men out of the Treasury for political services rather than out of one's own pocket. It is much more convenient to a candidate for office to repay those who bear the heat and toil and burden of the day out of the Public Treasury than it is to pay for those services out of an individual's private pocket.

Mr. POINDEXTER. Oh, there would be no comparison in the joy and satisfaction of those two propositions; but my proposition was—of course, it is something that is impossible in the very nature of things—in view of the direct and indirect injurious effects of the present system upon the business of the country, that, if such a thing were humanly practicable, it would be better for the Government to appropriate money to pay a political reward owed by the Representative in Congress than to use the public service for that purpose.

One of the most unfortunate results of the spoils system in politics, and the demand thereunder which is made by Members of Congress to have their friends appointed to the offices of the Government, is the tremendous power which is given the Executive over Congress. That is embarrassing to the Executive, and it is embarrassing to the Members of Congress. I desire to discuss later on, before this matter is disposed of, some matters connected with that phase of the question. I have been informed by Presidents that a very material portion of their time, which ought to be devoted to the studying and the weighing of the problems that are vital to the welfare of the country, is taken up in hearing petty quarrels and squabbles over the appointment of postmasters. That is another direction in which the present system is injurious to the business of the country.

Mr. NORRIS. Mr. President, will the Senator yield right on that point?

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

Mr. POINDEXTER. I yield.

Mr. NORRIS. The Senator, I think, has had great experience along this line. It is not only the President's time that is taken up, but it is the time of all the Members of the House of Representatives belonging to the party to which the President, whoever he may be, happens at the time to belong. So that the men who make the laws have a large portion of their time taken up settling these very disputes, which have nothing whatever to do with their official work. Thus, the system interferes seriously with the performance of their official duties.

Mr. POINDEXTER. Mr. President, there is no question about that. It not only interferes with their official duties, but it destroys their peace of mind. As some one has remarked, when a Member of Congress recommends one out of a number of applicants he makes one ingrate and a dozen enemies.

I notice an insistence upon the part of Members of Congress that they shall retain this benefit, as they regard it, and there is even some jealousy aroused by this amendment, because it is said by some that it is aimed at the patronage of the other branch of Congress, while this branch of Congress is retaining the privilege of having subject to their appointment district attorneys and United States marshals. It is looked upon as a matter of personal advantage or disadvantage to hold or lose these appointments. My opinion is that there never was a greater mistake made in the world than to adopt any such basis for the consideration of the question. So far as I am personally concerned, I would feel that a weight were lifted off my shoulders if I were relieved of the necessity under the present system of the responsibility and all the consequent heartburning and ill feeling of selecting through personal choice—a thing which is demanded by the public, in order that political services shall be rewarded—the different civil appointees.

Mr. JONES. Mr. President——

Mr. POINDEXTER. I yield to my colleague.

Mr. JONES. I should like to say that my 18 years' experience in Congress has lead me to believe exactly what my colleague has expressed, and I want to say, in reference to the suggestion that the proposed change would be unfair to the Members of another body, that there is no basis for that charge, because there is nothing in the law that recognizes these appointments as belonging to this body or to the other body.

Mr. POINDEXTER. That is true.

Mr. JONES. Simply a custom has grown up in the matter of making appointments.

Mr. POINDEXTER. Now, Mr. President, we are engaged in the consideration of an extraordinary revenue bill to meet the deficit in the Treasury. We are going to the extent of authorizing the issuance of $100,000,000 of bonds in time of peace. We are imposing supertaxes upon the business of the country. We are searching out, with the microscopic eye of the taxing power, the activities, the industries, the property of the Nation, in order to levy upon them and tax them to meet growing expenditures under the appropriation bills. Yet when there is an opportunity here by the adoption of this amendment to reduce the expenditures of the Government by millions of dollars—and there is not any dispute about that—it is rejected, for the mere reason that it invades what is openly claimed in so many words as the political spoils of the Members of Congress.

It is estimated by men, both in the Post Office Department and in the Civil Service Commission, who have made a business of studying the question from the standpoint of efficiency and economy in the administration of the various branches of the department, that if this amendment were adopted it would save $12,000,000 a year to the Government. Half of that would be directly saved in the salaries of postmasters, and the other half of it, roughly and approximately speaking, of course, would be saved by the increased efficiency with which the post offices would be conducted.

Mr. SMITH of Michigan. And the offices would all be filled with Democrats.

Mr. POINDEXTER. That might be the case, although not necessarily so; and I am informed that if this amendment is passed, or whether it passes or not, as a matter of fact that they will not be filled by Democrats. Considering that phase of the question, there never could be a more reasonable time to make this change in the manner of these appointments than the present, marking the end of the four years' incumbency in office by one party and the beginning of another four years by the same party. It enables those incumbents of the office who, under the present spoils system, will retain the offices for presumably four years more, to retain them, if they can pass a civil-service examination and the tests which may be provided; but it gives an opportunity for all of those who, by whatever test may be imposed—and it is necessary to have some test, and there is some disagreement about what the test should be—can comply with those conditions. On the other hand, while under the present system all appointments to post offices during the next four years will, of course, be Democrats, if this amendment is adopted they may be Democrats or they may be Republicans. If the merit system is instituted, the question of whether they are Democrats or whether they are Republicans or whether they rendered service in the election of a Democrat or a Republican Congressman would not be the determining factor, and deserving Republicans who desire to go into that service will have an opportunity to do so, whereas under the present system every office, every appointment of a postmaster for the next four years will necessarily be given to a Democrat, and the selection among them will be as a reward of political service rendered to some Democratic candidate for Congress or the party organization. The change would be a Republican advantage from a party standpoint, although I confess that that is a secondary consideration with me, because we should look at this matter as it affects the government of the country through a long period of years. We should look at the establishment of this principle in the permanent effect which it will have upon the service.

There are 567 first-class postmasters, 2,213 second-class, and 7,437 third-class. All of that army of postmasters are appointed without any regard whatever to their capacity to perform the duties of the office. Every appointment is a duplication or repetition of an instance with which every Senator is familiar. I have in mind a post office where the business was efficiently conducted by an assistant postmaster, a young man who had been appointed to some subordinate clerical position, who had worked his way up from one grade to another and finally had become an inspector, had become familiar with all branches of post-office work, and was chosen as assistant postmaster. He conducted the office. He knew the business of the post office. It was efficiently conducted. The business of the office was expeditiously and economically carried on, and there was no occasion for any change in that situation. Yet, on account of the spoils system, regardless of the expenses of the Government, an individual was selected from the community at a salary of $4,000 a year, given the title of postmaster, put in charge of that office, and he did not know one branch of the work from another. He never had been in the office, probably, before, except to get his mail or to deposit it; and yet he was put in charge of it.

What is the result in a situation like that? Why, simply that the efficiency of the office, in the first place, is interfered with, because this assistant postmaster, who had been conducting the business of the office, after the appointment of the postmaster not only had to continue to conduct the business of the office, but he had to educate the postmaster; and that situation is duplicated in every one of these 567 first-class and 2,213 second-class and 7,437 third-class post offices in the country.

How long does it take to educate a man whose entire life has been spent in something entirely foreign to the post-office business? It takes about four years, as a matter of fact, to thoroughly familiarize him with the needs of the office and all of its complicated branches. By the time he becomes efficient—he may be a man of natural ability, and has become efficient—he is removed because some other party has carried the election, and we repeat the process which I have described, with a duplication of salary, with consequent inefficiency in the office, requiring a greater number of employees, with the disturbance of the time and the attention of the assistant postmaster, who really conducts its business.

Now, why should we continue that? The only reason I have ever heard advanced is that those who, in the political struggles of the country, gain the victory are entitled to the pelf which goes with a victorious election.

Mr. SMITH of Michigan. They are entitled to the honors.

Mr. WATSON. Is there not the further objection that civil service at the present time is not civil service—that it is not honestly enforced; that is to say, that the objection is not so much to the system, but to its enforcement at the present time?

For instance, after this administration came in, we are all aware of the fact that they held civil-service examinations to test the qualifications of the fourth-class postmasters who were drawing $100 a year, or some similar sum, and then, after the examination was held and three names placed on the list, in almost every instance some Democrat was chosen to fill the place; that the same examination was held with reference to rural free-delivery carriers, and that men who had been carrying the mail acceptably and without objection for a dozen or more years, and whose qualifications were not doubted nor disputed, were ousted by an examination and some Democrat without experience put in the place. We all know that the civil service has really been prostituted to political ends; and is not that one of the objections, the theory being that it is not enforced, and probably will not be enforced, but that if enforced it would not be so objectionable?

Mr. POINDEXTER. I think the Senator from Indiana has put his finger on the chief basis of the objection to the civil-service system by those who do object to it. I think if one-half of the energy and ability that is devoted to attacking the principle of a permanent civil service based upon merit were directed to the inconsistencies and inefficiencies of the administration and application of that principle these objections would be removed.

I have the greatest regard for the members of the present Civil Service Commission. I am acquainted with some of them. One of them is a particular friend of mine; and yet it is true, whether consciously or unconsciously, that in the administration of the civil service by this commission, by the present majority of it, the very condition which the Senator from Indiana has described exists. It exists and has been particularly emphasized in the matter of applying what we thought was going to be a merit system to the appointment of fourth-class postmasters.

Mr. WATSON. Precisely.

Mr. POINDEXTER. One of the funny things about fourth-class post offices is this: You would think they were not very important in our political system; and yet I have seen more political difficulties, I have seen more ill feeling, more desperate personal and political divisions in communities over post offices at some country crossroads that did not pay more than $75 a year salary than I have over the appointment of a Justice of the Supreme Court of the United States.

Mr. WATSON. Why, yes; where there were two stores in a little town and each store wanted the post office there, each proprietor thinking that it would enhance the volume of his business and add to its value, we almost had to call out troops to suppress a riot every time there was a postmaster appointed.

Mr. POINDEXTER. That is absolutely true. Now, the Senator is a fine campaigner and he is in touch with the intimate conditions of the people of his State, and he shows it by the remark he has just made of a condition which is duplicated all over the country. That is one of them—where there are two stores and there is a fight between the proprietors for the post office because of the business it will bring to the store.

Now, there are two other conditions that will bring about those contests. One of them is where there is a little incipient village that a railroad track runs through, and each side of the track is trying to be the business center of the town, trying to get the business, and each side has a candidate for postmaster. I want to tell you that when you have a condition like that it develops murderous feelings.

Mr. OVERMAN. We have all had it.

Mr. POINDEXTER. I have never seen so much of the seamy side of human nature developed by any other circumstance as I have by a contest of that kind over some trivial, insignificant, and petty appointment.

Mr. BORAH. It is very embarrassing to a candidate for the Senate, too.

Mr. POINDEXTER. It is embarrassing to a candidate for the Senate, and that is one reason why every Senator here ought to vote to send back this conference report and insist upon taking these postmasters out of the spoils system.

Mr. SMITH of Michigan. Oh, no. Just because a man is a candidate for Senator that is no reason why he should avoid his political responsibilities to his party. After he gets to be Senator he ought to be just as much concerned about his party's welfare. Most of them are. There never have been so many cases in the history of the Government where, by executive favor, they have suspended the civil service as under this administration; and yet I suppose when the history of the administration is written it will be a virtuous and a patriotic history. I do not consider that they have affronted the country by selecting, now and then, a Democrat to fill office when they are in power—now and then, here and there.

Mr. WATSON. I trust my friend will turn historian and write the history himself.

Mr. SMITH of Michigan. I should like to write the history, but I am afraid it would not be permitted.

Mr. WATSON. I was going to say it would probably not be in the language——

Mr. SMITH of Michigan. If some such fair, dispassionate, candid, able, farseeing man as the Senator from Montana [Mr. WALSH], who now presides over the Chamber, were to write that history, I would be quite content. He would tell the facts about it. The facts are that every administration—I do not care how much virtue it pretends to have—to a greater or less degree favors the men of its own party; and if it did not I think it ought to be repudiated by its party.

Mr. POINDEXTER. I agree with the Senator from Michigan that Senators ought manfully to shoulder the responsibilities of their great office; but I am very much inclined to think that the American people would consent to forgive the Senate and the Members of it if they asked to be excused from appointing fourth-class postmasters as a reward for political service.

Mr. SMITH of Michigan. Yes, Mr. President; they probably would excuse Senators. But if the alternative is to be that we are to have a perpetual office-holding class, responsible to no one, in a democracy like ours, then I think they are paying very dearly for the convenience and the comforts of Senators.

Mr. POINDEXTER. I had hoped that I would get into a debate with somebody on the other side of the Chamber. I do not want to get into a sharp division of opinion with my friend from Michigan.

Mr. SMITH of Michigan. I will give my chances over to the Senator from South Carolina [Mr. TILLMAN], who is always ready for a fight. I will resign in his favor. I know he is not a civil-service advocate.

Mr. TILLMAN. Mr. President, the Senator from South Carolina is very much obliged to the Senator from Michigan for turning over to him a fight which he seems to be unable to handle himself. I have just come into the Chamber, and am speaking offhand.

Mr. SMITH of Michigan. I am obliged to the Senator. I do not want to "wish" anything bad on the Senator.

Mr. TILLMAN. I notice that the Senator is frequently very adroit in debate and handles himself admirably.

Mr. SMITH of Michigan. I do not want to "wish" anything on my distinguished friend from South Carolina except what is going to be comforting and helpful to him, but I recall, during my time in this Capitol, that some of the most stirring scenes that I have ever witnessed here have clustered around the aggressive and forceful Senator from South Carolina. I know he has sometimes criticized his party, but, generally speaking, he has been quite in accord with his party. I do not know how much of a civil-service reformer he is.

Mr. TILLMAN. I will tell the Senator.

Mr. SMITH of Michigan. But whenever we attempted to appoint men of our party to public office in South Carolina, and he was in trim, unless those appointees were quite welcome to him, we could expect a fight of some proportions, and usually he was the victor.

Mr. POINDEXTER. The Senator from Michigan—who, I think, is really in sympathy with the spirit of civil-service reform, if it could be adjusted so as not to interfere with local patronage and, to some extent, with political rewards—has suggested in his argument one of the propositions that is most frequently repeated by those who believe in the spoils system—that is, that he is opposed to a permanent tenure of office; that he is opposed to building up here in the bureaus and departments an office-holding class that is beyond the reach of the people and beyond the reach of Congress. I am opposed to that myself; and there is no more reason for allowing any such condition as that to be developed under a merit system of appointment to office than there is under the spoils system. I heard it argued, in the debate upon this amendment, that when an administration comes into power it ought to have the opportunity of filling the positions by which its policies are to be carried out with its friends and its supporters; that it ought not to be put in the position of having the work for which it is responsible carried on by those over whom it had no control. Well, of course, that means, if it is carried out to its logical conclusion, that when an election is carried by a party in opposition we should go into every one of the great departments of the Government, and from garret to cellar rout out those who, by years of experience, have gained the power of knowledge and are carrying on the people's business under the direction of their superiors, and fill their places with an army of political adherents of the party that is in power.

Mr. SMITH of Michigan. Mr. President——

Mr. POINDEXTER. Just one more word, and then I will yield to the Senator. I want to say that the merit system can be adjusted so that every employee of the Government, from the top to the bottom, can be under the control of the administration; but that control will eliminate the consideration of political and partisan services. It will take into consideration loyalty to the administration. It will take into consideration the efficiency with which the office is conducted, diligence, whether or not the man is giving to the people in services the worth of the salary which he is receiving. There is no principle in the civil service which makes it impossible to remove individuals from office.

Mr. SMITH of Michigan. If the Senator will permit me, I hold in my hand Senate Document No. 544. There are 50 pages of that document dealing with suspensions of the civil-service law in order that people who may desire public place may have it notwithstanding the law—50 pages—and this has occurred from the fall of 1914 up to the 28th day of June last. I suppose there have been a great many appointments since. But what is the use of civil-service laws and the merit system when the Executive may so easily suspend its operation and put his favorites in public office, and then the moment that they get in cover them with a blanket so that they may not be removed in the future?

Mr. President, of course the theory of civil-service reform is all right; the theory that we could with perfect propriety take it out of the activities of politics in most of the public service is all right in a way; but in a democracy, where the remedy is so direct and the responsibility can not be escaped, I think we are not suffering very much if as a reward of party service men are appointed who would not accept money for that service, who could not be hired for money.

The Senator speaks of paying out of the Federal Treasury. I do not know that the Senator from Washington said that, but the Senator from New Jersey said there ought to be some convenient method for paying for this service out of the Federal Treasury. I think Democrats, generally speaking, have found a way to compensate their followers. I do not know just what method they should pursue, but for myself, whenever a man of reputation and character and helpfulness renders a distinct service to his party in a community contest for supremacy, I do not think it is straining a point so much if he should be rewarded with the honor of a position.

I have named fourth-class postmasters over and over again who did not get money enough during a whole year to wad a gun, yet who sat in the front of their post offices with a sort of feeling that they have been recognized for some service, either in war or in peace. I want to say to my honored friend from

the State of Washington that scores and scores of one-armed and one-legged soldiers were thus rewarded.

Mr. POINDEXTER. There is a provision of law for that.

Mr. SMITH of Michigan. I know; but there was not until it became so desirable that it should be done that they were preferred under the law. It is not for compensation solely, but because they want the honor that goes with public favor.

Mr. BORAH. Mr. President——

Mr. POINDEXTER. Just a moment, and then I will yield to the Senator. I agree with the Senator from Michigan in his advocacy of rewarding faithful soldiers, and there again the idea that that is in conflict with proper civil service is, I think, a mistake. One thing in which I have some considerable satisfaction is that since I have been here I secured the adoption of a law carrying out the very principle which the Senator from Michigan refers to, providing that no veteran of the Civil War or of the so-called Spanish War whose rating or efficiency in the Government service was good should be demoted or reduced in rank or salary. There was a provision that he should not be discharged, but he could be demoted either in grade or salary. I believe in that sort of recognition. That is one reason why I believe in a reasonable pension system. I do not think there is any money the Government appropriates that is based upon sounder principles when you consider the fundamental and far-reaching effect it has as an incentive to patriotism than the money appropriated for pensions for those who came to the service of their country in time of danger.

Mr. SMITH of Michigan. The Senator is always fair and he is always just and he is able, but even he, I hardly think, would insist that this civil-service law works out as it was intended to work out by its framers. I had a case come to my observation in Michigan not long ago where the Government advertised for a steamboat-boiler inspector, and a man whom I had known as a captain on a lake vessel for years, whose familiarity with his craft could not be questioned at all, came down to enter the contest for that appointment. They put him behind a little desk off in a corner and found out how much of mathematics he knew very quickly. He knew all about a boiler, and the young man who contested with him and won the appointment admitted that he had never seen a boiler in his life. He knew no more about boilers in our vessels than a child, yet he could qualify because, forsooth, he could foot up a column of figures a little more quickly than my friend, the captain. He was to be preferred for boiler inspection to the captain, who in the prime of life had for years sailed the Lakes with safety. Was there politics in it? I do not think there was a bit of politics in it. No; I think it was carrying this civil-service business to an impractical extreme, and that kind of thing discourages people from championing the system. There is no reason why a boy with a fresh diploma in his pocket should have defeated the captain, with his years of experience in the particular work which he would be called upon to do.

The Senator said that postmasters are frequently raw when they begin their service and that it takes them several years to qualify, but men appointed through the civil service in nearly every department of the Government are raw when they are appointed. They have got to know something more than higher mathematics, but they do not have to know the practical things that are to come before their eye. They learn that by experience, just as I suppose this young man will learn what a boiler is by experience, and ultimately he may be a very useful officer of the Government.

I can not see any reason in the world why he should be preferred. The world is open to him; he has an education, while the captain to whom I have referred has very few places open to him; only those in which he has had experience are open to him.

I can not believe that the creation of an office-holding class of young men just starting in life is a good thing. I have heard men plead here for the last two weeks, the Senator from Utah [Mr. SMOOT] among them, to give the men in lower positions of the Government more pay. Yet it would have been a godsend to them if they never had had the positions which they are now filling. Scores of men fill places in the Government, State and national, who, if they had been thrown on the billows of life, would have been obliged to make their way and would have had a far different reward for their service than they get by their supine and unambitious devotion to the simple duty which in their early life seemed to be attractive solely because it was in the service of the Government.

Mr. POINDEXTER. Of course, whether or not it is desirable for a man to go into the public service has nothing to do with this question. I agree with the Senator that about the worst thing that can happen to a young man is to get caught in this drying process of a clerkship in the Government classified service in subordinate branches. They soon become helpless and lose initiative and all power to stand on their own feet in the world. There is but little hope of substantial promotion for the great majority of them, but whether they are appointed by politics or appointed upon the merit system, that does not affect the question which we are asking now. There would be far more opportunity for them in a comprehensive merit system than in the political spoils system.

The objections which the Senator makes to the civil service is a good deal like the remark made by Sidney Smith, who was quoted one time by a Member of Congress:

> D—n the solar system; bad light; planets too remote; pestered with comets; feeble contrivance; could make a better with ease.

So the Constitution is criticized, even though it is the greatest instrument ever struck off by the brain and purpose of man. Fault can be found with everything in human affairs.

Now, take the instance the Senator cites of the young man competing with his old friend the captain for the position of boiler inspector. He says the captain had no other field for his occupation, while the young man had the world before him. That is a plea that is quite familiar that is made in behalf of the antedeluvians in the Government service. They are good people, good men, good women. I will tell you what ought to be done with them, and that is, not to retain them at full pay, at the expense of the people, in positions which they can not fill, merely because they have nowhere to go and can not get employment somewhere else.

The people of the country are entitled to have the business of the Government efficiently and economically conducted. What ought to be done with the superannuated employees of the departments after they have served a sufficient number of years and have been faithful in their positions is to retire them upon a pension and to fill their places with younger and more efficient people who are capable of doing the full work of the office.

That is somewhat aside from the question which I am discussing; but it was suggested by the remarks of the Senator, and I make this statement on the ground not only of efficiency but of economy. A civil-service pension reasonably conditioned would be an economy in the civil service of the Government.

Now, let us continue with the case of the captain and the young man in the competition for boiler inspector. As the Senator says, the young man had no practical experience with boilers; he had the theory of boilers and of steam and he passed a good examination and got the appointment. Now, if he had the appointment and went into the service for some years, we will assume that he—as many other men appointed under like circumstances do—gained not only practical experience in a general way but in the special work of the Government. As a matter of fact he becomes an expert. He becomes better qualified to inspect boilers for the Government in the particular contact which the Government has with boilers and boiler inspection than anybody else. Yet under the spoils system, which the Senator advocates, as soon as he becomes efficient, perhaps, or at any time, when he may be in the prime of his capacity, he is turned out and another man just as raw as he was in the start is put in his place.

Mr. SMITH of Michigan. Take the case of the appointments at West Point and at Annapolis. We are restricted to our States.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Missouri?

Mr. POINDEXTER. I yield first to the Senator from Michigan. I will then yield to the Senator from Missouri.

Mr. REED. I simply wish to make an inquiry from both Senators, and I do so hoping that the Senators will not misunderstand my question as any reflection upon them. The discussion they are indulging in is a very interesting one. In ordinary times I think we could well afford to take it up. I wanted to inquire, in view of the fact that there is only a week left of this Congress and very important measures are to be taken care of, whether it is not possible for us to confine ourselves to the matters that must be attended to and save being kept here all night at night sessions?

I do not say that, I want the Senators to understand, in criticism of them, but to call attention to the fact that we shall have to stay here all night probably every night next week unless we get very busy and waive some of the rights of speech and debate.

Mr. SMITH of Michigan. As I intruded myself into the discussion of the Senator from Washington, I presume I ought to answer the Senator from Missouri. I think the Senator from Missouri will do me the credit to say that it has not been my habit to consume the time of the Senate.

Mr. REED. If the Senator will allow me to make myself plain, I do not think it is the habit of either of the Senators.

Mr. SMITH of Michigan. I take very little of the time of the Senate compared with some other Senators—very little indeed—but that is because I have grown to believe that, no matter what we say over here, empty benches do not vote, and Senators are so preoccupied that they will not even read or concern themselves about contemporaneous debate.

But I will answer the Senator frankly. I presume his question was prompted by the rumor that seems to have been put out to-day that Senators upon this side of the Chamber are consuming time unnecessarily. So far as I am concerned, that is not true. There is no such thing as an attempt to filibuster against the regular program of the Senate, so far as I know anything about it. It is the last thing I would subscribe to alone, and I could not do it if I wanted to. The Senator from Missouri looks very serious about it this morning. If the Senator from Missouri is really as serious about it as he looks, I am willing to defer now because of my respect for him and my desire not to inconvenience him at all.

Mr. REED. I did not refer to this rumor, and I again disclaim any intention to criticize either of the Senators who have the floor. They are but doing what has been done time out of mind in the Senate, and the discussion they are indulging in is very interesting. But I call attention to the fact that one week and one day are left of this session of Congress, and we ought to be proceeding with the passage of bills now pressing for attention. They must be passed at this session or an extra session will be convened, which, I think, no one desires; and unless we are diligent we shall have to sit here all night long. It is just as great a hardship to gentlemen on the other side as it is on this.

I have not seen anything on the other side of the Chamber yet to warrant me in believing that there is a disposition to kill time—I have not arrived at that conclusion—but I ask if we can not forego the privilege and pleasure of debate on outside questions and discuss matters that really we must act upon and perhaps avoid staying here all night. There are a good many men in this body whose health is not the best, who are worn down. All-night sessions are a very great hardship. I should like to discuss with my brother who has the floor at some other time, and hear him discuss the very interesting problem he now has up; but can we not get at these bills? I should like to get in bed some night before 12 o'clock, and I know he would, and I know you all would. He is no worse an offender, perhaps the least of the offenders. I say that in good faith.

Mr. SMITH of Michigan. The Senator from Missouri knows that the time of the Senate has been taken up very largely by Senators on the other side up to this time. There have been long speeches made upon the other side upon various topics that were really important, and some of them seemed almost unimportant.

As to the present situation in which the Senate finds itself, we can not be blamed for it on this side of the Chamber. Indeed, I know the Senator from Missouri will not blame us for the present situation. It is the outgrowth of the inability of the other side of the Chamber to agree among themselves upon a program. It is because they have been obliged to wait for Executive decrees to determine just what course they should pursue, and we have not delayed them.

Mr. POINDEXTER. Mr. President, it so happens that what we are discussing here is a subject not at all foreign to the business before the Senate. It is the most important question that is before the Senate at this time. It is a paragraph of this bill as it passed the Senate. Its adoption or its rejection is involved in the action which the Senate will take upon the conference report. It is the most important thing that there is in the appropriation bill.

There is not any difficulty about getting money out of the Treasury of the United States. Do not let the Senator from Missouri [Mr. REED] be uneasy about that. It is not any hardship to sit up all night if the proposition is to get into the Treasury to the extent of $500,000,000 or $600,000,000. Those things have the right of way; they are preferred; and, if necessary, the party on the other side will call an extra session of Congress in order to get that money; but they are not going to call an extra session of Congress in order to put the civil service of the Government on the merit system and to take the post offices out of the dirty politics of the land.

This is the proper time to discuss the matter, because it is the first opportunity that I have ever known when we had it before the Senate. I tried to get it before the Senate several years ago, and it was ruled out on a point of order. Now it is in order, and I am going to discuss it.

I do not want an extra session of Congress. I have sat here through the heat and sweat of this climate for seven or eight summers, and I want to get away from it this summer; but, notwithstanding the hankering that I have to get back to the Pacific coast, to look at the snows of our mountains, and to disport myself in the cool lakes which, like gems, adorn that great Northwest country, and which appeal to the imagination while we are confined in the business of the Senate through the long summer months—notwithstanding that, so far as I am individually concerned, so far as I am able to do so—and that is only to a very limited extent—I propose to understand the legislation of far-reaching consequence which is to be enacted in the closing days of this session.

There is one thing that the people of this country are entitled to, and that is that there shall be consideration and deliberation in the Senate of the United States. If it results in an extra session of Congress, let him assume the blame who is responsible for this condition. I am not responsible for it. We have been in session here a long time and have passed but few bills. We have the worst log jam in the legislative situation that I have ever seen in my limited experience. I am not responsible for it. You can not, because there is a prospect of an extra session staring you in the face on account of the immediate situation, say that Senators who propose to get the intelligent action of the Senate upon the great principles upon which they are acting—to discuss and to deliberate and to have an intelligent understanding of them—are responsible for that situation. Those who delay from day to day and from week to week and from month to month, those who are in control—and I say it in all friendliness; I have no animosity of a partisan kind—those who have been responsible for the action of this body during all the months in which it has been in session, are responsible for an extra session, if an extra session shall come.

Mr. PENROSE. Mr. President——

Mr. POINDEXTER. I yield to the Senator from Pennsylvania.

Mr. PENROSE. If the Senator does not mind being interrupted——

Mr. POINDEXTER. I have no objection.

Mr. PENROSE. I have gone to some little pains to compile some statistics on the question which the Senator from Washington has brought up, and I think it would be pertinent and appropriate to the point he has raised if I should now call attention to them in a few words.

Take the revenue bill, Mr. President. The minority are not responsible for the fact that that bill is pending before this body seven days before the final adjournment. The incapacity of the majority to perform their duties and their procrastinating conduct of the legislative business is the reason that this bill is hanging in the air at this time—seven days before adjournment. Why should the minority be called upon to gulp down this measure without any consideration and with an expression of resentment on the part of the majority when the minority attempt to perfect the bill or take a few minutes in explaining their views upon it?

Mr. President, let us look at the history of this revenue bill. The first bolt out of the clear sky that notifies an expectant Nation——

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

The PRESIDING OFFICER. The Senator will submit his inquiry.

Mr. REED. I inquire who has the floor.

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

Mr. PENROSE. Mr. President, the first bolt out of the clear sky that notifies an expectant Nation——

Mr. POINDEXTER. Mr. President——

Mr. PENROSE. If the Senator from Washington objects to my interrupting—I have not the floor in my own right——

Mr. POINDEXTER. I only yielded to the Senator from Pennsylvania for a question.

Mr. PENROSE. All right. I was only desiring to accentuate the Senator's remarks, but I can very easily bring up the matter when he has concluded.

Mr. POINDEXTER. I did not suppose the Senator was going to make an address.

Mr. PENROSE. I was only going to take three minutes.

Mr. POINDEXTER. Mr. President, of course it is impossible to really discuss and to give any proper consideration to the legislative program which has been marked out to be passed at this session of Congress. Some of it will have to be eliminated, unless the measures should be put through in an ill-considered manner, taking them upon faith that some other Senator who may have been upon the committee has given them considera-

tion—many times a faith which is unfounded, because the other Senator may not have had time and opportunity to do so.

There is the great water-power bill. It is a bill which involves the necessities of life to the people of this country for all time; and yet it is proposed, among other far-reaching measures upon the calendar, to pass that bill at this session of Congress; and if the present objections are repeated, we will be berated if we attempt to take sufficient time to understand the consequences of the terms and conditions upon which the water powers of the country are to be put into private hands, those powers out of which are developed the heat and light and manufacturing energy which involve the comfort of the people and the status of the Nation in manufacturing and trade rivalries with other countries, which are bound to be accentuated at the close of the European war.

Mr. President, there are all of the great appropriation bills to be acted upon; there is the river and harbor bill, about which there is a great controversy. I confess that from my own personal standpoint I think the items in the river and harbor bill, while many of them are not justified, are better considered and have been through a better system of checks and of guaranties against abuses than the items of any other of the bills pending in Congress. They are based upon preliminary surveys, upon reports of district engineers, then upon appeals from the district engineers to a permanent board of engineers; they are, in addition to that, based upon a rule which is universally followed by Congress, that no item will be put into that bill that has not been recommended after running the gauntlet of that system. But, nevertheless, there is a great principle involved in that bill. There is to be determined by the action which we will take upon the river and harbor bill the proposition of whether or not the competing systems of waterway transportation are to be encouraged and developed as a check and curb upon the abuses of the railroad interests of the country. We ought to debate that subject. That can not be passed in an hour without a reading, without a discussion, and yet, if we say that we must pass this program in order to avoid an extra session, that is the only way in which the Senate can act upon it. If Congress is to act upon these great measures in that way, it would be better that the bills should fall by the wayside than that we should take them up and act upon them without knowing what we are doing.

Now, Mr. President, I desire to revert for a moment to the question of a permanent civil service based upon merit, and to call attention to some conspicuous and illuminating instances of the opposite system.

Mr. SMITH of Michigan. Mr. President, I do not wish to interfere with the Senator's line of thought, and I will not do so against his objection, but as an evidence——

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

Mr. SMITH of Michigan. It is a question. As an evidence of the altruistic and high-minded principles upon which the civil-service law is administered, I should like to call the Senator's attention to a concrete case set forth in the paper which I hold in my hand. Here is a case where a young man——

The PRESIDING OFFICER. The Chair feels like admonishing the Senator from Washington that he has now been recognized for the second time.

Mr. SMITH of Michigan. I will not interfere with the Senator, if that is the ruling of the Chair.

Mr. POINDEXTER. Mr. President, a parliamentary inquiry. What is the rule upon that subject? I have not been very clear as to what it is.

The PRESIDING OFFICER. The rule is that no Senator shall be recognized more than twice on any subject in one day.

Mr. POINDEXTER. Is that among the written rules of the Senate?

The PRESIDING OFFICER. That is the recollection of the present occupant of the Chair.

Mr. POINDEXTER. A parliamentary inquiry. I should like to be informed on that question, because it has been the subject of considerable doubt and uncertainty.

Mr. SMOOT. Mr. President, the rule, no doubt, is that a Senator can not speak more than twice upon one subject on any one day, but this is a question as to whether interruptions take the Senator speaking off the floor; and the last time the Senate passed upon the question the Presiding Officer, Mr. Clarke of Arkansas, had ruled that a question asked by the Senator from Mississippi [Mr. WILLIAMS] deprived the Senator from Iowa [Mr. CUMMINS] of the privilege of the floor. An appeal was taken from the decision and the Senate overruled the decision of the Chair. The Presiding Officer, Mr. Clarke of Arkansas, later said:

> The Senate must, on objection from the floor, hereafter be the judge of that matter itself.

The PRESIDING OFFICER. The Chair refers the Senator from Washington to Rule XIX, paragraph 1, where the following is found:

> And no Senator shall speak more than twice upon any one question in debate on the same day without leave of the Senate, which shall be determined without debate.

Mr. POINDEXTER. I am familiar with that rule, Mr. President, but I am not sure that under that rule all colloquies between Senators on the floor are forbidden. Of course, I can not speak with the experience of other Senators here, for what I know of the Senate has been gained from a short period of service, but my understanding has been that, along with certain disadvantages which we all must admit from the system of debate which prevails here, one of the great advantages is the free, easy, and, in the long run, illuminating system of colloquy and debate which prevails in this body. I am very glad, indeed, to have had the suggestion from the Chair, but I should like to make the further parliamentary inquiry of the Chair, if the construction which he places upon this rule has heretofore been determined?

The PRESIDING OFFICER. The present occupant of the Chair will say that some two years ago when he occupied the Chair he took the position that a Senator may be interrupted in the course of debate by another Senator for the purpose of addressing a question to the Senator having the floor; but that if he is interrupted by another Senator who proceeds to address the Senate, with the tacit consent of the Senator yielding, the latter surrenders the floor; and when he is recognized again he is recognized for the second time on the same day; so that, if he afterwards yields the floor, he has exhausted his right to address the Senate on the question in debate. The present occupant of the Chair will continue so to hold. So he felt it was perhaps to be expected of him that he would admonish the Senator from Washington that, in the judgment of the Chair, he had yielded the floor to the Senator from Pennsylvania [Mr. PENROSE], and is now speaking for the second time on the same subject during the same day.

Mr. POINDEXTER. I am very glad, indeed, to be admonished——

Mr. SMOOT. Mr. President——

Mr. POINDEXTER. I decline to yield, except for a question, under the ruling of the Chair.

Mr. SMOOT. I rise to a question of order, Mr. President.

The PRESIDING OFFICER. The Senator from Utah will state his question of order.

Mr. SMOOT. So that the RECORD may be correct, I wish to say that since the present occupant of the chair has ruled as he has said he did rule, the Senate itself has interpreted the rule referred to.

Mr. REED. I rise to a question of order.

The PRESIDING OFFICER. The Senator from Utah is stating a question of order.

Mr. REED. The point of order I make is that the Senator from Utah is not stating a question of order, but is stating a matter of history. He is not raising a question of order. I raise the question of order that the Senator is out of order.

Mr. SMOOT. I will let the Chair decide that.

Mr. POINDEXTER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah has the floor for the purpose of stating a parliamentary inquiry. The Senator from Utah will proceed.

Mr. POINDEXTER. A parliamentary inquiry, Mr. President. Do I lose the floor?

The PRESIDING OFFICER. The Senator from Utah has the floor for the purpose of propounding a parliamentary inquiry. The Senator from Utah will proceed.

Mr. SMOOT. The parliamentary inquiry is this: The Senate itself having passed upon the rule subsequent to the decision rendered by the present occupant of the chair, is not the Chair bound by the last action of the Senate?

The PRESIDING OFFICER. The present occupant of the Chair would feel bound by any ruling upon the point made. The present occupant of the chair does not feel called upon to make any expression of opinion at the present time, however, nor until the question is presented. The Senator from Washington will proceed.

Mr. POINDEXTER. Mr. President, to return to the question in debate, my own view of it is, in the briefest possible outline, that there should be appointed by the administration in power the heads of the departments, who will direct the political policies of the country while in its control, and that all officers under them should be upon a permanent civil-service merit basis.

Now, when a new Secretary of the Treasury is appointed, to illustrate the proposition, under the President, representing

the President in so far as the Executive power relates to the Treasury Department, he controls it. How much assistance would it be to him if next to him, but under him, there were a First Assistant Secretary of the Treasury who had earned that position through years of faithful and efficient service in that department, who was familiar with every bureau and division of the work of that department of the Government?

Why, Mr. President, I do not think there is any room for argument. It is perfectly obvious to anyone who will apply the principles of common sense, any man who will examine into the conduct of the business of the great private industrial concerns of the land, that the business of the Government would be benefited by having an official of this kind; and yet, under the present system, we have not. Not only is the Secretary of the Treasury changed as the result of a change in the politics of the country, but the Assistant Secretaries of the Treasury and the head of every bureau and division and office are chosen from among those who have rendered political service to the party which has prevailed in the election.

Mr. President, we are passing laws limiting the expenditure of money in campaigns, against corrupt practices, prohibiting candidates for office spending beyond a certain amount of money. We have applied that principle to political committees, to the official representatives of the party organization; and yet I do not hesitate to say that while it is not so obvious, while it is not so repugnant because of our familiarity with it—and very often the face of vice becomes attractive through familiarity—the practice of prostituting all of the offices of the Government as pay for political services which the incumbent may have rendered to candidates and the party is more corrupting and has a more sinister effect upon the politics and the private and public morals of the country than does the expenditure of money, which we have been attempting to eradicate by the corrupt-practices act.

The most intelligent opinion in the country for years has been tending toward a gradual change of this system. We have attempted to apply it to the Diplomatic and Consular Service. We have had the unfortunate experience in our contact with foreign countries of being humiliated by the contrast between our representatives abroad and the highly trained and efficient members of the diplomatic and consular services of other nations, who hold their office as a profession upon a basis of merit. Of course, their tenure of office is subject at all times to Parliament; and to those who fear a permanent office-holding class it may be pointed out that all tenure of office in this country, even under a permanent civil-service system, would still remain subject to the control of Congress, except where otherwise provided in the Constitution. But the contrast between a service which is carried on by trained and efficient men on the merit basis in the consular and diplomatic service of foreign countries and the political appointees, without regard to merit, which the United States has had to represent it in our international affairs has been a painful one.

Why, Mr. President, we have gone so far in the abuse of the spoils system in this country that we are not content to take the position of ambassador to a foreign country during the four years of the administration and give it to some one who has earned the place by contributing a large sum of money to the campaign fund, but the proposition has been made in recent years to divide up the four-year term into three or four terms—to give the appointment to some good party supporter for a year, and tell him that it will be a great opportunity for him to take a trip abroad, to get a glimpse of life in a foreign capital, and that he is expected to resign at the end of that time and give some other good fellow in the district who has rendered like service to the party another year, and so on. This is done so that these offices, which are not sufficient to go around if confined to the period of the administration, by being split up into sections may reach a little further in rewarding the good Democrats who never have seen a foreign capital, who do not know what diplomacy is, who, while they are good fellows and may be successful business men in America, reflect no credit upon this country when it comes to handling the delicate and intricate problems that arise in our international relations; and so as to the Consular Service.

The same principle is involved in this amendment which we are discussing in this bill. Now and then we get a little foothold. Now and then some Republican who gets into power, who is a little bigger than his party, puts into the classified permanent civil service a number of the consular offices of the country. Now and then a Democrat who regards the efficient conduct of the Government as more important than the prosperity of his political adherents gives an impetus to this great principle by adding additional classes of consular offices to the permanent civil service. Then we go along, and some man gets into power who has the opposite view, who looks at this matter merely from the standpoint of how much he can get out of it for the reward of his friends, and turns out of office deserving consuls who have become capable by experience, and opens up as wide a field as possible to fill with deserving Democrats or deserving Republicans, as the case may be.

Does it require any argument to condemn that system? Why, there are some people who are against civil service because it has the word "reform" in it—for no other reason. There are some people who shy like a horse at a bush on the side of a road at the word "reform." I know that it has been abused. I know that there are some impractical people who call themselves reformers; but there ought to be sufficient poise and sufficient capacity for independent discrimination for the Senate of the United States to act upon this question on its merits, notwithstanding it is called a reform.

We have now come to one of those times that I have just described, when it happens that the President of the United States has taken a bold and creditable stand in favor of taking the great army of postmasters of the country out of the political spoils system. The Senate has given him an opportunity to call this matter to the attention of the country by attaching it to this bill. The great cry of our friends the Democrats in the last campaign in my State, and I think throughout the country, was to stand by Wilson. It was rather a peculiar situation. There did not seem to be, throughout the length and breadth of the land, a Democratic policy or a Democratic leader that they themselves thought was entitled to the support of the country.

But without exception, in every State and community so far as my information went, they hitched themselves onto the chariot of the President of the United States, and urged that the people stand by him; and that appeal, I must say, was a powerful one. It was more or less effectual. Now, while I differ very strongly and have not hesitated to express my differences upon some propositions with the President of the United States, I take this occasion to say that the reason why the entire Democratic Party found their chief appeal to the people in the cry, "Stand by the President; reelect Wilson," was because the President of the United States from time to time has had the independence and the courage to recommend such changes for the benefit of the Government as that which he has proposed in this postmaster amendment.

Now, if you argue that the voters of the country should stand by Wilson, why do you not stand by him? You have been elected on that cry. I think I know something about the sentiment of the people of the United States, and I know the people of the United States are perfectly indifferent as to whether or not a Congressman gets some of his friends appointed postmasters. On the other hand, I know that they demand that their post offices be taken out of politics and put upon a business basis, and that postmasters be selected according to their capacity for the work. I know, or think I know, that the people are back of the President of the United States in this proposition. It so happens that being back of him they are also back of a number of Republican Presidents—back of Roosevelt, back of Taft, back of the leader of the Republicans in the recent campaign, Mr. Hughes. It is not a partisan matter. And yet, notwithstanding you won the election by going before the people of this country and urging them to vote for Democratic candidates to enable you to stand by Wilson, when you are elected and have the power of making the laws you repudiate and turn down the President and refuse to stand by him.

I want to say that that will be pointed out to the people of the country. Individuals can not go on forever gaining political power upon the promise that they are going to stand by the President when the President represents the progressive ideals of the country in this matter, at least, and then repudiating their promises. That is the issue in this case.

Mr. President, it is not only the great Republican and Democratic leaders in the United States who have urged the spoilsmen of Congress to give up this abuse of the Government for political purposes, but it is the intellectual leadership of every other great civilized nation in the world.

The Governments of Great Britain, of France and Germany, not to mention others, have a civil service based upon merit, upon a tenure of office which is not permanent but is dependent upon efficiency and good behavior, which reaches from the lowest to the highest positions beneath that of the Cabinet officers. That is the result of experience, the result of many more years of experience than this country has had. It has enabled them to stand the shock of conflict which otherwise would have thrown them from the foundations upon which their civilization is built.

I wish to say at this point, Mr. President, without any desire to exaggerate the importance of this question, that if

the principles which are openly advocated in both branches of Congress, that all the offices of the Government shall be put up as a reward for political scramble, to be either converted into political pelf of victory, with the increase in the number of those officers, with the increase and the diversification of the business of the Government, notwithstanding the checks and the balances which were framed in the Constitution to protect us against disorder, we can not stand, we can not survive the test of permanence in this form of government if that abuse is to prevail.

Of course it will not prevail. We are not going to go back to the spoils system in all branches of the Government, and yet sufficient of that idea survives. While we follow the President in enacting the Federal bank reserve act and the farm loan act, of course we also follow many others who have advocated those measures and put upon the statute books what I am perfectly free to say is a great program of progressive legislation, with the assistance at least, and sometimes with the leadership, of the President. You go before the country and obtain public approval and return to power on the proposition that we must support him, but when it comes to the proposition of interfering with your political spoils you draw the line and refuse to follow him.

I am informed, not from the President himself but from others, that the probabilities are that under his general powers of civil service already existing he will put these offices in the classified lists—probably under more stringent restrictions than are proposed in the amendment which I submitted here. I prophesy that if he should do that he will be supported in it by the public opinion of the country, and that those who oppose it when the matter is called to the attention of the voters in the forthcoming election will suffer from their opposition to this measure.

Now, there are the Army and the Navy. Why not subject them to the spoils system? If the spoils system is a good thing, why do you have any permanency of service at all? Why do you have any permanent governmental service at all if it is such a bad thing? I think it is realized even by the opponents of the merit system that the principles of a permanent Government service—a tenure of office subject only to good conduct and efficiency, under such regulations as the President and Congress may make—are essential to the Army and the Navy. And do not forget that this cry about Congress surrendering its power, in providing a merit system, is a bogey. Congress at any time can regulate, change, or abolish any system it established. It can abolish the departments of the Government, its offices, bureaus, and commissions. They are its creatures. So, if in an hour of confusion, when legislation is crowding us, we momentarily forget ourselves to the extent of taking a few offices out of the system of political spoils, do not be afraid that it means the destruction of Congress. What power we delegate, we can resume. But there will be no occasion to resume it. We have established a classified civil service, and with all the pressure for spoils we have not abolished it. Congress has not restored the spoils system in all the bureaus and offices of the civil service, because even those who claim to advocate it realize that it would be destructive of the Government.

If it is a good thing, why not extend the spoils system which is fought for in the Post Office Department to the Army and the Navy? I know there are certain advocates of this. I want to call attention to such an effort and to some particular instances which I have here before me. For a long time, in fact almost ever since the organization of the Army and Navy by the Government, the merit system as it corresponds to the classified service in the civil branches of the Government has prevailed in those departments.

We have built up an efficient military and naval service. I think it will be generally admitted, even by those who are opposed to military preparation and to armies and navies, that so far as they go, while very small, they are efficient. All that has been done upon a permanent tenure of office, subject to good behavior, under the control of Congress.

But recently an instance has arisen in which the opposite system has been put into trial in the Navy. It is said that by the system of promotions which are provided for in this permanent tenure of office these promotions from grade to grade upon merit and upon examination have resulted in a lot of fossils being at the head of the various branches of the Army and Navy, and it is proposed to depart from that system and to give the President an opportunity to appoint a man without regard to the laws of Congress. It is claimed that it is an improvement. Now, let us see how it is. There is the case of Dr. Grayson. It is true that he is not an old fossil; nobody will charge him with being that. He is quite an "end-of-the-century" young man. By abandoning this system of promotion upon merit and tests by examination, he is taken at one bound, through political influence of a kind rather personal, from one of the lowest to the very highest rank in the service. I do not blame the President for it at all, any more than I blame him for appointing a political postmaster. He appoints political postmasters because he is involved in the system. He is not in favor of it and is trying to get away from it. Through interested advice and personal pressure he selects Grayson and appoints him at the head of the Medical Staff of the Navy over the head of 126 seniors.

It is said that this selection by personal favoritism and official politics is an improvement upon the system of merit and promotion by rule as laid down by Congress. It is strongly urged that this sort of rank discrimination is needed for the efficiency of the Navy. Let us compare the two systems. Under the rule provided by Congress the man who would have been appointed as head of the Medical Corps of the Navy is Dr. Dubose, the senior officer in line. He has earned that seniority by over 40 years of service in the Navy.

I do not know Dr. Dubose. I have never seen him in my life. I have no personal interest in his advancement. I only mention him because the law provides for his appointment to this position, which, contrary to law, has been given to Dr. Grayson. I am going to point out in a moment that the principles involved in this case are directly applicable to this amendment—the only difference being that one is in the military branch and the other in the civil branch of the Government.

Dr. Dubose would have come into this position by reason of having passed the examination provided by Congress and having served a longer time in the Navy. I have made some inquiry about him and I find he is universally regarded as a distinguished doctor, an able man in his profession. His distinction is in his profession of medicine, and not as a ship captain. These doctors are not admirals. They are just called admirals. It is only a euphonious compliment. So when you are inquiring as to the qualifications of a man to be at the head of the medical service of the Navy you do not look for men qualified as admirals, commanders, and ship captains, but you look, and ought to look, for a man who is qualified in medicine.

Does anybody dispute the qualifications, efficiency, and distinction of this man who under the law, under the merit system of promotion established by law in the Navy, would go into this position?

On the other hand, what is the outcome of choice by the spoils system of personal politics? By that system we have a young gentleman who came from the great State of Virginia, though nobody I have ever talked with has ever claimed he has distinguished himself as a medical man. There is a contrast in the practical working of the two systems. I noticed here the other day some one introduced a resolution, but there being opposition to it, and it being perfectly evident that it would not pass, he withdrew it. He did not want it to be said it was defeated. That reminded me of the test of Dr. Grayson. He went into an examination, and when he found he could not answer the questions that were asked him he withdrew from the examination. His friends said he did not fail. He then tried an examination for medical steward in the Navy, an enlisted man's position, and when he saw, as he testified himself, that he could not answer the questions that were asked him he withdrew from that. He did not fail; he only withdrew. Later, through the aid and the help of friends in official position he passed a certain examination. I mention these facts with no desire to be offensive, but as essential facts in this important question, and as indicating the comparative merits of this junior officer promoted by the spoils system to the head of the corps.

However, I do want to call attention to the law which relates to this proposition. I have here the opinion of the Attorney General of the United States. I am advised in a reliable way that the Attorney General was consulted about this matter before he rendered his opinion by friends of this appointee. So he was put in the rather embarrassing position of being called on by people to render an opinion, knowing what they desired his opinion to be. The result was such an opinion as might well have been biased by those circumstances.

It is one of the most remarkable legal opinions from a person in authority that anyone has ever read, not only in its conclusions but in its omissions. It is to this effect, and I have it here upon my desk, that this appointment is contrary to the laws enacted by Congress, but that Congress had no power to regulate the matter. He says and points out that the statutes of Congress have provided for promotions in the Navy in a different way. After answering the contention which has been made by some that the statutes are not in conflict with the appointment, he holds that the statutes are against it, but he says that the statutes are void. The reason he gives for

that is that the Constitution of the United States authorizes the President to appoint officers of the United States. If that is the case, the entire establishment of the Army and the Navy, so far as grade and rank and promotion from one to the other are concerned, is illegal, because it is all established by statutes of Congress.

This is the difference between the two systems. Congress fixes the qualifications of the personnel and provides a system for official promotion. But the Attorney General says all this is void, that the President can ignore it and make an appointment in entire disregard of the acts of Congress, as in the Grayson case.

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

Mr. POINDEXTER. I yield for a question.

Mr. ASHURST. I simply desire to ascertain when, in the Senator's opinion, it will be convenient for him to suspend long enough for me to ask for action upon the conference report on the Indian appropriation bill. I am anxious to have it disposed of for several reasons. This inquiry is not made with any intention to urge the Senator to stop speaking, but simply to get the conference report disposed of if possible.

Mr. POINDEXTER. I would prefer not to yield just now.

Mr. President, as I shall proceed to point out, Congress has provided that promotions in the Navy in the Medical Corps shall be based upon seniority, or length of service, and in order to so govern that system of appointment as to secure efficient officers they have expressly provided that there shall be examinations, just as it is proposed that in the appointment of postmasters there shall be examinations, and that postmasters shall be appointed upon the examinations.

Now, upon seniority of service and upon the examinations there are 126 officers who would be promoted before Dr. Grayson would be reached. These examinations, in view of the provision of appointment by seniority, become of most vital importance, because it is the only test of the efficiency of the men. When you inject politics and personal favoritism into appointments what is the result? I eliminate as much of the personal element as I possibly can and still make the point which I want to make upon the legal phases of this matter. Intimate friends are appointed upon the examining board, to go through the form of carrying out this act of Congress which provides for an examination. Here is one of the peculiarities of this appointment, that while they say that the act of Congress is void, that promotion by seniority is not mandatory, because it interferes with the right of the President, yet they assume that that part of the act of Congress which provides for an examination is binding and valid. And so they go through the form of holding an examination. Here is where the politics comes in. While an examination is the test and only opportunity of determining the fitness of a man, whom the law provides shall go up in accordance with the length of his service, subject to this examination, it is interesting to note its character. The appointee comes before the examining board. No question, either oral or written, was propounded to him.

So there was an examination without any question at all. That was the examination to determine his fitness for promotion to the head of the Medical Corp of the Navy, a position which would be of the most vital consequences to the Nation in case it should become involved in actual hostile conflict with any foreign nation, which I hope and believe we will avoid, at least for some time to come. The only proceeding which took place at the so-called examination was this: He was told to submit a thesis upon a medical question, and he forthwith took the thesis out of his pocket in typewritten form and handed it to the examining board. He had it prepared in advance.

It is not my intention to argue here to-day the effect this sort of a proceeding has in the demoralization of the spirit and the morale of the faithful officers who have served the country with the legitimate hope of reward which the laws of Congress entitled them to. But I will take advantage of the opportunity to say that a Government which fails to do justice to its officials must not be surprised if it loses the fine edge of the service which they render to the Government in time of need.

Now, section 1480 of the Revised Statutes provides "for advancement from grade to grade in the Staff Corps." It was contended that these new medical directors with the rank of rear admiral did not come within the terms of this law, because they held new offices. The Attorney General holds that these are not new offices, but simply the old offices of medical director with the rank of rear admiral, and holds that section 1480 does apply to them. Here is what he said:

Section 1480, as amended, being applicable to advancement from grade to grade in the Staff Corps, it seems plain that Congress sought thereby to restrict the President to the nomination of a single person of its own choosing, and this without regard to the comparative fitness for the larger responsibilities of the higher office.

In other words, the effect of his holding is that in order to get a man who is fit to be at the head of the medical service of the Navy we must set aside the acts of Congress and take an inexperienced young man who never distinguished himself in his profession, and promote him over the head of an experienced man of 40 years' service, who has distinguished himself in the service, and in his profession.

At the last session of Congress we passed an act providing for what is known as the board of selection in the Navy for the promotion of officers of the line. In that act it was provided that no officer should be promoted higher than from one grade to the grade next above him. Other acts of Congress provided that for especially meritorious or heroic services an officer in the line may be promoted 30 numbers.

If Congress has no power to regulate the promotion of officers in the Navy, then, of course, this law which was passed in 1916 establishing a board of selection is absolutely void. It would be very difficult to say why there should be a rule prohibiting the promotion of a line officer further than to the next grade above him and yet allow the President without even an examination of fitness to promote a medical officer from one of the lowest grades to the very highest rank of that staff. Of course, it is absurd. There is no such authority of law. It is directly in the face of the express provisions of Congress; and the opinion of the Attorney General, who holds that the President, under his power to appoint officers of the United States, can ignore an act of Congress, has forgotten the provision of the Constitution, and does not even mention it, which gives to Congress the authority to make rules and regulations for the government of the Army and the Navy.

I want to read a portion of this opinion. Section 1485 provides that officers of the staff corps, of which the Medical Corps is one, shall take precedence according to their length of service. Sections 1498 to 1510 provide for examination for promotion as an additional requisite to seniority.

The Navy personnel act of March 3, 1898, though not otherwise affecting this prior law, extended promotion by seniority in certain respects to the Marine Corps. Whenever Congress creates a new grade or rank without making any provision for filling it, the selection, in the case of a vacancy in grade, is made by the President, by and with the advice and consent of the Senate, while in the case of a vacancy in rank, it is made by the President as Commander in Chief of the Navy, without any action on the part of the Senate.

Section 1480 of the Revised Statutes as amended being so limited to grade can not affect the advancement in rank—

Of course, the question here is the advancement in grade, from the grade of surgeon to the grade of medical director—

it can not affect advancement in the staff corps from captain to rear admiral.

The Attorney General goes on to hold that there is no office of rear admiral nor office of captain, but simply medical directors with the rank of rear admiral, and surgeons with the rank of captain.

If the statutory language first quoted herein operates merely to create a new rank of rear admiral within the old grade of medical director, then section 1480 as amended, because in terms applicable to such old grade, would apply to advancement thereto from a lower grade. Such is believed to be its effect and for these reasons:

(1) Previous Attorneys General have held, with respect to the phrases corresponding to "medical director with the rank of rear admiral," that the first two words represent the title to the office, while the later words merely give it "rank," i. e., precedence, pay, command, or privilege.

In other words, the Attorney General holds that the office to which this promotion has been made is the office of medical director.

In each of the 16 different grades created by sections 1474 to 1479 [of the Revised Statutes], inclusive, there was a separate and distinctive word title for each. Had the purpose been to create a new grade in the act of 1916—

That is the act under which these additional positions of medical director with the rank of rear admiral were provided for. The Attorney General, in the opinion upon which this appointment is based, says:

Had the purpose been to create a new grade in the act of 1916, a new word title other than "medical director," such, for example, as "surgeon general," would have been used.

The new act makes only such specific reference to existing grades or ranks as was necessary to allot officers, where an allotment peculiar to one such grade or rank was desired.

Sections 1476, 1477, and 1479, Revised Statutes, not only create grades and subdivisional rank therein, but also make apportionment in the grades of the Engineer Corps, naval constructors, and chaplains, and a comparison of the language with that in the new act leads to the conclusion that the sole purpose of the latter was to allot officers among existing grades.

Section 1480, as amended, being applicable to advancement from grade to grade in the Staff Corps, it seems plain that Congress sought thereby to restrict the President to the nomination of a single person of its own choosing, and this without regard to his comparative fitness for the larger responsibilities of the higher office.

In other words, there is the admission that Congress by this act expressly provides for advancement by seniority and that the act is applicable to this case.

Then the opinion proceeds to hold that Congress has no power to do that; that the President can ignore the act of Congress. The Attorney General holds that the attempt of Congress to do this is in opposition to that provision of the Constitution, section 2, Article II, requiring him to nominate, and by and with the advice and consent of the Senate to appoint. In other words, Congress, according to this opinion, although it has established the Army and Navy, and has created these grades and ranks and provided for promotion by seniority, subject to examination for fitness, has no authority in that way to limit the power of the President to appoint anyone whom he may see fit. If that is the case all of the acts of Congress fixing the age of officers in the Army and Navy and the qualifications they must possess are void; those acts of Congress which provide for midshipmen in the Naval Academy being commissioned ensigns upon graduation, for promotion from one grade to another in all of the subordinate ranks, this act of 1916 reorganizing the Army, providing for a reserve corps, specifying the conditions upon which commissions shall be granted, in the staff and in the line, are all void, according to the principle laid down in this opinion of the Attorney General.

In other words, although Congress has the power to "raise and support armies" and to "provide and maintain a Navy" and "to make rules for the government and regulation of the land and naval forces," the Attorney General says that all that is swallowed up in the little sentence which gives the President power to "appoint officers of the United States."

Of course, if that is the case, the entire establishment, not only of the Army and the Navy but of the civil departments of the Government, fall to the ground, because the entire personnel system is founded upon acts of Congress. All of this controversy which we have had here during a course of years about the so-called "plucking board" in the Navy, which plucked a number of efficient officers because they had previously rid the service of the inefficient ones—that controversy was unnecessary, because the act of Congress establishing the board was void, according to this opinion.

Mr. STONE. Mr. President——

Mr. POINDEXTER. I yield to the Senator from Missouri.

Mr. STONE. Conceding that all the Senator is saying about the appointment of officers and the promotion of officers in the Army and Navy by the President be correct, and conceding—which I do not—that the Senator is proceeding properly in discussing in the open Senate an appointment which the Senator knows is pending before the Senate in executive session—waiving all that——

Mr. POINDEXTER. Mr. President, under the ruling of the Chair, I decline to yield for any purpose except a question.

Mr. STONE. I am not seeking to interfere with the Senator, but I wish to ask a question. I say, admitting all that, I should like the Senator to inform me what such matters have to do, what relation they bear, to this legislative, executive, and judicial appropriation bill?

Mr. POINDEXTER. I attempted to point that out a while ago when the Senator from Missouri was not present. The question involved in the legislative, executive, and judicial appropriation bill is the putting of postmasters on a civil-service basis. The queston is between the system of favoritism and political spoils, as it is sometimes called, and the system of a regular establishment under the acts of Congress, with a more or less permanent tenure of office, according to fixed rules and regulations. I am now calling attention to the fact that we have provided in the military branches of the Government, just as we have in part in the civil branches, a permanent tenure of office of officials based upon merit and subject to a system provided by Congress; I am pointing out the effect of such a system as that in the selection of an officer; I am selecting a particular case to illustrate it, and comparing it with the system of unrestricted power to select mere favorites for office, and I am contending that in this case the comparison is very much to the advantage of the system of permanent tenure of office based upon merit, and very much against the spoils system or the system of personal favoritism.

Mr. STONE. Mr. President, I asked the Senator a question. What he is saying, of course, is very interesting and very pertinent to the bill; he would not indulge in it if he did not think so.

Mr. POINDEXTER. I did not quite hear the Senator's question.

Mr. STONE. I said that what the Senator was saying undoubtedly, in his opinion, was very pertinent to the bill; but I should like to have the Senator answer me frankly, not only for my information but for that of the Senate, just what the purpose—the real, underlying purpose—is of this filibuster which the Senator is now assisting so very ably? What is sought to be accomplished by it?

Mr. POINDEXTER. Well, Mr. President, I am not in a position of authority to answer that question, even though we assume that the premise assumed by the Senator was well founded, that there was a filibuster. I have not understood that there was one. I do not know of any evidences of it, unless the Senator from Missouri should assume that the remarks which I am making are evidences of it. So I come down to the question as to what ground my remarks are based upon.

Mr. STONE. It has been very commonly stated around that it was not the intention of that side to permit this revenue bill to come to a vote at this session, except under such conditions as they desired, and that that was agreed upon in the caucus, which I suppose the Senator from Washington attended.

Mr. POINDEXTER. I do not think there is any such purpose as that, Mr. President. I have never heard of it. That question was asked during the morning hour by another Senator, and I will state now—although it will be largely a repetition of what I said then—that my understanding of the conference to which the Senator has referred was that there was no agreement, but it was directly to the contrary, so far as the conducting of a filibuster for the purpose of forcing an extra session of Congress was concerned. We want to avoid an extra session of Congress; but there is a purpose among quite a number of Senators to secure full debate and full consideration of the important provisions of the various bills that have now collected here toward the close of the session.

In that connection, by way of justification of myself, I will say that I have spent very little time in discussion during the present session of the Senate, but there has been a great deal of time spent upon the other side which might have been used in promoting this legislation. Of course I am not criticizing anyone for it, but I speak in all frankness. I feel this way about the subject which I am discussing now, that it is a proposition which it is difficult to get before the Senate in such shape that there can be a vote upon it. Even now we can not do so, except in connection with the conference report.

I think the proposition of restricting appointments to office in the civil and the military branches of the Government to a fixed system based upon merit, upon such reasonable regulations as may be provided, either in the law or by the President, as against the proposition of personal favoritism, is a question which ought to be debated and ought to be called to the attention of the country. It is for that purpose that I am going into it, not for any purpose of filibustering at all.

The Attorney General, in his opinon which I was reading, goes on to say that—

> The total number of commissioned officers of the active list—

And in this he is quoting the act of 1916—

> of the following mentioned Staff Corps at any one time, exclusive of commissioned warrant officers, shall be distributed in the various grades of the respective corps as follows:
>
> Medical Corps: One-half medical directors with the rank of rear admiral to 4 medical directors with the rank of captain, to 8 medical inspectors with the rank of commander, to 87½ in the grades below medical inspector: *Provided*, That hereafter appointees to the grade of assistant surgeon shall be between the ages of 21 and 32 at the time of appointment.

Of course that is void, according to his conclusions, if Congress has no power to fix the conditions.

> Pay Corps: One-half pay directors with the rank of rear admiral to 4 pay directors with the rank of captain, to 8 pay inspectors with the rank of commander, to 87½ in the grades below pay inspector.
>
> Construction Corps: One-half naval constructors with the rank of rear admiral to 8½ naval constructors with the rank of captain, to 14 naval constructors with the rank of commander, to 77 naval constructors and assistant naval constructors with rank below commander: *Provided*, That vacancies in the Construction Corps shall be filled in the manner now prescribed by law, at such annual rate as the Secretary of the Navy may prescribe: *Provided further*, That hereafter ensigns of not less than one year's service as such shall be eligible for transfer to the Construction Corps.
>
> Corps of Civil Engineers: One-half civil engineers with the rank of rear admiral to 5½ civil engineers with the rank of captain, to 14 civil engineers with the rank of commander, to 80 civil engineers and assistant civil engineers with the rank below commander.
>
> Section 1362, Revised Statutes, provided that the active lists of line officers of the Navy should be divided into 11 grades. Subsequent legislation, including the Navy personnel act of March 3, 1899 (30 Stat., 1004), reduced these grades to 7, namely, rear admiral, captain, commander, lieutenant commander, lieutenant, lieutenant (junior grade), and ensign; and the Engineer Corps, with corresponding grades, was transferred to the line. Sections 1368 to 1405, Revised Statutes, provided for the Medical Corps, Pay Corps, Engineer Corps (now in the line).

And so Congress proceeded to provide, as pointed out, for examinations for promotion from one of these grades to the other, the ages at which these officers shall be retired, and various other conditions as to length of service, the length of

time they shall have served at sea, according to which, as is admitted in the opinion of the Attorney General, the senior officer of the Medical Corps who had complied with these conditions would be appointed to this rank.

In connection with the "plucking board," which plucked a number of officers, the great cry was that officers who had served around the White House and in the departments, instead of being at sea, should be "plucked," as it was called—that is, taken off the active list and retired; and some of the most efficient officers in the Navy were retired in that way. The country is familiar with the controversy which raged around it. Congress in 1916 authorized the President to put some of those men, naming a few of them, back on the active list again. They were young men, and many of them were distinguished in the service. There is Capt. Potts, for instance. He is one of those named in the naval act of August 29, 1916, that the President was authorized to restore to the active list. He had a fine reputation in and out of the Navy as an efficient officer. The "plucking board" said he served too long in the departments and around Washington and had not been to sea enough; so they "plucked" him. They plucked Potts, and promoted Grayson for the same thing.

I am not discussing anything involved in the character of the officer or other matters which the rules of the Senate say should be secret. The proposition I am referring to is the law of this case. But I can not refrain, in passing, from calling attention to the inconsistency of removing from the active list a large number of officers solely because of the fact that they had, through influence of one kind or another, served in positions of preference in the departments and around Washington City, while Dr. Grayson, who has spent his entire naval career, with the exception of three years, on the *Mayflower*, at the White House, or in other favored positions in the city of Washington, and through that means had gained influence and official favor, for that very reason is promoted at one bound from the lower ranks of the service even to the very topmost of the entire Medical Corps of the Navy.

Mr. OVERMAN. Mr. President——

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

Mr. POINDEXTER. I yield for a question.

Mr. OVERMAN. As the Senator knows, this is a great supply bill. It makes provision for the salaries of nearly every officer of the Government, and unless it gets to the House of Representatives and is considered this afternoon I want to say to the Senator there is some doubt about it ever getting through. I desire to appeal to the Senator to let this bill go through. It is the greatest of all the supply bills.

Mr. POINDEXTER. I should like to see——

Mr. OVERMAN. I am very anxious to get the bill to the House of Representatives, because they must consider it, and it must be enrolled and signed by the President. It may have to come back here, and, if the bill should fail, I do not know what would become of all the clerks and officers of the Government.

Mr. POINDEXTER. I should like to see the bill passed, but I should like to see it passed with the meritorious provision that the Senate placed in it retained in the bill.

Mr. OVERMAN. But that is simply impossible, Mr. President. The Senator must know that the Senator in charge of the conference on the bill on the part of the Senate stood by the amendment as long as it was possible to do so.

Mr. POINDEXTER. I do not yield, Mr. President, to the Senator except for a question.

The PRESIDING OFFICER. The Senator from Washington declines to yield further.

Mr. OVERMAN. I wanted to make an appeal to the Senator to let this bill go through.

Mr. POINDEXTER. Mr. President, as an illustration of the difference between having a civil service and a military service—and the same principle applies to both—based, on the one hand, upon regular rules, presumably reasonable, or as reasonable as can be made, or, on the other hand, that the appointments shall be entirely without regulation and merely in the discretion of the appointing power, I desire to call attention to some of the abuses which grew up under the so-called "plucking" system as it was administered. The same thing applies, of course, to the so-called board of selection, which was established in 1916, the only difference being that this board of selection, instead of retiring officers, chooses officers for promotion. Of course, in both instances, if the boards should govern themselves by regular rules applying equally to all, the objections would be removed.

It is said that if we rely merely upon a rule which applies generally we will get inferior men in office. Well, leaving out the personal qualifications of this naval officer to whom I referred a moment ago and inquiring as to what sort of men would be obtained under the application of the laws of Congress, we see at once that the objection that we can not have a permanent rule, but must leave it to the discretion of the President or a board of some kind to demote or promote anyone that they choose, is utterly unfounded.

Under this system of unrestricted promotion, by which a naval officer by one leap goes over the heads of 126 superiors, we have a man with no distinction in his profession, no special requirements. On the other hand, under the law of Congress he would have to be selected from among the 126 of his seniors, one of whom is the man who is the author of this book that I hold in my hand, E. R. Stitt, one of the medical directors of the Navy, over whose head an assistant surgeon three grades below him is promoted. This is a book on practical bacteriology and tropical diseases, written by an officer of the Navy for the benefit of his profession, and especially for the medical service of the Navy, which has a reputation throughout the medical world on both sides of the Atlantic Ocean; and yet is said that under a fixed rule of promotion, as provided by Congress, you can not get men who are competent to fill places.

We have among those men, in addition to the one who wrote this book, Dr. Gatewood, who has written a standard work upon naval hygiene, a technical naval medical work that is officially used not only in the American Navy but in the German Navy, one of the most efficient in the world, and is an authority wherever naval ships are owned and operated; a man distinguished in his profession, of long years of service, rendered with a reasonable hope and expectation that he would receive the reward which the laws of Congress and the rules of the Naval Establishment entitled him to if he performed his duty.

I only mention those as showing the result of the two systems of purely political and personal appointment on one side and appointment by rules and by systems established by the laws of Congress upon the other side. Now, that is all there is in this question of so-called permanent civil service, or the merit system. Under that system we have a law passed by Congress for the regulation of these matters, just as the merit system would be a law passed by Congress. Whatever system is adopted must, of course, be chosen by Congress and be subject to repeal or to modification and regulation by Congress, and that is a safety check at all times. Under the law passed by Congress for the plucking board, we had an experience that is described in a pamphlet which is one of the most illuminating special studies of the result of unrestricted discretion in appointment to or removal from office that I have seen anywhere. Under that system a board of officers met in secret and passed upon the official fate and career of their fellow officers without a hearing. The result, of course, was demoralization in the service, just as the result of a spoils system of appointments in the Post Office Department is disappointment and demoralization in that service. Where you have a man who has demonstrated his efficiency and has gained experience by years of service, instead of rewarding him by promoting him, or at least by retaining him in his position, you put him out of this position and put somebody else in his place who is not as good as he is, who in most instances knows nothing whatever about the duties of the office. This is a matter that goes to the fundamentals of the intricate structure of the great official army, necessarily growing larger and larger year by year as the business of the Government increases.

It is said, in this statement by Henry B. Rust:

> The maladministration of section 9 of the naval personnel law is a serious reflection on the efficiency of the Navy Department. As this law is now being applied it will inevitably tend to decrease, instead of increase, the efficiency of the personnel.

Just as this promotion in the Navy, of which I was speaking a moment ago—and I dislike even to repeat the name of the officer in question—will decrease, instead of increasing, the efficiency of the personnel of the Navy, because the entire official organization which is put there to use and apply the $2,000,000,000—more than $2,000,000,000, in fact, appropriated since 1884—will be advised that they need not expect or look for honor nor distinction nor recognition for faithful service in the Navy of the United States. On the other hand, they are advised by this act that it is far better for them to seek political influence, personal favor; and, I want to repeat, that I think that one of those who has been most imposed upon in this matter is the President of the United States, because it is impossible for him to have personal knowledge of these things.

We pass a naval bill with $500,000,000 of appropriations for the national defense. We feel a pride in the character, in the training, in the devotion to duty of the men whom we have taken pains and gone to expense to educate in the technical knowledge which is necessary to use these ships and munitions of war. Yet at one stroke, just to reward an individual, just as a matter of a little personal favor, we hold out to them this spectacle that faithful service is not rewarded, but punished; that individuals who bask in the social sunshine of headquarters and around the departments are remembered, while they are forgotten; that the man who is on the firing line or at the post of duty in some distant land, it may be undergoing hardships, becoming infected with disease of a tropical climate, risking his life, devoting his energies to the performance of his duties, is overslaughed, as it is called; is put down in his relative rank because there was back here in Washington City some one who had made it his business to be around the department and to cultivate personal power and influence.

That is one of the questions that is involved here; and it is not confined to the Navy. It reaches into every department of the Government. It is a great principle. There is nothing more important in the bill than that amendment.

As this law is now being applied it will inevitably tend—

This refers to the so-called plucking-board law, which removed restrictions and established unlimited discretion, just as the existing law passed in 1916 removes restrictions and rules of promotion and leaves the officers of the Navy to be demoted by having their juniors promoted over their heads, just as the great Post Office Service of the country, for which we appropriate so many hundreds of millions of dollars, is now being conducted in the point of most intimate contact with the people, so that instead of having there to receive the pay which we appropriate for that service a man who knows the business and has worked his way up from one grade to another and has become efficient by faithful service a political favorite, new to the business, is put over him; a local politician who does not know anything about the conduct of the post office, who does not even know what branches there are in it or the processes by which its business is conducted.

Now, why not stop it? Why not take the bill back to conference and follow the President of the United States in the good recommendation that he makes? As I said before, why not follow again the great shibboleth of the campaign and put it in practice now?

To go on with this article, that I started to call attention to here as so illustrative of the principle that is involved:

Retiring officers of exceptional ability because of some slight accident that was not due to any fault of their own, but for which they have been held technically responsible and already punished, or because of irresponsible and intangible gossip which they had never had an opportunity to disprove, will demoralize the discipline of the service.

This is the retiring board.

The efficiency of some commanding officers will be greatly decreased by lessening their initiative and making them timid from constant fear lest they should arouse the venom of the gossips or have some slight accident that would cause their retirement before attaining their ambition of flag rank.

Prior to the passage of the personnel act, promotions in the Navy were by seniority alone, admitting even the most indifferent man to pass slowly through the various grades until retired for age, holding through his entire career the relative position fixed by his class standing at the Naval Academy, provided he preserved reasonably good health and "possessed the negative virtues necessary to avoid a court-martial."

The object of the personnel law, as expressed in the title of the act, is "to * * * increase the efficiency of the personnel of the Navy."

That is the purpose of the method of selection for office that we are attempting to extend in the civil service. I am reading this in order to call attention to the fact that this great stand which is made for political spoils, which is seeking to defeat this amendment against the advice of the Postmaster General, who ought to know what is needed in the department, against the urgent insistence of the chief officers of the Government in Republican administrations and in the present administration, is actuated by the same spirit that has been so unjust and injurious in the naval service. In the one case it may be for political services to a candidate for Congress and in the other the reward of personal friendship, regardless of official merit or official services or of his rights under the law.

There are some Senators here who were not present when I was discussing the legal phases of this matter a moment ago; so I will repeat that these spoils demands have an influence so great that they not only invade the military branches of the Government, that are so vital to our national existence, but in doing so they boldly and confessedly override the statutes of the United States and seek refuge in the appointing power of the President. Those who advised the President claim he can ignore the requirements of the statutes, although their reasonableness has been proven by experience, and that he can select for any rank in the Navy a candidate recommended to him by personal friends, who does not come within any of the requirements of the law. If that principle is correct, at one blow the entire complicated structure of the personnel as to age, grade, and rank of the Army and Navy falls to the ground, and we might as well conserve the time of Congress and cease to legislate upon those matters.

Now, that is the actual truth. If the laws are void when we pass them, why do we spend so much time here about the qualifications of the personnel? Why does this board of nine rear admirals meet as they did in December in the department, under the law of August 29, 1916, if that law is void? Why not leave the matter in the wide discretion of the President, which the Attorney General says is supreme? Why is it that the Attorney General in this opinion, although pointing out very clearly that such an appointment is in conflict with the statute regulating promotions in the Navy, and claims that the statute is void, does not mention the clause of the Constitution declaring the powers of Congress on the subject? Why is it that in the learned opinion of the chief law officer of the Government he does not call attention to the fact that the Constitution gives Congress, and Congress alone, the power to "raise and support armies," "to provide and maintain a Navy," and, in a special clause, "to make rules and regulations for the government and regulation of the land and naval forces"?

Now, that is in the Constitution. Under that Congress has power to provide, as it did provide, that promotions in the staff corps of the Navy should be on merit, should be in accordance with the regular rule and system, because that was a rule and regulation for the government of the Navy.

Mr. FLETCHER. Mr. President——

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

Mr. FLETCHER. Will the Senator permit an interruption for the purpose of submitting an amendment to a bill?

Mr. POINDEXTER. If I can yield without losing the floor, Mr. President.

The PRESIDING OFFICER. Does the Senator yield for a question, or what is the purpose?

Mr. FLETCHER. I ask the Senator to yield for the purpose of submitting an amendment to a bill, out of order.

Mr. POINDEXTER. I yield for that purpose, if I will not lose the floor.

The PRESIDING OFFICER. The Senator will not lose the floor under the ruling of the present occupant of the chair.

Mr. FLETCHER. I should like to submit an amendment to a bill and ask to have it referred to the Committee on Public Buildings and Grounds. I thank the Senator.

Mr. POINDEXTER. Mr. President——

Mr. WARREN. Mr. President, may I ask the Senator to yield to me?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Wyoming?

Mr. POINDEXTER. I yield to the Senator for a similar purpose.

Mr. WARREN. I desire to present some morning business. I have a telegram from the Stock Growers' National Bank, of Cheyenne, Wyo., and three others which I ask to have printed in the RECORD.

Mr. WILLIAMS. Mr. President, I make the point of order——

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

The telegrams are as follows:

CHEYENNE, WYO., *February 23, 1917.*

Senator FRANCIS E. WARREN,
Washington, D. C.:

Please aid in securing passage of joint resolution allowing six months or a year's time before Reed law takes effect.

STOCK GROWERS' NATIONAL BANK.

—

CHEYENNE, WYO., *February 23, 1917.*

Senator FRANCIS E. WARREN,
Washington, D. C.:

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CUSACK & MENTZ.

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

Mr. POINDEXTER. I yield to the Senator for a question—not to yield the floor.

Mr. WILLIAMS. The Senator does not need to yield to me. I make the point of order, which was upheld by the Vice President of the United States and by the late Senator from Arkansas, Mr. Clarke, as President pro tempore, that when a Senator yields for somebody to offer an independent measure he yields the floor.

Mr. POINDEXTER. Mr. President, I did not yield for that purpose. I yielded upon the previous ruling of the Chair.

The PRESIDING OFFICER. The Chair overrules the point of order. The Senator from Washington will proceed.

Mr. WILLIAMS. Well, of course——

Mr. POINDEXTER. I decline to yield further.

Mr. WILLIAMS (continuing). I shall not take an appeal——

Mr. POINDEXTER. I should be very glad to yield to the Senator from Mississippi, except for fear of losing the floor.

Mr. WILLIAMS. I shall not take an appeal from the ruling of the present occupant of the chair to the authority which I think is perhaps higher and shall proceed with the matter no further right now.

Mr. POINDEXTER. Mr. President, I hope I have not lost the floor by reason of the speech that the Senator from Mississippi has made.

Mr. WILLIAMS. The Senator has missed losing the floor by the ruling of the Chair.

Mr. POINDEXTER. The point I am making, though, is that the Senator from Mississippi is making a point of order that I lose the floor by yielding, and then he is asking me to yield, by which I would do that very thing.

Mr. WILLIAMS. No; I did not ask the Senator to yield. I had a right to make a point of order without the Senator's consent, and I did it, and my object was to stop his filibustering if I could.

The PRESIDING OFFICER. The Chair has overruled the Senator's point of order. The Senator from Washington has the floor and will proceed.

Mr. POINDEXTER. Now, Mr. President, the Senator from Mississippi has not been here this morning until quite recently, or he would not, I think, suppose that I was filibustering. I am not filibustering.

Mr. WILLIAMS. The Senator from Mississippi——

Mr. POINDEXTER. If the Senator will permit me——

Mr. WILLIAMS. The Senator from Mississippi has been here for half an hour listening very attentively to the Senator from Washington.

Mr. BRANDEGEE. The Senator is out of order.

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

Mr. POINDEXTER. I decline to yield.

Mr. WILLIAMS. I have not asked the Senator to yield. During that time——

SEVERAL SENATORS. Regular order!

Mr. WILLIAMS (continuing). He has been proceeding with important business of the Government of the United States, awaiting the conclusion of the speech of the Senator from Washington.

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

Mr. POINDEXTER. I decline to yield.

The PRESIDING OFFICER. The Senator declines to yield. The Senator from Washington has the floor.

Mr. POINDEXTER. Mr. President, when I was interrupted I was discussing the merit system and the spoils system as illustrated by this recent instance that is now pending before the Senate. Congress provided for promotion on examinations and length of service; just as it is to be supposed that postmasters would be appointed on examinations. It provided that rank, precedence, and promotions from one grade to another in the staff of the Navy should be according to length of service. They used that language. I have all these statutes here, but I am not going to delay the Senate by reading them.

Now, of course that might lead to such a case as the Attorney General referred to in his opinion, and while you have just a cut-and-dried system of that kind, without regard to individual instances or environment or accident you might get a man not fit to be promoted, and Congress provided against that. Congress foresaw that, so they provided a guard against it, and I think a very good one. What was it? They provided that no man should be promoted who had not served four years at sea. They provided that no man on the Staff Corps should be promoted until he had passed an examination provided by the department. That left with the President of the United States, Commander in Chief of the Army, the power and, in fact, the duty to provide a proper examination which would really test the qualifications of a medical officer of the Navy before he is promoted from one grade to the other. It provided and allowed not only for a mental examination but for a physical examination, for an examination as to the character, the standing, the reputation of individuals before they should be promoted. That was such a check that, if the system had been allowed to operate in this case, we would find that a man to-day had been promoted to the head of the Medical Corps who is a distinguished doctor of long service in the Navy, of moral and mental qualifications equal to the best, of good standing and reputation in his profession and in the community. How does the opposite system work out? That is the civil-service system. That is the result of the merit system, as provided by Congress.

Of course, there ought not to be any question about it, but the influences were so persistent, they were so powerful that they succeeded in setting aside the laws of Congress and in removing all restrictions. Of course they went through the form, however, of taking an examination. The examination under the system which I have just described as provided by Congress is most important. If you provide that the officer must be promoted in accordance with length of service and they shall pass an examination, the examination is very vital. I do not know why those who are interested in making this encroachment upon the merit system had any examination at all, because that examination was provided for in the same law which provided for promotion by seniority. But they seemed to think that they could set aside the seniority provision and yet they must have an examination. But the regular examination is a pretty difficult one, and it ought to be difficult. So they had an easy examination, and that appears in the RECORD here. It was an examination where they did not ask any questions.

Was not that an evasion of the law in itself? Ought the Senate as one of the branches of Congress, after Congress has passed a law, allow that law to be ignored, when it is not contended that it is not reasonable, when the practical application of it in this instance and in every other instance showed that it is reasonable and a much better system than that by which an inexperienced, undistinguished man is chosen above a number of highly distinguished seniors and put at the head of the Medical Corps of the Navy? Ought the Senate by its consent and advice aid and participate in ignoring the rules provided by Congress, which it helped to enact, upset the system of the Navy, demoralize its personnel, and discouraging its officers? Ought we not to defeat this attempt? Ought we not to discourage such attacks upon efficiency and merit in the Government by extending the merit system to the postmasters of the country, and enabling the President to escape from this army of politicians who are surrounding him, taking up his time, begging him to appoint their friends as postmasters in the various congressional districts? Is not that of some importance? Is it not a proper subject of consideration and of discussion in the Senate?

Notwithstanding we have appropriation bills to appropriate a billion dollars or so from the Treasury, this march against a permanent tenure of office is so strong that it ignores a score of laws of Congress. Here is one law of Congress which provides that an officer of the Navy may be promoted 20 numbers for heroic conduct. Of course, they say this man did not perform any heroic conduct, and therefore that does not apply to him. That is true in a sense. Yet, of course, it is charged that while Congress has provided 20 numbers as the reward for heroic conduct it is proposed to give 126 numbers as a reward for a pleasant association and great diligence in cultivating the powers that be.

There is another law of Congress applied to the line; but, of course, I am not going to assume that a less careful rule should be applied to the staff. A line officer promoted, even when he is selected over the heads of his seniors, can not be promoted any higher than to the next grade above him. Nobody tried to violate that, yet we are violating an equally ex-

plicit act if we take a man from a lower grade in the medical staff and promote him over the next grade above it and over the next grade above that and over the next grade above that, and put him into the highest grade. There is no dispute about these facts, and I think it is a good time to call the attention of the country to this encroachment upon the efficiency of the Army and the Navy.

This special writer goes on to say in regard to that proposition:

The object of the personnel law as expressed in the title of the act is "To * * * increase the efficiency of the personnel of the Navy * * *."

As a means for accomplishing its end this law provides that the Secretary of the Navy shall annually appoint a board of five rear admirals to make a comparative examination of all the official records on file in the Navy Department of all officers in the grades of captain, commander, lieutenant commander, and lieutenant, and to select for retirement a few of the least efficient only in each of these grades.

Thus the average of efficiency in each grade would be increased, promotions would be so accelerated as to bring officers to command rank at an earlier age and the officers stimulated to greater efforts to improve their records and standing by being forced to realize that intemperance, indolence, or slight neglect of duty, not sufficient to justify their discharge, might cause their retirement as "least efficient."

The records of all officers are carefully kept and consist of "Reports of fitness" made two or more times a year on each officer by his commanding officer covering every necessary personal and professional qualification. To these reports of fitness are added records of courts-martial, letters of reprimand, letters of special commendation, records of acts of bravery or special professional work, etc.

Each officer is advised of any unfavorable report made against him and his answer or explanation is filed with his record. Thus, basing the selections for compulsory retirement solely on a comparison of these records, as contemplated by the law, was perfectly simple and eminently just.

Of course, when a faithful officer is overslaughed by his junior there is a stigma put upon his record and his services. It is in some sense worse for him than for those who were retired, and far worse for the service, because he is retained in the service and we have a large body of discontented and humiliated men who feel that they are disgraced; and yet they are to man the Navy. To keep them in the service after they have been humiliated in that way is more injurious to the service than the system which the writer is denouncing, where they are retired and taken off the active list entirely.

Now, as to the departure from that method of promotion, by a careful examination of the record, of length of service, of any letters of reprimand or of commendation, there is the system of unlimited discretion and of favoritism which developed under that law, and which led to the repeal of the law.

The records of the officers are filed in the Navy Department as received in untabulated, undigested form. Those of all of the officers in the grades from which selections are made for compulsory retirement comprise many thousands of pages. As these papers are filed, it is impossible for the board to make an accurate comparison of this great mass of evidence in the time it devotes to this work.

Realizing this difficulty, the earlier boards wrongly assumed that it would not be necessary to base their selections on a comparison of all the official records. They very unjustly considered that their duties were properly performed so long as they were careful to select out those officers who would probably have failed to pass their next physical examination for promotion, or those who were known throughout the service as having been guilty of intemperance or other irregularities.

Though these officers may not have been highly efficient, they should have been proven to be the "least efficient" by a comparison of the written records before, under the law, they could justly be "plucked."

These careless and irregular methods of the earlier boards were not apparent so long as the officers retired were regarded as not especially desirable, or were known to have had, through carelessness, serious accidents, or been guilty of grave personal offenses; but their acceptance as precedents by subsequent boards, after most of the notably deficient or unfortunate officers had been retired from the upper grades, has resulted in such glaring injustice as to produce conditions that are intolerable.

The law demands the retirement of the "least efficient"—

Just as the law demands the promotion of the most efficient—

not inefficient, but less efficient than those who remain. This can only be determined in accordance with the law by an exhaustive analysis and comparison of all the records numerically. By failing to recognize these fundamental principles, the first great blunder was made and the seeds of a great injustice sown which are rapidly maturing and now bearing fruit.

When the law affirms or clearly intimates that a thing shall be done by a certain person in a certain way, this affirmation carries with it a negative that it shall not be done by some other person or in some other way.

It is incumbent upon the board to consider the whole of an officer's record—those things to his credit as well as those to his discredit, and not from the latter merely to find an excuse for his retirement.

Or I might add from his being overslaughed by the promotion of a junior over his head.

Some of these boards have apparently confined their examination of records to an examination of records of courts-martial only and have based some of their retirements solely on trivial findings of courts-martial. They have evidently made no distinction between deliberate acts and accidents and have, it appears, assigned greater weight to trivial accidents than to very serious accidents or to deliberate acts involving personal conduct which reflect great discredit to the officer concerned and to the service.

I have no desire, Mr. President, to go on at any unreasonable length in the discussion of this matter, notwithstanding its great importance. I want to take advantage of the only opportunity I have ever seen here, and I am satisfied that it will be the only one we will have for some time to come, to make an issue in the Senate upon the merit system in political appointments. It is the only way you can make any inroad upon the system of political patronage. That patronage is not worth anything, but there is a sort of delusion about it, so that public men think there is, but it would be a benefit to them as well as to the Government if they were relieved of it. The only way in which you can get any consideration for the proposition is upon general appropriation bills.

The great desire to get an appropriation bill passed would carry almost anything through. A great many things go through on appropriation bills which are good in themselves, but otherwise difficult to enact because of the personal interest and concern of Members of Congress in the appropriation bills. They may be willing to accept amendments because of a public building they desire.

I remember on one occasion the habit of getting a public building was so strong that a letter came into my office from a prominent man in a town in a State, and the secretary looked at it and saw it was on the subject of a public building. He sat down and answered the letter immediately, and told him we would do everything we possibly could to get an appropriation through that particular Congress for a public building. I happened to read the letter when I came to sign the answer to it, and I found the man was denouncing the proposition of getting an appropriation for a public building in that town, as it was grossly extravagant and entirely unnecessary. As a matter of fact, that illustrates what is the growing body of opinion in this country. Notwithstanding the facility and the ease with which appropriation bills go along and though the tracks upon which they travel are oiled by the political interest in securing for constituent localities great amounts of money from the Treasury of the United States, there is a growing sentiment in the country which discredits that form of political service.

I have never attached much importance myself to the indiscriminate attacks upon the so-called pork barrel. That is a pretty common but too trite phrase, and it is leveled against some of the most meritorious enactments Congress ever passed. I realize the fact that very often there is hiding behind the cry, the bogy cry and specter of pork barrel, some sinister interest which for private purposes desire to defeat the public activities which are provided for by these appropriations. And yet I do know that, aside from that, there is a growing sentiment in the country which does not estimate the services of public men by the amount of money which they are able to extract from the Treasury of the United States. And so, while there are many things in these appropriation bills which may not be so important, they are sometimes the vehicle for general legislation of far-reaching consequence, such as the change in the official and political system that would be brought about by putting the post offices upon a system of merit rather than upon one of personal and political favoritism.

Now I revert again, Mr. President, to the Grayson case as illustrating the principle which I have been discussing:

Sections 1474–1479, Revised Statutes, inclusive, establish grades for the Staff Corps of the Navy, and those grades have remained as there established for the Medical, Pay, and Construction Corps.

Section 1480, Revised Statutes, provides that "the grades established in the six preceding sections for the Staff Corps of the Navy shall be filled by appointment from the highest member in each corps, according to seniority; and new commissions shall be issued to the officer so appointed, in which the titles and grades established in said sections shall be inserted; and no existing commission shall be vacated in the said several Staff Corps, except by the issue of the new commissions required by the provisions of this section; and no officer shall be reduced in rank or lose seniority in his own corps by any change which may be required under the provisions of the said six preceding sections."

In delivering the opinion in which this section is quoted Attorney General Charles Devens, in a communication to the Navy Department dated February 25, 1881, and this opinion of the Attorney General was not referred to in the opinion of Attorney General Gregory rendered a few days ago, although it is directly in point and holding contrary from Attorney General Gregory.

Mr. Devens used this language:

This section contemplated, it seems to me, by the use of the words "highest members in each corps, according to seniority," that the promotions should be made by seniority * * *; and the provision that "no officer shall be reduced in rank or lose seniority," etc., contemplated also that unless this provision were inserted, changes would be made in grades or numbers which had been theretofore fixed, which it was not the intention of Congress to disturb. * * * The effect of it is to adopt the rule of seniority in regard to promotions from one grade to another in the Staff Corps, the section 1480 including, among other corps referred to, the Medical Corps."

Promotion by seniority in the Staff Corps of the Navy and provision that no officer in those corps shall lose seniority in his own corps are the law at this time, no act of Congress having abrogated them or changed them.

From a careful examination of the naval act of August 29, 1916, under which certain nominations have been made to the Senate for promotions to highest ranks provided therein for the Staff Corps of the Navy, it does not appear that any new grade was established for the Staff Corps or that there was any disturbance whatever of the law of promotion by seniority in those corps. There was increased rank provided in that act for a proportionate number of the highest grade of each Staff Corps, but there was no change in their grades and no change in the law governing promotion by seniority in those corps. That law did provide a service method of selection for promotions in the line of the Navy. It carefully safeguarded that method and avoided in every way practicable all chance of having such promotions associated with political or other kind of favor.

But it is very noticeable that while such provision was made for the line of the Navy, Congress refrained from altering in any degree the existing law in relation to promotion in the Staff Corps of the Navy.

Yet there are now pending in the Senate nominations for promotions to medical director with the rank of rear admiral, pay director with the rank of rear admiral, and civil engineer with the rank of rear admiral—

I may add that the last-named officers have been since disposed of—

that are not only not made in accordance with any statute, but also are even in violation of specific law as passed by Congress and approved by the Executive.

It is interesting to note that these designated nominations are not even made under any of the safeguards provided by law for promotions by selection in the line of the Navy. In all such promotions there is operation of a selection board of rear admirals, and a change from one rank is always to the next higher and always after a prescribed length of service in each rank. But in these nominations for promotion in the Staff Corps, while the statute provides promotion by seniority and that no officer shall lose seniority in his own corps, the Executive department of the Government has not only applied selection, but has made such application without any board of selection, acting directly by department order, by virtue of which the individuals are selected to appear before special examining boards to carry out the form of examination to which each and every officer is subjected anyhow. In other words, the department by its own order made its own selection, when the statute makes provision for such orders to be issued to "the highest members in each corps."

Not one of the nominations made for promotion to the highest rank in the Medical, Pay, and Civil Engineer Corps has any regard whatever for "the highest members in each corps." This is especially noticeable in the case of Medical Corps.

There have been nominated two medical officers for advancement to medical director—

And one of those has already been confirmed—

with rank of rear admiral, and one of these nominations is now pending in the Senate awaiting confirmation.

Passed Asst. Surg. Cary T. Grayson, the personal medical attendant of the Chief Executive, is to receive permanent advancement, to which his seniority does not entitle him, from his present place on the Navy list (1916), which is No. 15 in the grade of passed assistant surgeon with the rank of lieutenant, over 14 passed assistant surgeons, over 84 surgeons, over 15 medical inspectors, and over 13 medical directors—a total jump of about 126 files. Inasmuch as Dr. Grayson is 38 years of age and would retire at 64 years of age, he would retain this position and rank for about 26 years, thereby excluding from possible advancement to the highest rank all those officers above him of greater age; and the same thing is true of Medical Inspector Braisted.

Who has already been confirmed.

Yet it may well be assumed that the intent of Congress in providing the rank of rear admiral for a medical officer was to encourage the members of the Medical Corps. Certainly nothing but discouragement can result from the confirmation of these nominations in question. Such a confirmation will stimulate selfishness in many, while in more it will induce the belief that good work, good records, and long and faithful service are entirely secondary to personal opportunity and favoritism.

Certainly an impressive contrast can be drawn between the promoting of Dr. Grayson 126 numbers in time of peace and the promotion in the Navy provided by Congress for eminent and conspicuous conduct in battle or extraordinary heroism. For the purposes of making that contrast, the following statute is quoted:

"Sec. 1506, R. S. Any officer of the Navy may, by and with the advice and consent of the Senate, be advanced not exceeding 30 numbers in rank for eminent and conspicuous conduct in battle or extraordinary heroism * * *."

Certainly even such facts as are here set forth should after due consideration cause the Senate to at least hesitate to give sanction to nominations that are clearly in opposition to statute and can be regarded as resting only upon a prerogative of nomination never before exercised in relation to the Navy, and through which the fortunes of individuals can be made with no reference to the Navy as a force in which discipline and sense of justice are essential for efficiency. Nothing can so certainly destroy discipline as the loss of confidence in intent of authority to do justice, and nothing can be such an enemy to preparedness for war.

I want to call further attention to the conclusions which are deduced by this special investigator, Mr. Henry B. Rust, to which I referred a few moments ago. He says:

The officials of this Government can not afford to take the very wrong position that the fear of establishing an, to them, undesired precedent justifies the perpetuation of a wrong.

The arbitrary opposition to all attempts at correcting mistakes of this board is primarily due to a bureaucratic unwillingness to admit that some one in the military oligarchy has erred.

That is always the result if these restrictions governing promotions are removed that cabals, cliques, and factions play politics in the Navy and in the executive offices to reward their friends, and, in some instances, unfortunately, to punish those who do not enjoy their favors.

A failure to properly apply this law is due to the bureaucratic tendencies of the Navy Department.

That is applicable to this particular case here and speaks eloquently of the situation by which the acts of Congress have been set aside and a personal favorite has been given this unprecedented promotion.

An earnest, aggressive officer, recognizing that important matters are being neglected, may be prevented from attempting to assume the authority necessary for their correction for fear of becoming known as a trouble seeker, which might so injure his "general service reputation" as to some day cause his retirement for maintaining "an unhappy ship." Other officers are prevented from attempting to correct such things by the inertia that frequently develops in such an organization.

In making laws for a department that inevitably tends to bureaucratic methods, it is wiser to be more explicit. If this law had stated that the Secretary should, before placing these records at the service of the board, have them properly tabulated and numbered, but without the names of the officers on them, and have directed that the board should prepare a merit roll from these records for each grade and select for retirement those officers who stood lowest on these rolls without knowing their names, then no serious mistake could have been made and no injustice committed in the name of this law.

* * * * * * *

Every organization of men, to be efficient, must be founded on justice.

The Navy Department—

And you can apply the same thing to the Post Office Department.

The Navy Department, in order to secure the greatest efficiency, must impress the individuals of the service that the department always stands for justice and that it can be relied upon to protect the honor and individual interests of every man in the organization with the same fidelity that it exacts the proper service from them. This principle should be so thoroughly injected into the whole Naval Establishment that each officer on duty in the department would recognize that he, as a part of that establishment, is in duty bound to use all the influence of his position to see that the department executes the laws, according to their spirit and intent, to further the ends of justice.

I suppose, Mr. President, that probably the most conspicuous abuse of the civil service is the system by which postmasters are selected. Of course, they constitute a comparatively small part of the entire number of civil-service employees; but the effort to have them put upon a merit basis is important, far beyond their comparative number, by reason of the prominence which they now have in the political spoils system. If that head and front of this offense against equity and justice to the employees of the Government can be removed, the greatest step that has ever been taken in putting the service of the Government upon an efficient and economical system will have been accomplished.

Mr. OVERMAN. Question!

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). The Senator from Mississippi.

Mr. WILLIAMS. Mr. President, I have forgotten who it was, but somebody at some time said, in reference to the innocuous observations of somebody else in the House of Commons, that they were distinguished by their latitude and longitude and futility. The amount of latitude permitted to himself by the Senator from Washington [Mr. POINDEXTER] this evening was only equaled by the longitude of his observations, and the latitude and longitude were only equaled by the absolute futility of his argument. He has spent I do not know how many hours in conspiracy with a lot of other Republican Senators to filibuster and take up the time of the Senate in trying to argue that an act of Congress could set aside a provision of the Constitution of the United States which makes the President Commander in Chief of the Army and the Navy of the United States.

Mr. President, I noticed two rather peculiar things this morning, and I am corroborated in a conclusion from them by what the newspapers have said this morning. I noticed the unprecedented spectacle of a private conversation between the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Pennsylvania [Mr. PENROSE]. I noticed the Senator from Washington [Mr. POINDEXTER] taking advice from the Senator from Connecticut [Mr. BRANDEGEE]. I learned from the newspapers this morning that the Republican Party has made up its mind to filibuster in order to have an extra session. I understand that the reason is given that they do not want to leave the President of the United States, just as the Copperheads did not want to leave Lincoln, with power to act; but I do not think that is the real reason. I think your real reason is that you have received orders from the munitions factories of the United States that have hitherto been generous contributors and that you ought to remember them.

Mr. LODGE. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator from Massachusetts will state his question of order.

Mr. LODGE. I do not think that any Senator has the right to charge other Senators with corrupt motives.

Mr. WILLIAMS. Mr. President, I have not charged any particular Senator. I have been very careful not to do so. I am charging the Republican Party.

Mr. LODGE. You charged all on this side.

Mr. WILLIAMS. And if there is any rule of the Senate against charging the Republican Party with anything that it has not already been guilty of, I do not remember it.

Mr. HUGHES. Mr. President——

Mr. LODGE. I make the point of order, Mr. President.

Mr. HUGHES. Mr. President, I move that the Senator from Mississippi be permitted to proceed in order.

The PRESIDING OFFICER. The Senator from New Jersey moves that the Senator from Mississippi be permitted to proceed in order. The point of order is sustained, and, without objection, the motion of the Senator from New Jersey is agreed to.

Mr. WILLIAMS. Very well. Then I shall proceed in order. It seems that a few moments ago I stepped over the parliamentary line and said something which, in the opinion of the Senator from Massachusetts [Mr. LODGE] and in the opinion of the Chair by inference, comes too close to the facts. I therefore, in apology to the Senate, withdraw, as far as I may, the words that have been uttered. Words which are once uttered, however, can not be altogether withdrawn. They must go out to the end of whatever their intendment may be.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. To what question does the Senator from Connecticut rise?

Mr. BRANDEGEE. The Senator from Mississippi said, if I understood him correctly, that certain Republican Senators were in a conspiracy to prevent the President having the power to act in this emergency. Then he said that the object of the conspiracy was not so much that as it was that they had taken orders from the munitions manufacturers. The Senator apologizes for that false statement by saying that it "comes too close to the facts" and therefore he withdraws it, which simply adds insult to injury.

Mr. WILLIAMS. Well, Mr. President, I suppose I have no way under the parliamentary rules of the Senate of responding to what the Senator from Connecticut has just said, and therefore I will leave it where it is.

Now, if you are not engaged in filibustering against the business of the Senate, then I do not know what you are engaged in. We have just heard a long set of desultory remarks about nothing in particular. We heard a lot of them yesterday. It has been said that Nero fiddled while Rome burned. One Senator of the United States twaddled while we were awaiting an insult from a foreign nation, and another Senator twiddled his thumbs while the same thing was going on, and the newspapers this morning say that you have made up your minds to bring on an extra session. I do not know whether the newspapers are telling the truth or not. I do not know how fixed their convictions are, and, more than that, I do not know how solid their information is; but I hope it is not outside of the scope of parliamentary observation in this body, where the scope is almost infinite, to say that it seems to me that the information is pretty solid. Then I drew the inference that the object was not to give the President the power to act.

Mr. President, I will further state—and I hope that I am within the bounds of parliamentary law, and if I am not I will surrender to the rules of this House whenever they are invoked—that in the past the munitions manufacturers of this country have been large contributors to Republican campaign funds, and I furthermore state that this revenue bill levies a tax, an excess profits tax, which will chiefly strike those men, and if I have the parliamentary right I put the two things together and I draw the conclusion that the facts are responsible for your attitude, and if I am out of order in making that statement I shall cheerfully surrender to the ruling of the Chair.

Mr. President, I stated a moment ago that Nero fiddled while Rome burned. Where are we now, Mr. President? The alleged decadence of the English-speaking race was never so apparent as it is to-day across the water and here. Whether it is a mere alleged decadence or whether it is a real decadence is a different proposition, but you have the entire mercantile marine of the United States lying up in its harbors and declining to go abroad because it has been threatened by a foreign power with a line of fire somewhere which shall destroy it. That branch of the English-speaking race across the water does not seem to be able to take care of the situation, and, so far as I can learn about me and you, we do not seem to be willing. You have absolutely surrendered to the Kaiser's ukase all that is upon the international map, and meanwhile Senators are talking here about postmasters and talking about surgeons in the Navy that have been promoted to something or other.

Mr. POINDEXTER. Mr. President——

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

Mr. WILLIAMS. Wait one moment—and in turn entirely ignoring the fact that perhaps the greatest man in the United States Army to-day, Leonard Wood, was promoted from surgeon in the Army to major general in less than 18 months.

Mr. POINDEXTER. That has no application whatever to the case of Dr. Grayson. He is not the greatest man in the Navy. Gen. Wood had rendered very conspicuous and distinguished services.

Mr. WILLIAMS. I do not yield for a speech. I thought I was yielding for a question.

The PRESIDING OFFICER. The Senator from Mississippi declines to yield further.

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

Mr. WILLIAMS. I do not want to yield for a speech, I have heard the Senator's speech.

Mr. POINDEXTER. I desire to ask a question.

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Washington for a question?

Mr. WILLIAMS. I do.

Mr. POINDEXTER. Why does the President of the United States allow this deplorable international question, which the Senator has described, to continue?

Mr. WILLIAMS. Principally for the reason that his advisers, his constitutional advisers in the Senate and in the House, are fiddling all the time.

Mr. POINDEXTER. Mr. President——

Mr. WILLIAMS. And principally for the reason that he can not help it. If a plebiscite were taken to-day between Woodrow Wilson and the Congress of the United States ten men out of every eleven in the United States would vote for the President and against the Congress, and against its inefficiency, and against its inaptitude, and against its waste of time, and against its waste of words.

Mr. POINDEXTER. Mr. President——

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

Mr. WILLIAMS. I do, for a question.

Mr. POINDEXTER. What does the party in control of the Government and all of its branches want of Congress that it has not already?

Mr. WILLIAMS. They want of Congress that Congress should do business; that Congress should provide the revenue for the Government, that Congress should express a bona fide willingness to stand behind the Chief Magistrate of the United States while he faces a possible public enemy. And what are you doing? Talking about the promotion of a doctor in the Navy, when the President has authority, as the Commander in Chief of the Army and Navy, to make what promotions he chooses, and when George Washington did it, and Thomas Jefferson, and Abraham Lincoln, and Andrew Jackson, and Ulysses S. Grant, and all the balance of them, to the full limit of their will, did it.

Mr. POINDEXTER. Mr. President——

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

Mr. POINDEXTER. Does not the Senator from Mississippi know that neither George Washington——

Mr. WILLIAMS. Mr. President, I decline to be diverted——

The PRESIDING OFFICER. The Senator from Mississippi declines to yield.

Mr. WILLIAMS. I decline to be diverted to a discussion of the promotion of a doctor in the Navy. I am talking about something of vastly more importance.

Mr. POINDEXTER. I wish to ask the Senator——

The PRESIDING OFFICER. The Senator from Mississippi declines to yield.

Mr. POINDEXTER. It seems the Senator is willing to yield only for special purposes.

Mr. WILLIAMS. Now, I want to read something from the New York World of this morning, which, I think, ought to concern this body. I do not read it because it is published in that newspaper, but I read it because I agree with it:

BY ORDER OF GERMANY.

Three weeks ago to-day President Wilson went before Congress to announce that he had severed diplomatic relations with Germany because of the Imperial Government's proclamation of ruthless submarine

warfare, and that if "American ships and American lives" should be sacrificed by German naval commanders he would again appear before Congress "to ask that authority be given me to use any means that may be necessary for the protection of our seamen and our people in the prosecution of their peaceful and legitimate errands on the high seas."

Thus far no American ships have been sunk without warning and no American lives have been sacrificed by the destruction of an American ship, but this good fortune is not due to German forbearance or German respect for law. Our ships are not sunk because for the most part they have been driven from the seas under German threats of piracy. For the same reason American citizens have escaped massacre at the hands of German submarine commanders, although one American has been murdered in an attack on a French liner.

What has happened is that the Atlantic ports of the United States are blockaded by Germany—

While you and I talk about the promotion of a surgeon in the Navy—

and our shipowners are afraid to assert their legal rights. Even the American Line ships which carry the United States mail are all held in port by order of the German Government.

We are doing precisely what Germany commanded us to do. Our merchant shipping is no longer under the sovereignty of the United States, but under the sovereignty of the Imperial German Government. Germany says we must not sail the seas, under penalty of death, and we do not sail the seas.

Oh! the old merchant marine of New England, what has become of it? The Baltimore clippers, what has become of them? What has become of the sturdy American manhood that took its life in its hands on a legitimate errand during all of its history?

It could hardly make its orders more effective, so far as American ships are concerned, if its submarines had taken physical possession of our harbors and the regulation of our merchant shipping had been formally turned over to the German Admiralty.

This situation can not continue indefinitely while waiting for Germany to commit an "overt act." The policy of ruthless submarine warfare is in itself an overt act, and the World believes that it is the immediate duty of President Wilson to ask Congress for "authority to use any means that may be necessary for the protection of our seamen and our people in the prosecution of their peaceful errands on the high seas."

I think so, and so do you, and so do you, and so do you; and the President is ready to ask it, except that, somehow or other, here and there, there has been implanted in the German mind an idea that the American people are not united, that they are not one Nation, that they are not a homogeneous people, and that they may expect aid upon our own shores whenever they violate the rights of our people or assassinate our women and children upon the high seas.

Mr. BORAH. Mr. President——

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

Mr. WILLIAMS. Let me finish this:

We must either assert our rights or surrender them; and if we are to surrender them, it was not worth while to go to the trouble of severing diplomatic relations with Germany.

Every day that American ships are afraid to put to sea because of German defiance of law and civilization our rights are invaded, our honor is sullied, and our power as a great Nation is challenged before the world.

Now I yield to the Senator. Does the Senator want to ask me a question?

Mr. BORAH. Yes.

Mr. WILLIAMS. Very well.

Mr. BORAH. I understood the Senator to say that the President was impressed with the idea that there was a division of sentiment.

Mr. WILLIAMS. I did not say the President; I said Germany was.

Mr. BORAH. Then I misunderstood the Senator to that extent. Is there anything in the situation of which the Senator is cognizant that should lead Germany to believe that there would be any division of sentiment among the American people in protecting their rights?

Mr. WILLIAMS. Why, yes; a thousand things, from Bryan down to ninepins—debates upon this floor, debates upon the floor of the other House attacking the President because of what he has done, which was the least that he could do—to sever diplomatic relations. It is only as if the Senator from Idaho had kicked me once, and then kicked me again, and then kicked me the third time, and then advertised to me publicly in a letter that he was going to kick me the fourth time, and as if I had then said, "Well, I will quit speaking to you."

Mr. BORAH. Does the Senator doubt that if the President should ask for authority to convoy ships, he would get it?

Mr. WILLIAMS. I do not know whether he would or not.

Mr. BORAH. Well, is that the reason why the President is not asking for it, does the Senator think?

Mr. WILLIAMS. Oh, I think not. I never said that. I do not think so.

Mr. BORAH. In other words, the Senator does not mean——

Mr. WILLIAMS. I think the President is too brave a man to hesitate about asking for authority upon the ground that possibly Congress would not grant it to him, and I do not think Congress would refuse to grant it; but I do think—and that is what I was trying to emphasize—that we have made an almost indelible impression upon the German mind that we are not united behind the President and that we are not prepared with every available public resource to stand by him. Why, I have just recently seen—I had it in my pocket this morning, though I have not it now—a plan of invasion of the United States, as a part of which 500,000 German-Americans were to oppose the national authority.

Mr. BORAH. Anybody who would believe such a thing as that——

Mr. WILLIAMS. Of course, that is all absolute nonsense.

Mr. BORAH. Exactly.

Mr. WILLIAMS. And you and I know that it is; but the German people do not know it, and the German Kaiser does not know it, and the German military autocracy does not know it.

Mr. BORAH. I will venture to say that they do know it, and that they are not proceeding upon the theory that they will get support from this side of the water to any considerable extent whatever.

Mr. WILLIAMS. Well, I do not know whether they will get any or not. I know they will not get much.

Mr. BORAH. There are two authorities under the Government to deal with this situation; namely, the President and Congress. In my judgment, if the President should ask for specific authority to protect these rights or convoy these ships, he would get it. Secondly, I do not think he needs it in order to do it.

Mr. WILLIAMS. But the gentleman—I beg the Senator's pardon; I mean, the Senator, because as I once before remarked, this is the only place in the world where it is unparliamentary to call a Member of the body a gentleman—the Senator seems to forget that what I am arguing is that it is ridiculous for a great country to be discussing and taking up time with the question of fourth-class postmasters and naval surgeons' promotions when we are faced with this situation and the necessity of providing a revenue with which the Government can operate if it is called into trouble.

Mr. BORAH. I do not see that the fourth-class postmasters have very much to do with it; but the other proposition might be important.

Mr. WILLIAMS. Do you not think, yourself, that it is rather infinitesimal in comparison with what is going on upon the planet?

Now, one other thing:

No other paragraph in Washington's Farewell Address is so pertinent to the crisis that confronts the United States as this:

"If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation when we may choose peace or war, as our interest, guided by our justice, may counsel."

I will ask the Secretary to read the balance of that.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

Mr. PENROSE. Mr. President, I sincerely hope the Senator from Mississippi will let this go into the RECORD without its being read.

Mr. WILLIAMS. I want it read.

Mr. PENROSE. It is delaying the consideration of the revenue bill, which we are all anxious to pass.

Mr. WILLIAMS. The very object of the Senator from Mississippi in now consuming the time of the Senate is to expose the useless consumption of time for small purposes in comparison with great objects. Therefore he desires to have it read.

Mr. PENROSE. I am beginning to suspect that the Senator from Mississippi is a filibuster.

The PRESIDING OFFICER. The question is, Shall the paper be read to the Senate? [Putting the question.] The noes have it, and the motion is lost.

Mr. WILLIAMS. I will read it myself, then. You can not save anything on me by that. Perhaps I can read it better than the Secretary:

The United States to-day is practically at war with Germany, because the German Government had reason to believe that we had not remained "one people."

That is the answer to the question you asked.

Mr. BORAH. Yes; but——

Mr. WILLIAMS. They had reason to believe, or they thought they had.

Mr. BORAH. But there is no sane man who believes for a moment that the German people are proceeding with their program because the United States is supposed to be a divided peo-

ple. That is perfectly absurd. If war comes, there will be support from all nationalities represented in this country.

Mr. WILLIAMS. Mr. President, that is not.

Mr. BORAH. It is so ridiculous that I am surprised that it is advocated here.

Mr. WILLIAMS. Nobody in America of sane mind believes that the American people are so essentially divided as to furnish any foothold for any foreign nation; but if the Senator from Idaho believes that the German military autocracy coincides with me and him upon that opinion, then he has reached that conclusion without sufficient facts upon which to base it. What this says is that they had reason satisfactory to them to believe that we are not one people.

Mr. BORAH. Yes. Well——

Mr. WILLIAMS. Now, even upon this floor and upon the House floor day after day we hear arguments from men who are Representatives and Senators telling how many millions of us are German-Americans, how many millions of us are Irish-Americans, how many millions of us are Hungarian-Americans and Polish-Americans and Bohemian-Americans, and hardly a word about how many of us are just simply blamed-fool common, ordinary Americans, with no allegiance to anybody on the surface of this earth except to our own country.

Now, that has not fooled the Senator from Idaho. That has not fooled me. That has not fooled the Senator from Massachusetts, but I see it has fooled people who are abroad. There are numbers of people in England to-day who believe that they can to a large extent influence the policy of the United States in its foreign relations by the number of people who are of English, Scotch, or Welsh descent. I, being a man of English, Scotch, and Welsh descent entirely, know that that is a falsehood; but they believe it. There are numbers of people in Prussia who believe that they can influence the policy of the United States through the German-American population. I do not believe it is true to any large extent, although it is true to some extent, as has been illustrated by the fact that they tried to blow up the Capitol, and tried to blow up some of our ships, and tried to blow up some of our munition works; but still it is not true to any extent that is determining in any way. But because I do not believe it, and because I know better, and because you know better, is no reason why *they* know better. So I say, so far from the Senator's having the right to say that my opinion about the influence upon their minds being based upon that conviction is based upon my own ignorance, his disputation of the fact is based upon his ignorance.

Now, let us go ahead:

Even in respect to the new proclamation of ruthless submarine warfare, it is reported by the American correspondents who have left Berlin that official Germany was sure that "the German-Americans would not allow President Wilson to sever diplomatic relations."

Mr. BORAH. Well——

Mr. WILLIAMS. Not even to say that "I will quit speaking to you after you have kicked me three times, and then have written me a note and said that you are going to kick me again." Now, that comes from our own newspaper reporters who retired with Gerard from Germany.

Had the German Government known that we were still "one people" the neutrality of the United States would have been respected, the elementary rights of American citizens would not have been challenged, and there would be no more danger of war between the United States and Germany than there is between the United States and France.

The blame for this unfortunate situation rests primarily upon the German-language press of the United States.

I take it that the Senator from Idaho has been reading the Fatherland, and I take it that he has been reading this other man's paper—I have forgotten his name. I have been reading them both, and they have grazed the edge of treason.

When the war began the German-language newspapers in the United States were rapidly dying. For years they had been steadily losing circulation, revenue, and prestige, and the end was in sight. They seized upon the war as their opportunity to rehabilitate themselves financially. This could be done only by an organized appeal to the passion and racial solidarity of Americans of German birth.

The efforts of the German-language press were adroitly supplemented by the efforts—and the money—of the official German propaganda.

Do we not know that that was true? Do we not know about these people who were pretty close to the German Embassy who were allowed to go scot free from the United States to Germany because they were close to it? Do we not know about the consul out at Seattle and all the balance of them? Oh, as Patrick Henry said, "Gentlemen exclaim 'Peace!' when there is no peace." There may be or may not; but you are not covering yourselves in a cloud of peace by hanging your heads or by covering your heads in sand like an ostrich and displaying the balance of your anatomy.

In time the German Government came to believe that the opinion which it was promoting and paying for in the United States was the opinion of the American people. Even the reelection of President Wilson did not wholly disillusion it, as the submarine decree subsequently proved.

I have not only seen that, but I saw another thing that some of the balance of you saw—that the court in Berlin was apprised of the fact that provided Mr. Wilson was reelected there would be no trouble. That shows how hugely they can be deceived. Some of you have seen that. I do not remember what newspaper it was in now, but I have seen it, at any rate—a statement made to them, purporting to have come from America, to the effect that if Wilson was reelected they need expect nothing in the matter of the assertion of American rights. That shows how much they can fool themselves, and how I am not foolish for thinking that they have fooled themselves. What I want now is for the American people and the American Congress to "unfool" them; and I tell you now that if you do unfool them you will avoid a great, expensive, and perhaps bloody struggle; and if you do not, you will not.

Whether or not we have actual war with Germany, the lesson of the last 30 months is the most vital lesson that the American people have had to learn since the destruction of slavery and secession. This Nation can not exist—

That part of it I do not quote because I do not believe it. I do not think that part of it is right. It says:

This Nation can not exist half American and half alien.

I do not believe that, because I think we were all aliens when we first came here, except the North American Indians; and I think very frequently a man who has been here only seven weeks is a better citizen than somebody else whose ancestors have been here 50 years, measured as an American citizen with regard to his loyalty to the American Government, because loyalty to the American Republic is a loyalty to equality and fraternity and liberty, and the man who has it with only seven weeks' residence is a better American than a man who has it not after 50 years of residence or his forefathers before him.

I do not believe that; but I do believe that if this English-speaking race is decadent, it is time that it was being known. It seems that the race across the water can not even subjugate submarines—the nation and the race of Drake and of Frobisher and of Nelson; and it seems as if we were not even *willing* to go out and run the risk of being killed upon a previous threat——

Mr. SUTHERLAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Utah?

Mr. WILLIAMS. I do.

Mr. SUTHERLAND. The Senator read a moment ago from an editorial in the New York World a statement about our ships being held in our harbors. Now, I agree with the Senator from Mississippi that that is a shameful and a humiliating situation. The Senator said just now that they were afraid to go out. Does the Senator know whether it is true that some of the owners of these ships have announced that they were willing to go if they could be furnished guns to arm their ships?

Mr. WILLIAMS. In other words, they have attempted to escape the expense of self-defense by calling upon the United States Government to defend them.

Mr. SUTHERLAND. Just a moment.

Mr. WILLIAMS. But let me go further, because I want to make a full answer.

Mr. SUTHERLAND. I have not quite finished my question.

Mr. WILLIAMS. Let me go further, because I want to make a full answer.

Mr. SUTHERLAND. I have not finished my question, if the Senator will allow me.

Mr. WILLIAMS. I say that they have shown an absence of the old American spirit. The men that went out from Gloucester and from Baltimore years ago never asked any Government to arm them. They armed themselves, as they had a right to do. Now, in order to make a full answer to the Senator, I will reply further by saying that if I—as I fortunately am not—were President of the United States, I would give them the guns and the gunners.

Mr. SUTHERLAND. I wish to God the Senator were President, that that might be done.

Mr. WILLIAMS. Well, I am very glad that "the Senator from Mississippi" is not President, because the Senator has seen the present President do so many things more wisely than he would have done them, and more wisely than he shot off his mouth about them at the time, that he is very glad that Woodrow Wilson is President; and he is very glad that Bryan, with an idea that he can control the waves of an oceanic tornado by pouring sweet oil upon them is not President. [Laughter.] He is very glad that Theodore Roosevelt, who by now would have been at war with Germany and England and France and Rus-

sia and Mexico, is not President. [Laughter.] "The Senator from Mississippi" never had as much reason to congratulate himself upon any proposition in the world as he has had reason to congratulate himself that he was not President of the United States the morning after the sinking of the *Lusitania*, because if he had been we would have had war then and there, and I am awfully glad we did not have it, and I am very glad that a wiser man than I was in the White House.

Mr. SUTHERLAND. Will the Senator let me now complete the question that I was endeavoring to propound to him? I have suggested to the Senator that these shipowners had announced a willingness to go to sea if they could obtain guns; and it is further stated that they are unable to obtain the guns unless they shall be furnished by the Government.

Mr. WILLIAMS. As a matter of fact, do not you and I know that they can get the guns?

Mr. SUTHERLAND. No; I do not. My understanding is that they can not.

Mr. WILLIAMS. Well, I think they can. Of course it is a mere matter of opinion, but I think they can. I know there are plenty of guns manufactured in the United States; and I know that the United States Government does not own them all—5-inch guns and 6-inch guns and 4½-inch guns and 4-inch guns; but that is a mere matter of opinion, and my opinion is not worth expressing.

Mr. SUTHERLAND. Well, the Government has the guns. There is no doubt about that. Whoever else may or may not have them, the Government does have the guns.

Mr. WILLIAMS. The Government does have them; and I think, speaking now just for me, that the Government ought to give the American merchant marine the guns and the gunners, and I think the American merchant marine ought to go out armed fore and aft with some 4 to 6 inch guns, and publish to the entire world, "Noli me tangere"—"Touch me not." I think furthermore, if necessary, they ought to be convoyed by the numberless motor boats in the United States, the private yachts, which can be bought to-morrow or which can be condemned.

It is a matter of humiliation to me. I am no fighting man and I do not care anything about fighting anybody. I never have wanted to fight anybody. I have frequently repeated, with Thomas Jefferson, that "my passion was peace"; but it is a humiliation to me to stand and watch the American merchant marine hugging our ports as if afraid of the decree, the ukase, not of the American people, but of some other power; and I do not care a cent what the power is. I would resent it just as quickly from Russia or from England—perhaps not as quickly from France, because I am a little partial to her—as I would from Germany; but it does strike me that some of the German charges that we are a decadent race may be true.

Mr. SUTHERLAND. Mr. President, I will ask the Senator again, how long does the Senator from Mississippi think this situation, where our ships are tied up in the harbors, is going to be permitted to exist?

Mr. WILLIAMS. Oh, the Senator from Mississippi has already indicated that he does not think it ought to be permitted to exist any longer at all.

Mr. SUTHERLAND. No, no; I understand the Senator thinks it ought not to, but I ask him how long he thinks it will be permitted to exist?

Mr. WILLIAMS. Oh, I do not know. If gentlemen talk about the promotion of surgeons in the Navy and about fourth-class postmasters day after day, it may exist forever. [Laughter.]

Mr. SUTHERLAND. Well, the Senator knows that that is a matter primarily in the hands of the President and not in the hands of Congress.

Mr. LODGE. Mr. President, I have consumed no time in the discussion of this revenue bill, and I should not take the time of the Senate now were it not for some of the things that have been said by the Senator from Mississippi.

I am surprised, Mr. President, that the Senator from Mississippi—who, as we all know, is one of the most brilliant debaters and speakers who has been in Congress certainly in the 30 years that I have been here—should not yet have learned how to be severe and parliamentary at the same time. He began with charging that we were in a conspiracy over here with the Senator from Washington [Mr. POINDEXTER], who made a speech this morning in regard to the postmaster amendment to the legislative bill. There was no such conspiracy by anybody. I had no more idea that the Senator from Washington was going to discuss the postmaster amendment this morning than I had that the Senator from Mississippi was going to speak, and I do not believe that anybody else had. The Senator from Washington discussed a subject which he regards as of great importance, as he had a right to do. He referred to the promotion of Dr. Grayson. I think it would have been just as well if the Senator from Mississippi had passed this subject by, for that appears to be a principal element in the presidential conception of national preparation.

Mr. WILLIAMS. Mr. President, will the Senator yield to me?

Mr. LODGE. One moment, Mr. President.

Mr. WILLIAMS. Will the Senator from Massachusetts pardon an interruption not over two minutes long?

Mr. LODGE. No, Mr. President; I have not interrupted the Senator while he was in order.

Mr. WILLIAMS. I just wanted to say that if the Senator thought I had passed by Dr. Grayson's claims because I thought he was not worthy in every way, he was mistaken.

Mr. LODGE. I made no such suggestion, Mr. President. It is a matter of high importance when an officer in the Navy of no special distinction is promoted 129 numbers, the greatest promotion ever given to a naval officer, greater than Farragut ever received or Dewey or Decatur, and this, too, when the country may be on the eve of war. That has not been done by Congress, but by the Executive. It is a serious matter. It discourages every man in the Navy. It spoils the spirit of the men there when such a thing is done. I have no earthly hostility, personally or otherwise, to the gentleman in question, but it is ruinous to the service to have such favoritism shown. It is a matter of grave importance when in the presence of war such favoritism as this is employed.

Mr. President, I am not going to touch on anything so miserable as the words which I suggested were out of order. It would be very easy, if I wished to embark in such discussion, to call attention to some of the large subscribers to the Democratic campaign fund and compare with their contributions the profit they made when somebody told what somebody ought not to have told.

I shall confine myself, Mr. President, to saying a word for Congress and for some of us here. I am by no means a eulogist of the great body, of which I have been so long a Member, in either branch, but at this time Congress is not to blame. Congress has given all that has been asked with lavish hand. Speaking only for myself, when the resolution approving the President's break with Germany came here I not only voted for it but I supported it in a few words, and I implored the support of everybody else, because I said there must be no division shown among Americans. I have just helped to prepare a bill in which we have given the President $115,000,000 to be spent in expediting the building of ships and getting all the ships that can be quickly built and quickly bought if war comes. I will refuse him no authority and no money that is needed for the defense of the United States.

But I am not going on that account to stand by and accept every kind of extension of presidential power relating not to war but to peace. There is a persistent attempt going on to efface the powers of Congress. It is not merely the President, it is not merely the Cabinet officers, every commissioner, every little head of a bureau, every Jack in office dressed in a little brief authority is coming up here trying to take from the Congress of the United States the powers that belong to it.

I will support the President to the utmost, I care not what party he belongs to or what my opposition to him may be. When he is standing for his country against a foreign nation, he will have my support; but I am not on that account to be led, for example, into giving my assent to an objectionable treaty under the blackmail of a threat of war. I am not going to give my assent to every kind of request that is made by any bureau or commission. Those are different things.

The Republican Party has stood here and voted for great appropriations, voted to give him authority, backed him up on his break with Germany, and the division and the reluctance are not found in Congress.

The Senator from Mississippi has talked about Nero fiddling when Rome was burning. If our Rome is burning, let me recall to the Senate and to the country that when Nero fiddled it was on the Palatine Hill, the fiddling was not done on Capitoline Hill in the Senate, and it is not being done here now.

The Senator talks about our ships. Yes; they are blockaded—some of them. You can not walk into a hardware shop and buy 6-inch guns. The Government has got the guns. Why do they not let the merchantmen arm, as set forth in their own regulation and in accordance with international law? There are plenty of American gunners who have been in the Navy who will volunteer in a moment to go on those ships. What is stopping them? Not Congress. What the Senator from Mississippi said was true about the old ships we talk about, the ships that went from New England and from Baltimore. What arms did they have to carry? Muskets and brass guns called the "long

Toms." You could buy them anywhere. You can not buy 4 and 6 inch rifles anywhere. There is really only one person who has got them and that is the Government of the United States. The Government have got them ready and Congress gave last year $1,600,000 to make guns for our merchant auxiliaries and for no other purpose. They have been making them for a year with that specific purpose, and we have $5,000,000 more in this bill for the same purpose.

Why do the ships not have the guns? It is not Congress. Congress can not give them the guns. We have no executive power.

Mr. President, the blame has been laid heavily on Congress about our wasting time and talking about trivial things. The American ambassador in Berlin was held there for an entire week. The State Department could not communicate with him and he could not communicate with them. He was shut in until he got over to Switzerland before he could communicate with his own Government. Not one word was said. Congress could not say it. This morning it is stated in the papers that he said that he has not got safe conduct and he warns Americans not to go on the ship which carries him because he is afraid it may be destroyed. Can Congress send a battleship to bring its own ambassador home? No; but the Navy Department can. That is not an act of war. Can we not even protect our own ambassador? We have had the wives of our consuls within two weeks stripped and acid applied to see whether they had invisible writing on their skins and there was nothing done. Is that the fault of Congress? No protest was made, no word uttered.

Mr. President, I am loath to say these things, but when the charge is made here that Congress is to blame, that Congress is promoting division, and because a Senator chooses to make a speech which he had a perfect right on a matter of great importance that we are engaged in a conspiracy, and he names the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Pennsylvania [Mr. PENROSE], that we are in a conspiracy to bring on debate and to make this delay.

The Senator from Washington had a right to make his speech if he chose to make it. The subject is of importance, but no Senator has a right to charge that there is a conspiracy in any such thing as that.

Mr. President, if the President acts he will have the country and the Congress behind him as he did when the break came with Germany, but when he hesitates and disputes and discusses and lets things go by you are bound to have not only differences among the people; you are bound to have in Congress distrust; you are bound to have the feeling arise that no matter what your views may be as to war or peace it is safer and better for the country that the Congress of the United States should remain in session.

Mr. LEWIS. Mr. President, I address myself to the speech of the Senator from Massachusetts [Mr. LODGE]. I do not know what it was that has moved the Senator from Massachusetts to such choleric expression as he finds it agreeable to indulge in. But I would have the record of the Senator from Massachusetts clear on the one particular point wherein he lays the "flattering unction to his soul," and I purpose making it clear.

The Senator from Massachusetts would take credit before the country that he and those who follow his lead have always supported the Democratic President in every effort that he has made in this Senate looking to the solution of the international difficulty. The Senator from Massachusetts will have the country understand that the President has always received the support of the opposite side of the Chamber in matters which involve the dignity of the Nation and the honor of the Union. That he, the Senator, has been the patriot leading the support and commanding obedience to the President's efforts in all the international complications embarrassing our Nation. Why this pretense upon the part of the Senator from Massachusetts?

Mr. President, I should like the attention of the Senator from Massachusetts, if the Senator from New Mexico [Mr. FALL] may disengage himself from his fascinating presence for a moment. I want to call attention to some plain facts which shall not be varnished and in this presence can not be disputed.

The Senator from Massachusetts shall not take credit in this body for having supported the Democratic President nor hold out to the country that those who have followed his lead have done so, nor with success charge that the failure of the President to achieve his objects is due to lack of Democratic patriotism while Republican Senators were being loyal to his call.

It is true, sir, as the Senator says, that when the announcement came of the breach between the United States and Germany, severing our diplomatic relations, the Senator from Massachusetts was found giving that his support. But, Mr. President, such was not in pursuance of a spirit that was supporting the Democratic President in his effort to reconcile the differences growing out of the international complication. It had a wholly different object. I remind the Senator from Massachusetts that when the President of the United States first sent his peace message seeking to bring the nations of the world to some common center of agreement upon which peace terms may be presented, and there was a resolution tendered from this side of the Chamber merely approving the efforts of the President in sending his peace message—a message which, concurred in, could have availed to avoid the breach between this country and Germany—what position did the Senator from Massachusetts take? I appeal to the record.

When that resolution was presented here to merely approve the act of the President in sending the peace message it was the Senator from Massachusetts, who now poses as the great apostle of patriotism in the support of a Democratic President, who led the opposition to the Democratic President even being approved in the sending of the message? It was the Senator who led the opposition to an approval on the part of this Congress of the effort on the part of the President in merely appealing for peace and seeking opportunity to accomplish it. Thus America and Europe by this opposition was invited to behold the divisions in Congress and note the unsupported state the President was left in. By whom was this led? I reply, the Senator from Massachusetts.

What object did the able Senator from Massachusetts have? It was that he might defeat the undertaking and frustrate the unity which might have attended the President's effort in his desire to further avoid war and maintain peace between the warring nations of Europe and secure peace to his own country as between his own country and all foreign nations.

Did we hear from the Senator from Massachusetts then an approval of the President and his effort to bring about peace between the foreign nations of the world? No; nothing but bickering, nothing but criticism, nothing but condemnation, nothing but scoff and scorn. This was the hour when the test of the Senator's patriotism was put to trial. It failed. He chose to put himself against the President, merely to defeat him, that he might stand discredited before the world. It was the Senator from Massachusetts who was defeated.

Then, sir, when the President of the United States, following that instance, came in person to this body and addressed the Senate, soliciting its cooperation with him in a general message of peace to the world and seeking the alliance in the bond of friendship of the nations of the earth to the single object of a peace to mankind, where was the Senator from Massachusetts then to be found? I ask what was the position of the Senator, then? Where was his boasted display of patriotism behind a Democratic President? I answer it took the shape of ugly and partisan obstruction that would have been condemned in any test of loyalty to a President or patriotism to a nation. Yet to-day the Senator would have the country understand that those for whom he speaks, he and his band of followers have been behind the President; that he and they have been giving him fealty, giving him the party support, sustaining him in his effort to establish peace. The Senate will not forget nor the country cease to remember that on this floor the leadership of the opposition to the President in his efforts to command the countries of the world to join him in some undertaking for peace was led by the Senator from Massachusetts [Mr. LODGE]. There was no denunciation by rhetoric that could be employed that the Senator did not engage. There was no expression of contempt he did not employ. There was no scorn he did not summon, and before the world, by the Senator from Massachusetts, the President of the United States was held up as one who had assumed to violate all the precedents of free government which had been established in history, while the President was charged by the Senator as introducing an innovation as ridiculous as it was dangerous. Was this "getting behind the President"? What method could the Senator conjure up as a system of confusion and opposition more effective than this performance of obstruction and condemnation which the Senator then employed?

Sir, it was then, if the spirit of patriotism had animated the soul of the Senator from Massachusetts, that he should have exemplified it by summoning his following to get behind the President and support him in a matter that was not partisanship, was not local to our country, but was international in its efforts for the preservation of humanity and for the peace of the world.

Now, sir, let us be frank for the record. It was not until there was an aspect developed where the able Senator from Massachusetts could fancy the consummation of his desires in seeing something that would draw us nearer to war in behalf of Britain against Germany that the Senator showed us his approval. It was not the approval of the Democratic Presi-

dent that the Senator gave when he gave his indorsement to the breach between this country and Germany. It was the approval of the able Senator to that which he felt was reaching his own design—some form of alliance in war between America and Britain against Germany—that would defeat the President's ever-controlling hope of peace between all.

Now, Mr. President, nothing would gratify me more than that there would be presented on the part of the Senator from Massachusetts or any Senator on the other side the aspect of a united support of the President in his efforts in this international complication; but I can not permit the able Senator from Massachusetts to deceive this country by posing in the livery of a patriot while in truth his raiment, if we shall define it in the language of the street, is political hypocrisy. Sir, the President of the United States has never had the support of the Senator from Massachusetts in any critical juncture of this Nation's affairs whenever political partisanship could be served by withholding it. The Senator from Massachusetts can not justly say in this body that he has ever at any trying hour given to Woodrow Wilson his support. In the last political campaign, when the President's course in the complications with Germany was made a party issue, there seemed to be no back-door gossip, no smoking-room scandal circulating in the conflict that wounded the national honor of America that the Senator from Massachusetts was not willing to give currency to, all to accomplish his partisan object, however much it discredited before the Nation his President and dishonored his Republic. Surely the President may exclaim, "If my liege, such be my shield and buckler, take my spear, that I may fall upon it."

Mr. President, so far as I am concerned, I seek no quarrel with the distinguished Senator nor with any Senator on the other side, but I will shirk none if it shall arise only from revealing the truth. I ask what is the meaning of this constant opposition that is seen on the part of the able Senators on the other side to every move and effort to have this measure of revenue debated and concluded? The Senator from Massachusetts says he is ready to give to the President all that is necessary for defense. When ready? Here was the measure brought in for that preparation, and there is no Senator in America who has done more to whip into fury the very waves of alarm in this country crying for national preparedness than has the Senator from Massachusetts. Yet, sir, when the time comes, when there could be cooperation in executing the measures that could give to the President the revenues to sustain the country if a crisis is to befall it, we have from distinguished Senators on the other side, led by the eminent Senator from Massachusetts, every form of opposition which ingenuity could devise or partisan invention bring forth. Mr. President, I see that the Senator from Massachusetts seeks now to make his way to the cloakroom to abandon this discussion.

Mr. President, I have observed in the able Senator from Massachusetts this rather unusual mannerism of forsaking the floor immediately after he concludes his arraignment, as though to say no reply to me can be of consequence. [Laughter.] Let me say to this distinguished Senator, who, conscious of his superiority, measured by his own reflections upon himself, that he descends at times on the Senate floor, sends forth fulminations against a thing or a Senator, and then when he feels he has scattered all opposition, defeated all mankind, and magnified himself before God, returns to the cloakroom, where he may continue his self-worship and behold in himself the paragon of excellences, which no other human nature up to the present time ever possessed. [Laughter.] The Senator assumed to treat my reply to him in his usual custom as to others. His course in this regard has been no exception in its performance to that which I regret has been the rule of the distinguished Senator from Massachusetts. Now that he has hurled the accusation against the Democracy and has been pleased to hold the President up as cogitating in some form some great invasion of the rights of the Senate, some wrong upon the constitutional privileges of Congress, the Senator retreats to the solemnity of his hiding refuge, where he may hear all but be seen by none. It would have been becoming to the able Senator to have remained in the Chamber that he might have heard courageously from his fellow Senators some standard of comparison by which he could have judged either the truth of his charges on the one hand, or the statesmanship of his assumptions on the other.

The Senator says that he supports the President in every measure, and he will have the country understand, if there shall be brought forth a measure of war, that he will be the first behind it; but I ask him, when the efforts are being made in measures of peace, why is he not the first behind those? Why is he ever the last to give them his support in any word or deed? Why last or never to give aid and support in the efforts to prepare for peace or if for war why not aid in the necessary steps to obtain revenue to pay for it?

The Senator takes recourse in the accusation, which he would have go out before the world as the excuse for his attitude of mind, that there has been a nomination by the President for an officer of the Navy which is so remarkable as to be disgraceful. The Senator designates the naming of Dr. Cary Grayson as an admiral, then proceeds in open session to denounce the appointment. Mr. President, ordinarily we would not expect the Senator from Massachusetts, with his long experience, to have violated the rule which he has so often invoked, and to have discussed in the open Senate the merits of a candidate whose name is pending here for confirmation. The Senator has been so long the advocate that these matters should only be discussed behind closed doors or in executive session. But, sir, since the Senator found it agreeable to indulge this violation here, for whatever purpose I can only imagine, let this fact be understood—the public shall not be deceived by the Senator's accusation.

Mr. President, the nomination of Dr. Grayson was not to command a ship in the Navy, not to command a conflict on the sea, nor to administer in any matter of nautical control. There is no effort by the President anywhere to nominate through favoritism any man for high office of command and put him in charge of the operations of the Navy upon the sea over the head of others deserving by seniority or merit. The title admiral for a doctor of a ship is a mere fiction. It is a customary designation—only of form. The able Senator from Massachusetts helped create the law permitting such. He knows that the title of rear admiral affixed to a doctor in the Navy is as fictional as is the title of "judge" to the country lawyer who whittles a stick upon the corner of the public square in the little town and is only called on to "judge" a horse trade. The Senator must know that in the whole action there is nothing in the conduct of the President in making this promotion which in any wise touches the commanding nautical service of the Navy or which in any wise interferes with, much less "demoralizes," the conduct of the ships at sea under the command of those who might afterwards have to bring them into the bounds of conflict. The Senator would mislead the public to invite prejudice against Dr. Grayson and to defeat the President in his effort to reward a faithful servant and recognize the deserts of a skillful doctor in the naval service. Mr. President, there may be some reasons, from the standpoint of Senators friendly to Dr. Grayson's rivals, to be urged against the confirmation of Dr. Grayson. These may be put upon any ground any Senator pleases, but they can not truthfully be put upon the ground that the Senator from Massachusetts places them—as an invasion of our defense at sea by a system of favoritism that demoralizes the commands of line ships in conflict. The Senator shall not prejudice the public mind by those statements, which are so unfair that in a less place and with lesser men would be termed false.

Mr. President, what we have here is the revenue bill. What revenue bill? A bill to provide the revenues in order to enable this Government to defend itself against any attack that may be made against it. Does the Senator from Massachusetts fancy that the great popular mind of this country can be deceived? It beholds this opposition from him and his allies day after day. It has not heard an expression in this opposition touching the bill. There has been no evil in the bill pointed out; there has been no vice of the measure demonstrated; there has been no objection to its provisions, providing revenue as devised. There has been but opposition day after day upon everything collateral to the bill, and before the country there is the spectacle that in an hour like this which surrounds us, when the Senator from Massachusetts says that the rumor is that the wife of an American consul has been stripped in a foreign land by foreign officials and her body tried in acid to ascertain if there is a secret message contained upon it; and that an American ambassador is denied his passports and free travel to America by Germany—meaning Ambassador Gerard; yet, if true, behold that under the Senator's leadership everything is being done to circumvent the President and to deprive him of the only means by which he could resent the affronts to his people and defend the attack of its perpetrators. Surely this is not support of the President. This is the support of his enemies and comfort to the enemies of his country.

Mr. President, there are the facts. There is the Senator from Massachusetts, and may he no longer wear the cloak of Phariseeism in this body. The Senator must not longer oppose everything that a Democrat undertakes merely because it comes from a Democrat. He must not longer oppose everything that is progressive simply because it moves to humanity, nor continue what he is doing to-day—everything to defeat what-

ever Woodrow Wilson can do for the honor of his country and the salvation from murderous death of the children of his countrymen, Mr. President. The Holy Scripture has written it, that there are those who are likened to a whited sepulchre, beautiful, indeed, outwardly, but within are filled with all uncleanliness and unrighteousness. Let there be not again on the floor of this Senate the occasion for the wearing by any Senator of this scriptural malediction.

ARMED MERCHANT SHIPS.

Mr. FALL. Mr. President, I have listened with a good deal of interest to this debate. I have, I may say, expected something to be said in the Senate along the lines which we have heard, in view of the newspaper reports as to the supposed agreement between Republican Senators that a filibuster would be carried on by them against the revenue bill, and that there had been a uniting of factions, so called, of the Republican Party toward a common end, which end was to force a special session of the Congress, one faction, so called, of the Republican Senators not being willing to trust the President of the United States with power to act while Congress was not in session, because they were afraid he would not go far enough, and another faction being afraid to trust the President of the United States during a recess of Congress because they were afraid he would go too far. Practically all the newspapers this morning, I think, published this news, so called.

There has been debate upon the revenue bill, or, as I have heard it, legitimate criticism of the proposition involved in the bill. I myself will voice my criticism upon the bill by voting against it. I announce now that I shall vote for the Weeks amendment and shall vote against the bill.

I desire to say now, Mr. President, for the RECORD and for the benefit of Senators upon the other side who have been trying to criticize all the Republicans, that if the newspaper story is true, I know nothing of it. I have attended no conference upon this subject, and therefore, of course, I am not able to speak knowingly. I have, however, understood from casual conversations with my colleagues upon this side that they did not intend to filibuster against this bill. That there may be existing in the minds of some of them a hesitancy which has been spoken of by the papers with reference to intrusting power to the President of the United States, I can understand.

Mr. President, history repeats itself. I am not inclined to join with my colleagues, if any there be, who fear at the present time to trust the President of the United States with the management of the affairs of this country during the recess of Congress. The same remarks have been heard here to-day, some of them in almost the identical language that has been heard here before. I am sorry that the debate, so called, has degenerated into a matter rather of personal criticism or abuse. The subject, to my mind, is too large and too important to justify anyone in indulging in the character of debate to which I have just listened.

I am not in thorough accord with my colleague from Massachusetts [Mr. LODGE] as to the duty of the Congress and the duty of the President of the United States at this period. I am doubtful of the power of the President of the United States to authorize the arming of the merchant vessels of the United States further than they have been allowed to be armed or to become armed or to carry arms under the rules and regulations adopted by our department, with a stern gun simply for defense. I am inclined to believe that it would necessitate an act of Congress to justify the merchantmen of the United States in becoming armed otherwise than as they may now carry arms under the regulations, and I know, as a lawyer, that it would become necessary for the Congress of the United States, and not the President, to confer upon those armed merchantment the full power of self-defense until after war was declared. The President of the United States can not do it. Therefore I am inclined to think, if there is necessity—and there is, in my judgment—that the merchant vessels of the United States should be so armed as to enable them to make a proper defense against absolutely illegal attack, that it is the duty of the Congress of the United States to enact legislation empowering them to arm themselves and to repulse attack, and I propose to call the attention of Senators to the fact that that has been the history and the practice in the past.

Mr. President, I stated that history repeated itself. In 1798 negotiations between France and this country had been broken off. France had been our friend, our ally, by the solemn provisions of solemn treaties. The Government of the United States, under President Adams, thought that it was proper to enter into treaty negotiations with Great Britain, which were finally successfully concluded in what is known as the Jay treaty. The Republic of France, prior to the consulate, became very much enraged at the action of the administration of the United States. The Government of France proceeded to do exactly what the Imperial German Empire has been doing for the last year or more with the commerce of the United States, except that France did not ruthlessly and in violation of the rules of international law and in violation of all the laws of humanity send to their death without warning men, women, and children, citizens of the United States, on the broad seas. They did attack our commerce; they did capture our ships; they did blockade our ships in their harbors, and refused to allow them to leave. Protests were made. Great Britain was also interfering at the same time with the commerce of the United States, and I have been most interested to sit here as a listener and hear a comparison attempted to be made, particularly by eminent Senators on the Democratic side of this Chamber, between the acts of Great Britain during the last two or three years with reference to our commerce, and those of Germany. I have been interested to listen, and reading history, as I have read it, I have heard repeated here exactly the same arguments, the same language, the same words that were repeated in the congressional debates from May 1, 1798, down to the adjournment of that session of the Senate of the United States in the last part of July.

Mr. President, the people of the United States were the friends of France. She has stood by our side. Her sword had been unsheathed in our behalf, and her treasury had been turned over to us when we needed it. Her citizens had shed their blood with us and for us, and through their assistance we had been enabled to establish here a free republican Government on this hemisphere. We were bound to her by every tie of friendship and blood, and yet at that time, when Marshall came back and reported the insults which had been heaped upon us at that time, although a year or two or three or four years prior to that had stood for France against Great Britain on every occasion through their representatives, through their press and otherwise, although up to that time the people of the United States had been with France in her struggle with Great Britain, when France persisted in heaping insult and injury upon the people of this country exactly as Germany has done, then, sir, the people rose up, and the Congress of the United States proceeded to act, and it did not attempt to shirk responsibility by saying that it is the duty of the President to do everything on the one hand, and upon the other to say that we are afraid to leave him to perform his duty.

I have here, Mr. President, the Public Statutes at Large of the United States of America, volume 1. There are one or two of the laws enacted at this session to which I propose to call the attention of the Senate of the United States, and I propose to refer very briefly to the history of this war.

We forget our history sometimes, Mr. President, remarkable as it may be. I have here before me, and I shall refer to it, the answer of George Washington from Mount Vernon in this crisis confronting this great Nation of ours in 1798, when he was called upon to come to the assistance of his country against the aggressions of that country with whom he had brought us into alliance, and whose sons had fought under his orders and by his side.

Mr. President, we have here, among the other acts of this Congress, an act with reference to alien enemies. I should be glad if some of the Senators who were objecting to and criticizing the legislation offered here a few days ago could read that act. I shall not read it, but I refer them to it. They will find it on page 577.

On May 28 an act was passed authorizing the President of the United States to use the naval forces of the United States to protect our territorial waters against aggression by the French ships, and to hover near our borders for the purpose of protecting our commerce within our territorial waters. We proceeded with the attempt to build a navy. We did finally secure the construction of the *United States* and the *Constitution* and the *Constellation*, and instructions were issued to the captains of our ships as to what they should do under the act of May 28, 1798, and it was ascertained that the instructions and the law under which they were drawn would not meet the proposition. The Congress of the United States, without any hesitation and without any suggestion from the President of the United States, then proceeded to enact proper legislation. Let me see what Congress did. I read from page 578:

Be it enacted, etc., That the President of the United States shall be, and he is hereby, authorized to instruct the commanders of the public armed vessels which are, or which shall be employed in the service of the United States, to subdue, seize, and take any armed French vessel which shall be found within the jurisdictional limits of the United States or elsewhere on the high seas, and such captured vessel, with her apparel, guns, and appurtenances, and the goods or effects which

shall be found on board the same, being French property, shall be brought within some port of the United States, and shall be duly proceeded against and condemned as forfeited.

And yet no declaration of war had been made or ever was made by the Congress of the United States between this country and France.

This is a long act, Mr. President. It also authorizes the President to grant commissions to privately owned vessels, letters of marque, and commissions to privateers. Prior to that time they had considered exactly the question which has been discussed here, or which was supposed to be discussed when this personal altercation took place, as to the defense of the merchantmen themselves. The Congress of the United States did its duty then, as this Congress ought to do it now, and provided for the defense of those merchantmen. I read from chapter 60, page 572:

That the commander and crew of any merchant vessel of the United States, owned wholly by a citizen or citizens thereof, may oppose and defend against any search, restraint, or seizure which shall be attempted upon such vessel, or upon any other vessel, owned as aforesaid, by the commander or crew of any armed vessel sailing under French colors, or acting, or pretending to act, by or under the authority of the French Republic; and may repel by force any assault or hostility which shall be made or committed on the part of such French or pretended French vessel pursuing such attempt, and may subdue and capture the same, and may also retake any vessel owned as aforesaid which may have been captured by any vessel sailing under French colors or acting, or pretending to act, by or under authority from the French Republic.

I say to you that without an act of Congress vesting in our armed vessels these rights, any armed vessel attacking one sailing under the colors of another nation without the authority of the Congress to do so is, under international law, a pirate; and still we say that Congress has no responsibility. When the President of the United States announced to the joint session of Congress that he would come before us and ask additional authority, I presume he had actually in mind the law as it has always existed, or at least as I have always construed it, and as it has been construed heretofore by the Congress of the United States. A request to properly arm vessels for their own defense and to authorize him to use the armed vessels of the United States as convoys, would meet affirmative action on the part of Congress, or should at any rate receive it.

Now, Mr. President, we proceeded for three years. We provided further for the creation of an Army in addition to the standing Army. We provided for the arming of the men. We provided for the appointment of officers, and called upon Washington to come to our assistance, and to head the new army from his retirement at Mount Vernon, and created for him the rank of lieutenant general of the Army of the United States. Washington answered the call, and among other things he said:

It was not possible for me to remain ignorant of, or indifferent to, recent transactions. The conduct of the Directory of France toward our country; their insidious hostility to its Government; their various practices to withdraw the affections of the people from it; the evident tendency of their acts and those of their agents to countenance and invigorate opposition; their disregard of solemn treaties and the laws of nations; their war upon our defenseless commerce; their treatment of our ministers of peace; and their demands, amounting to tribute; could not fail to excite in me corresponding sentiments with those my countrymen have so generally expressed in their affectionate addresses to you. Believe me, sir, no one can more cordially approve of the wise and prudent measures of your administration.

Measures purely for defense; no attempt to arm or to pursue any hostilities until after the Congress of the United States had legally acted, vesting in John Adams the power.

They ought to inspire universal confidence, and will no doubt, combined with the state of things, call from Congress such laws and means as will enable you to meet the full force and extent of the crisis.

Satisfied, therefore, that you have sincerely wished and endeavored to avert war and exhausted to the last drop the cup of reconciliation, we can with pure hearts appeal to Heaven for the justice of our cause, and may confidently trust the final result to that kind Providence who has heretofore, and so often, signally favored the people of these United States.

He accepted the call as Commander in Chief of the then forces and of those to be raised under the act of Congress to command them against aggression. Forces were authorized to be raised by the President of the United States in the event of a declaration of war against us by any other nation, in the event of an act of war against us by any other nation, or in the event that in the judgment of the President of the United States there was likely to be a war with any other nation. The most ample and full authority was given to Adams, and under it he pursued a war. Under it we captured French and the French captured Americans. Under it we sank French ships and they sank American ships. Under it we practically took from them the West Indian Islands—Guadaloupe, Martinique, and the other islands; sank their ships on the broad seas, captured them wherever we could find them, condemned them, and sold them as prizes of war; incarcerated their citizens in the jails or other places of safekeeping; had our citizens incarcerated; exchanged prisoners as prisoners of war; and yet there was not a declaration of war during the entire time and the matter was settled without a war. A Senator asks me what I would call it. I would call it a state of war, which, as he knows as a lawyer, is distinguished by certain rules from war as existing under a declaration of war.

Mr. President, I am not going to detain the Senate. I have said that I know nothing about any proposition being advanced or attempted to be carried out for the purpose of forcing a special session of the Congress. I myself believe that the Congress of the United States should pass the revenue bill, pass the appropriation bills, pass an act vesting absolutely in the President of the United States ample and full authority in every way to defend the interests of the United States, to call for additional troops, to use our armed forces which we now have; if necessary, to buy other ships of war and to complete those which are now under construction as rapidly as possible and use those which we now have immediately to resent the acts of aggression which are being committed against the people and the commerce of this country. I think it is due him that the Congress of the United States should now give him that power; and I say that for one I am not only not afraid to give it to him, but that I want to place upon him the responsibility. He has asked for responsibility time and again. He has asked to be left alone in his handling of foreign affairs; and I say to you that, in my judgment, when you have conferred this authority upon one man, so that action can be had, the people of the United States will breathe a sigh of relief when, having done that, the Congress of the United States shall adjourn sine die.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from New Mexico yield to the Senator from Connecticut?

Mr. FALL. I do.

Mr. BRANDEGEE. The Senator has indicated certain kinds of legislation that he thinks Congress ought to pass at this time. Does he not think that Congress ought to direct that the United States Army should be increased?

Mr. FALL. Yes, sir; I do, Mr. President. And if I may be allowed now unanimous consent to do so I will introduce a bill, simply that it may be referred and printed, so that the Senator can have the advantage of a copy of the printed bill.

The PRESIDING OFFICER. The Senator from New Mexico asks unanimous consent to introduce a bill. Is there objection?

Mr. FALL. It is with relation to the subject matter which I have just been discussing.

The PRESIDING OFFICER. The Chair hears no objection. The Secretary will read the bill.

The bill (S. 8314) authorizing the President of the United States to use the land and naval forces for the protection of the commerce, property, and lives of the citizens of the United States was read the first time by its title and the second time at length, as follows:

A bill (S. 8314) authorizing the President of the United States to use the land and naval forces for the protection of the commerce, property, and lives of the citizens of the United States.

Whereas armed vessels, and particularly so-called submarines, sailing under authority or pretense of authority from the Imperial German Government, or the Government of Austria, or the Government of Turkey, or of what are generally denominated the central powers or allies, belligerents in the war now being waged, have committed depredations on the commerce of the United States, and have, after warning by this country through the President of the United States, sunk the merchant vessels of belligerents and neutrals, upon which vessels were American goods belonging to American citizens; have by such actions caused the death of American men, women, and children; and have sunk the vessels of citizens of the United States and destroyed the property of such citizens in violation of the law of nations and of the treaties between the United States and the said nations herein mentioned, and particularly in violation of the treaties between the United States and the Imperial German Government; and

Whereas the President of the United States has seen fit to sever diplomatic relations between this country and the Imperial German Government, and has dismissed the ambassador of the Imperial German Government to the United States and recalled the ambassador of the United States at Berlin: Therefore,

Be it enacted, etc., That it shall be lawful for the President of the United States, and he is hereby authorized, to instruct and direct the commanders of the armed vessels belonging to the United States to extend protection to the vessels and property of the citizens of the United States, and to seize, take, and bring into port, or to destroy if unable to seize, any such armed vessels of either of the central powers, and particularly of the Imperial German Government, which shall have committed or which shall be found threatening to commit depredations on the vessels belonging to the citizens of the United States; or contrary to international law committing or threatening to commit depredations upon other vessels upon which are being conveyed citizens of the United States or their property; and also to retake any ship or vessel of any citizen or citizens of the United States which may have been captured by any such armed vessel of the said central powers, or either of them.

SEC. 2. That the commander and crew of any merchant vessel of the United States owned by a citizen or citizens thereof may oppose and defend against any search, restraint, seizure, or attack which shall be attempted upon such vessel or upon any other vessel owned as aforesaid, by the commander or crew of any armed vessel sailing under the colors of the Imperial German Government, or either of the said central powers or allies, or sailing under the colors of any other country; and may repel by force any assault or hostility which shall be made or committed on the part of such Imperial German vessel, or such vessel of any other country pursuing such attempt, and may subdue and capture or destroy the same; and may also retake any vessel owned as aforesaid, which may have been captured by any vessel sailing under the Imperial German colors, or under the colors of any other nation, or pretending to act by and with the authority of the Imperial German Government, or any other nation, and particularly of the central or allied powers.

SEC. 3. That the President of the United States be, and he is hereby, authorized, in the event of a declaration of war against the United States, or of actual invasion of their territory by a foreign power, or of imminent danger of such invasion, discovered in his opinion to exist, before the next session of Congress, cause to be enlisted and to call into actual service a number of troops in addition to the present Army of the United States, and, if in his judgment necessary in addition to the National Guard of the United States, not exceeding 500,000 men, to be enlisted for a term not exceeding three years, or for and during the continuance of the existing differences between the United States and the Imperial German Government and the central powers, or either of them.

SEC. 4. That the President be, and he is hereby, authorized to organize, with a suitable number of officers of all grades and conformable to the Military Establishment of the United States, the said troops into the proper bodies of Artillery, Cavalry, and Infantry as the exegencies of the service may require, including Mounted Infantry; and in the recess of the Senate alone to appoint the commissioned officers, the appointment of such officers to be submitted to the advice and consent of the Senate at their next subsequent meeting. The commissioned and noncommissioned officers, musicians, and privates raised in pursuance of this act shall be subject to the Rules and Articles of War and regulations for the government of the Army, and be entitled to the same pay, clothing, rations, forage, and all other emoluments as the troops of the United States are by law entitled.

SEC. 5. That in addition to the aforesaid number of troops the President is hereby empowered, if in his opinion the public interests shall require, to accept any company or companies of volunteers, whether of Artillery, Cavalry, or Infantry or Mounted Infantry, who may offer themselves for the service; whose commissioned officers shall be appointed by the President and who may be armed, clothed, and equipped at their own expense or at the expense of the United States; who shall be liable to be called upon for military duty at any time the President shall judge proper within three years after he shall accept the same, and when called into actual service and while remaining in the same shall be under the same rules and regulations, and shall be entitled to the same pay, rations, forage, and emoluments of every kind as the other troops to be raised by this act.

SEC. 6. That whenever the Imperial German Government and its allies, the central powers, and each of them, and all persons acting by or under their authority, shall disavow and shall cause the commanders and crews of all armed vessels of said Imperial German Government or its allies, or either of them, to refrain from the lawless depredations and outrages hitherto encouraged and authorized by the said central powers, or allies, and particularly by the Imperial German Government, against the merchant vessels of the United States, and contrary to international law, of the merchant vessels of the citizens of neutral powers upon which are being conveyed the person or property of a citizen or citizens of the United States, and shall cause the laws of nations to be observed by the said vessels of the Imperial German Government and its allies, then the President of the United States shall be, and he is hereby, authorized to instruct the commanders and crews of the merchant vessels of the United States to submit to any regular search by the commanders or crews of the vessels of such Imperial German Government or its allies, and to refrain from any force or capture to be exercised by virtue hereof.

SEC. 7. This act shall continue and be in force for the term of six months and until the end of the next session of Congress thereafter.

Mr. FALL. Mr. President, I shall ask at this time that the bill be referred to the Committee on Foreign Relations.

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

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Missouri?

Mr. FALL. If the Senator objects to having the bill referred to his committee, I do not care to which committee it is referred.

Mr. STONE. I did not know the Senator had the floor. I thought he had just introduced a bill. Was it read as a part of the remarks of the Senator?

Mr. FALL. The bill was introduced as any other bill would be introduced by unanimous consent, and later I asked that it be read in full for information, and it went into the RECORD.

Mr. STONE. Has it been read as a part of the remarks of the Senator?

Mr. FALL. It was a bill introduced.

Mr. STONE. When was it introduced?

Mr. FALL. The Senator will find that remark in the RECORD.

Mr. STONE. It seems to me we are not in that state of business, as the conference report on the legislative appropriation bill is the matter pending before the Senate——

Mr. FALL. Mr. President——

Mr. STONE. I am raising a point of order.

Mr. FALL. Then, that is all right.

Mr. STONE. Mr. President, it seems to me, in the state of business in the Senate, since the conference report on the legislative appropriation bill is the matter pending before the Senate, is under debate, and is the subject of consideration, that it is not competent at this time to introduce bills for reference.

The PRESIDING OFFICER. The Senator from New Mexico asked unanimous consent to introduce the bill. The Chair put the request. There was no objection, and therefore, by unanimous consent, it was introduced and read. If the Senator had objected, it could not have been introduced.

Mr. STONE. Then I ask the Chair, if the Senator stops his speech to transact business, to present a bill, by what right does he continue on the floor?

The PRESIDING OFFICER. He lost the floor, of course, and asked to be recognized again and was recognized again.

Mr. STONE. Well, Mr. President, I greatly regret that such a bill as this has been introduced in the Senate. I am sorry that any Senator has presented it. Nevertheless, I see no other way to dispose of it except to let it go to the Committee on Foreign Relations.

Mr. FALL. Mr. President, the Senator is very generous. If the Senator had been in the Senate and in attendance upon the session he would have understood what was going on and would have known that it was not the Senator from New Mexico who injected this debate into the proceedings at all but a Senator from his own side.

Now, Mr. President, I will not trespass upon the patience of the Senator from Missouri any longer. The bill introduced is drawn verbatim from the different sections of the acts of the Congress of the United States between the 15th of May and the latter part of July, 1798, relating to the difficulties between this country and France.

LEGISLATIVE, ETC., APPROPRIATIONS—CONFERENCE REPORT.

The PRESIDING OFFICER. The question is on agreeing to the conference report. Is there objection to agreeing to the conference report?

Mr. POINDEXTER. I object to it and submit the following motion.

The PRESIDING OFFICER. It will be stated.

The SECRETARY. It is moved that the Senate agree to the conference report with the exception of Senate amendment numbered 61, and that the Senate insist upon amendment 61 and ask a further conference thereon.

Mr. POINDEXTER. Upon that I ask for the yeas and nays.

Mr. THOMAS. A parliamentary inquiry. What is the item of the conference report to which that motion relates?

The PRESIDING OFFICER. The present occupant of the chair is of the opinion that the question is whether the Senate will agree or disagree to the conference report.

Mr. THOMAS. I should like to know what particular item the motion refers to.

Mr. OVERMAN. I raise the point of order that the question is upon agreeing to the conference report.

The PRESIDING OFFICER. The Chair on his own motion stated that that was the only question.

Mr. THOMAS. May I ask that the item be read?

The PRESIDING OFFICER. The Secretary will read it.

Mr. THOMAS. I have been informed by the Senator in charge of the bill. I have the information.

The PRESIDING OFFICER. The Chair will state that the bill was not at the desk at the moment.

Mr. POINDEXTER. I ask the Secretary to read amendment 61.

Mr. JONES. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. JONES. I wish to ask whether, before we can vote on the proposition my colleague is interested in, it will not be necessary to reject the conference report?

The PRESIDING OFFICER. The Chair has already ruled upon that point and has so held.

Mr. SMOOT. I understand that a motion could be made to disagree to the conference report, with instructions to our conferees. That is all, I think, that can be done.

The PRESIDING OFFICER. The Chair has not ruled upon that point. The Chair merely ruled that the motion to agree to the report has to be disposed of and that the motion of the Senator from Washington can not be offered as a substitute for it.

Mr. POINDEXTER. Mr. President, may I be heard for a moment? I have here the precedent of the Senate bearing immediately upon this proposition:

[Fourth Congress, first session; Journal, p. 277. May 27, 1796.]

The Senate proceeded to consider the report of the committee to whom was referred the bill entitled "An act regulating the grants of land appropriated for military services and for the Society of the United

Brethren for propagating the Gospel among the heathen," which was in part adopted.

On motion,

Ordered, That the remainder of the report be recommitted.

[On the following day the committee again reported, which report, being amended, was adopted. (J., p. 278.)]

That was held by the Senate. It is printed in Precedents of the Senate, on page 322. Of course, if the ruling of the Chair is correct that no motion can be entertained except on the adoption of the conference report, it would be impossible to obtain a hearing in the Senate upon any part of the report. If the report is rejected it is manifestly then too late.

The PRESIDING OFFICER. The present occupant of the chair has not gone that far in his ruling. He merely held that the question before the Senate is the motion of the Senator from North Carolina to concur in the report, and that the question is either to agree to it or reject it.

Mr. OVERMAN. I wish to say that, of course, the only question for the consideration of the conference would be what the Senator from Washington has contended for, because no other objection to the report has been made. So, if the Senate should reject the report that would be the matter for further consideration. The question is whether the report shall be adopted or not. We can not adopt part of the report, but we have to take the whole or none of it. I understand that has been the ruling heretofore.

Mr. LODGE. Mr. President, this report is an agreement. I think there is no principle of parliamentary law better settled than that the motion which most quickly brings the Houses together always takes precedence. A motion to concur always takes precedence, and I think there can be no question that the first question is whether the Senate will agree to the report, which brings the Houses together. If it is rejected, then it is open to instructions or amendment or anything else.

The PRESIDING OFFICER. The Chair has ruled upon the point of order. If it is not satisfactory to the Senate an appeal will be entertained. The question is on agreeing to the conference report.

Mr. POINDEXTER. On that I ask for the yeas and nays.

The yeas and nays were ordered.

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

Mr. ASHURST. Mr. President, I merely want a moment to say that I am not satisfied with the way the matter is proceeding in respect to the conference report on the Indian appropriation bill, and just as soon as the roll call is concluded I shall move that the Senate proceed to the consideration of the conference report on that bill. I shall ask that the Senate either agree or disagree to the report, because it has been agreed to by the House and I want to get it out of the position where it is now, where we are unable to do anything.

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

Mr. ASHURST. Certainly.

Mr. NORRIS. Has the conference report on the Indian appropriation bill been agreed to by the House?

Mr. POINDEXTER. Mr. President, a point of order. Is this debate in order after the vote has begun?

The PRESIDING OFFICER. There has been no vote. The yeas and nays were ordered, but there was no response made.

Mr. NORRIS. May I repeat my question now to the Senator?

Mr. ASHURST. Yes.

Mr. NORRIS. Does the Senator say that the report of the conference committee on the Indian appropriation bill has been agreed to by the House?

Mr. ASHURST. It has.

Mr. NORRIS. Now, let me ask the Senator does that report in fixing the various salaries agree with the provision we have now before the Senate on the legislative bill upon which we are about to vote?

Mr. ASHURST. The conference report as agreed to on the Indian appropriation bill by the House adopts what we are pleased to call the House amendment. We were unable to agree on what is called the Smoot amendment. There are in the Indian Bureau 5,517 persons whose salaries would be affected by the House amendment and there would be 4,614 persons whose salaries would be affected by the Smoot amendment. If the Senate were to agree to the conference report the total increase in salaries over the Smoot amendment in the Indian Bureau would be $49,973.30.

I again say to Senators the Senate has a right to reject or agree to the conference report, but I insist, most respectfully of course, that the Senate ought to do one or the other, because if the Senate in its wisdom should see fit to reject the report the House, of course, must reconsider its action and grant a new conference; and the same conference or some other conference must convene. I submit in all good conscience and in all good faith the Senate ought at least to reject or adopt this conference report, so that if you want to change it or make a new arrangement it can be made the business of the Senate in that regard.

So I give notice that just as soon as the roll call is completed I am going to move that the Senate proceed to the consideration of the conference report on the Indian appropriation bill, and I am going to ask for a vote thereupon.

Mr. NORRIS. Mr. President, it seems to me after what the Senator from Arizona has just stated there ought to be given an additional reason. I think in itself it is a sufficient reason why we should reject the present conference report. I am opposed to the present conference report on the grounds outlined by the Senator from Washington. I intended to address the Senate on the subject, but the debate, as we all know, drifted into entirely different questions, and when that came up it occurred to me that the feeling which had been aroused on account of it would probably line up the one side, at least, to vote for party reasons in favor of approving the report.

Now, we have this condition: The conference report upon the Indian appropriation bill is here. It is ready to be taken up by the Senate. It has been passed on by the House and approved by the House. The conference report on the legislative bill that we are now about to vote on has not been passed on or approved by the House. We will be in this predicament if we approve this conference report: The House will have adopted one schedule of salaries and the Senate another schedule of salaries, and we will either have a part of the employees doing the same work drawing one salary and another part doing the same work drawing a different salary, or one House or the other must reconsider its action. It seems to me that we ought to thrash this out on one appropriation bill.

Mr. OVERMAN. Mr. President——

Mr. NORRIS. I will yield in just a moment.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield.

Mr. NORRIS. I can not yield at the present time. The proper bill upon which that ought to be done is the Indian appropriation bill, because that bill has already been acted upon by one House. If we approve that and follow the action of the House, then to be consistent we must, of course, reject the present conference report. In the interest of reaching the question according to the most expeditious rule and with the shortest consumption of time, it seems to me that we ought to reject this report and take up the conference report on the Indian appropriation bill and then let that end it. If we agree to it, it is all over. If we do not agree to it, of course, we have got it open. I now yield to the Senator from North Carolina.

Mr. OVERMAN. I wish to say for the information of the Senate that this question was made on this bill and then it was made on the Agricultural appropriation bill, and the question was made in the Senate after there was an agreement just like that on the Indian appropriation bill, and now we will be in this position: We will have one standard of wages in the Indian appropriation bill; we will have another standard in the Agricultural appropriation bill, because in that we have just adopted another standard; and we will have another standard in this bill.

Now, the way to do is to indorse this report and let it go to the other House, and see what the House will do regarding it. Then the conferees on the other bills can get together following the test vote. The Indian bill has passed with a provision for 10 per cent increase on salaries up to $1,800, and the Agricultural bill with an increase on salaries up to $1,500.

Mr. NORRIS. Has the conference report on the Agricultural bill been approved by the House?

Mr. OVERMAN. It has been approved by the House and was brought here, and the Senate rejected it.

Mr. NORRIS. That is all passed; that is water that has passed over the dam.

Mr. OVERMAN. If we do not adopt some such plan in this case, when the conference report on the Indian bill comes up we will have to reject that.

Mr. NORRIS. We will keep on proceeding in that way. It seems to me that the better way is this: We ought to take one of these appropriation bills and thrash the question out. Now, here is one that is half thrashed out. Let us commence with that one, and end it on that one, rather than to thrash it out on all the others.

Mr. OVERMAN. The conferees have agreed on this bill, which was the first great appropriation bill passed; and the only way to settle it is to let this bill go to the House now and let a test be made. Then the conferees on the Indian bill, the

Agricultural bill, and the other appropriation bills will be able to take the action on this bill as a guide.

Mr. ASHURST. Mr. President, the Senator from North Carolina, of course, appreciates that the conferees on the Indian bill can not act until the Senate has either rejected this report or adopted it. That is what we want done.

Mr. OVERMAN. That is what I say.

Mr. SMITH of Georgia. I understand the Senator from Arizona really concurs in the action of the Senate a few days ago upon the Agricultural bill, and will help us reject the conference report on the Indian bill.

Mr. ASHURST. I do not promise how I will vote on the conference report. I am not in the habit of doing that. I may vote "yea" on its adoption or I may vote "nay"; but I do say that the Senate ought to vote the report up or down, because if the Senate does not desire the House amendment we ought to know it, so that we may go back to conference and bring in some other provision. I am giving no indications as to how I am going to vote.

Mr. SMITH of Georgia. Mr. President, we acted on yesterday, or day before, upon the Agricultural bill and rejected it because the Smoot amendment had not been agreed to; and now the conferees on the Agricultural bill, in pursuance of the action of the Senate, have agreed on the Smoot amendment. It is about to come up in the House, where I hope it will be adopted. I agree with the Senator from North Carolina that the conferees on this bill have followed the action of the Senate. The House conferees have yielded; they have followed the action of the Senate, and have agreed to place the Smoot amendment on the bill, which we are now asked to approve. It is an action favorable to the action already taken by the Senate.

The PRESIDING OFFICER. The question is on agreeing to the conference report. The Secretary will call the roll.

The Secretary proceeded to call the roll.

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 Minnesota [Mr. NELSON] and vote "nay."

Mr. SMOOT (when Mr. GALLINGER's name was called). I desire to announce the unavoidable absence of the Senator from New Hampshire [Mr. GALLINGER]. He has a pair with the senior Senator from New York [Mr. O'GORMAN]. I will let this announcement stand for the day.

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from North Dakota [Mr. McCUMBER] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. TILLMAN (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Arizona [Mr. SMITH] and vote "yea."

The roll call was concluded.

Mr. OWEN. I transfer my pair with the Senator from New Mexico [Mr. CATRON] to my colleague [Mr. GORE] and vote "yea."

Mr. DILLINGHAM. I have a general pair with the senior Senator from Maryland [Mr. SMITH], who is absent from the Senate on account of serious illness in his family. I transfer that pair to the Senator from Maine [Mr. FERNALD] and vote "nay."

Mr. CURTIS. I have a pair with the junior Senator from Georgia [Mr. HARDWICK] who, I understand, is detained on account of illness. I therefore withhold my vote.

Mr. SMITH of Michigan (after having voted in the negative). I inquire if the Senator from Missouri [Mr. REED] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. SMITH of Michigan. Then I withdraw my vote, having a pair with that Senator.

Mr. HARDING (after having voted in the negative). May I ask if the junior Senator from Alabama [Mr. UNDERWOOD] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. HARDING. Then I shall withdraw my vote because of my pair with that Senator.

The result was announced—yeas 42, nays 30, as follows:

YEAS—42.

Ashurst	Johnson, S. Dak.	Pittman	Stone
Bankhead	Kern	Pomerene	Swanson
Beckham	Kirby	Ransdell	Thomas
Bryan	Lea, Tenn.	Robinson	Tillman
Chamberlain	Lodge	Saulsbury	Townsend
Chilton	McLean	Shafroth	Vardaman
Fletcher	Martin, Va.	Sheppard	Walsh
Hitchcock	Martine, N. J.	Simmons	Warren
Hollis	Myers	Smith, Ga.	Williams
Hughes	Overman	Smith, S. C.	
James	Owen	Smoot	

NAYS—30.

Borah	du Pont	Lee, Md.	Sterling
Brady	Fall	Lippitt	Sutherland
Brandegee	Gronna	Norris	Wadsworth
Clapp	Husting	Oliver	Watson
Clark	Jones	Page	Weeks
Colt	Kenyon	Penrose	Works
Cummins	La Follette	Poindexter	
Dillingham	Lane	Sherman	

NOT VOTING—24.

Broussard	Goff	McCumber	Shields
Catron	Gore	Nelson	Smith, Ariz.
Culberson	Harding	Newlands	Smith, Md.
Curtis	Hardwick	O'Gorman	Smith, Mich.
Fernald	Johnson, Me.	Phelan	Thompson
Gallinger	Lewis	Reed	Underwood

So the conference report was agreed to.

Mr. WILLIAMS and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. WILLIAMS. I thought I rose before the Senator from North Carolina and addressed the Chair before he did.

The PRESIDING OFFICER. The present occupant of the chair has followed the usual custom, and recognized those who have requested recognition in advance; and the Senator from North Carolina made that request.

Mr. WILLIAMS. I want now, without further debate, to register a protest against the habit of the Chair of extending recognition to Senators who have requested to be heard. That has gone on in the other House for quite a while, because there are over 400 Members there, and it is utterly impossible to control the House in any other way, but that is absolutely a new system in the Senate and is not recognized by any of its rules. The Senator who rises first and addresses the Chair by the positive rule of the Senate is to be recognized. I do not want to discuss that rule now except to lodge this protest, and lodge it most earnestly.

Mr. SIMMONS. Mr. President, I think I addressed the Chair first, but, at any rate, I understand the Chair has recognized me.

The PRESIDING OFFICER. The Senator from North Carolina is recognized. The present occupant of the chair will state to the Senator from Mississippi that he knows the Chair was merely following what has been the custom of the Senate in recognizing the Senator from North Carolina under the circumstances.

Mr. WILLIAMS. I do not want to discuss the matter with the Chair, but it has not been the custom of the Senate, except very recently.

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

Mr. SIMMONS. I desire to make a very brief statement, but if the Senator from Mississippi insists, I will yield to him.

Mr. WILLIAMS. Mr. President, I merely desire to ask the leave of the Senate for about four minutes.

A few moments ago I charged that there was a Republican league, or agreement, or something on the other side of the Chamber, to bring about an extra session, with the motive to prevent the President of the United States from acting in the public safety. I now quote, in corroboration of that statement, the following remarks of the Senator from Massachusetts [Mr. LODGE], which are very wisely worded and very acutely worded, as all remarks of his are, but they are still certain and definite. I got it from the Reporter's room. The language which I quote reads:

> No matter what your views may be as to war or peace, it is safer and better for the country that the Congress of the United States should remain in session.

Now, all I charged was that there was an agreement, moved by the fact that these people were not willing to trust the President of the United States, to have Congress remain in session, and the Senator from Massachusetts since that time has fully corroborated that statement.

Mr. SIMMONS. Mr. President——

Mr. ASHURST. Mr. President, I was going to make a motion that is not debatable, if there is going to be any more talk about what has happened in the past. We have got enough to do in the future without talking about the past.

Mr. SIMMONS. Mr. President, I desire to make a brief statement. On last Tuesday there was laid before the Senate a bill, recognized by everybody in the Senate and everyone outside of the Senate as a bill of paramount importance, a bill that must be passed during this session if the great program of preparedness that has been adopted by Congress, with the hearty

approval of the American people, is not to be frustrated and defeated temporarily, if not permanently. That bill, Mr. President, is to supply the money necessary to pay the appropriations carried in the Army and Navy bills, which have passed the House and which are presently to be reported to the Senate from the two committees of this body having charge of those bills. Those bills, as they passed the House, carry appropriations increasing the amount of money appropriated for the Army, the Navy, and for fortifications by the great sum of $530,000,000, in round numbers, in excess of the appropriations for those purposes for the year 1916, the year before we adopted this program. If this bill is not passed, it will be vain and futile to appropriate this additional sum for these great purposes. It is well known that there will not be in the Treasury, unless this bill passes this session, the money wherewith to pay these sums if they are appropriated. So that, Mr. President, in the fate of this bill is involved the fate of the whole preparedness program so far as the next fiscal year is concerned. Notwithstanding this fact, Mr. President, notwithstanding the further fact that these great appropriations were adopted in the House and will be ratified in this body, if we are allowed to reach a vote on them, by an overwhelming majority of both sides of this Chamber. This bill, essential to give vitality and effect to those appropriations, is met by the most determined filibuster that I have witnessed since I have been a Member of the Senate. If this bill shall fail, and if as a result the great program of putting this country in a condition of defense is held up and suspended for one year, I think it is due the American people that they should know who is responsible for that miscarriage and overthrow of this great national purpose.

Mr. President, we are told that this is not a filibuster. I care not what may be the declaration of those who are responsible for the obstruction of public business for the last five days, Senators know, and the country knows, that this is a filibuster, and it is a filibuster to defeat the revenue bill, carrying $248,000,000 of taxation, $226,000,000 of which is placed by the bill upon the great, rich, and powerful corporations of this country. The Senator from Indiana [Mr. KERN], who sits to my right, suggests that there is not a newspaper published in the city of Washington, where the performance is going on, that does not designate it as a filibuster. I think there are very few in the country that do not designate it as a filibuster.

Mr. President, before this bill was taken up I had assurances that there would be no unnecessary delay in its passage, no undue discussion of it, and that probably it might be disposed of in three or four days. It is suggested now that these tactics, these dilatory methods, this consumption of time, these long discussions of immaterial matters, these collateral questions constantly injected, are not indulged in to defeat the revenue bill, but that they are to safeguard the country against the alleged threatened invasion of the Constitution on the part of the Chief Executive; that it is apprehended that there is in contemplation a purpose on the part of the Chief Executive to come to Congress some time between now and the expiration of this session with a request that he be clothed with broad and dangerous powers with respect to the use of the Army and Navy of the United States, and that the object is to prevent action in case that contingency happens.

Mr. President, I do not know what is the purpose of the President of the United States. I question whether anybody knows what his purpose in this matter is. Whether he will or will not come to Congress asking any grant of additional powers in dealing with the present acute international situation, we do not know. What he will ask if he comes we do not know. But in this nebulous condition, with this uncertainty as to whether he will come or not, as to what he will ask if he does come, gentlemen on the other side say: "We do not know, but we are so apprehensive he will ask something dangerous to the liberties and rights of the American people and in disregard of the Constitution, that we can not afford to permit this bill to pass, or to allow action upon it, until we know what the President is going to ask."

Mr. President, I say in all sincerity and solemnity that this excuse for the attitude of the minority with respect to this bill is a pretext. If Senators are afraid of that, tell me why it is necessary to defeat this bill, or to hold it up, in order to protect the country against action by the Congress growing out of the alleged apprehended request of the President. If the request comes, it will not come until later in the session. It will not come for days to come; and the minority who have taken this position have demonstrated to the country, demonstrated beyond controversy, that when it does come, whether it be to-morrow, Monday, Tuesday, or Wednesday, they will be amply able to talk it to death. If they are determined to defeat action upon the request of the President, they can do it without defeating action upon this bill; and I declare it as my deliberate conviction that when they pretend they are holding up action on this measure in order that they may protect the country against action on the request of the President, if he shall make any request, it is manifestly a pretext, and the real purpose of the filibuster is disclosed, and that purpose is to defeat this bill.

Oh, it has been said to me to-day by a Senator of the minority that while they are not willing there should be action upon this bill just now, they may possibly consent, some time in the future, before Congress adjourns, but not now, because of their fears with reference to this reported intention of the Executive; but that they would consent that we take up and act upon the appropriation bills, and get them out of the way.

Mr. President, why is it more necessary to get this bill out of the way for the purpose of protecting the country against action upon the request of the President than to get the appropriation bills out of the way? During the last campaign, you remember, after our Republican friends had voted almost unanimously in favor of the great appropriations of that year for preparedness, amounting to nearly $400,000,000, they went before the country and denounced the Democratic Party for extravagance in making those appropriations and increasing the expenses of the Government to the extent of those appropriations.

Now, we have another situation out of which similar opportunity for misrepresentation may arise. If we shall pass the naval and military appropriation bills, appropriate $530,000,000 for preparedness, and fail to pass this bill to raise the money to pay that $530,000,000, and by reason of a lack of funds in the Treasury be unable to carry on this preparedness program, in the campaign to come we may find our Republican friends on the stump telling the American people: "We appropriated the money for preparedness; yes, we championed and forced through these great measures for placing the country in a position to defend itself against the invasion of its rights or its territory, but the Democratic Party, responsible for the administration of the Government, because of its inefficiency, because of its incapacity, failed to provide the money, and the whole scheme of preparedness has fallen to the ground."

Mr. President, the situation is such that I think we would be derelict in our duty to the people of this country, derelict in our duty to those who have demanded, backed, and made possible this great program of preparedness if we did not call the attention of the country to this threatened effort of the minority to make it vain and nugatory, break it down, and suspend it for a year, if not give it a deathblow.

My purpose in rising was to say to the Senators on the other side of the Chamber that we recognize the situation; we recognize the power that is given the minority in this situation under the rules of the Senate; we recognize your ability to filibuster this measure to death; but we want you to assume the responsibility; we want the American people to know that it was your dagger that pierced through the body of this great program and brought it to its untimely death. If you are willing to assume that responsibility, why, go ahead.

Mr. President, we shall not content ourselves to submit to the consequences of the defeat of this measure until we have exhausted every resource at our command and every weapon in our hands. I therefore wish to give notice to the Senate that, speaking not for myself alone, not for the Finance Committee alone, but speaking for the majority represented in this Chamber, after a poll of that majority upon that question, we have decided, if we can do it, that this session of the Senate, the session of to-day of the Senate, shall continue, if we have the physical strength to continue it, until there is a final vote upon this bill.

INDIAN APPROPRIATION BILL—CONFERENCE REPORT.

Mr. ASHURST. I move that the Senate proceed to the consideration of the conference report on the Indian appropriation bill (H. R. 18453).

Mr. PENROSE. I think I should be permitted an opportunity——

Mr. ASHURST. The motion is not debatable under Rule XXVII.

The PRESIDING OFFICER. The Senator from Arizona moves that the Senate proceed to the consideration of the conference report on the Indian appropriation bill.

Mr. GRONNA. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from North Dakota will state it.

Mr. GRONNA. The Senator from Arizona withdrew the report and it is not before the Senate.

Mr. ASHURST. I beg the Senator's pardon; I withdrew the motion to proceed to the consideration of the report.

Mr. BRANDEGEE. I make the point of order that the motion is debatable after 2 o'clock.

Mr. ASHURST. I ask that Rule XXVII be read.

The PRESIDING OFFICER. The Chair has not ruled that it is not debatable.

Mr. BRANDEGEE. The Senator from Arizona stated that it was not.

Mr. ASHURST. I will read Rule XXVII:

The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending, or while the Senate is dividing; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate.

It has been received, Mr. President.

Mr. BRANDEGEE. I think the Senator is correct, and I withdraw the suggestion.

Mr. SMOOT. I think the Senator is wrong in his position. The rule he has quoted does not apply to the situation at that time. Rule XXVII provides, as the Senator said, that—

The presentation of reports of committees of conference shall always be in order, except when the Journal is being read or a question of order or a motion to adjourn is pending, or while the Senate is dividing; and when received the question of proceeding to the consideration of the report, if raised, shall be immediately put, and shall be determined without debate.

But the report was received some time ago, other business has intervened, and now it rests in the same position as a motion to take up a bill or resolution of any kind, and that is debatable. If when the Senator presented the report there had been objection to its consideration and had moved then to proceed to the consideration of it, it would have been decided without debate, but the report has been laid upon the table; it was called up once, and upon the request of the Senator it was not acted upon, and now he asks, after a day's delay, when other business has intervened, that it shall be taken up, and he makes that motion.

The PRESIDING OFFICER. The Chair rules that the motion is not debatable. The question is therefore upon taking up the conference report. [Putting the question.] The ayes have it.

Mr. SMITH of Georgia. I call for a division.

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

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CURTIS (when his name was called). I am paired with the junior Senator from Georgia [Mr. HARDWICK] and withhold my vote.

Mr. DILLINGHAM (when his name was called). Because of a general pair I have with the senior Senator from Maryland [Mr. SMITH], who is compelled to be absent, I withhold my vote.

Mr. GRONNA. I have a general pair with the senior Senator from Maine [Mr. JOHNSON], which I transfer to the senior Senator from Minnesota [Mr. NELSON] and vote "yea."

Mr. TILLMAN (when his name was called). Transferring my pair with the Senator from West Virginia [Mr. GOFF] to the Senator from Arizona [Mr. SMITH], I vote "nay."

Mr. THOMAS (when his name was called). Announcing the same transfer and pair as before, I vote "nay."

The roll call was concluded.

Mr. OWEN. I transfer my pair to my colleague [Mr. GORE] and vote "yea."

Mr. SMITH of Michigan (after having voted in the affirmative). I should like to inquire if the junior Senator from Missouri [Mr. REED] has voted?

The PRESIDING OFFICER. He has not.

Mr. SMITH of Michigan. Then I withdraw my vote. I have a pair with the junior Senator from Missouri.

The result was announced—yeas 29, nays 32, as follows:

YEAS—29.

Ashurst	Hollis	Owen	Walsh
Brandegee	Jones	Page	Warren
Chamberlain	Kirby	Pittman	Watson
Clark	La Follette	Poindexter	Weeks
du Pont	Lea, Tenn.	Sherman	Williams
Fall	Lippitt	Sterling	
Fernald	Myers	Townsend	
Gronna	Norris	Wadsworth	

NAYS—32.

Beckham	Johnson, S. Dak.	Oliver	Simmons
Borah	Kenyon	Overman	Smith, Ga.
Bryan	Kern	Penrose	Smith, S. C.
Cummins	Lane	Pomerene	Smoot
Fletcher	Lee, Md.	Ransdell	Stone
Hughes	Lodge	Robinson	Swanson
Husting	McLean	Sheppard	Thomas
James	Martin, Va.	Shields	Tillman

NOT VOTING—35.

Bankhead	Dillingham	McCumber	Smith, Ariz.
Brady	Gallinger	Martine, N. J.	Smith, Md.
Broussard	Goff	Nelson	Smith, Mich.
Catron	Gore	Newlands	Sutherland
Chilton	Harding	O'Gorman	Thompson
Clapp	Hardwick	Phelan	Underwood
Colt	Hitchcock	Reed	Vardaman
Culberson	Johnson, Me.	Saulsbury	Works
Curtis	Lewis	Shafroth	

So Mr. ASHURST's motion was not agreed to.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 20573) to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes.

Mr. PENROSE. Mr. President, I have been greatly surprised at the outburst of the Senator from North Carolina, the chairman of the Finance Committee. He seems to be mentally greatly disturbed and in a feverish condition. When a Senator sees daggers in the air it is time for him to be kept under observation. I want to tell him now, Mr. President—and while I speak primarily for myself I speak from my own conclusions in talking with other members of the minority—that there is absolutely no intention on the part of the Republican minority in this body to defeat the revenue bill.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PENROSE. Yes; I will extend the courtesy to the Senator from North Carolina of yielding, although he has abandoned that courtesy as far as I am concerned.

Mr. SIMMONS. The Senator is mistaken. I never object to yielding to the Senator; and I have never done so, as far as I know. I wish to ask the Senator, in view of his statement, if he will now, in behalf of his side of the Chamber, advise the Senate whether he will consent to a unanimous-consent agreement to vote upon this bill and the amendments thereto on Monday evening at 5 o'clock?

Mr. PENROSE. I am not prepared to be interrupted by a unanimous-consent request.

Mr. SIMMONS. If the Senator will not——

Mr. PENROSE. That is not a proper interruption. It is an evidence that the brain storm has not altogether subsided. The dagger still appears before the Senator.

Mr. President, I want to tell the Senator from North Carolina again, in the most emphatic terms, and I almost feel justified in saying it more strongly than I did a moment ago, that there is no intention on the part of the minority to defeat this bill, and when he makes that assertion he is deliberately making a statement not founded on fact or his imagination is haunted with ghosts. I can not help what epithets the newspapers apply to the debates in this body, and I certainly am not swayed in my judgment by the terms that they may use. The Senator and his party are responsible for the deficit in the revenues, largely due to their extravagance, and they must also be held responsible to provide for it.

Does the Senator from North Carolina attempt to make the assertion that the minority has had anything to do with the loss of one whole day to-day? The proceedings began early in the morning by the motion of his colleague, the junior Senator from North Carolina [Mr. OVERMAN], to bring up a conference report, which was submitted to a vote of the Senate. I voted against bringing it up, and I believe the great majority of the minority voted against bringing it up. Before the vote was taken it was distinctly understood by the Democratic majority that the senior Senator from Washington [Mr. POINDEXTER] would speak at length upon certain features of the conference report, and with that knowledge in their full possession the Democratic majority, in control of the legislative business of this body, deliberately voted to proceed with the conference report on the motion of the Senator from North Carolina.

Mr. CLARK. And displaced the revenue bill.

Mr. PENROSE. And displaced the revenue bill. Does the Senator in his hallucinations about these delays attempt to impute to the minority, directly or indirectly, an overt act or a conspiracy in bringing up the Overman report to-day or of being responsible for the extended remarks of the Senator from Washington, when all had ample notice that those remarks would be made?

The Senator does not answer, and I conclude that he does not charge the minority with that part of the debate.

Mr. SIMMONS. If the Senator desires me to answer——

Mr. PENROSE. No; I do not desire it, but the Senator can suit himself.

Mr. SIMMONS. The Senator has invited an answer from this side of the Senate. I desire to say that in the consideration of this bill, as the other bills, according to the uniform practice of the Senate, it has been customary to allow conference reports, in order to facilitate the business of the session, to be laid before the Senate and acted upon. Of course, it is understood generally that unnecessary time will not be consumed in that process.

I recognize, if the Senator will pardon me, the fact that the Senator from Washington gave notice that he would speak, but he did not give notice that after speaking an hour and a half on the conference report he would speak two hours and a half on the Grayson confirmation matter. I do not know why he consumed so much time on the Grayson matter unless he was furthering a purpose on that side to consume time that might have been applied to the consideration of this bill.

Mr. PENROSE. Unfortunately, Mr. President, debate in the Senate is not regulated by a time clock or the Taylor system. The Senator from Washington said he would debate it at length, and I think he was much shorter than many Senators who have gotten up recently and who said they were going to speak briefly.

I voted against bringing up that report, as I think most of the minority did. Hardly were we through with that and started again upon the consideration of the revenue measure when we had the outburst from the Senator from Mississippi [Mr. WILLIAMS]. Does the Senator from North Carolina charge any member of the minority with the effort of the Senator from Mississippi to speak at considerable length and make certain grave charges existing only in his imagination, which required answer from the minority and led to a prolonged debate? And then we had the recent motion of the Senator from Arizona [Mr. ASHURST] to bring up the conference report on the Indian appropriation bill. Does the Senator charge any member of the minority with being in a conspiracy to put the revenue bill aside by that motion? On the yea-and-nay vote I voted against it, and while I did not think it my duty to canvass the minority, I asked those sitting in my vicinity to vote against displacing the revenue bill, and it came within three votes of preventing it. The Democratic votes were the votes in favor of displacing the revenue bill.

Either the Senator is sadly lacking in influence in his own party as the leader in the contest for the revenue bill, or the revenue bill has some insincere friends on the Democratic side. Therefore, Mr. President, I state, and I challenge contradiction, that during this day every moment has been taken up by the majority side in matters introduced by them and debated by them at length until this hour, nearly half past 6 o'clock. I challenge the Senator from North Carolina, sitting in his seat, to deny the accuracy or the absolute truth of that statement.

Mr. SIMMONS. Mr. President——

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

Mr. PENROSE. Yes.

Mr. SIMMONS. The discussion upon a conference report has consumed nearly six hours—between five and one-half and six hours—and all the time was taken up on the other side of the Chamber, except possibly 25 minutes which were occupied by the Senator from Mississippi [Mr. WILLIAMS].

Mr. PENROSE. The Senator is simply repeating what he has already stated. He had ample notice that a long speech would be made; and he, from inability or acquiescence, permitted the measure to come before the Senate; and to say that a speech, which only ought to have occupied two hours, occupied three hours, is straining at a very attenuated argument. So much for this day up to the present hour; and I have no doubt the balance of it will be given a good account of.

Can the Senator from North Carolina blame the minority for putting into this measure the oleomargarine amendment—an amendment which no candid man can claim is necessary to be put into this bill in order to make it provide adequate revenue? At the very best, no one outside of its author claims that it will raise more than two or three million dollars in a bill estimated to raise several hundred million dollars, and that amendment has occupied nearly all of the time that this revenue bill has been before the Senate. Can the Senator from North Carolina hold the Republican minority in any degree responsible for putting that amendment into the revenue bill—an amendment which no candid man will claim is a genuine revenue amendment; an amendment solely in the interest of the cottonseed trust and the cattle trust, calculated to raise the cost of living to the wage earner, a direct tax on consumption, in absolute contradiction to every doctrine to which the Senator from North Carolina has given utterance since he has been chairman of the Finance Committee?

If that amendment, Mr. President, unnecessarily and improperly in the bill, more proper as an entirely separate measure, had not been in this measure or had been taken out of it, as the Senator from North Carolina indicated to some Senators he was willing it should be if it led to prolonged debate, this bill would have been passed by the Senate and been over in the House of Representatives and the amendments been concurred in before to-day.

But if the Senator from North Carolina, the chairman of the committee, and the Democratic majority did not know that they were deliberately jeopardizing the measure when they put that amendment in that did not belong in the bill, they were unfit for their task or they were riding rapidly to a fall.

The Senator from North Carolina could have risen in his seat three days ago and moved to lay that amendment on the table, and, if there had been enough votes to lay it on the table, it would have been disposed of without further debate. But the debate was permitted to go on; and Senators, aroused and indignant at this attempt to impose a fraudulent competitive article on nearly 5,000,000 farmers of the country, felt compelled to express, and they had a right to express, their sentiments. I ask the Senator, if he was so interested in the speedy passage of this bill, why he did not, when he saw that it was leading to interminable debate, get up and move to lay it on the table, and make up for this two or three million dollars by inventing a new name for a new tax.

Mr. SIMMONS. The Senator from Pennsylvania might as well ask me why I did not get up and move to lay the other amendments of the committee and the entire bill on the table.

Mr. PENROSE. It was the Senator's business to do it, as chairman of the committee.

Mr. SIMMONS. I do not concede that there is much intelligence in that statement of the Senator from Pennsylvania.

Mr. PENROSE. Calling names does not make an argument, Mr. President.

Now, let us look at the history of the measure, showing, in my opinion—and I referred to it at length in my remarks on the bill of September, 1916—the absolute incompetence of the majority to conduct the legislative business and their incorrigible procrastination in pushing it. This measure was not heard of by the American people until Saturday, January 27, 1917. Nearly one-third of the legislative session had been permitted to elapse, or nearly two-thirds.

Mr. LA FOLLETTE. More than one-half of it.

Mr. PENROSE. More than one-half of the legislative session, I ought to say, had been permitted to elapse before the slightest intimation was given to the American people or to the Congress by the Treasury Department or by the Ways and Means Committee of the other House that a revenue bill would be needed.

I am not surprised, Mr. President, that this occurred, for the accounts of the Treasury Department are in such a condition of confusion that, while everyone knows the department is bankrupt, no one can tell to what degree the deficit extends. I want the Senate to be impressed with this extraordinary condition of incompetence that this party, in possession of both the legislative and executive branches of the Government, with a renewed mandate from the people in the election last November, did not suggest the necessity of a revenue bill until January 27. Before the bill was suggested we had the day preceding the announcement of a Democratic caucus. That was the preliminary. On January 26, 1917, there was a caucus of the Democratic Members of the other House. On Saturday, January 27, 1917, with the session largely half over, a bill was introduced by Mr. KITCHIN in the other House and referred to the Committee on Ways and Means. On Monday, January 29, 1917, the bill was reported to the House by Mr. KITCHIN, the period of a day and a half being allowed for discussion and consideration in the newspapers and among the business interests from the Atlantic to the Pacific, from the Canadian border to Mexico, to discuss the burdensome provisions of the bill.

Then, on the next day, Tuesday, January 30, the day after the bill was reported, it was taken up by the House and debated. I must apologize to the Senate for using the word "debated." The next day, January 31, the bill continued to be debated. Then, on Thursday, February 1, about 30 days before the adjournment of the Congress by limitation, the bill passed the House of Representatives. Even the speeches made, Mr. President, by many Members of the majority, including the speech made by the chairman of the Ways and Means Committee, did not even appear in the CONGRESSIONAL RECORD for the information of the minority in both bodies until after the bill had come to the Senate—a most extraordinary proceeding.

On the following day, February 2, the bill came to the Senate and was referred to the Finance Committee. No member of the committee—I will continue, Mr. President, when the chairman ceases conversation and there is order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SWANSON. Mr. President, the conversation is not interfering at all with the proceedings in the Chamber.

Mr. PENROSE. Mr. President, I rise to a question of privilege. I insist that the Senator from Virginia has not the right to turn his back on me when I am speaking and engage in conversation the chairman of the committee, to whom I am addressing my remarks.

Mr. SWANSON. And I insist that the Senator from Pennsylvania has no right to locate, seat, or control Senators of this body. I have a right to conduct a gentlemanly conversation with the Senator from North Carolina. If the Senator will conduct himself in order and with proper propriety in connection with this matter, and not try to interfere with other Senators, he will get along better. [A pause.]

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the pending amendment.

Mr. PENROSE. Now, I will go on, Mr. President, since the Senator has withdrawn his objectionable attitude.

On Friday, February 2, the bill came to the Senate and was referred to the Finance Committee. No meeting of the committee was ever called, but a caucus of the Democratic Senators was held and subcommittees were appointed, on which subcommittees the minority were not represented nor were they even invited to attend or officially notified of their meeting. On Tuesday, February 13, 11 days after the measure had been considered in the Democratic caucus, the bill was reported to the Senate by the chairman, having been previously submitted to a full meeting of the Finance Committee on the afternoon previous, February 12, a perfunctory meeting at 5 o'clock at which the bill was not even read, but a vote was taken and by a strict party vote, the minority recording their dissent and the majority voting their approval, the bill was ordered reported.

That was the first official notice, the first opportunity for participation that the minority in the Senate had had in the history of this legislation, which was only introduced when the session of Congress was considerably more than half over. All information was denied. No information could be had as to the changes contemplated, and even the hearings amounted to nothing, because most of the men of position and knowledge in the world of finance and business who were here were denied a hearing or did not know where they could get one.

On February 20 this measure was taken up by the Senate. Now, mark you, Mr. President, this bill estimated to raise several hundred million dollars of revenue.

Mr. LA FOLLETTE. Five hundred million dollars or six hundred million dollars.

Mr. PENROSE. Yes; including the loans provided for, many more million dollars. It was not taken up by the Senate until Tuesday, February 20, about 13 or 14 days before the expiration of the present Congress by limitation. Could there be a more monstrous evidence of high-handed legislative procedure, Mr. President, than to ask the minority, who had been studiously ignored and kept from any source of information about this measure, to be brutally notified that they must consider this bill for only two or three days within the space of 14 days before final adjournment, because other bills demanded attention?

I do not recall, Mr. President, in the history of legislative bodies in any free government such a roughshod method of procedure as this; but so accustomed have our Democratic friends become to the full deliberation of the caucus and to coming into the Senate and saying "Take this bill and vote," that they become impatient and suspicious and resentful, and their imagination becomes superheated, if the minority attempts to give consideration to it. That is the history of the bill, Mr. President, down to the present time.

Most of the period of the four or five days—not a full five days, of course, because part of each day was devoted to other matters, but in the very brief period referred to—nearly the whole time has been consumed to-day by Democratic orators and debaters, and the rest of the time by the controversy over the oleomargarine amendment and by calling quorums. This bill has not come up on a single occasion on the four or five days in which it has been before the Senate that there has been a quorum of the Senate present, and when a quorum has been called it has been necessary to call the roll the second time, and on more than one occasion it has been necessary to send the Sergeant at Arms to bring in absent Senators. So that every morning and every evening and through the day probably two hours have been consumed—from one to two hours—in calling quorums. But the scandalous part of it, Mr. President, is that at the morning hour——

Mr. SIMMONS. If the Senator will permit me to interrupt him——

Mr. PENROSE. Yes.

Mr. SIMMONS. I think he has called about nine-tenths of all the quorums that have been demanded.

Mr. PENROSE. And I was within my rights if I did, Mr. President. There ought to be a quorum, and I do not think the Senator from North Carolina will attempt to argue that a bill of this magnitude should not have a quorum of the Senate present when it is being considered. We certainly should start with a quorum, and simply because there was a quorum of Democratic Senators in a caucus to consider the bill is no reason why there should not be a quorum of Senators, regardless of party, to consider it in the light of day.

I say it is a national scandal, Mr. President, that the Senator from North Carolina can sit here in his seat and not be able to deny the statements which I make to him, that this bill has never come up when there was a quorum present. Further, I state, Mr. President—and it can not be contradicted—that when the measure has come up the Republicans have been loyal and have voted, so far as they were present in the Chamber. There can not be a suspicion that they tried to break a quorum or retreated to the lobby, as has sometimes occurred, to endeavor to break a quorum or impede the public business. The best illustration of that is that on more than one occasion, perhaps on most of the occasions, when I or some other member of the minority called for a quorum, there were more Republicans who answered to their names than there were Democrats.

I have here the proceedings of this morning. There were 45 Senators who answered to their names when the roll was called, 20 Democrats and 25 Republicans. Does that look like trying to filibuster against the measure, Mr. President? There was no quorum; and on the second call eight Democrats and four Republicans answered to their names, making 57 Senators present, a bare quorum. Does that look like filibustering on the bill, Mr. President, when the Republicans were here, anxious and ready to debate, willing to help the Senator from North Carolina keep a quorum, when his own people were absent from the Chamber? Can the Senator explain to me why this extraordinary lack of interest in pressing the measure exists on the part of the majority? Had they been here, as was their bounden duty, this morning they might perchance have passed the bill, but there might have been more Republicans in the Chamber than there were Democrats, and they did not dare vote on any question.

Now, let us take the day before, February 23. On the roll call 49 Senators answered, barely a quorum. If the Democratic majority had been here in their seats, the mere physical force they would have presented might have passed this bill long ago. The Senator from North Carolina talked very vociferously and very boldly about the policy of "frightfulness" which he expected to indulge in for the rest of the session. He will have to get a good deal more frightful than he has been to disturb the minority.

Thursday, February 22—let us see how the Senate stood upon that day. There was a roll call demanded by some trouble-making Member of the minority. I have not his name at hand. Twenty-two Republicans were present and 21 Democrats. Again a majority of Republicans were present in the Chamber, and the Senator's colleagues were absent, neglecting their duties, away from the Chamber, when if they had been here in full force they might perchance have passed the bill. I do not know where they were. They evidently had not enough interest to be here and enforce by the physical and moral influence of their presence the passage of the bill.

The second call for a quorum was made. Again the Republicans answered in excess of the Democrats—four Republicans and three Democrats. Fifty answered altogether and a quorum was announced, again the Republicans being in the majority. Does that look like any attempt to filibuster or delay? Every one of those Senators might have retreated to the cloakroom. They might have gone over to the Office Building. They might have held up the business. I have seen the Senator from North Carolina and his Democratic colleagues do it on numerous occasions when they were in the minority, and I do not suppose they would have thought it was much out of the way if we had occasionally done it; but we did not do it. We never thought of doing it.

Now, let us go to February 21. The roll was called and 22 Republicans and 25 Democrats answered to the roll call. That day, to the surprise of everyone, the Democrats were 3 ahead of the Republicans in answering to the roll, but there was no

quorum, and on the second call, for absentees, 1 Republican and 2 Democrats appeared, making a total of 50—a bare quorum. I hope that due note will be taken of the fact that in all these cases the quorum was obtained only after great difficulty, and that in no case was there a margin of more than 1 or 2 votes in obtaining the quorum.

It was the same way on Tuesday, the 20th, when on a roll call 51 Senators answered to their names, 22 being Republicans and 29 Democrats—just 2 more than a quorum.

Mr. President, after this statement I think the Senator from North Carolina ought to withdraw the statement he made that there was any effort to filibuster on this bill. I do not see how, as an honorable man, he can fail to admit that the Republican minority has been loyal and faithful in helping him to keep a quorum here; that it was within our power every time this bill has come up to have broken a quorum and to have put him to very great inconvenience and loss of time. It is not the duty of the minority to maintain a quorum. I think that from an ethical point of view the minority, if they chose, could stay away as long as they were able to stay away, until they were compelled to return by the Sergeant at Arms; but in the case of this bill the Republicans have acted in good faith and have freely come forward to help make the quorum.

I should like to call attention to some of the evening sessions. I was just about to overlook them. On Tuesday, February 20, the suggestion of no quorum was raised. Twenty-five Senators answered. The Secretary called the roll of absent Senators, and 10 Senators appeared. After the Senate had been sitting here for nearly one hour the chairman of the committee was compelled to move that the Sergeant at Arms be directed to use all necessary means to compel the attendance of absent Senators. Has he any right to make any charge against the minority of delaying this bill when over one hour was lost on the evening of Tuesday, February 20, the first day the bill was taken up for consideration, when his colleagues in the majority party were so indifferent that they were absent from the Chamber? Mind you, this party has a clear majority of 16 in this Chamber, mostly men in the prime and vigor of life, with no excuse that I can imagine for being absent, unless it is lack of interest in this measure, disloyalty to it, or indifference to it.

That brings us down to February 22, the evening session. There was a call for a quorum. Forty-three Senators answered. The second call, for absentees, was made. Two Senators answered, and the Sergeant at Arms was directed to demand the attendance of absent Senators. Finally, after the usual delay and trouble, a bare quorum was obtained.

Here is the majority, Mr. President, in this Chamber, so far as I know, nearly every one of them in Washington, except perhaps one or two who are sick, indifferent or unable, with 16 majority in the Chamber, to maintain a quorum of their own, and they have only had a quorum through the generosity of the Republican minority, whom the chairman of the Finance Committee attempts to insult this afternoon by charging them with conducting a filibuster. It is a poor return, Mr. President, for generous treatment, meant and carried out in good faith.

As I said in the beginning, Mr. President, the Senator is unduly alarmed. I can assure him that his bill will pass, so far as coming to a vote is concerned; but I now give him due notice at the same time, notwithstanding his blatant threat of physical force, which he has been unable to make good since the bill was under consideration in the Senate in a parliamentary way to pass it, that the minority will reserve the right to give legitimate discussion to such paragraphs of this bill as they think fairly demand their attention. They will resent the thought that the bill can be handed out to them from a Democratic caucus and that it can be said to them: "Here, take this and gulp it down, and very few words about it at that."

Up to the present time the measure has not had opportunity to be discussed. The discussion on the oleomargarine paragraph was a discussion of a question which never should have been in the bill, which no chairman properly cognizant of his duties, no majority expert in legislation, ever would have permitted to go into the bill. The discussion to-day was largely the consideration of a conference report, which I voted against bringing up, and a tactless and intemperate discussion on the Democratic side about foreign matters. So let us begin to-night and on Monday to discuss this bill in a reasonable way, and I assure the chairman we will try to keep a quorum here, and that early in the week I hope the bill will pass.

Mr. SIMMONS. Mr. President, just a word in reply to the Senator from Pennsylvania. The Senator refers to the hearings. He says I did not deny some of the statements he made. I have not considered it necessary to deny all the statements made by the Senator from Pennsylvania. The Senator is habitually so inaccurate in his statements and so wantonly careless in many of them that if one should attempt to——

Mr. PENROSE. Mr. President, I can not hear the Senator.

Mr. SIMMONS (continuing). If anybody should attempt to answer all the statements of the Senator from Pennsylvania——

Mr. PENROSE. The Senator talks in such a way——

Mr. SIMMONS. The Senator hears me—if one should attempt to answer all the statements made by the Senator from Pennsylvania in this Chamber that are not based upon the facts of the case he would have no time to do anything else.

Mr. President, I did not go into a statement of the detailed evidence showing the existence of a filibuster. I was content to let the situation here in the Senate, known of everybody here, known of the representatives of the press in the gallery, known of the country, to speak for itself. It is a rule of the courts, and it is a rule of common experience, that matters of common knowledge need not be established by evidence. Courts and legislative bodies take cognizance of well-known facts; and the fact that there is a filibuster on here is so patent, so clear, so indisputable, that it does not require a statement of the evidence on my part, for this reason I did not detain the Senate to make a detailed statement of the facts showing the filibuster. I left the country and the Senate to judge for themselves.

The fact that the Senator from Pennsylvania, a man of remarkable intelligence, great ability, and of exceptional adroitness, has labored, as the Senate has witnessed during the delivery of his diatribe, in itself shows how hopeless is his contention, and how utterly unequal his great powers are to acquit his party of the charge which I have made.

But, Mr. President, if any added evidence were needed to establish the fact that our Republican friends are unnecessarily consuming time, and especially that the Senator from Pennsylvania is unnecessarily consuming time, it can be found in the fact that most of the speech which he has delivered here to-day in reply to me has already twice or three times appeared in the CONGRESSIONAL RECORD.

Mr. PENROSE. The Senator's speech has never appeared in the CONGRESSIONAL RECORD; so there is a little difference between the two.

Mr. SIMMONS. Well, as for my speech, it appeared in the RECORD of yesterday; as to the speech of the Senator, and the two which have appeared in the RECORD, the difference is so slight that while they might be differentiated the differentiation would be something like the failure to dot an "i" or cross a "t" in the one case, and a compliance with the well-known laws with respect to that matter in the other case.

If the Senator is as anxious to get a vote upon this bill as he now professes to be, if he has been so anxious during all these five days that we have been discussing this matter as he professes to be to get a vote, I can not understand why he should not be willing now to give unanimous consent to vote upon this bill next Monday. When the bill was taken up I had the most positive assurances that it probably would not take over three or four days at the utmost to dispose of it.

Mr. PENROSE. Well, Mr. President, it would not——

Mr. SIMMONS. Yet we have already spent five days on it, and my proposition is to allow another whole day——

Mr. PENROSE. Will the Senator permit me on that point? I was assured by him that the oleomargarine amendment would go out of the bill.

Mr. SIMMONS. The Senator never has been assured by me that the oleomargarine amendment would go out of the bill.

Mr. PENROSE. Well, by vote of the Senate.

Mr. SIMMONS. I did state to the Senator, and I stated to others, that I had heard some suggestions from both sides of the Chamber that possibly a motion might be made to lay that amendment on the table.

Mr. PENROSE. That is it.

Mr. SIMMONS. I have never expressed a desire that it should go out of the bill, and the Senator knows I never have.

Mr. CLARK. Mr. President——

Mr. SIMMONS. Now, if the Senator is so anxious to pass the bill, and if he is not satisfied with Monday, I should like to ask him what day next week he will agree to vote on this bill, and to get unanimous consent of his side of the Chamber to have a vote.

Mr. PENROSE. Does the Senator want me to answer?

Mr. SIMMONS. Yes.

Mr. PENROSE. Mr. President, I am speaking in absolute sincerity when I state that in my opinion this bill will pass. That the majority are entitled to a reasonable time to discuss it, and a very short time, in view of the limited period left of the session, I think will be generally conceded. I do not think the Senator from North Carolina need worry about fixing a day for

a vote, because I tell him he is going to get a vote, and I have no doubt that he may be able to pass his bill by Monday or Tuesday. I do not think anybody in the history of the Government has ever been able to regulate debate in the Senate. I have known Senators high up in the church, high in religious standards, of undisputed veracity, whose names would be taken without a scratch of the pen for thousands of dollars, to say that they were only going to speak for 10 minutes and then speak for 10 hours. [Laughter.] That is a failing of human nature that I can not curb and that I never could quite analyze; but I will do the best I can to curb and curtail the argument, and I have no doubt the Senator will get a vote early in the week.

Mr. SIMMONS. The Senator is not prepared to designate any day when he will be willing to take a final vote?

Mr. PENROSE. I have no authority from the minority to do it. I suggest the absence of a quorum, Mr. President. Perhaps the question can be better brought up then.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Johnson, S. Dak.	Overman	Sterling
Bryan	Jones	Owen	Stone
Clark	Kenyon	Penrose	Swanson
Cummins	Kern	Pittman	Thomas
Curtis	La Follette	Pomerene	Tillman
Dillingham	Lea, Tenn.	Ransdell	Vardaman
Fernald	Lee, Md.	Shafroth	Walsh
Fletcher	Lewis	Sheppard	Warren
Hollis	Lodge	Sherman	Watson
Hughes	Martin, Va.	Shields	Williams
Husting	Martine, N. J.	Simmons	
James	Norris	Smith, S. C.	

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present.

Mr. LEWIS. I ask that the absentees be called.

The PRESIDING OFFICER. The Secretary will call the names of the absent Senators.

The Secretary called the names of the absentees.

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

The PRESIDING OFFICER. Forty-eight Senators have answered to their names. There is not a quorum present.

Mr. WILLIAMS. Mr. President, the league, allies, or conspirators, whichever may be——

Mr. CURTIS. Mr. President, debate is out of order.

The PRESIDING OFFICER. The point of order is sustained. Debate is out of order.

Mr. WILLIAMS. Upon what ground?

The PRESIDING OFFICER. Because there is not a quorum of the Senate present.

Mr. WILLIAMS. Therefore a Senator can not be heard upon the question whether the Senate shall adjourn or not? It is always in order to move to adjourn and always in order to oppose a motion to adjourn. I am merely opposing a motion to adjourn.

The PRESIDING OFFICER. No motion to adjourn has been made.

Mr. WILLIAMS. Am I not in order now?

The PRESIDING OFFICER. The Senator is not in order.

Mr. WILLIAMS. I merely wanted to say the conspiracy being clearly disclosed, there is no longer any right on anybody's part to object——

Mr. PENROSE. I move that the Sergeant at Arms be directed to notify all absent Senators to attend.

Mr. LEWIS. I rose to make that motion.

Mr. PENROSE. I am glad it has the approval of the Senator from Illinois.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania that the Sergeant at Arms be requested to direct the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. FALL entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-nine Senators having answered to their names there is a quorum present.

Mr. LEWIS. I was about to move that the order directing the Sergeant at Arms be vacated, but I think it wise to leave it as it is. I will not make it.

Mr. FERNALD. Mr. President, I wish to say that I have been wonderfully taught in the methods of farming by distinguished Senators, whom I supposed knew nothing about farming but were lawyers by profession and by their business. However, I understand that even they know something about farming, of which I have known all my life.

I rise not to attempt to delay the proceedings of the Senate in discussing the important matters which come before it, but coming from a State interested in dairying, engaged largely in the production of a product which we have always thought was a legitimate and honest product, and inasmuch as the amendment to the bill affects the industry which I represent and the farmers of the State from which I come, I thought it only fair that I should give some reasons why I most strenuously object to this provision in the revenue bill.

I wish to say, first of all, that I regret much of the discussion which has been going on here this afternoon regarding foreign matters and regarding the attitude of the Senate and Congress toward any important measure which may be obliged to be taken by the President of the United States or the Congress of the United States in the near future. I wish to say that there is no man in the Senate, no man in Congress, no man in this country who is more loyal to the country, and whatever procedure may be taken by the President of the United States should war be declared with any foreign nation, than I am.

I do not believe there is any difference of opinion in the Senate, in the Congress, or in the country over that proposition, and whenever war shall be declared, if it is declared, we shall be as one people in support of the policy and stand by the President of the United States.

In this revenue bill there seems to be a difference of opinion as to how the revenue should be raised. I, coming from a State made up largely of farmers interested in the products which are attempted to be taxed, am naturally interested in the bill.

It has been said by some Senator that there was a great monopoly among the farmers of the country, and that they had come to Congress demanding that the proposition which is placed in the bill should be defeated. I have not happened to see any farmers around this building, not only for the past week, when we have had this measure under consideration, but at any time during the session of Congress. There are in this country nearly 4,000,000 owners of farms, and, to my knowledge, I have not seen one of them present at the hearings while the bill was under discussion. The total value of the farms in this country is $40,991,000,000, and would it not be natural that men who own property to the tremendous amount involved here would naturally be interested in a measure which would affect very materially the products which they produce?

This part of the revenue bill, Mr. President, I think is miscalled or misnamed. It seems to me that the proper name should be "A bill to promote, encourage, and increase deception in the manufacture of food products," because, if it means anything, that is precisely what it does mean.

Who are interested in the passage of this oleomargarine provision, or margarine as they propose to call it. About the first thing in the first paragraph suggests that the first part of the name should be dropped, and instead of calling it oleomargarine it should be called margarine from now on. There are a very few people, comparatively, who are manufacturing this product. I am not going to discuss whether it is a palatable, nutritious, or healthful product. That is a matter for every person who places it on his table to decide for himself.

The Senator who is sponsor for this part of the bill has said that a great many laboring people desire to have this article on their table. That may be true. He said that in the logging camps and among a great class of people who were receiving low wages it was desirable that they should be able to procure oleomargarine, or margarine, at a low price, and that it will be necessary in order that those of limited means who are working for low wages should have an opportunity to buy a product to take the place of butter. Do you know that in the logging camps of Maine, or that every man who hires out to go into those camps makes a contract that he shall have butter on the table? It is not a fact that a great many people desire margarine in the place of butter. We have in the State of Maine 140,000 cows. Those cows are owned by a large number of farmers, naturally.

We hear much of the high cost of living in these days. It is a great question to know how people are going to live, and I want to say that it is a very serious question for the people of this country at this time.

For the past two years we have been doing everything possible to discourage farming in this country. Recently a bill was passed by the Congress of the United States reducing the duty on almost everything which the farmer produces. Butter had a duty of 6 cents a pound; the duty was reduced 60 per cent, or down to 2½ cents per pound. We had a little butter factory in our town that was handling the product of some 3,000 cows; and in less than one year after the duty was reduced that butter factory was closed to American cream, and there has not been a single pound of American cream manufactured in that butter factory from that day to this. The duty on cream was reduced from 5 cents a gallon to 2 cents a gallon, and every single pound

of butter that has been manufactured there has come from Canada from that time to this. Everything has been done to discourage the farmer.

There are in this country about 500,000,000 acres of land that are tillable. With the increase in population, which has been very large and constant, it is necessary that every acre of land should be tilled, and tilled in a scientific way, to produce the largest crops that are possible. In the past two or three years, the past two years particularly, the boys from the farm have been taken into the munition factories, into all of the different establishments that are manufacturing shot and shell and powder with which to kill people. They have been getting enormous wages.

The high cost of living is a natural question. It is not necessary to establish a commission, as has been suggested, at an expense of $400,000 to determine what is the cause of the high cost of living. It is a simple question; it is a question that can be easily determined. It does not need any commission to travel all over the country to find the real reason for the high cost of living. Every Senator in this Chamber knows what is the cause of the high cost of living in his State. The boys have been going from the farms because they could get higher wages in the cities. Boys on the farm do not wear uniforms; they have no epaulettes; they do not march to music; but have a constant drag of hard work all the time. Instead of working eight hours a day, as is asked by other men in other lines of business, their grind is from 5 o'clock in the morning until 6 o'clock at night. Naturally the young men on the farms turn to other lines of business, especially at the high wages that are being paid in these days. That constant draw from the farm of the young men leaves the older men to do the work, and the farms are not tilled as they were five years ago. I know this, because I am interested in the business. I am not only a farmer, but I handle the products of the farm in more than 50 towns in my own State, and I know that we are obliged to pay the farmer for his products more than twice what we paid him 10 years ago; and even at that price it is not possible to get the acreage planted that we had 10 years ago. When we go to a man to-day and ask him to plant 5 or 10 acres of corn for us to bring to the factory, as he has been doing in years past, he immediately says, "I can not do it, because the boys have gone, and it is impossible to hire labor at present prices; even at the prices that you are paying to-day, which are double what they were 10 years ago."

The high cost of living, Senators, is a much more serious question than it at first appears to be. I talked to-day with a man who is at the head of a wholesale grocery house in New York, who is the secretary of the National Wholesale Grocers of this country, of New York, Chicago, Boston, and other places, and I have learned that it is a fact that 35 per cent of all the foodstuffs handled by the grocers of this country are products that are placed in tins.

Let me say, Mr. President, that to-day the cheapest foods on the market are foods that are packed in tins. We speak of these things in a mysterious way, as though there were some great monopoly somewhere that was undertaking to determine the price of foodstuffs in this country. Are Senators aware that business men try to get their products, whatever their manufactured goods may be, to the market in the best and cheapest possible way? Every manufacturer in this country who has undertaken to place his goods in any way except through the wholesale grocery house and from the wholesale grocery house to the retail store has failed in his undertaking. It is not possible for the manufacturer to sell his goods direct to the consumer. I pack a certain line of goods, but I can not bring those goods to the people in Washington and sell them direct to the consumer. There is a natural channel for those goods. We sell to the wholesale grocer, the wholesale grocer sells to the retailer, and the retailer distributes to the consumer.

The great trouble with the high cost of foods grows out of the fact that we have had short crops for the past few years. Packers of canned goods have been able to deliver only from 60 to 70 per cent. The large number of people who were producers on the other side of the ocean are in the trenches—millions of men have become consumers instead of producers—and the large number of men in this country that have been taken into the munition factories has made a shortage of help. The farmers can not secure enough help to do their business, to carry it on as they did a few years since.

Let me tell you, as the Senator from New Jersey [Mr. MARTINE] said the other day, this is a most serious proposition. The millions of men on the other side who are in the trenches have to be fed, and they have been fed to a very large degree from our country. Foodstuffs are still going over there; and it is a question, should we get into trouble with any nation on earth—not that we can not find men enough—but, Senators, the shortage of food to-day is so serious that if the people in this country realized how little we have on hand to carry us along until another crop can be harvested, it would be considered as of much more importance than anything we may have before us at this time to discuss.

Mr. JONES. Mr. President——

Mr. FERNALD. I yield to the Senator for an inquiry.

Mr. JONES. Can the Senator from Maine tell us how much of the exports in the last three or four years have been agricultural products?

Mr. FERNALD. I have not the figures, so I am unable to tell the Senator.

I want to say in passing—because this information may be of some interest to the people—that the educational part of this shortage is a matter of much importance. There are foods to-day which may be purchased at a reasonable price. I refer to a product of the State of the Senator from South Carolina [Mr. SMITH]. I think rice is raised in that State. Rice to-day can be purchased at a very reasonable price, almost for the same price per pound as potatoes, and rice is worth 300 per cent more as a food product than potatoes.

I have referred to the reduction of the duty on butter. Germany was the greatest potato-raising country in the world. Under normal conditions she raises six times as many potatoes as we raise in the United States. The last report I have been able to secure giving definite figures showed that Germany produced in 1912, 1,856,000,000 bushels of potatoes. The Germans are not raising potatoes to-day to any great extent. Before the European war Germany could put the potatoes raised by her into the New York market at a less price than we were able to ship potatoes from Aroostook County, Me., to the New York market.

Mr. President, I have just quoted the figures showing that Germany was the largest potato-raising country in the world under normal conditions, and that she raised more than five times as many potatoes as we raise in the United States. Russia is the next largest potato-producing country in the world. She produces under normal conditions 1,356,000,000 bushels of potatoes.

Now, Senators, it is easy to determine what is the cause of the high cost of living, and particularly of this one product of potatoes, which are, perhaps, higher than ever before known in the history of the world. To-day potatoes are selling for $1 a peck in this market. France is a large potato-raising country, her product amounting to 583,000,000 bushels, that of Belgium to 121,000,000 bushels, that of the Netherlands to 121,000,000 bushels. During the same year the United States raised 420,000,000 bushels of potatoes. When the men on the other side are consumers instead of producers, and when the men on this side are in the factories manufacturing shot and shell and powder, when the farms are neglected, as they have been, it naturally makes foodstuffs high. Further than that, I have told you that the cheapest articles in the market to-day are canned foods, as any man can tell you who knows anything about food products.

To show you the seriousness of the situation, this very year 2-pound cans that are used for a large variety of foodstuffs have advanced $9 per thousand, or about 60 per cent. I cite this instance to show you what we are coming to, and that there is nothing mysterious about this proposition in the way of the high price of foodstuffs.

Now, what we need in this country more than anything else is to encourage the farmer, to protect the farmer in every way possible; and in the last few days we have been doing just the opposite thing. We have undertaken to discourage him in everything that he raises. Only recently the duty of 25 cents a bushel on potatoes was removed. Only recently the duty on butter was reduced 60 per cent, or from 6 cents to 2½ cens a pound. Only recently the duty was reduced on oats. Only recently all of the farm products in the way of fruits and vegetables have either been placed on the free list or the duty has been greatly reduced.

The way to solve the question of the high cost of living is to give a little encouragement to the farmer; and yet in the bill we have before us to-day you are undertaking to put oleomargarine in competition with cow's butter, and to make it even harder for the farmers than we have made it up to this time. I have told you that farmers work from 11 to 13 hours per day, and in many of the industries it is proposed to make a day's labor 8 hours, thus making it even harder for the farmer, because the boy who can go into a factory and work but 8 hours a day is naturally drifting into those positions, instead of remaining on the farm. Everything that a man eats must come

from the farm, and there is the place where we have got to remedy the high cost of living.

I have told you it is a most serious proposition. I can not solve the problem. I know that we have no more foodstuffs in this country than are needed for the people of the country until we can gather another crop. How we can retain what we have I can not tell you; but it is a fact, as true as we live, that some proposition must be worked out to reserve what we have here and look out for our own people first.

I am willing to admit that our people are running into extravagances; but the question we are undertaking to solve to me is so simple that I do not believe it is necessary to have a commission to undertake to determine the cause of the high cost of living. Here are hundreds of thousands of men in the last 10 years that are building automobiles, running automobiles, working as chauffeurs, and they have built up a business and an industry that is almost beyond the conception of man. If those men were on the farms raising wheat and corn there would be no shortage and there would be no extra high price of foods. But until you can take care of the farmer, protect him, and encourage him, and do all that you can to get large crops, the cost of living is going to remain high. There is not going to be a large crop put in this year. Do you know, Senators, that in the 52 towns where we do business the promised crop for next year is not as large as last year, and last year it was only 60 per cent of normal? And when you go to these farmers and ask them the reason of this every man will tell you that he can not hire the labor to do it.

These are questions that ought to be considered by this Congress—not to undertake to form a commission that would report a year hence or two years hence, perhaps, but for immediate action, to determine what we can do now to take care of our people.

I am ready to admit that there is much extravagance. Thousands of people are owning, or pretending to own, automobiles that ought never to have had them. You can go out on this Avenue and watch the people going back and forth in motor cars, and you can readily determine that 65 or 70 per cent of them ought never to have had a car. You can go down to the theater to-night, where the seats are sold for $2 each—I happened to be down there the other night when I was wanted in the Senate, and they sent an officer down for me. In looking about that large audience I saw that the house was packed to its capacity, and I would naturally suppose in this great city, with Congress in session, that probably a large percentage of those present were Senators or Members of the House; and yet there were just two Senators in that big audience, and I did not see a Member of the House there. The others were people of the city. You go over to the theaters where the seats are 75 cents each and you will find that theater packed. You go to the "movies," where 10 cents is charged, and you will find them packed. It is so with all the amusements that the people in this country have taken up in the past few years, and for which they are spending their money.

Senators, unless there is a halt called and we begin to educate the young people in a different direction, we are going to have more serious trouble in the next few years than anybody at the present time can conceive of. People have got to go to the farm and begin work on the farm, and yet the very bill that we are undertaking to discuss here discourages farming. All the legislation that we have had in the past few years has been to the discouragement of the farmer, reducing his prices, until to-day we find ourselves with his shortage. Men are in the trenches, marching with muskets, shooting each other—and millions of them are doing this on the other side of the ocean—and we over here are furnishing them with the food which they are consuming. Not only that, but our young men are in the munition factories, producing articles of war and shipping them across the water when they ought to be on the farms raising food products for the consumption of our own people.

I listened with a great deal of interest to the Senator from New Jersey [Mr. MARTINE] the other day on this subject. I can not conceive of any way to keep the foodstuffs here. I do not know what we ought to do; but these are questions which should be considered here and now by this Congress, and in every way possible we should try to avoid what is attempted in this bill, making it more discouraging and harder for the farmer.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from Maine yield to the Senator from Missouri?

Mr. FERNALD. For an inquiry.

Mr. REED. Is there anything in this bill that would especially affect the farmer, except oleomargarine?

Mr. FERNALD. That is what I am referring to.

Mr. REED. How would it suit the Senator to give us a vote on that matter and a chance to kill that proposition? It is going to be beaten by an overwhelming vote. How would it suit the Senator just to get rid of that?

Mr. FERNALD. I am ready to vote on that proposition.

Mr. REED. I think we can get a vote right now, if the Senators on the other side are of a like mind.

Mr. WATSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Indiana?

Mr. FERNALD. I yield to the Senator.

Mr. WATSON. I have no desire to take the Senator from Maine off his feet, but I should like to ask him a question, if I may. Is that the ruling of the Chair?

The PRESIDING OFFICER. The Senator is not going to be taken off his feet unfairly. The Chair understands that the Senator from Indiana desires to ask a question.

Mr. WATSON. I rise to a parliamentary inquiry, which is whether or not it is in order to vote on the oleomargarine amendment at this time? Are there not other amendments pending before that amendment can be voted on, and must not they be taken up in their order?

The PRESIDING OFFICER. Unless the Senate should otherwise order, that is true. The pending amendment is not the amendment known as the oleomargarine amendment.

Mr. REED. It can be taken up at any time, on motion. I shall be glad to make the motion.

Mr. FERNALD. I could hardly yield for a motion. I want to discuss this matter a little further.

The lands in the United States which are tillable, according to the census of 1910, are about 878,000,000 acres. Part of this acreage is available for cereal crops, or in the neighborhood of 500,000,000 acres. Now, Senators, if we continue tilling just 500,000,000 acres with the increasing population, it is certain that we must raise more from those acres or we must till more ground; and with the discouragement being placed in the way of the farmer in taking the duty off of his products, in placing a product which is a fraud in competition with his honest butter and his honest cream, is that going to increase the number of farmers? Is that going to make more valuable the farms, or is it going to give the farmer that encouragement which is necessary for producing those products?

I know something about the manufacture of butter. It was said by some Senator the other day that the farmers were manufacturing a putrid, rotten product, and that there was no opportunity for the Government to make an inspection of it. I do not know whether the Senator knows it or not, but I do not think there is a State in this Union but that has inspectors to go about to the farms to inspect the stables, to inspect the cows, to see that no disease is prevalent among the cattle. That is true of my State, and we secure the best men possible to do that—men who thoroughly understand the anatomy of the animals, who thoroughly understand how a stable should be kept clean and sanitary. It is not necessary for the Government to inspect the farms. That is left to the States and is done by the States.

With the enormous amount of capital invested in the farms of this country, it seems to me only fair that some representatives of those farms should be present at a hearing when such a measure as this is to be considered. There are millions of farmers in this country getting their living on the farm, and there are very few manufacturers of oleomargarine in the country. Now, does it not look as though, if there were any monopoly, it would be much easier to have that among a few men than among millions of men? Every Senator here knows that there is not such a thing as a monopoly among the farmers of the country. They are not here. They are at home on their farms attending to their business; but they know what is going on here, and hundreds of telegrams have been received by Senators on this floor in the last two days asking us to protect their industry, to look out for their interests, to see that no fraud shall come upon the market in competition with their products.

As a boy I remember seeing an interesting motto over the doors of the old Shaker family down in my town. I do not suppose many of you know what the Shakers are, but they are a religious family, and they are scrupulously honest and sincere. The only difference that they have from most of us is that they do not believe in marriage. Over the door of their dining room hung an old motto which appeals to me as applying to this case: "Be what you pretend to be, and pretend to be what you really are."

We are perfectly willing that oleomargarine shall be sold on the market. It is all right to manufacture it if people want to use it, but it is the most unfair and unjust proposition to put

that article in such shape that nobody can tell by the looks of it whether it is the pure article or not.

Mr. President, I am not going to take the time of the Senate for any greater length of time, but I want to enter my protest, as a Member from the State of Maine and a farmer, against the passage of this bill in its present form.

LIQUOR ADVERTISEMENTS.

During the delivery of Mr. FERNALD's speech,

Mr. JAMES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Kentucky?

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

Mr. JAMES. I do not wish to interrupt the Senator——

Mr. FERNALD. I am very glad to be interrupted.

Mr. JAMES. Or to invoke any point of order against him. I have received many telegrams—I have not counted them—from bankers in Kentucky requesting an extension of the time of going into effect of the so-called Reed amendment, and stating that it will cause a great financial loss to the various banks in Kentucky which have accepted warehouse certificates for the loan of money. What I want to ask is unanimous consent to have printed in the RECORD, without reading, these telegrams, and to ask that they be referred to the Committee on Post Offices and Post Roads, with the hope that the committee of conference will fix some time to give the business of the State an opportunity to adjust itself to the new conditions.

The PRESIDING OFFICER. Without objection, the request of the Senator from Kentucky is granted.

The telegrams are as follows:

LOUISVILLE, KY., *February 24, 1917.*

Hon. O. M. JAMES, *Washington, D. C.:*

The banks of Louisville, through the Clearing House Association, unanimously request the postponement of the operation of the Reed amendment for a reasonable time for the proper adjustment of business conditions made necessary by the new law. Its immediate operation would cause much financial distress and loss.

LOUISVILLE CLEARING HOUSE ASSOCIATION.

—

OWENSBORO, KY., *February 24, 1917.*

Senator OLLIE JAMES, *Washington, D. C.:*

We urge you to use your influence in allowing six months or a year for Reed bill to take effect. Labels, cartons, and advertising stock be complete loss, besides loss value whisky stock.

NATIONAL DEPOSIT BANK.

—

LOUISVILLE, KY., *February 23, 1917.*

Hon. OLLIE JAMES,
United States Senate, Washington, D. C.:

We respectfully urge that you use your influence and vote to secure for the liquor interests sufficient time to adjust their business before the Reed and Bankhead amendments are made operative. A great and serious injustice will be done whisky men, banks, and business generally if sufficient time is not given for the disposition of the large stocks now on hand. Many solvent businesses will be forced into bankruptcy if closed without notice. They should be given at least until January 1, 1918, to close their business.

LOUISVILLE PUBLIC WAREHOUSE CO.

—

MILLERSBURG, KY., *February 23, 1917.*

Hon. OLLIE JAMES,
Washington, D. C.:

I, the undersigned banker of Millersburg, Ky., ask your aid and influence in securing passage of joint resolution giving six months to a year before the Reed bill takes effect.

SANFORD ALLEN,
Cashier Farmers' Bank, Millersburg, Ky.

—

PARIS, KY., *February 23, 1917.*

OLLIE M. JAMES,
Senate, Washington, D. C.:

I, the undersigned banker of Paris, Ky., ask your aid and influence in securing passage of joint resolution giving six months to a year before the Reed bill takes effect.

W. M. MITCHELL,
Cashier Farmers & Traders' Bank, Paris, Ky.

—

CLINTONVILLE, KY., *February 23, 1917.*

Hon. OLLIE JAMES,
Washington, D. C.:

I, the undersigned banker of Clintonville, Ky., ask your aid and influence in securing passage of joint resolution giving six months to a year before the Reed bill takes effect.

G. W. DAWSON,
Cashier Farmers' Bank, Clintonville, Ky.

—

PARIS, KY., *February 23, 1917.*

Hon. OLLIE M. JAMES,
Senate, Washington, D. C.:

I, the undersigned banker of Paris, Ky., ask your aid and influence in securing passage of joint resolution giving six months to a year before the Reed bills take effect.

C. K. THOMAS,
Cashier Deposit & People's Bank, Paris, Ky.

LOUISVILLE, KY., *February 23, 1917.*

Senator OLLIE M. JAMES,
Washington, D. C.:

I believe a great loss will accrue, not only to distillers but to banks, unless distillers be given reasonable time—say, one year—to comply with provisions of Reed bill.

F. M. GETTYS.

—

LOUISVILLE, KY., *February 23, 1917.*

Senator OLLIE JAMES,
Washington, D. C.:

I think that if the whisky interest can get six months or a year's time before the Reed bill takes effect that it will be a saving to the whisky interest, and to the banks who have loaned it, from loss. I earnestly hope that you will use every effort to aid the financial institutions and the whisky interest in this matter.

OSCAR FENLEY,
President National Bank of Kentucky.

—

PADUCAH, KY., *February 23, 1917.*

Senator O. M. JAMES,
Washington, D. C.:

Think it only fair and right that the Reed amendment to the Post Office bill should not become operative before July 1, 1918. A date earlier than this practically confiscates stock on hand. Urge your support to amendment delaying operative date as above.

JAMES C. UTTERBACK.

—

PADUCAH, KY., *February 23, 1917.*

Senator O. M. JAMES,
United States Senate, Washington, D. C.:

Endeavor to have Reed amendment to Post Office bill become effective not earlier than July 1, 1918. Anything less than this means opposition and confiscation to certain dealers, and they are many.

W. F. PAXTON.

—

PADUCAH, KY., *February 23, 1917.*

Hon. O. M. JAMES,
Washington, D. C.:

I trust you will lend your support to having Reed amendment made effective not earlier than July 1, 1918. Immediate effect means confiscation to dealers and impairment of bank collaterals.

W. F. BRADSHAW, Jr.

—

CATLETTSBURG, KY., *February 23, 1917.*

Hon. OLLIE M. JAMES,
Washington, D. C.:

Can not you favor extension Reed amendment to July 1, 1918? Present bill is a hardship locally and entire State.

FARMERS AND MERCHANTS' BANK.
KENTUCKY NATIONAL BANK.

—

LAWRENCEBURG, KY., *February 23, 1917.*

Senator OLLIE M. JAMES,
Washington, D. C.:

Please give aid in securing joint resolution giving six months to one year before Reed bill takes effect.

ANDERSON NATIONAL BANK.

—

PADUCAH, KY., *February 23, 1917.*

Hon. OLLIE M. JAMES,
Senate Chamber, Washington, D. C.:

Please endeavor to have Reed amendment to Post Office bill become effective not earlier than July 1, 1918. Anything less means hardship and practical confiscation to many dealers.

ROBERT L. REEVES.

—

LAWRENCEBURG, KY., *February 23, 1917.*

Hon. OLLIE JAMES,
Washington, D. C.:

We respectfully request that you do what you can to get time of Reed bill extended 6 to 12 months before becoming effective.

LAWRENCEBURG NATIONAL BANK.

—

LOUISVILLE, KY., *February 23, 1917.*

Hon. OLLIE M. JAMES,
Washington, D. C.:

Please use your best efforts to have the date for the Reed amendment to become effective at as late a date as possible. We desire this on account of the large stocks of merchandise that our local houses have on hand, and to enable them to work this stock off would be quite an assistance to the local houses here.

GERMAN INSURANCE BANK.

—

LOUISVILLE, KY., *February 23, 1917.*

Hon. OLLIE JAMES,
Washington, D. C.:

In the interest of the entire business community of this city and State of Kentucky we earnestly request that you use every effort to extend the time of effectiveness of the Reed-Bankhead amendment. Distilling and wholesale interests are heavily involved, and unless time is given to adjust their affairs great losses will be sustained and business interests will suffer.

LINCOLN SAVINGS BANK.

—

LOUISVILLE, KY., *February 23, 1917.*

Hon. OLLIE M. JAMES,
Washington, D. C.:

We respectfully urge that you do all you can to have the time on the Reed bill extended for 6 or 12 months. If this bill takes effect immediately, it will have serious effect on the banking as well as the liquor business. It seems only fair that this branch of business should be given a reasonable time to adjust their affairs.

PERCY H. JOHNSTON.

LOUISVILLE, KY., *February 23, 1917.*

Hon. OLLIE JAMES,
Washington, D. C.:

We are informed Reed and Bankhead amendments will completely destroy our 25 large houses here and locally impair the resources of a great majority of the other big distillers and wholesale liquor houses in this State. Feel sure Congress will for mere humanity's sake give these men a year or at least 10 to 12 months to wind up their affairs. Whisky market already seriously affected, and banks here and other points will suffer drastic losses unless time given to adjust the affairs of this tremendous interest.

FIRST NATIONAL BANK.

—

LEXINGTON, KY., *February 24, 1917.*

Hon. OLLIE JAMES,
United States Senate, Washington, D. C.:

It is very essential to the banking business of Kentucky that the joint resolution be passed giving six months to a year before the Reed bill takes effect. If this time be given, large amounts of whisky collateral held by banks can be disposed of without loss. This collateral has always been considered perfectly good and legitimate. We therefore consider that such summary action taken by the Reed bill is unfair to the bankers of Kentucky.

FIRST AND CITY NATIONAL BANK,
J. W. STOLL, *President.*

—

LOUISVILLE, KY., *February 24, 1917.*

Hon. OLLIE M. JAMES,
Washington, D. C.:

We are informed Reed and Bankhead amendments will completely destroy over 25 large houses here and greatly impair the resources of a great majority of the other big distillers and wholesale liquor houses in this State. Feel sure Congress will for mere humanity's sake give these men a year, or at least 10 to 12 months, to wind up their affairs. Whisky market already seriously affected, and banks here and other points will suffer drastic losses unless time given to adjust the affairs of this tremendous interest.

AMERICAN SOUTHERN NATIONAL BANK.

—

OWENSBORO, KY., *February 24, 1917.*

Hon. O. M. JAMES,
Washington, D. C.:

We urge you to use your influence in securing passage of joint resolution giving six months or one year for the Reed bill to take effect.

A. B. MCCARTY,
Cashier Fourth Street Bank.

—

OWENSBORO, KY., *February 24, 1917.*

Hon. O. M. JAMES,
United States Senate, Washington, D. C.:

We urge you to use your influence in securing passage of joint resolution giving six months or one year for the Reed bill to take effect. This will give dealers time to partly dispose of stocks on hand and readjust their business.

CENTRAL TRUST CO.,
W. L. RENO.

—

CYNTHIANA, KY., *February 24, 1917.*

Hon. OLLIE JAMES,
Washington, D. C.:

The undersigned banker, Harrison Deposit Bank, asks your aid and influence in securing passage of joint resolution giving one year before Reed bill takes effect.

JAS. A. LEACH, *Cashier.*

—

LOUISVILLE, KY., *February 23, 1917.*

Hon. OLLIE JAMES,
United States Senate, Washington, D. C.:

In the interest of entire business community of Louisville and State of Kentucky, earnestly urge you make sure Congress is fully informed of drastic and far-reaching effects of Reed amendment. The distilling and wholesale interests here are heavily involved with shipping houses, and unless some time is given to work out these affairs, collect debts, and make financial adjustments this will be a catastrophe, not only in Louisville and Kentucky, but in many other large centers, where vast quantities of whisky are owned, and in many cases held as collateral by banks. Surely Congress will grant at least 10 to 12 months before killing this hitherto legal and important industry.

H. J. ANGERMEIER.

Mr. FERNALD. I want to say further, Mr. President——

Mr. REED. Will the Senator from Maine allow me just a word?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Missouri?

Mr. CURTIS. I rise to a parliamentary inquiry, Mr. President.

Mr. REED. What I desire to say is on the same line.

The PRESIDING OFFICER. The Senator from Kansas will state his parliamentary inquiry.

Mr. CURTIS. It is not intended, of course, to take the Senator from Maine off the floor.

Mr. REED. Oh, no.

The PRESIDING OFFICER. No advantage will be taken of the Senator from Maine.

Mr. REED. Mr. President, the Senator from Kentucky has presented a number of telegrams. I have an equally large number of telegrams of the same character, and I join in the request that they be referred to the same committee.

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

Mr. JAMES. I should like to ask the Senator from Missouri if he would have any objection to the conferees of the two Houses on the Post Office appropriation bill fixing a time, say, the 1st of July or the 1st of August, when the so-called Reed amendment shall go into effect?

Mr. REED. Not at all.

Mr. JONES. The Senator from Missouri is not the only one interested in that matter.

Mr. JAMES. I understand that.

Mr. JONES. The conferees have nothing to do with that.

Mr. JAMES. I did not imagine the Senator from Washington was directly interested, because, according to my recollection, he voted, as I did, against the Reed amendment.

Mr. JONES. I am interested in the conference report.

Mr. JAMES. I understand that.

Mr. JONES. And in anything of this kind that is proposed to be done. There may not be any objection to having it done by a separate resolution, but we do not care to fix up the conference report in that way.

Mr. JAMES. There was no suggestion on my part that there would be anything done to invalidate the conference report. I understand that it can be accomplished by a joint resolution, and I also believe it can be included in the conference report.

Mr. JONES. I reserve my right to object should anything of that sort with reference to that matter be done.

Mr. JAMES. I do not mean to foreclose any right the Senator may have.

Mr. JONES. I know the Senator did not intend to do that, and he could not do it; but I do not want the matter to go with such an understanding.

THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 20573) to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes.

Mr. SHERMAN. Mr. President, I desire to submit a few observations on the sources of revenue proposed in this measure. It is extremely gratifying that at 9.20 o'clock by the Senate clocks, both the one above the Chair and the one at the south entrance to the Chamber, we have succeeded in obtaining a quorum, after having convened promptly at 8 in accordance with the recess. In the time of trial when we are facing probably great emergencies requiring some two hundred or two hundred and fifty million dollars additional revenue, and a like amount in a probable bond issue, it is particularly pleasing to a Member of this body to find that we are finally able to secure a quorum competent to transact business and to consider a matter of this magnitude. It is possible that the mere matter of raising a few million dollars might be of not much consequence, a mere bagatelle, so to speak, but just at this time when we are seeking out new sources of revenue it is a pleasure to know that preparedness receives such enthusiastic support, and the consuming interest manifested here to-night is certainly one of the gratifying experiences of my service in this body.

I am not laboring under any hallucination, however pleasing it may be, Mr. President, that the quorum has arrived for the purpose of being informed on the revenue bill. The belief haunts me that more than likely most of them know how to vote. It is barely possible that some very salutary amendments might be adopted. I hope they will be. It is my desire to suggest what I would regard as some improvements to the bill. If they should not be adopted, I shall not fall by the wayside or think that wisdom has departed from the Senate Chamber, but I shall charge such perversity to the majority and continue my ministrations in order to inform my erring brethren upon the concentrated viciousness of measures of this character.

In looking at this bill, Mr. President, I am reminded that a large sum of money could have been omitted if proper economy had been manifested at the beginning of this session. There are some bills carrying considerable sums which I expect to support, providing they shall ever reach a roll call. For some time—and it is the first time I have seen it separated from a very great mass of what I consider improper, if not indefensible, legislation—the flood-control bill has reached that dignity where with one other project only on the Pacific coast it could be submitted on its merits. So far the friends of the measure have found no adequate opportunity to bring it before this body. Other bills of more or less importance have been considered, voted on, and some are now from time to time under debate.

I voted to-day, Mr. President, to take up an amendment to the interstate-commerce law, in order that there might be no proper criticism of our refusal to consider that measure, although I do not regard it as of the importance of other bills, especially the one I have mentioned.

A river and harbor bill is expected to be reached at this session. I wish to state that I am against that measure and will use such legitimate methods and arguments to defeat it as I may be able to command and contribute whatever aid I may be able to summon to accomplish that end.

If a public-buildings bill should reach this body from the committee, however much I deprecate many of the items and think they are utterly parasitical and vicious, because of some good measures in the bill I might be disposed with certain amendments to support it.

These three measures carry a very large sum of money. They are readily observed, because in the aggregate each bill presents a sum running into some millions of dollars. If, however, we take many smaller bills, appropriating a few millions each, and put them together, in the aggregate we have a sum mounting up into many millions of dollars. These latter are the ones that the country does not especially need in this emergency.

The Mississippi River has gathered and sent down toward its delta the surface waters from many million acres of land. We have drained our swamps; we have straightened our tributary rivers; we have taken many millions of cubic feet of water that in other days, never in flood time, saw the Mississippi River, and concentrated it rapidly so as to flood and menace the lower Mississippi River country. I regard the passage of that bill as an imperative duty. Still we have not reached the time when that bill can even be considered.

There are other bills of less moment. If the Interstate Commerce Commission, after some 30 years subsequent to the original act creating that body called it into operation, has continued its usefulness for the last few years with seven members, no great emergency exists why we now need just two more, and need them within two weeks of the time when this Congress automatically adjourns. Still that bill was thrust in here today for a consumption of time as if it were something connected with preparedness and the raising of revenue incidental to that preparedness. It is here, and, as I suggested, I voted to bring it before the Senate. I did it more for argumentative purposes than for anything else, and to use it as a horrible example to show how we have manifested our disposition to reach the important legislation of this body.

Economy! Have we shown it? If we have, I have failed to see it. From the first appropriation bill, Mr. President, that came into this body, until the last one likely to be reported out of the committee, I have not seen, nor do I expect to see, any spirit of economy shown. The economy shown in this body, Mr. President, makes the prodigal son look like a New England savings bank.

Let us take the bill to add two more members to the Interstate Commerce Commission. What does it propose? To add two members with the ordinary salary? Hardly. We—

> Count that day lost whose low descending sun
> Does not see a salary raised for some deserving one.

The secretary of that commission originally had $3,500 a year. Following the law of perpetual accretion for the compensation of public officers, from $3,500 his salary rose in annual appropriation bills to $5,000. But now, by an amendment to the interstate-commerce act, it is proposed to raise it to $7,500. The secretary of the Interstate Commerce Commission is no doubt a very busy individual; mayhap the pillars of state would topple to their fall if he died and no wise man could be found in this Republic to fill his shoes. Does he pay any campaign expenses? Does he run for office every two years, as does a Member of the House of Representatives? Does he run for office every six years, like a Member of this body? Hardly. He is safe, too, from the sacrilegious hand of the spoilsman; no politician need reach out to do violence to him or suggest a campaign donation. His tenure of office lasts for life; and what reason is there, when we are called upon to discover new sources of revenue, for compelling us to find $2,500 additional over the ordinary annual appropriation bill for that purpose, an increase of 50 per cent, for the secretary of that commission? It is a small item, it is true, but it is like the chip when the river is coming up, Mr. President, it shows that there is a swelling of the flood and the direction in which the water is traveling.

Before we get through with the Interstate Commerce Commission bill, I propose to offer an amendment to it reducing the salaries of the interstate Commerce Commissioners to $7,500 a year. I am in complete accord with some of the Senators of this body, who state that they will vote for no more bills raising the salaries of appointive officers beyond the salary of a Member of Congress. Why, even the secretary of the Interstate Commerce Commission is to receive the same salary as a Member of Congress. He holds, in effect, his place for life, and I doubt greatly whether there is any great expense in connection with his tenure of office, as there is with the ordinary elective office in this country.

In the name of preparedness, the title to this act is written. It reads: "A bill to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes. * * * Title I.—Special preparedness fund."

I was interested this afternoon in the statement of the chairman of the committee that the people had asked for preparedness and that we must pay the bill. Somebody must pay the bill; that is true. I thought there was a note rather of satirical comment, not altogether unmingled, Mr. President, with a sort of covert charge that we who live near the coast, or that we who have large resources requiring defense from the public enemy, were the persons who had started the cry for adequate military and naval preparation. It was not expressed in so many words, but that criticism might be implied more from the context and from the manner in which the comment was made.

I have in my desk, Mr. President, a public document, in which is printed all of President Wilson's addresses in 1916, beginning along in January of that year. I was very glad to see that he had awakened to the condition of the public defense. In many of those addresses he used language that would indicate some degree of alarm. At New York; at Philadelphia; at Cleveland, Ohio; at Chicago, Ill.; at St. Louis; at Topeka, Kans.; at Kansas City, and at some other points that I do not now recall, he voiced in sentiment about what most of us who were concerned as to that question were thinking, and was fairly an adequate spokesman for the American citizens who believe that we ought to take some immediate steps.

I know that it was a difficult thing to arouse the public. It is a weakness of a republican form of government that we let things go too long. We never move until there is a public emergency, until we are faced with a difficulty requiring prompt action. We have paid the penalty many times. All Governments are more or less unprogressive. A republican form of government is not so unprogressive as it is careless and indifferent. In the monarchical forms of government two-thirds of them have to have the red tape shot off with bullets or cut off with the sword before they reach the full measure of fitness to meet a public enemy. There is enough red tape even in our country, with much of the ceremonial that goes with an inherited crown omitted, to impair dollar for dollar what we expend; but finally, at least, the public press, citizens who are public-minded, the President, the heads of the executive departments, all joined, and the country awoke to the real conditions that we were facing. It was a difficult thing, though. The resurrection of Lazarus seemed a comparatively simple task alongside of rousing the American people to a sense of preparedness, but at last it came.

Then the Senator from North Carolina [Mr. SIMMONS] this afternoon, in rather a reproving tone, turned around and said: "You must pay for preparedness." Well, of course we must pay. Who? I think there ought to be some degree of uniformity and some degree of fairness in the imposition of this burden.

I am glad to see that the majority leader of the House of Representatives in the CONGRESSIONAL RECORD has disavowed the statement that it was intended that this tax should be raised north of Mason and Dixon's line. I rejoice, because I do not wish to see sectionalism revived in this country. I wish to see it forgotten and that Mason and Dixon's line shall be no more popular in the years to come than the war cry of Cromwell's Ironsides in the days of the Commonwealth when they swept to battle on Naseby Field to meet the troops of Charles I. That was an insurrection, a civil war among some of our ancestors. We have done more to reconcile the differences of a half century ago in our country than was done in England in 150 years after the war closed between the protectorate and the royalists. So it is eminently proper, and it is eminently fortunate likewise, Mr. President, that the majority leader in the other House disavows ever making such a statement. I shall accept it at its face value. I shall not argue that in the imposition of the taxes to be collected under this bill there was any deliberate intention to place them upon any particular locality or upon any particular enterprise or business undertaking. However, certain things have happened. When it is figured out, the burdens are found in a certain place, and I shall not comment on it in a sectional way. I only call attention to the fact, trying if possible to ascertain if there is not some better way of adjusting the burden.

As a preface to other things, let me say that the easiest thing in the world is to raise the salary of a member of the Interstate Commerce Commission, or a secretary, or a member of the Cabi-

net, or a member of the Federal Trade Commission or the Federal Reserve Board or the Farm Loan Board.

All of those who live in Washington and receive from $7,500 a year up to ten or twelve thousand dollars seem to have in mind that they must exemplify the Scripture, that unto him that hath more shall be given, and that unto him that hath not, even that which he hath shall be taken away.

Why, do you not remember the almost superhuman struggle here of the Senator from Utah [Mr. SMOOT] in trying to get a small advance for the department clerks? What the House will do when it gets through, nobody knows. Favorable weather signals have been heard that there might be some small advance to this body of deserving public servants; but what will happen to it in the conference committee, not even the god of battles, Mr. President, could tell; and we poor mortals that creep about under the legs of this mighty colossus called the administration can no more conjecture what it may be than we know of the chemical composition of the rings of Saturn.

I commend this course to the majority side of this Chamber. If they wish to raise salaries, give the increase to somebody that is paying 60 cents a pound for butter, and getting $2 a day, and has five or six children, who follows the admonitions of the late President of the United States that we should use our utmost endeavors against race suicide, and then under this administration gets less than a thousand dollars a year to carry out the gospel of replenishing the earth. The higher the salary, Mr. President, the fewer the children; so, if you are going to adjust things, in the general fitness of things, raise the compensation of the fellow who is getting the small salary and let the pay of those who run to other forms of activity stay where it is.

I am weary of this salary raising. I am going to vote for no more bills, Mr. President, to raise the salaries of men who are already getting from five to ten thousand dollars a year. I know something of the burdens of living in Washington by hearsay. It is not beefsteak and bread that cost to live in Washington, Mr. President. In the case of these gentlemen who are drawing large salaries, comparatively large—no Government salaries are large from a private viewpoint—it is not the necessaries of life that cost; it is the style, the upkeep, the overhead charges that cost the money; and that is why this eternal clamor for higher salaries is always heard in the land.

I have no objection to their having all that they want. Let them spend as much money as they please, if they spend it out of their own pockets; but I do not wish them, under the guise of revenue bills here, getting their salaries raised. I want some of the evidences of economy first, and if any raise in salaries is contemplated, I want it to go to the man who has a struggle to feed his family. The others will live anyhow. If they do not, they can resign. I never supported Bryan in my life. I never had any very great admiration for his public views; but he did one everlastingly good thing on this earth, and that is when he resigned. It might not have been very patriotic, but it was profoundly sensible just in the juncture that he performed this act. I fail to recall any other who has attempted to perform a like act.

The Army and Navy have made very large demands. I will not stop to figure them out in this case, Mr. President, but by no means are they the causes of all these expenditures. Some of them ought to be met by issuing bonds, because the public defense is a part of the future debt to be borne by others. I do not think we ought to pay it all. I think, like the treaty by which we acquired the islands in the Caribbean Basin, bonds ought to be issued as provided in this bill. There is a treaty, I understand from press reports—I do not know when it will make its appearance in this body—by which we will be expected to pay Colombia $25,000,000 for the alienation of affections between that country and Panama. I understand that the former President of the United States is alleged to have intervened in the rôle of the villain, and that there was a permanent separation, and this is to be a "solatium," as the lawyers put it, for that episode.

I remember when I was new in this body, Mr. President, I attended a joint session of the two Houses, and the President delivered a message in which he said he would not know what to do unless we repealed the free-tolls Panama Canal act; that he was in such condition, beset by difficulties, that unless it were repealed he would hardly know how to meet the emergency. Well, I thought it ought to be repealed anyhow. I am glad to say that I voted with him on that occasion. I never willingly differ from anybody, and it was repealed. Not long ago, I think, certain Senators from certain States had a hurry-up call from the Chief Magistrate. They proceeded to the point of rendezvous. They were told that certain antialien land legislation was pending in the States, and that if persisted in it might cause a rupture of amicable relations with a certain power, to say the least of it. That was just at the time that the note came from Germany in which she threatened to renew the frightfulness of submarine warfare, contrary to one of the notes of the Chief Magistrate following on the destruction of the *Sussex*. There might not be anything more than a coincidence in this, Mr. President. Nevertheless, this request of Senators to bring such influence as they properly might to bear upon the legislatures of the several States concerned before which were pending the alien land-law legislation came just about the critical time of the submarine issue. This was the second instance. Now we have a direction on Colombia. I hope it will not occupy the time of this body, either in executive session or otherwise.

I wish to say that I have some knowledge, secondhand, maybe—I was not possessed of any first-hand information—on the merits of this proposed treaty with Colombia by which we are asked to pay them $25,000,000. I regard it as a diplomatic holdup. Still we are told that we are surrounded with great dangers, and that as a matter of securing the good will of Colombia we ought to conclude this treaty; we ought to give them $25,000,000 because they might become, on our immediate south, readily accessible over an ordinarily smooth sea a rendezvous or a hiding place for a public enemy of ours in the near future; that Colombia might become the base of operations of that enemy. I am glad to see an awakened public conscience on that question in any official; but I am more afraid of Mexico, lying along our southern flank, than I am of Colombia some miles farther away.

It is suggested that the reason, then, for the payment of this money would be to create friendly relations. If we have to go to South America and pay $25,000,000 to establish friendly relations with each of the Republics of Central and South America, we had better revamp the revenue bill. We have not enough even to start on the preliminary payment of what the lawyers call earnest money when you make a contract, something merely to show the good faith of what you intend to do hereafter. Now, whether we are going to have peace with Colombia or whether she is going to be a sheltering place for the public enemy, I do not know; but the demand for the $25,000,000 and the insolent claim of the men who then constituted the alleged Government of Colombia is an attempt at an international holdup, and I hope the ambassador from that Government is within earshot of what I say to-night. With all due respect to his Government, going back to the time this claim originated and the antecedent condition, it is a most unmoral claim, based upon a shameless form of government that afflicted at one time that Republic. It was then a Government made in revolution, attempted to be enforced by a Government that broke faith, that imprisoned by the most treacherous procedure the lawfully authorized President of that Republic because he had adhered scrupulously to his duty in his relations with this Government, in accordance, as I believe, with diplomatic correspondence, hardly stopping short of a concluded treaty.

There are, therefore, three of a kind, in all of which we have given up something. There may be economy in this. I do not think so. But if it be presented here, so far as I have a voice in the matter, I shall oppose it, and oppose it in every legitimate way known to the parliamentary procedure of this Chamber. The repeal of the tolls exemption for our coastwise shipping in the Panama Canal, the effort to placate those offended by the alien-land acts proposed by certain States, the $25,000,000 to be paid Colombia, all savor of expedients that yield to demands to gain temporary advantage. No such concessions settle anything. They all tend to create fresh demands in the future.

This measure, Mr. President, taken in its entirety, has several vital defects. On page 3, section 201, as proposed to be amended, it provides:

> That in addition to the taxes under existing laws there shall be levied, assessed, collected, and paid for each taxable year upon the net income of every corporation and partnership organized, authorized, or existing under the laws of the United States, or of any State, Territory, or District thereof, no matter how created or organized, a tax of 8 per cent of the amount by which such net income exceeds the sum of (a) $5,000 plus (b) 8 per cent of the actual capital invested.

From the statistics in the possession of the Federal Trade Commission I learn that in round figures there are about 250,000 private business corporations in the United States. Of the 250,000 total corporate census there are over 100,000 that are not making any money. In spite, therefore, of what is supposed to be a most prosperous era, in which money is about the easiest thing in the world to get, 100,000 of them are without dividends, and are not regarded as making money or as desirable investments. There are only about 100,000 of the remaining number making over $5,000 a year. The remaining 50,000 are making less than $5,000 per year. Each of these

corporations now pays an income tax of 2 per cent. They also pay a corporate franchise tax, with a small exemption, of 50 cents on every thousand dollars of their capital stock. It seems to me that this particular form of industry is now bearing a fair share of the public burden. Still, whenever thrift or business ability is manifested by those who conduct the business of these various corporate bodies, they are to have added to them fresh burdens. It is a tax upon industry, upon thrift, upon ability. At least it must be said that the successful ones have shown their fitness to conduct the business of this country. They ought not be singled out because of this for quadruple taxation.

Who is it carries on the business of the country? The greater part of it, especially the larger business, is corporate in form. The individual business is either comparatively small, or if it rises to any magnitude it speedily is incorporated for reasons I need not advance, not to escape liability, not to become a menace to legitimate business of the country, but in order that it may the more fully carry out the purposes intended; that it may assemble the means and not be subject to the fluctuation of a winding up of the business every time an owner or part owner dies. So the corporation is one of the indispensable elements of the business enterprise of this country.

Now, let me go a step further, Mr. President. After stating in a very cursory way the part that corporations play in the larger business of the country, these corporations, too, serve the general public. Either the service or the commodity goes to merchants and has been distributed at a reasonable price. Transportation has not shared in the general advance. The product even of the Standard Oil Co., which is regarded in some quarters as the very acme of an offensive corporate form of business, has not advanced except upon some articles of very general consumption, like gasoline. That has run far beyond the uses of peace and become an indispensable adjunct of war. Other of its products have not been materially advanced in price.

In 1909 the total manufacturing capital in the United States, in round figures, was $18,000,000,000. There are 10 States in the Union that have nearly $13,000,000,000 of the $18,000,000,000 of capital stock of manufacturing concerns. Those 10 States are California, with $537,000,000 of capital manufacturing stock; Connecticut, with $517,000,000; Illinois, with $1,548,000,000; Indiana, with $508,000,000; Massachusetts, with $1,279,000,000; Michigan, with $583,000,000; New Jersey, with $977,000,000; New York, with $2,779,000,000; Ohio, with $1,300,000,000; and Pennsylvania, with $2,749,000,000. In other words, in 10 States of the Union more than two-thirds of all the manufacturing capital of the United States is found, and the other 38 States have the remaining one-third.

The question of manufacturing, of course, is very closely allied with horsepower. I find from the same source of information that of manufacturing in 1909 the total primary horsepower in the United States was over 18,000,000. I take the same 10 States that I have enumerated. I find that California has 329,000 of the primary horsepower; Connecticut, 400,000; Illinois has over 1,000,000; Indiana, 633,000; Massachusetts, 1,175,000; Michigan, 598,000; New Jersey, 612,000; New York, 1,997,000; Ohio, 1,583,000; and Pennsylvania, 2,921,000. There is a total in the 10 States of over 11,000,000 horsepower out of a total in the United States of 18,000,000. Nearly two-thirds, in other words, of the primary horsepower used in manufacturing purposes is found in the 10 States.

The total wage earners necessarily follow and are connected with it. Those 10 States out of a total in the United States of 6,615,000 industrial workers have 4,449,000. Over two-thirds of the total wage earners of the United States are found in 10 States of the 48. Out of a total of $18,000,000 capital stock, two-thirds are found in the 10 States.

Here is the total number of corporations paying incomes for the year ending June 30, 1915, 174,205. Those are accurate figures, they are not mere conjectures, of all those returning their income tax that were charged with tax. There was a larger number returned, but some were found not liable, and the remaining 174,205 are the corporations actually found liable to and that did pay an income tax. Out of 174,205 in the 10 States named more than 85,000 are found. Almost one-half of the total income-tax paying corporations were found in the 10 States. The total corporation income tax of these States is material, because it is connected with the same subject. All the corporations in the United States paid for the year ending June 30, 1916, a total of $56,653,000 income tax. The 10 States named paid a total of $41,024,000 of income tax. In other words, the 10 States, the industrial figures of which I have given, paid nearly three-fourths of the corporate income tax of the country.

It seems to me, Mr. President, that these figures would indicate that the corporate tax referred to in section 201 would show a very unfair portion of the burdens placed within 10 States alone. This can not be by accident. It must be that in the framing of the bill there was either indifference or unhappy design to add this tax to certain enterprises in certain places. It is fair to say that three-fourths of the special tax for the preparedness will be paid by business enterprises inside of the 10 States.

I do not think, Mr. President, that the 10 States ought to bear such proportion, nor are they so vulnerable to attack that it is just to ask them to bear three-fourths of the special taxes levied by this bill. California is far removed from a European enemy unless it should come up by way of Colombia as a base of operations. Connecticut is on the coast. Illinois is as immune from attack as any place in the country. It is in no more danger of being attacked than the Senator's country in Montana or out in bleeding Kansas. Still it pays an undue proportion of this fund for preparedness. Indiana is a long way from the public enemy that might come to its borders. I can not conceive of any Hoosier being smitten with especial fear of an invading enemy. He has a great many obstacles in the race before he reaches the State of our beloved Vice President. If he attempts to come up the Mississippi he must pass the banks of many martial States after he enters the great Father of Waters. Still Indiana comes in for a very material share, to say the least of it, of the special taxes imposed.

Here is Massachusetts. It is on the coast, it is true, and might be subject to bombardment. But Michigan is not; Michigan is far removed from the public enemy. There is no attack by water so long as we remain at peace with the allies. It is the Great Lakes State, and, like Wisconsin, it is immune, unless we were in a war with England or with the Dominion of Canada. Still Michigan comes in for a tremendous share relatively of the special tax that is to be imposed.

Now we come to New Jersey. It might be subject to bombardment if the enemy got within range. It by this measure will, however, be called on to pay a grossly disproportionate part of the burden.

So with New York. It might be vulnerable, it is true, as having the largest city, extensive shipping, and more wealth accumulated than any other one point in the country. It is upon the seacoast practically. It would be an object of attack in the event of a European enemy coming to our shores. It must be remembered, however, it is the counting house of our country. Crippling it cripples the country.

Pennsylvania, with large manufacturing capital, is not especially exposed from the coast. Relatively it is safe, and still it will be burdened with a tremendous part of this special tax imposed in section 201.

I now come, Mr. President, to certain exemptions that are to be provided in section 204, and I take all this subject up together not in the strict order of the numbering of sections, which is immaterial, but rather in the order of the subject:

SEC. 204. That corporations exempt from tax under the provisions of section 11 of Title I of such act approved September 8, 1916, and partnerships carrying on or doing the same business shall be exempt from the provisions of this title, and the tax imposed by this title shall not attach to incomes of partnerships or corporations derived exclusively from personal services.

I turn to this section 11 of Title I of the act of September 8, 1916. What are the exemptions, because the list of exemptions enumerated in this act become in section 204 the exemptions in this bill? Section 11 says:

SEC. 11. (a) That there shall not be taxed under this title any income received by any—

First. Labor, agricultural, or horticultural organization;

Second. Mutual savings bank not having a capital stock represented by shares;

Third. Fraternal beneficiary society, order, or association, operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system, and providing for the payment of life, sick, accident, or other benefits to the members of such society, order, or association or their dependents;

Fourth. Domestic building and loan association and cooperative banks without capital stock organized and operated for mutual purposes and without profit;

Fifth. Cemetery company owned and operated exclusively for the benefit of its members;

Sixth. Corporation or association organized and operated exclusively for religious, charitable, scientific, or educational purposes, no part of the net income of which inures to the benefit of any private stockholder or individual;

Seventh. Business league, chamber of commerce, or board of trade, not organized for profit and no part of the net income of which inures to the benefit of any private stockholder or individual—

And enumerating various others, which I will not read, 14 in number, beginning on page 12 of the act named and ending on

page 13. I have read enough to indicate the character of the exemptions here, particularly to note that domestic building and loan associations are exempted. The purposes of those corporations are very well known. They promote the ownership of homes. They are successful in their purpose. What is the difference between them, Mr. President, and the life-insurance policy, especially if it is on the mutual plan? What is the difference between the home and the life insurance policy that supports the home, especially if the insurance is on the mutual plan? What is the difference between a life-insurance policy on the mutual plan that has a reserve provided by the insurance laws and between the same protection written by the third exemption of section 11 of the act of September 8, 1916, covering fraternal beneficiary societies, orders, or associations operating under the lodge system for the exclusive benefit of the members of a fraternity?

What is the difference between a policy written in a fraternal and a policy written by a mutual company? What is the difference between a Modern Woodmen policy and the policy written in the endowment rank of the Knights of Pythias, and a policy written by the New York Mutual, or the Penn Mutual of Philadelphia? Not a particle. They are mutual. There is no more paid by the members in either form than the actual cost of the insurance.

What is the difference between a fraternal organization for insurance purposes and one not fraternal? Only a ritual, an oath, a form, and a lodge goat; that is all. When you have got through with that you have got a fraternal-insurance policy. Essentially the certificate of a fraternal organization furnishes exactly the same benefits, temporarily at least. Most of those of a fraternal character give insurance for a time without a reserve fund. After that time it is the universal history of all the assessment companies, fraternal and others, that they must by the unchangeable law of sound finance and economy provide a reserve to meet the obligation. The very economics of the situation drives them into a legal reserve, backing up the policy and the maturing liability year after year. Why this exemption to a fraternal body? You know why it is. You do not want to tax the Modern Woodmen and similar bodies, because there are in such organizations millions of voters and every one of them would resent it. You do not want to tax the Knights of Pythias, carrying the same kind of insurance, because they are a numerous body. You exempt the Catholic Knights of America because they are a numerous body. They write a policy that is guarded by a reserve; and the reports of the insurance companies of this country, Mr. President, show that the Catholic Knights have a safe reserve. It is almost equal to an old-line company operated on the mutual plan, with a level-up premium paid.

Let me go a little further in order to show the injustice of section 204 in carving out the exemptions in this bill. Here, on page 14 of the act of September 8, 1916, in section 12, is found an exemption beginning at the bottom of page 14. It provides there, after the words *"Provided further"*—

> That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them and interest paid upon such amounts between the ascertainment thereof and the payment thereof, and life insurance companies shall not include as income in any year such portion of any actual premium received from any individual policyholder as shall have been paid back or credited to such individual policyholder, or treated as an abatement of premium of such individual policyholder, within such year.

That is the exemption in the act of September 8, 1916. Why should it not be continued? Although it is not in section 204, it only refers to section 11, and adopts the exemption of the various enterprises mentioned in that section. It, therefore, having enumerated the exemptions there, is intended to exclude the exemptions in section 12 of the same act. That is admitted here to be the purpose of the bill itself, avowed by the chairman of the Finance Committee, as I could understand his argument to-day, that it was proper to tax the so-called dividends in the mutual insurance companies. For that reason the exemption in section 12 is omitted from the bill. It is, therefore, for the express purpose of taxing the so-called dividends in a mutual company.

What are those so-called dividends? They are not dividends. What is the cost of insurance, to begin with? In any payment of what is called a "level-up premium" the insurance cost is figured out of certain well-ascertained bases. The one is the mortality table; the other is the expense of carrying on the business, including the managerial services of the men who collect premiums, invest, and take care of the contract, and see that there is an adequate fund back of it to make good the periodically maturing losses. As against these charges, based on the mortality table, the cost of the business, including the local agent who receives business and forwards it to the home office, the clerks, the bookkeepers, the actuaries, the executive ability, the investment departments, with the financial ability and the best investing ability that there is in the United States is joined in the financial department of the great life-insurance companies, are set the premiums paid by the insured. The managerial ability is a part of the cost of the business. Add to that the taxes that every life-insurance company is now paying, the quadruple taxes under existing conditions. They are the first aid to every bankrupt State treasury in this Republic. No State goes "broke" in any place that it does not immediately begin to write bills when the legislature convenes for the purpose of taxing the life and fire insurance companies upon the gross business done within its borders. More than $14,000,000 are paid annually by the life-insurance companies of this country to the several States for the mere privilege of going inside their limits and writing insurance.

There is this peculiarity about a life-insurance contract. Do people ever go and hunt up an insurance agent? He always hunts some prospective customer. It is the most beneficent contract there is in the world; the most self-sacrificing. It is the contract that has promoted thrift and prudence and financial foresight, and is the final expression in a business way of the love that every man bears to those who are dependent on him, and still, even with these beneficent purposes, with this great aid to the public charity in relieving the general public from paying for the dependents that might be cast upon it—in spite of that, Mr. President, the average life-insurance policy is always written upon solicitation. You remember the jests that have been written in other days about life-insurance solicitors. They have been the subject of the caustic comments of humorists, wits, and professional lecturers on the platform for 25 years; that I can remember. Josh Billings talked about them in his palmy days; Bill Nye himself gave them a turn occasionally; Max Adler had a cartoonist draw special pictures in his book called Out of the Hurly Burly, in which he gave special treatment to life-insurance agents; Mark Twain found the life-insurance agent a never ending, perennial source, upon which he could draw, and could always get a laugh from his audience when he referred to him. He likely carried some life insurance when he died, however, showing that he did not think ill of the craft; but human nature is that way. We will put money in a savings bank; we will buy toys for Christmas; we will buy furs for our wives; we will even pay our grocery bills; but we do not buy life insurance until some agent gets after us, and finally, by argument, persuasion, or through personal influence induces us to take out a policy. That is a part of the cost of carrying on this business. It is now recognized that insurance is a business and its men are part of a great army of honorable and useful effort in the country.

So the States come in first. That is one tax. The 48 States in the Union that we represent here in this body, as to each other, so far as a corporation organized under the laws of any other State, are all independent sovereignties; and not a solitary corporation from any one State can go into the State of another, not of its origin, and transact business unless by the permission of that State, which is usually delegated to an insurance commissioner, who examines and collects the necessary fees; but that, too, is a charge, and the taxes then are a charge in addition to the ones I have mentioned in a general way, to be added to the cost of writing insurance.

Then along comes an income tax; that is two; then along comes a tax of 50 cents per thousand shares; that is three; and this tax proposed in section 204 by omitting the exemption will make the fourth tax. Whatever the actual charges may be, all of those taxes are added. There are fixed charges on the cost per thousand, dependent on the age at which each policyholder comes in when he is admitted or accepted as a risk. Those are the costs of carrying the insurance. Balanced against them are what? The payment of the premiums and their investment. It is usually figured that the investments, which act as a reserve for life-insurance companies, will not earn over 3½ per cent. It is the American mortality table, with a 3½ per cent basis, that forms the foundation stone on which every life-insurance policy is written on the level-up premium plan. If the rates of interest could be advanced, the cost could be reduced per thousand; if rents went up on their real estate, the same result would follow.

I do not want to pursue this matter in detail any further, only to indicate the injustice of this proposed tax to be added as another tax that ultimately, for every form of mutual insurance that is embraced within its provisions, will be loaded on the premium and carried back to the policyholder, and so

become a tax upon the thrift, the foresight, and the prudence of the man who takes out a policy.

In the Napoleonic wars it was proposed at one time in the House of Commons to tax life insurance. The younger Pitt, who was then the great parliamentary voice of the Commons, rose in his majesty of leadership, and said that the person who proposed to tax life-insurance policies in England, even in the mighty struggle with Napoleon, was a public enemy. In the days of the Civil War, Mr. President, Charles Sumner, from the State of Massachusetts, stood in the Senate and said, even in the greatest peril, that it was not for a moment proposed to tax life-insurance policies, because life-insurance contracts were the most humane and beneficent known to civilized man. Are we in any such peril? We do not know; we hope not; but after Bull Run, whose guns could be heard in this Capitol, even in the bloody days of Shiloh, after the Battle of the Wilderness, in 1862 and 1863, when even Union men despaired of success, when public sentiment must have been greatly overwrought, with Greeley shouting, "Let the erring sisters go in peace!" and proposing peace conferences, wanting somebody to go to Niagara Falls and meet commissioners from the Confederate States to negotiate with them some terms of peace by which they would be allowed to found a new empire—even in those perilous days there was no tax laid upon life insurance.

If the protection, Mr. President, afforded in the smallest degree by these humane contracts be taken away, it will to that extent impair their usefulness to their beneficiaries. We must remember that it is not merely a question of the family that is protected, but it is a question finally of saving the taxpayers from the burden of what might become public charity.

Mr. President, I desire to read some figures here about the extent of mutual life insurance outside of fraternal insurance:

> The average amount of the policies carried in mutual companies is less than $2,000. These policies are carried for the protection of widows and children. There are no profits whatever accruing to a mutual life insurance company under these policies, any sum paid to the policyholder in excess of the amount actually required to maintain the insurance being returned to him, not as a profit but to reduce the actual cost of his insurance. If this were fully understood * * * we believe the bill would now be amended so as to exempt mutual life insurance companies.

After these costs and the probable income are ascertained, Mr. President, the next thing is to figure up the annual cost per thousand. As a matter of prudence they figure that high enough to meet all contingencies. I am sure, Mr. President, if we should undertake to-night to write policies in the Senate that the rate would be very high, because when the absentees were called when a quorum was sought there seemed to be a very large percentage of illness. Mayhap some pestilence has fallen upon this Capitol. Evidently an insurance man would investigate before he wrote a policy on any of the Senators. It may be that they are subjected to some malady that does not afflict the average mortal. Our strenuous labors require rest. I am not greatly in favor of staying here at night if I can help it, but we are facing an emergency; we are seeking to get revenue; we are trying to pay the bills for preparedness. Nevertheless, it seems to me that it would be well enough to exempt a policy that is written on the mutual plan and not burden further the contracts that support the American family.

Now, let us figure out what will happen. We add it as a tax. We can not get something for nothing. We must pay value for everything that is worth anything in this world, not only in a financial way but in every other way. We must pay for it governmentally, and if we add to the cost of insurance here we will pay for it some place else. The laws of compensation, traced by Emerson in his Essay on Compensation, are just as unalterable applied to the principles of this bill as they are to moral and financial affairs outside of this Chamber.

Here are some further figures that show, in my judgment, the injustice of taxing mutual life-insurance companies:

> First, the burden of all taxes on life-insurance funds falls upon the individual policyholder; second, 70 per cent of all the life insurance in the United States is mutual; third, 86 per cent of all the life insurance is participating; fourth, this tax is largely a tax on the widows and orphans of the future. Mutual fire insurance companies, building and loan associations, and savings banks are exempt from this tax.

No good reason will appear why mutual life-insurance companies ought to be included.

I have a very long list of the fraternals with their cost per thousand, with the reserve of such of them as maintain a reserve. They all either collect enough at the beginning to carry it for the year or they give notes or something that represents in some tangible form the premium on the amount of the policy. What is the difference between a fraternal which upon every death assesses and collects from each certificate or policy holder and a mutual, not a fraternal, that at the beginning of the year collects in advance what it considers will be the cost per thousand of carrying the man in that class for the year? At the end of that time, of course, there will be a given cost that is paid out. They have only estimated it before. The bookkeeping is accurate. A life-insurance financial scheme is a mathematical certainty. It is capable of being balanced at the end of the period as much as the books of a bank or a business house. There is no chance in it, except as to when the contingency will happen upon which the contract matures. So at the end of the year they figure it up. They know what it has cost to carry the risk in the mutual, where they pay at the beginning a level-rate premium. It depends upon many things. Some years it is more than others. The mortality is greater at some times in a given period than at others. In addition to that, the cost of the business varies. Rents may go up or down. Rates of interest may go up or down. The compensation of actuaries, of bookkeepers, of clerks, and officers may increase or decrease. Salaries may be cut or, in the general advance of the cost of living, salaries may be increased, keeping pace with the general cost of things. If the rate, instead of being 3½ per cent, which is the rock-bottom basis for figuring a policy on, suddenly should exceed that—and in some cases I figure out that really they net nearly 5 per cent, some of them 4.1 per cent; some of them fall much below that; some fall below the 3½ per cent—but in case the rate of interest is higher, because it can go above the 3½ per cent, at the end of the year, if you have paid $30 per thousand on your level-rate premium, and it has cost $22, you have a rebate of $8.

When that is done the $8 comes back to you. It is called a dividend. You get a draft for it or you can have credit on your next year's premium, paying the rest less the $8. In any event, what is it? Is it a dividend?

Some of the companies here, whose reports I have, have more than a million policyholders. Some of them have over 900,000 policyholders. Make an average on a $2,000 policy—and that is the size of the average policy in the United States—make an average on that and a company with 900,000 policies out, where the rebate on a $2,000 policy is only $10, $5 per thousand; multiply it by the 900,000 members, and you find what the so-called dividend is. That so-called dividend is not a dividend. It is not a resource of the company. It is not even added to the reserve. It is not a part of the surplus. It is no part of the earnings of the company, because it does not increase the assets of the mutual. It is merely a credit to the policyholder. It has no capital stock, but it has great resources. The resources consist mainly of the reserve, which is so much of the premiums set aside every year on each thousand and invested in interest-bearing securities. The head of the investment department frames his policies for investment. He takes the reserve on your policy and mine, Mr. President, figured to protect the policy on the mortality table, so that at the end of the time there will be enough of the reserves safely invested, on the 3½ per cent basis, as a solid minimum rate of interest, to protect the maturity of that contract.

When that is done, the reserve accumulates every year. It is invested so that with your increasing age and with the coming inevitable time when the contract matures, supposing it to be a life policy straight, or, if it is an endowment policy, at the end of the endowment period—whatever the form may be, it is the same thing—at the end of that time you will have enough of the reserve set aside, invested in mortgages, in bonds, in good securities of some kind, to protect it.

Wednesday, February 21, 1917.

Mr. SHERMAN. Mr. President, last night, upon the conclusion, I was commenting upon the unjust burdens placed upon mutual life-insurance companies. A specific instance is the Northwestern Mutual Life Insurance Co., of Milwaukee, Wis. They have 575,000 policies outstanding. The average face of their policy is about $2,600. If there be a rebate or a so-called reduction at the end of the year of $5 per thousand we can estimate approximately the amount of the burden placed upon these policyholders.

If in even numbers, taking the United States over, an average policy is $2,000 instead of $2,600 in the Northwestern Mutual, it would be an annual return to the policyholder of $10 on a $2,000 policy, or $5 per thousand. If there were 575,000 policyholders there would be a refund of $5,750,000. I know the popular phrase is to call it a dividend. It is no more a dividend than what is left unpaid on a mutual fire-insurance company in which the members are farmers, or the millers' mutual, or a shipowners' mutual on the Great Lakes. There are certain forms of carrying risks that are entirely mutual against the hazards of navigation or of fire or of life, and it does not change merely because the character of risk may change. The underlying principle is precisely the same.

Let me take the simplest form of mutual insurance company, and one that is very widely known. It is the farmers' mutual in a township. They pay in no capital stock. They do not create a reserve. They issue their policies of insurance. On a loss each pays proportionately; but as a sort of resource to protect the policy each farmer who is a member of the mutual company gives his note for what is considered to be the cost of carrying the insurance for that year. Whatever losses occur he pays on the note. If at the end of the year the losses distributed to him equal the face of the note, then there is nothing further on the note to be collected, and for the next year a new note must be given. If there is something left on the note in the first year after paying the losses and distributing to him his share for that year, the balance of that note can be carried over to the next year's business and applied then, or the old note can be taken up and a new note given for the next year's business.

In the level-up premium life-insurance company, instead of the member giving a note he pays cash at the beginning of the year. The quantity of his contribution is determined on the principles I announced last night. The cash is taken by the company. The treasurer has the custody of it. So much of it is set apart to safeguard his policy. That is the reserve. So much of it goes for the charges of the managing of the business—the salaries of the officers, and of accountants, bookkeepers, agents, rents, and the like. So much is set apart and must be used for the payment of taxes. When all the expenses are paid, including the losses on the happening of the contingencies or matured policies for the year, it amounts to a certain sum. If it absorbs the entire payment made by the policyholder then there is no refund to him at the end of the year. If, on the contrary, losses have been light and expenses less than estimated, the income upon investment has exceeded the basis of 3½ per cent, and has gone up to something above that. The business has been good, there remains of the cash payment made by the member of the company at the end of the year, not the balance left on the farmer's note in a mutual fire-insurance company, which might be carried over to a balance in cash. The member has his option then of receiving that balance in cash at the beginning of the next year or of crediting it on his payment for the next year, which we call the premium. They are exactly alike in principle. There can be no difference in the application finally because of the charges of carrying a risk, whether on life or whatever the hazard may be, is loaded on the premium and carried along until it reaches the policyholder.

Now, let me apply that specifically to this one company, the Northwestern Mutual, of Milwaukee, with its 575,000 policyholders, if there be a rebate or a return to the policyholder at the beginning of the next year of an average of $5 per thousand. We can estimate it at $5 per thousand; that is not out of the way. As I remember it, the last one I looked at was $11.42 on a thousand dollars, and it runs higher. In the case of the company referred to, with its 575,000 policyholders, or what is equivalent to that, because one person may have had a policy when 30 years of age and another when 40 years of age, and that would count two policies to the same holder; but the effect would be precisely the same—the 575,000 policies issued may be regarded as equivalent to 575,000 different persons. If there is a rebate of $5 per thousand there would be at the end of the year, in starting any business for the next year, a refund or a return to the policyholder of $5,750,000.

This is ordinarily regarded as a dividend. It is called a dividend in the insurance journals, in the market reports, and sometimes in the reports made by the company; at the office where they keep their accounts and strike their ledger balances for the new year it is often called a dividend.

It has created a popular impression that it is some kind of an earning on the business. It is no more an earning than the unpaid balance on the farmer's insurance company note made at the end of the year.

It is that much less than it costs to carry the risk. Out of prudence, in the beginning of the year they collect enough cash to cover every contingency, in order that there may be enough of the cash assets in the hands of the company "to make assurance double sure"; not to depend on credit, but to depend upon cash and securities that are equivalent to cash.

Therefore, these policyholders under this bill as proposed, with no exemption, will be required to pay the sums of money which I have estimated. For instance, there is the normal tax of 2 per cent up to $20,000; there is the surtax of 1 per cent on amounts above $20,000 until $40,000 is reached, an additional rate from $40,000 until $60,000 is reached, a further additional rate from $60,000 to $80,000, and so on. I shall not take time to quote the schedule provided in the section of the act of September 8, 1916, but it is sufficient to say that in the entirety the policyholders of the Northwestern Mutual Life Insurance Co. will pay in income tax, or the company will pay—which is equivalent to taking it out of the pockets of the 575,000 policyholders—$742,800 of income tax under this special preparedness section of the bill.

That is not taken out of the pockets of the company but is a deduction from the refund coming to the policyholders, whose average policy in this company alone is $2,600, and in the United States is $2,000. So it bears heavily upon the policyholder. If he is a citizen paying an income tax, he has already paid. He has provided for some insurance, and he is required to pay again, because his refund at the end of the year on the premium that he advances to carry the risk is charged as a dividend on the business, and he is compelled to pay again because his refund is cut that much short; in other words, $742,000 would be something like $1.25 or $1.30 that would be deducted from each policyholder of this company. It imposes upon him a special tax over and above any other taxpayer in his neighborhood merely because he had the prudent foresight to insure his life or to take out some form of contract that will cover the contingency named.

It seems to me like taxing the wrong person. I do not think it can be justified even upon the ground of a national emergency. It can not be justified upon the ground of uniformity of taxation, which is the usual rule, to create some great class on which it is not inequitable to impose a burden. But why create a class of citizens in this country, Mr. President, who are taking out life insurance for the purpose of providing for those dependent upon them, making them a class and imposing special burdens upon them, so that those who enter into a life-insurance plan that is mutual in character will be compelled to carry, as in this one company, over $700,000 of the special tax? I do not regard it as fair.

There is a general difficulty that is attendant upon this form of taxation. It seems to me that to single out corporations without any regard to whether a corporation is a good one or a bad one; whether it is pursuing its purposes within the law of the land or otherwise; whether it is earning or not earning, if applied to a series of years; and to impose upon it a special form of taxation merely because it is a corporation.

In addition to that there is this further burden, that there is Government-created competition in this country. All of the large concerns are threatened if they sell anything to the Government with governmental competition. I am no defender of those who engage in the manufacture of armor plate—of the Bethlehem Steel Co. or of the other companies—but that is only made a precedent; it is only made the entering wedge for the purpose of permitting this Government, through other forms of activities, to absorb the pursuits that are now carried on by private enterprise. So there is Government competition actually furnished in some cases and threatened in others, in addition to the exercise of the power of taxation upon the private industry. Both of them combined constitute a heavy burden. One is the competition of the Government—I will not stop to discuss that—while the other is the taxation that singles out those who have invested their means in that form of enterprise. So they bear extraordinary taxes not paid by the ordinary citizen.

The particular way, Mr. President, in which this bill is drawn upon the net income, after $5,000 shall have been reached, of 8 per cent over and above the 8 per cent that is provided, will certainly lead in the course of a very short time to some unsought results. It reads:

> A tax of 8 per cent of the amount by which such net income exceeds the sum of (a) $5,000 plus (b) 8 per cent of the actual capital invested.

Then there are some rules or some directions for estimating the assets. Here is the objection I have to that form of taxation: A conservatively managed corporation with a fair payment of capital stock is penalized. I once knew of a railroad in the western country builded by men who lived in that country. I once heard the testimony of the men who built the Chicago & Alton Railroad before it passed into the hands of its present owners or of the owners during the Harriman régime. The testimony showed that not only was there no water in the railway, but that there was $1.75 of value for every dollar of the face of the stock. It was not watered, but it was a conservatively managed institution. It is so with many corporate enterprises.

I shall assume that in the payment of the stock subscription in the average well-managed corporation it is paid up in money. If it be not paid in money, it is paid in money's worth, as the courts frequently put it. In either case, if there is a conservative valuation of the property or a payment in cash, it is an

honest payment of the shares. The more conservative the money or property that pays the shares subscribed the better the business, the greater the dividends. If the property goes in at an exaggerated value, or if the cash is paid by the subscribers, and is immediately invested in property of doubtful or swollen value, dividends may be low or may not be earned at all.

Good will may be capitalized. Good will is very much like a mine in the Rocky Mountains. In all the numerous lawsuits which have been brought to collect on the unpaid shares of mining companies, who could ever tell what a mining prospect was worth when you capitalized and promoted the company? I have been through that kind of litigation. A prospect may be such as to justify abundantly a given capitalization, but it may be that when the prospect is worked out there is nothing in it; that the mine is a failure. Still you could not say that the men who promoted it were guilty of fraud in fixing the price, because in the history of mining many times what seemed a large capitalization upon a successful development of the claim really turned out to be low, and high dividends are paid upon what otherwise would have been a very exorbitant valuation of the property.

What I am getting at, Mr. President, is, that this bill enacted into the form of a revenue law, will promote the watering of stock; will promote the increasing of the valuation of good will and the turning in of property at an exaggerated value. It will promote the watering of stock rather than the conservative valuation that ordinarily ought to go with a soundly managed concern. The greater the stock the less the dividend. If a valuation or a stock capitalization of a million dollars earns 9 or 10 per cent and the capitalization be doubled, you will earn 4 or 4½ per cent. In the latter case there would be no tax paid under this bill; in the former case all above 8 per cent would be subject to the tax. Therefore, it promotes the watering of stock, and it is a direct incentive to increased capitalization. Whenever property is turned in, its value is something on which human opinion varies—and it is always an open question—experts may vary regarding it. Whenever I speak of "experts," I think of mining experts, real estate experts, financial experts, bond experts, and I think of all as Mark Twain defined a gold mine. Somebody asked him if he used to live out in Nevada, and if he knew what a gold mine was. He said he did. He was asked, "What is it?" and he replied, "It is a hole in the ground owned by (some kind of a) liar." I have expurgated that so as not to shock the compositor, but it only illustrates the ease with which capital stock may be watered and excessive valuations be put upon it. That is promoted in this bill.

Why should a man be conservative—why should he capitalize the value of any property turned in conservatively, and then earn 10 or 15 per cent, and be taxed above 8 per cent, when he could turn it in at a wildcat value, mostly water, and never earn 8 per cent on the capitalization and never pay a dollar of tax? This is a bill to promote fraud and the watering of stock. Talk about "blue-sky" laws, I never saw one in my life like this bill.

Mr. SIMMONS. Mr. President——

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

Mr. SHERMAN. Certainly; I yield.

Mr. SIMMONS. I would not interrupt the Senator but for the fact that I think he must be laboring under a misapprehension——

Mr. SHERMAN. I will be glad to be relieved of it.

Mr. SIMMONS. As to the basis upon which capital invested is estimated under the terms of the bill. I judge from the remarks of the Senator that he is under the impression that for the purpose of ascertaining the exemption we would estimate the invested capital upon the basis of stock issued. Is that the theory of the Senator?

Mr. SHERMAN. Upon the basis of what?

Mr. SIMMONS. Upon the basis of the amount of stock issued by the company?

Mr. SHERMAN. Certainly.

Mr. SIMMONS. I assumed that that was the basis upon which the Senator was making his argument.

Mr. SHERMAN. Yes, sir.

Mr. SIMMONS. The Senator is mistaken about that being the basis. The bill authorizes a reduction; that is, it allows an exemption of 8 per cent upon the actual capital invested.

Mr. SHERMAN. Certainly; I have not misapprehended it at all.

Mr. SIMMONS. If the Senator will let me finish, the bill defines specifically the meaning of the phrase "actual capital invested"; and it declares in section 202:

SEC. 202. That for the purpose of this title, actual capital invested means (1) actual cash paid in, (2) the actual cash value of assets other than cash at the time such assets were transferred to the corporation or partnership, and (3) paid-in or earned surplus and undivided profits used or employed in the business.

So that it makes no difference how much stock the corporation has issued, preferred or common, the exemption allowed is 8 per cent, not upon that stock but 8 per cent only upon the actual cash put into the business; and if, instead of cash, property was put into the business, the actual cash value of the property so put into the business at the time that it was put into the business, and not at the time of the return for taxation, plus undivided profits and surplus. That is the basis under which the exemption of 8 per cent is allowed, and not upon the basis of the stock issued by the company.

Mr. SHERMAN. I understand that. There is no controversy between the Senator and myself as to that. Let me ask the Senator a question. Suppose I capitalized a dairy company two years ago——

Mr. SIMMONS. It does not make any difference what you capitalized it at. You may capitalize at a million dollars if you want to do so; but you will not be allowed an exemption under this bill on a million dollars. You will be allowed an exemption under this bill only upon the amount of cash that the stockholders paid into the treasury of the company.

Mr. SHERMAN. How are you going to tell that?

Mr. SIMMONS. You will tell that by ascertaining the amount of cash paid in.

Mr. SHERMAN. Can you tell what a cow was worth two years ago?

Mr. SIMMONS. A corporation is not a cow.

Mr. SHERMAN. It is not; but capital stock is paid with cows in the dairy business. The Senator misapprehends my point.

Mr. SIMMONS. A corporation is an entity. The capital of that corporation may be based upon a stock issue. They may say that their capital is reflected in their stock issue, but this bill says that that shall not be the capital upon which the 8 per cent exemption is to be allowed.

Mr. SHERMAN. I understand that. It is the actual property invested. Very well.

Mr. SIMMONS. Suppose at the time of the organization of the company stock was issued to the amount of $1,000,000, but the amount of money actually invested by the stockholders of the organization was only $100,000, then the 8 per cent would be allowed upon that $100,000 and not upon the $1,000,000 of stock the company had issued.

Mr. SHERMAN. I am familiar with that, Mr. President, but suppose that before this bill receives the signature of the President, in the event it passes, I organize a dairy company. I do not put in a cent; I am already, say, in the dairy business, and three or four of us who are in the dairy business out in the Fox River Valley, near Elgin, or some other dairy section, decide that we want to incorporate. We do not add one dollar of our cash account to the corporation created, but we transfer our dairy property, a large part of the live assets of which are cattle—milch cows. How can you fix a valuation on them?

Mr. SIMMONS. The bill provides for that. If, instead of putting actual cash in you put property in, that property is valued at its cash value at the time it was put in, and upon that cash valuation 8 per cent deduction is allowed.

Mr. SHERMAN. Does the Senator undertake to say that at the time the corporation to which I have referred, for instance, was created, the department here must be consulted by me and by my associates before we can incorporate in order that it may be present and help us value the property in which we are paying our shares?

Mr. SIMMONS. The Senator from North Carolina means to say that in their return the corporation will have to take the amount of actual money they have invested originally or they will have to state the cash value of any property that was put into the company in place of money.

Mr. SHERMAN. Certainly.

Mr. SIMMONS. And upon that basis the return will be made and the exemption allowed.

Mr. SHERMAN. Certainly; but in the case I have given there are, say, 1,000 milch cows, and we put a valuation on them of $300 a head. How is the department ever going to get behind that?

Mr. SIMMONS. The department will accept, I assume, as they have done in the case of the income tax, the report con-

taining the estimates of the taxpayer in the first instance; but if the department is satisfied that that estimate is in excess of the cash value, then the department will undertake, in conjunction with the corporation, to settle the actual cash value. For instance, in the case of the cows, the Senator says that they put 1,000 cows in, and they value those cows at $1,000 a piece——

Mr. SHERMAN. No; $300 a piece.

Mr. SIMMONS. They value the cows at $300 apiece. The department in that case would probably say that that was not the actual value of the cows.

Mr. SHERMAN. Whom would they get their information from here?

Mr. SIMMONS. They would get their information just exactly as they get information about values in other matters.

Mr. SHERMAN. Would they get it from the Department of Agriculture?

Mr. SIMMONS. No; not from the Department of Agriculture.

Mr. SHERMAN. From whom, then?

Mr. SIMMONS. By a proper investigation. The department, I assume, would say that $300 for a cow was altogether excessive.

Mr. SHERMAN. The Senator does not know anything about cows, then, Mr. President. That is a cheap price for a fine dairy cow.

Mr. SIMMONS. For a cow?

Mr. SHERMAN. Yes; for a cow.

Mr. SIMMONS. Very well. Then, if the Senator has cows in his section that are so valuable——

Mr. SHERMAN. We have in our section of the country cows that give milk and that are more remarkable for butter fat than they are for legs and horns.

Mr. SIMMONS. If in the Senator's State cows are worth $300, I suppose that valuation would be accepted; but down in my country a $300 cow is a monstrosity, and if a dairy corporation were organized there and its cows were assessed at $300 it would be regarded by everybody as unreasonable.

Mr. SHERMAN. There is a vast difference, then, between the dairy section of the Senator's State and the dairy section where I live and the dairy section in Kentucky. The whole thing shows the inherent difficulty of the valuation of the capital stock of corporations as provided in this bill. Suppose I started a race-horse company. Of course, we do not run race horses for money any more; horse racing is only a gentleman's sport. The President himself plays golf, but my Kentucky friends down on the Ohio shore and I may like horses and may take our recreation in that way.

I had the misfortune once to defend a carrier that had bumped a freight car in which there was a Kentucky race horse, and there was a battle of experts as to what the horse was worth. That opens up to me the difficulty into which the Senator precipitates this Government by a bill of this kind in trying to put a valuation on property. You have to have the testimony of experts; and when it comes to the testimony of race-horse experts, then Greek meets Greek, and then comes the tug of perjury or testimony, or whatever you want to call it. Why, some of them swore that the race horse was worth $160,000, and some of them swore that he was not worth as much as an old brood mare. Are you going to get the Department of Agriculture into that kind of a difficulty, with their expert knowledge and after their slaughter of the innocents in their efforts to eradicate the hoof-and-mouth disease? Suppose you start them out on such a work. One of their experts asked if a Holstein cow made good beef. He would not know a Guernsey from a polled Angus or a Jersey cow from a high-bred goat. Where will the Secretary of the Treasury get his information as to whether such a corporation is improperly capitalized? He will go to the experts in the Agricultural Department, who are just the people I do not want to trust with the financial conditions of this country or with exacting penalties upon my constituents who are alleged to overvalue property.

Now, take the section of the Senator from Idaho, or the Senator from Colorado—and the same thing is true of Utah—that is a mining country. There are mining companies out there with the most flattering prospects in which some of my constituents have invested. They have capitalized those companies. They have gone out and built various kinds of smelters and reduction works with the idea that in a little while, like King Midas, all they would have to do would be to touch the claim and it would be pure gold. They have been capitalized by citizens of Chicago and Peoria to the amount of millions of dollars. Now, who can say that that capitalization is unjust? Some of those companies have paid and some of them have not. The courts have held—and I apprehend that the courts yet have some binding influence upon the affairs of this country, notwithstanding a resolution pending in the Senate, and it is likely that the great body of American citizens will abide the decrees of a court lawfully entered from time to time—that there has been a fair valuation of the property, and that the shares have been paid up to the extent of $5,000,000 in the mining company or in an agricultural company, as the case may be. How will you get behind the decree of the courts? They pay 4 per cent on their capitalization, and you get no tax under this bill out of them.

Take a railroad company. You say you will put a valuation, for instance, on the Chicago & Alton. As I said a while ago, I knew that road as Mr. Blackstone built it. I heard George J. Charlton, who was the right-hand man in the railroad end of the corporation, testify that there was $1.75 for every dollar's worth of shares out; that there was not only no water in it, but that the stock was boiled down. After a while it changed hands; a new régime came in; and whereas the stock had sold at one time for $175 or $190, and eventually even higher than that under the old management, it went down until I saw it sell for $42; I saw it sell for $30. There were millions upon millions of stock issues piled upon the road. How will you get behind that under this bill? You say you will value it. When? I ask the Senator from North Carolina, the chairman of the Finance Committee, when did the Interstate Commerce Commission begin the valuation of the railroads, and how much have they spent, and how much more will they spend, and when in the fullness of time will they complete the valuation? I venture to say that most of the Senators in this body belonging to my generation will have been gathered to their fathers before even a small part of it is done. It presents, in other words—and that is the argument I am trying to enforce here—an utterly impracticable sort of a rule to impose upon citizens who are owners of property in the collection of a tax upon such an 8 per cent basis. It is theoretically correct. It is practically impossible. That is the criticism I make—not that theoretically the rule may not be able to be defended, but that practically, in its operation, it is only an invitation to more lawsuits, to more investigations than the Department of Justice can get through in a quarter of a century.

This country is the paradise of lawyers. There is no place on the face of the earth where anybody can get as much litigation for his money as he can in the United States. All they need to do is to keep on hiring lawyers, and I venture to say that by the time the bill has been in force for one year there will be more litigation over that than any known legislation that ever came out of this body.

I do not want to cover many of those branches, Mr. President. On another part of this bill, on an amendment that is pending or will be pending, I will in my own time take occasion to explain why that amendment and still another should be adopted; but I do not care to take more time in a general way on this bill, except in one or two particulars.

One is that it is provided here that an inheritance tax shall be levied, increasing the rates on the property that passes under the laws of descent in the several States. It is estimated in the report of the committee that about $22,000,000 will be collected in that way. What I am interested in is this, Mr. President: If the Government goes on developing new sources of revenue, levying additional taxes on the sources already discovered, raising the rates so that after a while the burden becomes very heavy, and the inheritance tax is doubled, no part of it goes to the States in which the property passes. The income tax is made more burdensome. The franchise tax on corporations of 50 cents per thousand is there. Whenever more money is to be raised, it will be doubled to a dollar or a dollar and a half, and so on. There is no limit, because they have an idea that a bank or any corporation has not anything but money. It is believed a bank does not owe anything to anybody else. It owns everything it has. It does not owe its depositors anything. It does not owe its stockholders anything. It must earn no dividends. It need not pay its depositors. It owns all the money it has. That seems to be the popular impression. As a matter of fact, if a bank has a million dollars of resources and owes its depositors and stockholders $950,000, it only has $50,000 in the world after its debts are paid, although it looks like a millionaire to the average man who comes along and stops on the corner and reads the sign.

With the Government conducted in this way, what will be left after a while for a State to tax? The inheritance tax, the income tax on the earnings of both land and personalty, the franchise tax on corporations of State origin, leave nothing at last to the State to tax except land. The State is compelled to adopt the principles of Henry George and go to a single tax. The inevitable tendency here in Congress, by these methods of

taxation, is to drive us to the taxing of land in the States as the sole source of revenue for the support of the State government. Our heavy local taxation—school tax, park tax, city tax, boulevard tax, library tax, county tax, State tax, and so on—those taxes ultimately, which are heavy taxes, at last will be piled upon land, and we will go to a single land tax if this method of taxation keeps up much longer.

There is a limit to all these things. The Secretary of the Treasury in his report for the year ending June 30, 1916, shows that out of $779,664,000 of the ordinary receipts of the Government, $512,000,000, in round figures, is derived from direct taxation, and $213,000,000 from indirect taxes or customs. Omitting the miscellaneous receipts, which are comparatively unimportant in this view, I have estimated the percentage in 1916. Seventy-three per cent of all our revenues are raised from direct taxation, and 27 per cent from indirect taxation. Of the 73 per cent of direct taxes, three-fourths of those taxes are paid in 10 States of the Union by their business.

The tax of 8 per cent on the excess profits, as it is called, is a means to an end. Where did the framers of this bill get the 8 per cent? Where did the magical number come from? Is it the 4-11-44 of the dice shakers? From what source was "eight" derived? I have heard of sevens and nines and elevens, and the seventh son of the seventh son, and so on down, that had omniscient power and could look ahead. I have heard of voodoo practices of that kind, but I never heard of the word "eight" in all the mystical combinations until it obsessed the Democratic Party. "Eight!" How did they get it? Put it on a piece of paper, shake it up in a hat, and pull it out, or put in a lot of numbers, like the members of a jury where they can not settle the damages, and the apostolic twelve in the jury room are likely to hang overnight, and their supply of tobacco gives out, and each one of them decides and writes on a piece of paper how much he thinks the plaintiff ought to have—when they have decided that he ought to have something, from one cent to a million dollars—put all the numbers together in a hat, add them all up, divide the total by 12 and get something, and that is the verdict. I do not know how they got eight, but nevertheless it is in this bill.

Do you know what such legislation does, Mr. President? It penalizes enterprise. It fines industry. It burdens thrift. It reduces ability to terms of confiscation. It puts a premium upon mediocrity. The more you fail, the less you pay; the more successful you are, the more the Government fines you because you have got some sense, thrift, and activity.

I have always had an idea that a community ought to be made up of men and women who could do something; but the principle of this bill is that the more you do the more you pay, and you are to be penalized and driven out of business. It is class legislation. I have heard of it before. I used to think it was a sort of a war cry of the Populists out in Kansas—"class legislation"—but it is here, and it applies in New Orleans or Chicago; it applies in Topeka or New York. The men who do something, who are not spendthrifts, who do not squander their birthright of ability and opportunity in this country, are penalized by the Government and set apart as a special class to have the burdens of taxation thrust upon them. That is this bill.

They say, "We must raise $248,000,000, or something like that," in the report, to generalize; "therefore set apart a few; raise it from that class by direct taxation." Those who belong to the economic school of thought I do believe in raising from $200,000,000 to $250,000,000 by indirect taxes, by increasing the customs, so that instead of paying it all ourselves we make somebody else pay some of it, to say the least.

Mr. President, I do not want to take up at this time some other branches of this bill connected with the amendments here. I will reserve until some future occasion what I have to say on those matters.

Friday, February 23, 1917.

Mr. SHERMAN. Mr. President, before this matter is passed any further I wish to note briefly the condition under which these bonds are to be issued. Recurring to the bill I find in section 400:

SEC. 400. That the Secretary of the Treasury is hereby authorized to borrow on the credit of the United States from time to time such sums as in his judgment may be required to meet public expenditures on account of the Mexican situation, the construction of the armor-plate plant, the construction of the Alaskan Railway, and the purchase of the Danish West Indies, or to reimburse the Treasury for such expenditures, and to prepare and issue therefor bonds of the United States not exceeding in the aggregate $100,000,000, in such form as he may prescribe, bearing interest payable quarterly at a rate not exceeding 3 per cent per annum; and such bonds shall be payable, principal and interest, in United States gold coin of the present standard of value, and both principal and interest shall be exempt from all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority, and shall not be receivable by the Treasurer of the United States as security for the issue of circulating notes to national banks.

So much of this section as I have read contains a provision for certain expenditures. The first and the largest item is the one designed to meet the Mexican situation. By recurring to the committee reports we are able probably for the first time definitely to learn the expenditures on the Mexican border. This would include the expedition into the interior of Mexico. The item to cover these expenditures is $162,418,000. It is possible that other than border troubles are contemplated in this expenditure. It might reach back to the expeditionary naval force to Vera Cruz some two years ago or so, together with such other incidental expenses as belong properly to the Mexican situation.

Mr. GRONNA. I ask for order, Mr. President.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). The Senate will be in order.

Mr. SHERMAN. We can not keep order in the United States, much less in the Senate Chamber. I submit if we can not keep order on the border of Mexico with $162,000,000 here expended or contemplated we ought not to be at all technical about order elsewhere.

The inquiry I was moved to make was what we have to show for this $162,000,000. There is no order on the border. Lawless men still come across from the scene of disorder and slay citizens of the United States.

I remember when I saw trains going west and southwest bearing inscriptions on the cars—it was the direction that was implied in the order from the military department—"Get Villa." We have not got Villa; we have not restored order. Villa is very much alive; he is making additional expenses necessary to police the border. All we have to show for a part of these expenditures is a fruitless military excursion into the interior of Mexico.

There is now no use of making complaint about money that has been spent or expenditures incurred requiring the levying of taxes to obtain money to meet those expenses; but it is entirely proper to inquire what we have to show for the $162,000,000 up to this time. We have neither pacified Mexico, nor have we pacified the border of our own country adjacent to that scene of trouble. Villa is still alive; he is not even checked. There has not been created in his mind even fear of the consequences of his lawless conduct. We have aroused in his bosom resentment; we have created in his mind a feeling of profound contempt. That is the only net result of the expenditure of what is estimated to be $100,000,000 caused by the Villa expedition. I refer specifically to the expedition conducted by Gen. Pershing under the orders of the War Department.

After Gen. Pershing reached the scene where some effective action might be had, there was no cooperation from the Carranza government that had been recognized by the United States, and no authority given Pershing to deal with conditions there. I remember when the question of appointing a minister to Mexico came before this body the question was then asked by the public press, "To what point would our minister proceed when he was sent to that alleged Government?" Would he proceed to Zacatecas, to Queretaro, to Mexico City, to Oaxaca, or some place else? Nobody could tell. The Mexican Government was in a nebulous condition. Its President was a perambulating executive. His army had not established a capital and been able to hold it. Our diplomatic representative is yet in a state of suspended animation in that country for all practical purposes representing intercourse between nations.

I shall not criticize paying our just debts and levying the necessary taxes so to do; but I am making what I regard as a proper criticism on the folly of the expenditure of this large sum of money.

Our chickens, which we began to hatch some four years ago this spring, are, to use the backwoods phrase, rapidly "coming home to roost." I recognize several old friends. Here is the Alaskan railway. It was proclaimed, with a great blare of trumpets, that the Government would develop that Territory; that it would destroy monopoly; that it would prevent the selfish promotion sought to be had by various interests in that Territory. So we voted some millions of dollars—I am quoting now from memory—I think $45,000,000 for the construction of the Alaskan railway.

The construction of the armor-plate plant is another item, involving an expenditure of some $11,000,000. If, in the present emergency, Mr. President, a controversy that is now pending should reach an acute stage, resulting in war, I wish to inquire from what source will we draw the armor plate that will actually equip the Navy that will fight the battles of this country on the sea? Will it be a Government armor-plate plant? Will it be anything conducted by the Government, or must we draw upon the resources of private citizens for this preparation? All the armor plant has done up to this time has

been to cause a liability. It is estimated here as one of the liabilities to be met by the levy of taxes in this revenue bill.

So there is nothing there so far that is anything but a burden. Does any one think, based upon the ordinary diligence shown in establishing any public undertaking, that an armor-plate plant would be in existence in time to be serviceable before the European war ends, even if unhappily we should become involved in it? It has already been in progress going on three years. This item, therefore, I will repeat, is a liability. It is of no value in preparedness. It is only an undertaking up to this time that creates the duty of raising more money to establish something which could be of no service in the emergency which we hope to avoid.

Then, there is the purchase of the Danish West Indies, involving an expenditure of $25,000,000. There is no criticism of that. It may have come at an inopportune time; but it may be that some other Government would have availed itself of Denmark's desire to sell the islands. At any rate, we incurred the liability; the treaty has been concluded; and the only thing that remains for us is to pay the bill.

It is just 20 years coming now since the question was submitted to the people of this country on the form of security required in this section, which says that both the principal and interest shall be payable in United States gold coin. That has a most ominous sound. If I were disposed to be critical, I might ask whether this is not objectionable upon "sound principles of finance," as enunciated by the great Commoner, who is now as great an apostle of peace as he was an apostle of the free coinage of silver when the phrase "United States gold coin" used in public or private obligations was under the ban. That, however, is a dead issue; and I only refer to it parenthetically as I pass to show that the world moves.

On page 10 of this section I come now to the following language:

That such bonds may be disposed of by the Secretary of the Treasury at not less than par, under such regulations as he may prescribe, giving all citizens of the United States an equal opportunity to subscribe therefor, but no commissions shall be allowed or paid thereon; and a sum not exceeding one-tenth of 1 per cent of the amount of the bonds herein authorized is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of preparing, advertising, and issuing the same.

It will be noted here that this is merely permissive; there is no obligation on the Secretary of the Treasury to offer this bond issue of $100,000,000 to popular subscription. It is provided here that he may do so. What he will do, nobody knows. If we are to judge of how this issue will be marketed by other occurrences, we would presume that this $100,000,000 at not exceeding 3 per cent interest would be put into the hands of a bond house or of brokers; that it would be underwritten by one or more of the larger houses dealing in investments of that character; that it would be taken by them in its entirety, and then disposed of later on by distribution among the general public by the bond houses. That has been the history of bond issues.

There was a time during the Civil War when popular subscription would not have availed for the sums required; there have been times since then when it would not be possible, when there was a financial stringency, when savings had not accumulated, when there was in the hands of the general public but little surplus money available for investment purposes; but times have changed. We are told—and to a considerable degree there is much truth in the statement—that money is plentiful; that it is very well disributed; that it is easy to obtain; that many have large amounts to their credit.

This is a propitious time, to say the least of it, for testing the value of offering bonds for public subscription. The merely permissive power given here might be exercised in that way; but the Senate, so far as it has power over revenue legislation, is now acting on this bill. If it favors a popular subscription, the Senate ought to say so. It ought not to leave it in the discretion of the Treasury Department to follow or not to follow the course of offering bonds to the public so as to ascertain whether we can avoid handing them over in their entirety to some investment house in the first instance.

I think, therefore, that this part of section 400, Mr. President, is subject to criticism. At the proper time, if no other Senator does so, I shall offer an amendment making it obligatory upon the Secretary of the Treasury to offer the bonds to all citizens of the United States alike upon the same terms as provided in this section after it shall have been made obligatory by changing the word "may" to the word "shall."

In the event, then, that the bonds should not be all taken, or that none of them should be taken, by popular subscription, I would add a further amendment, as follows:

And if the issue of bonds, or any part thereof, shall not be taken by such citizens, the Secretary of the Treasury may otherwise dispose of such issue, or any part thereof unsold, in accordance with the provisions of this act.

This would make obligatory upon him the duty of first offering the whole issue to the public. I anticipate, in the event that it were done, that it would be subscribed for many times over; it would be a reliance upon the investing ability of the public.

I do not wish to be oversuspicious, but I shall not take too much for granted. However much great wealth may be criticized and its accumulation decried, great wealth is found in many friends of this administration. That is not a criticism of the administration; it is a statement of fact. Men of great wealth may be found friendly to any administration, and to members of the political party that may from time to time be in authority in public affairs here. But there are large bond houses that are accessible. One of the members of the Federal Reserve Board is a former member of a very large New York City bond house. I anticipate that friendly relations have not been suspended. I am not stating in any sense that there will be any improper influence exercised, but those agencies are ready and willing at any time to take such a bond issue in its entirety at, say, not exceeding 3 per cent. Afterwards it can be sold and distributed to the public until the whole of the bond issue is digested by the private investor.

This has been the usual course of many bond houses in the history of the country. During the Civil War, at a time when the credit of this Government was not first class, when rates of interest were high, loans to raise money in what were then considerable sums were underwritten by the large banks of the different cities, principally New York and Philadelphia, and some of the other eastern cities where there were large financial institutions. There is no occasion now, however, for suspecting that the public will not subscribe for the whole amount of the issue.

Again, it is provided:

That in addition to such issue of bonds, the Secretary of the Treasury may prepare and issue for the purposes specified in this section any portion of the bonds of the United States now available for issue under authority of section 39 of the act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909: *And provided further*, That the issue of bonds under authority of this act and any Panama Canal bonds hereafter issued under authority of section 39 of the act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, shall be made redeemable and payable at such times within 50 years after the date of their issue as the Secretary of the Treasury, in his discretion, may deem advisable.

After that provision, and beginning after the word "advisable," in line 4, page 11, a similar provision ought to be added:

That all such issues of bonds shall be offered to public subscription as herein provided before being otherwise disposed of by the Secretary of the Treasury.

The bond issue, principal and interest, necessarily calls for a portion of the money to be raised by the different forms of taxation provided in the bill. The objects of taxation that are singled out by the bill are mainly corporate forms of investment. I think it is fair to say that the taxes raised in certain of these sections, for instance, the excess-profits tax, will be paid to the extent of three-fourths by the business carried on by corporations. Banks, for instance, are regarded, as I suggested a few days ago, as a universal source of revenue. Probably the insurance companies, life and fire, are about the first, but the banks would come in a close second. The bankers' associations might be regarded as under suspicion. All of them are supposed to control very many millions of dollars. I have suggested here that the resources of the banks consist largely of their liabilities. The greater the bank's assets the greater its liabilities become, so that in a sense the greater the bank's debts the greater the bank. Except as to the sums distributed in dividends and set aside by way of surplus, it owes to its stockholders and to its depositors all the other of its assets.

Under date line of January 24, 1917, the Illinois Bankers' Association sent out what they say is the longest communication mailed by them since it has been organized. It is addressed to the members of the association and is in reference to the proposed new tax on profits over 8 per cent. I quote from that communication as follows:

THE PROPOSED NEW TAX ON PROFITS OVER 8 PER CENT FURTHER VIOLATES AMERICAN PRINCIPLES.

ILLINOIS BANKERS' ASSOCIATION,
Chicago, January 24, 1917.

To the members of the association:

The administration party leaders are reported as fully approving an amendment to the Federal internal-revenue act providing for a tax of 8 per cent on net income in excess of 8 per cent on capital computed on money actually invested, property used, and surplus and undivided profits of every corporation, joint-stock company, association, insurance company, and partnership whose net income amounts to $5,000 or more, the tax not to attach to income derived from agriculture or solely from personal services.

Under the terms of the proposed bill capital invested is said to include: (1) Cash paid in, (2) actual value of property at time of payment other than cash paid in, and (3) surplus and undivided profits used or employed in the business. Increases are also proposed on inheritances and other items.

This information is from telegraphic advices, as copies of the new revenue bill are not available. It has been passed upon favorably by the subcommittee and was before the Ways and Means Committee of the House yesterday, and is being considered to-day by the House caucus of the majority Members, after which it will be reported formally. We are advised that passage of the bill will then undoubtedly be expedited in the House, possibly coming to a final vote before the end of next week.

It is apparent that we are complacently passing through a period of silent revolution which is remorselessly continuing a steam-roller process of attempting to bring successful business concerns down to the level of the mediocre through adding more tax burdens on wisely managed enterprises.

As an illustration of how the proposed tax will work, a bank or other business with a capital of $50,000, surplus and undivided profits of $10,000, which earns 20 per cent net on its capital, or $10,000 a year, would be entitled to a deduction of 8 per cent on the capital and surplus amounting to $60,000, or $4,800, leaving the difference between this amount and $10,000, or $5,200, upon which a tax of 8 per cent, amounting in this case to $416, would have to be paid. A bank of $500,000 capital with the same proportion of surplus and rate of earnings on capital, would pay $4,160, and one of $5,000,000, $41,600.

The proposed tax will be in addition to the income tax, which was more than doubled under the act of September 8, 1916, and the special corporation tax of 50 cents a thousand on capital, etc., in excess of $99,000.

The members of this association are all bearing tremendous tax burdens, proportionately larger than other business interests as their personal property is not concealed from the local assessor and they can not well increase the cost of service. We gladly take the lead in supporting programs for national advancement, but the added burden of this third direct Federal tax leaves no room to doubt that it is time to call a halt. Government revenues must be obtained and there is no disposition to question taxes for legitimate requirements if imposed equitably, in accordance with principles which conform to the spirit of American institutions.

Direct Federal taxation has so recently been instituted and has met with so little objection on the part of about 7 per cent of the population now furnishing the Government with revenue aggregating $131,845,360 that we are apparently losing all thought of reasonable equality in taxation and deliberately entering a new and pernicious era of "special privilege" and exemption for the great mass of the citizenship.

While fully admitting the social justice of a graduated tax on incomes, it seems manifestly unfortunate, if not indefensible, in both an economic and a political sense, to wholly relieve more than nine-tenths of the voters, who, theoretically, are responsible for the imposition of the tax, from bearing some part of their proportionate share, even if the amount realized from each would be very small. Such contact with the revenue department of the Government is necessary to insure the practice of administrative economy and a reasonable consciousness of the obligations of citizenship. In England, before the great war, all incomes over £100 were taxed.

Industries concerned as to the threatened flood of foreign goods after the war, resulting in overproduction, idle mills, panic, and depression, have hoped that immediate consideration would be given to protective measures through a revision of the Underwood Act, such as is believed would, with existing direct taxation, produce adequate revenues, notwithstanding the present curtailment of imports, and that the proposed bond issue covering the expense of mobilization on the Mexican border would carry us through without establishing any more doubtful precedents as to direct taxation. While not offering this as a suggestion, we most emphatically believe that the proposed program is along the wrong lines.

The writer feels that the officers of our member banks should get in touch with the business men in their communities at once and give full consideration to the entire subject. Let us not be charged with the worst possible error—that of taking the easiest way in this matter, instead of standing up for the principles which, if disregarded, will result in our being carried into very dangerous channels.

Having secured an entering wedge, our Representatives in Congress appear willing to drive it further and further between the majority and the minority of the population, separating them still more, instead of attempting to bring them together for cooperation leading toward national efficiency.

The experience of the belligerent nations has proved that service must be universal, whether at the front, in the factory, or in the counting room. This is the world's new conception of democracy for peace and war. It is a step backward for a few to pay all the cost of government. We are losing the essence of Americanism and bringing about representation without taxation, which is as repugnant as would be the right of a few to support the Government and to dominate it.

There is need for sound public opinion, for sound political judgments, and our future for many years to come will be governed by the soundness of the public mind and governmental actions in the next score of months. We must awaken men to the patriotic need for giving the best there is in us to the end that the national answer which will be made to the many questions the world is asking shall be the right answer.

We urge you to do your part promptly. Stand up for principle, even if you happen to be exempt. Write your Congressman upon receipt of this. An insidious evil is creeping into our national life; ask others to help prevent it. Please get general local cooperation.

We are advised that the Chicago Clearing House Association will wire strongly protesting against this further imposition of taxes on those already burdened through recent Federal taxation enactments. Should not all business associations take similar steps? The time for action is very short.

We believe the serious and perhaps unconscious drift of affairs in Congress makes it unnecessary to apologize for the longest letter ever sent the membership. It would have been easier merely to request the members to wire protests against the proposed new iniquitous tax, but it is important that our members begin earnestly to study political economy and endeavor to help form a sound national policy.

Yours, very truly,

RICHARD L. CRAMPTON, *Secretary.*

A postscript to this indicates what I think is a very pernicious practice that is attempted without warrant of law:

P. S.—Some of the internal-revenue collectors in Illinois have sent our member banks forms upon which to file returns as brokers and pay a tax of $30. We feel quite sure this is incorrect and have written the commissioner in Washington for decision regarding it.

It seems to me that the burden proposed to be laid upon corporations will, in the quadruple tax, be an extremely unjust imposition. Banks, as already indicated in this communication, pay their income tax; they pay the corporate-franchise tax; they pay this increased tax proposed, the excess-profits tax, in case they have any; in addition to that they pay the local tax of the State government and its various subdivisions.

I remarked somewhat briefly the other day on the premium placed by the writing of this bill on overcapitalization. From the secretary of the American Mining Congress I have since received a communication on this question which is very pertinent. Omitting certain parts that are not material, he says:

Will you permit me to call attention to the revenue bill (H. R. 20573) as reported by the Senate Finance Committee, and to suggest that the application of section 202 as now worded will, in my judgment, result in putting a premium upon overcapitalization and a penalty upon conservatively managed institutions, and will create a third basis of taxation, the Government having already laid taxes on the bases of income and fair value.

The most successful and efficient business corporations in this country are those which have begun with small capital, gradually adding thereto from their earnings without making charge against the capital account. Such companies would only be permitted to earn the stipulated profit upon the cash paid in and other assets at the time such assets were transferred to the corporation, while the corporation which waters its stock to the limit would escape its just share of the burden by reason of the greater apparent capital upon which an 8 per cent earning is allowed.

Again, if the bill is passed in its present form there will be three separate bases of valuation for the taxation proposed, as shown by the attached brief.

I am sure that Congress does not desire this result, and I beg to call your attention to a hastily prepared brief attached hereto and ask such action as, in your judgment, seems wise.

Very sincerely, yours,

J. F. CALLBREATH, *Secretary.*

Then continues a part of the same letter subjoined:

Considering the bill as a scientific tax measure its terms are subject to severe criticism and should lead to the rejection of the bill unless substantially modified after careful consideration. The Federal Government now has an income-tax system based on net income. It also has a stock franchise tax entitled "Excise tax on corporations approved September 8, 1916." This tax is "50 cents for each $1,000 of the fair value of the capital stock." It is now proposed to provide an excess profits tax as a "special preparedness fund" based on "actual capital invested" defined in section 202. as—

(1) Actual cash paid in.

(2) The actual cash value of assets other than cash at the time such assets were transferred to the corporation or partnership, and

(3) "Paid in or earned surplus and undivided profits used or employed in the business; but does not include money or other property borrowed by the corporation or partnership, whether evidenced by bonds or otherwise."

It is thus proposed to establish three separate bases of valuation for corporation properties in the United States, viz, income, the fair value, and cash paid in. There should be but one basis of value for tax purposes, and corporations dealing with the Government should be entitled to simplicity and directness of the law by having but one basis of taxation so that they can at any time know where they stand and what the charges against them are to be. The deduction allowed in the excess-profits tax of 8 per cent upon the actual cash paid in should be changed to a deduction of 8 per cent upon the fair value, being the same term as required in the stock franchise tax above mentioned.

Clearness in the definition of the valuation of a tax is essential to a proper tax measure.

It is not clear whether the statement (paragraph 3, section 202) that the act "does not include money or other property borrowed by the corporation" means that sums borrowed should be deducted from "the actual cash and assets paid in," before the 8 per cent on the cash paid in is to be allowed or not. Apparently it means that such deductions should be made. If that is the case there are many southern corporations whose estimates of actual cash paid in would be negligible, so that the whole burden of taxation on the excess profits would fall upon their earnings, even where their earnings should not exceed 3 or 4 per cent.

The second objection to this definition is in the fact that it places a penalty on conservative business methods. Corporations which have not charged in as cash, sums which might have been declared as dividends and corporations which have not capitalized their good will or the increase in the value of their property, corporations which have not purchased from other sources properties of high value are all of them taxed on the excess over their low capitalization, while corporations which have indulged in the methods of high finance, charging to principal every available item, adding into the surplus the development work of the property, increasing the capital account by all known fictitious devices, will relatively escape from the burden of excess taxation. The definition, therefore, of actual capital invested should be changed to fair value of the capital at the time the tax is laid, making the actual property of the company the basis of the deduction, instead of making the book entries of the company the basis. There are companies all over the United States which have grown from small beginnings upon an original investment of $10,000 or so, and have become great concerns, extending over a period of many years without expanding their capital stock or their book entries of the cash paid in or the assets paid in. Such companies represent the most conservative and valuable financial institutions in the country and should not be penalized by such an act. The great financial corporations, banks, etc., have always followed the practice of charging upon their books cash paid in and dividends earned but not distributed and surplus, so that

the excess tax will not effect the financial institutions which are the mainstay of the wealth of the States named. The effect of the loose drafting of this act is therefore to create great confusion in the tax system of the Nation, forcing the corporations with extensive litigation to establish their rights, to place a penalty upon conservative financing and a premium upon the watering of stock, resulting in inequality and unfairness.

On a former occasion the chairman of the Finance Committee very lucidly explained that the provision in the bill in regard to the actual cash value of the property that was contributed in lieu of cash payment for the shares subscribed was a protection to the Government. He proceeded to say that the actual value of the property would be estimated by the Treasury Department, and on that the 8 per cent would be computed from the company's business. The inherent difficulty in that lies in the inability to value the property of a corporation that has been in business for a long time—the difficulty of estimating the actual cash value of property turned in in payment of shares many years ago. I can think of a copyright or a trade-mark turned in at a very large value. The business might have been an individual one before. Through extensive advertising, through enterprising salesmen, through the merit of the article sold, in the course of years a very large business was developed. Later—and this follows about the natural course of development—those who founded the business, growing older, incorporate. The question always arises what the going concern shall be valued at in the payment of shares in the corporation taking over the old business. It is starting a new business in name only, since it conducts precisely the same business and uses the same trade-mark or copyright used by the old individual business.

The natural effect of the incorporation is to require those who incorporate to estimate the value on which they will capitalize the business. They take what the probable profits have been. If it has been a partnership, they have distributed at stated intervals the profits of the business, after making the proper allowances to keep the business in a going condition. Taking that as the basis, they figure out on the earnings on, say, a 5 per cent basis that they can capitalize—say, the stock is all of one kind, with no division into common and preferred—that they can capitalize at a given number of dollars and still pay 5 per cent on the shares. Accordingly, the capitalization is fixed at that sum. No one can say that it is not a fair valuation 20 years after the valuation is made. The business may have earned from 5 to 8 per cent since that time.

There has always been a motive, Mr. President, for a large capitalization of a going business when changed from an individual or a partnership basis to a corporate one. It might be that the merchandise sold was sold under a patent, which has practically the same effect as a trade-mark or copyright. In that event they capitalize largely in order to show that excessive profits are not made. If it should appear on a low capitalization that the company is paying from 10 to 15 per cent, especially where the shares are quoted on the stock exchanges of the country, it becomes known to the investment public, and so to the general public. Therefore to avoid in many instances the payment of what appear to be excessive dividends, they double or treble the capitalization, and that, of course, either halves or divides by three the dividends paid on the shares.

Where a concern has been financed in that way, where money is to be borrowed, it goes upon the same basis. Where a business requires funds for its development to widen out, to engage not only in national but in international trade, those who furnish the money on the bonds to be taken figure it at a rock-bottom basis. They know what the business is worth. The bonds are issued accordingly. The shares of stock are fixed with that knowledge, so that they know when these securities are issued, either stocks or bonds, how much will be earned. A certain portion of it will be absorbed in the payment of the interest. What remains after the expenses of the business may go to dividends, but it is adjusted in that way. If the shares were held by those originally subscribing or promoting the business, or if the bonds were held by those who participated in that promotion, if they were still in the same hands, I could understand that with some justice to the general investing public even now there could be some estimate made of the actual value of the business that was turned in.

Conditions, however, are not that way. Either fortunately or unfortunately the general public buy these shares. They buy the bonds issued. The same question comes up that is found confronting the authorities with railway securities. They are in the hands of innocent purchasers for value. The valuation of the property putting it down to a substitution or a reproduction price is often grossly unfair. It would have the effect of injuring the shares of stock. It would naturally result in a depreciation on the stock market of any concern having a considerable issue bought and sold on the exchanges of the country.

So it becomes extremely difficult in the first place, and in many instances, I think, Mr. President, it becomes impossible, to estimate the actual cash value of some of the most successful concerns there are in the country.

I might take a publishing company. Some publishing companies make very large returns in the aggregate, but if measured by capitalization the rates of dividends are very moderate and some of them low. This is because the copyrights of publications, the good will of the companies, have been capitalized at the time the companies were formed, and capitalized at a very large sum of money. In some instances the payment of 3 per cent on the capitalization involved would be more than the 8 per cent, possibly, of a more conservative valuation. The difficulty arises again on the difference of opinion, and the uncertainty naturally growing out of it, when the values of assets of this kind are to be fixed. The good will is an intangible asset, and still, where it exists, everyone knows that it possesses a cash value. The difficulty for the general public, or for the employees of a Government department, or the head of a department, is to estimate what the good will is worth. No one knows it except those who conducted the business.

I might think the good will of a business was worth nothing. My neighbor might differ from me. He might have superior means of information. He would know what the business was for a given period. He would know the expenses of conducting the business. To him it would have that value, because he knows how much it will earn; and the public outside, knowing the value of the merchandise with a fixed name, continue to buy it so long as the business is conducted.

The Government undertakes to fix the actual cash value of good will; and ultimately it must come to that, in many instances. Take the supposed publishing company. Consider some of the popular 15-cent magazines. The good will of those magazines is worth something. It has a cash value. They are found all over the country. Every news stand exposes them for sale. In like manner, the more expensive ones have a name that makes them a current asset. The name of the North American Review is worth something beyond all the physical plant, beyond even the earnings of the company that publishes it. It has a value because of its long term of serving the public with certain high-class reading matter. If anyone were to undertake to fix the value of the North American Review—and I take this because it is a kind of a periodical that is not so generally bought—if anyone were to undertake to fix its good will, there would be the widest divergence of opinion. Even the owners or the shareholders in the company might differ from each other as to what it is worth.

If we were capitalized so as to fall under the 8 per cent referred to in the excess-profits-tax section of this bill, it would escape entirely. If there were a conservative value of the good will, if it were 50 cents on the dollar of what myself and neighbor might think, if it continued to have the same earnings, it would double the dividends, and so make it liable above the 8 per cent for the tax provided in this section.

In the third section this language is used:

Paid in or earned surplus and undivided profits used or employed in the business; but does not include money or other property borrowed by the corporation or partnership, whether evidenced by bonds or otherwise.

It seems there that the money borrowed by the corporation would not be included, although there is some difference of opinion among those who have furnished me briefs on this question.

I have a letter under date of January 25, 1917, from John V. Farwell, of Chicago, on the same question, which I think presents a very fair criticism.

JOHN V. FARWELL CO.,
Chicago, January 25, 1917.

Hon. LAWRENCE Y. SHERMAN,
Washington.

DEAR SIR: I notice the program to tax excess profits over 8 per cent on capitalization. I have not seen the details of the bill, but on the face of the statement it seems to offer a premium on capitalizing good will, etc., or any other way of inflating capital stock.

While I have no doubt before the bill is passed some method will be devised to prevent subterfuges of this sort, creating inequalities in taxation, I thought I would call your attention to the matter now, so it can be brought at once before the authorities who are considering this bill.

If the bill should provide for the average amount of capital used in the business, whether borrowed or capital stock, or surplus, and should eliminate capitalizing good will, etc., it seems to me you would have a fair basis of treatment to all concerned. There would be sufficient difficulties in making this bill workable without putting it in what appears to be inequitable shape.

Of course we are against this bill and want it killed, if possible, but if something is sure to be passed we can only hope for best possible.

Yours, truly,

JOHN V. FARWELL, *President.*

A corporation can not be considered apart from the men who conduct it. The personality of a corporation depends upon the controlling element of men who are carrying on its business. It is a fact that the most painstaking and conscientious corporations, especially those long established, have not taken all of their profits out of the business, but have put them into betterments, extensions, machinery, building up trade connections, establishment of agencies, and the introduction of their manufactured products into new markets. These actual investments have never been segregated into surplus and undivided profits, and then reinvested. The limitation in section 202 to the actual cash paid in and to the other assets at the time the assets were transferred to the corporation, plus earned surplus and undivided profits, which must have been segregated and put back into the business, would, in many older corporations, deprive them of the greater portion of the 8 per cent exemption. Wildcat corporations, on the other hand, based upon oil wells, mines, patents of presumed but not demonstrated value, and concerns of recent organization would be able to claim a full exemption, while the old reliable corporation would be penalized for its sound business policy.

It would seem that the Government could not properly estimate the tax basis of a corporation upon a market value, which might be entirely fictitious, and in the extension of the same measure assess an excess-profit tax on a corporation, and declare the corporation should not be credited with its actual value, but would be bound by the original investment at the time the corporation was formed, perhaps many years ago, and to reinvestments of segregated surplus and undivided profits which had actually been first set aside and then returned to the business.

Another extraordinary provision is that in estimating the cash capital of a business "no exemption is allowed on money or other property borrowed, whether evidenced by bonds or otherwise." This provision penalizes a corporation whose capital is insufficient to finance its business as against the man who has ample capital—the weaker man pays the higher tax.

I have an illustration here. For the sake of brevity the $5,000 exemption might be omitted in either of the illustrations given.

Assume, under a 50 cent per $1,000 tax, a corporation of $30,000,000 capital, the market value of whose stock averaging during the past year, say, $500. Such a corporation exists, not a mere hypothetical case. The 50-cent tax would be assessed on $150,000,000 and would amount to $75,000 per annum. This same corporation, after over 20 years of growth, owing to amazing activity and by putting its profits back into the business, without segregating them as either profits or surplus, would probably be able to show on its original investment the value of the other assets at the time the corporation was formed, plus segregated surplus and undivided profits now used in the business, probably not more than $10,000,000 or $12,000,000, although its physical net assets are certainly $50,000,000. On these figures this corporation would be deprived of exemption at 8 per cent on practically $40,000,000, or $3,200,000, to which it was really entitled, and would be obliged to pay an unjust tax of $256,000. If under the income tax, on the other hand, the 50 cents per $1,000 were based upon actual cash value, the amount paid by the corporation would be $25,000 instead of $75,000.

It seems clear that the Government has no right to take this tax both ways, and that only one basis of taxation is just and fair, and that is the actual value of the corporation as a going concern.

Take a trade-mark as another illustration of the injustice of the valuation method which evidently is intended to be followed by the department the way this bill is written.

A certain corporation exists whose original investment when the corporation was formed, 20 years ago, as shown by the par value of capital stock turned in, was slightly less than $1,000,000. It has already established, by 25 years' advertising, a valuable trade-mark under which its goods were sold. During the last 20 years it has spent anywhere from $500,000 to $1,000,000 a year in advertising to maintain and enhance the value of its trade-mark. The actual tangible assets turned in, besides the trade-mark, were, however, about $1,000,000. The corporation was capitalized at $20,000,000. The stock of the corporation during the whole period has never been below par, and stands to-day somewhat above par. This corporation will probably pay on the 50-cent excess tax on each $1,000 capital $10,000 a year. It has for some years paid 6 per cent on $10,000,000 of its capital stock, called preferred, and 8 or 10 per cent on the common stock. While called upon to pay upon the basis of the full value of its $20,000,000 income tax under the revenue bill, it will be allowed 8 per cent on the exemption only on the actual cash paid in 20 years ago, and some estimate as to the then value of the trade-mark, if that can be considered a tangible asset at the time the trade-mark was transferred to the corporation. While enormous sums of money, probably $15,000,000 have since actually been invested in the maintenance and development of the trade-mark value of the corporation on which its entire business is based, this was charged on the books as an advertising expenditure, and it was never set aside as earned surplus or undivided profits, which were paid back into the business.

Before the Ways and Means Committee of the House, during the tariff discussion, testimony was given by an old gentleman that his father, 60 years before, had started a business on $1,000 capital, and all rights, title, and interest were finally transferred to a corporation, after 20 years, for $50,000. That all profits were put back, except reasonable dividends; the business had extended throughout the world; and in building up the business a community had grown up, and the corporation was now capitalized for $6,000,000, which the old gentleman stated was very conservative, as no estimate was made for a good will, which the high quality of the wares and the trade-marks had established throughout the world, and which probably equaled, and which had practically cost, as much as the actual productive features of the business.

Under section 202 of the revenue bill this old gentleman's corporation might, unless by some system of bookkeeping it had anticipated by 40 years the revenue measure, have to go back to the original $50,000, if not to the original $1,000 with which the business started, in claiming its 8 per cent exemption. A modern corporation, however carefully formed, with an investment of $1,000,000 cash and several million dollars in patent rights, which appear to be, but might not be, valuable, would be able to escape taxation entirely, unless it was paying an excess of 8 per cent on its total capital.

I should like to take two railroads as an illustration, and these are actual illustrations. I have seen many railroads built in my time in the western country, in the northern Mississippi Valley. I have seen them built in various ways. I saw the Chicago & Eastern Illinois built, in which the stockholders built the road and paid for it. When it ran its first train, with Mr. Carpenter as president, my recollection is there was not one dollar of bonds issued for the whole of the company and all its line. Its track was built; it was equipped; its terminal facilities secured; all of its yardage, its shops, and everything needed for a going railroad was secured, and the stockholders paid for it, and there was not a dollar of mortgage or indebtedness against the property.

The Alton road, before my time, was, as I have said, builded in the same way. It was built by the stockholders; it was conservatively managed; it was not watered. It was built under the administration of Timothy B. Blackstone, who was the leading spirit with his associates in financing and building the road between Chicago and St. Louis originally. These men, if living now, would be penalized for being conservative. They were old-time financiers; they were not speculators; they were like the late Mr. Hill; they were builders and not stock speculators on the market.

I said here a few days ago that the manifest effect of the bill was to promote excessive valuation, to promote the watering of corporations, to promote wildcat schemes, and I repeat it to-day. The men who built the two roads I have mentioned, if they had been conducted at the present time under the old management for the last two years, would have made them liable to an excessively large tax under this section of the bill. Their shares of stock were as well known and as sane in value as the shares in a national bank in that part of the country. They would be penalized for that now.

It so happens that the two roads are under a different management; so they are in no danger under the sections of this bill, because the Alton changed its ownership in comparatively recent years and the Chicago & Eastern Illinois was amalgamated with the Frisco system, and on the good, hard security of the going railroads, with the business they have had, and with no indebtedness, they were put into a new combination, with a large issue of securities, for which these companies with their good name furnished the drawing card to enable the public to absorb the issues, and to-day they will escape every penny of this 8 per cent excess tax.

As I suggested here, the war in Europe will be ended many, many years before the valuation from the Interstate Commerce Department will reach the evil of which I speak. We all know that there has been overcapitalization of certain railway systems in the country, not all of them fortunately. They are limited in the whole railway world to only a fractional part. I will not single out so as to be invidious the names of certain

railways that are recognized as plungers on the market whose shares they have gotten hold of for that purpose. They were not railroad builders; they were not like the pioneers who built the early lines and took the chances and who furnished the money and gave hard value in return, with their knowledge of finance and engineering in railway problems. The men of later years who have succeeded them are of the kind named stock speculators and they work the market rather than run railroads. These men, every one of them, will escape, their railways will escape, and there will be no help for them under this bill, because it is not contemplated, I suppose, that this tax will continue forever. When the war is over some readjustment will be made, and long before that readjustment could ever reach these people the valuation that they have put on it will protect them.

Take the two railroads that I have noted, or rather the two instances. I will not give the names of any railroad in such illustrations for obvious reasons.

In relation to the question of whether money borrowed and used in a business should be considered in establishing a tax to be paid by a corporation, two railroads might be taken as an illustration. Each has $200,000,000 capital. One consists of $100,000,000 stock and $100,000,000 4 per cent bonds.

Here is where the indebtedness becomes material, as the larger the company the greater the inequality and injustice that would be perpetrated. One consists of $100,000,000 stock and $100,000,000 4 per cent bonds. The other is capitalized as all stock. Both railroads make a profit of 10 per cent on the $200,000,000 which they each use. Railroad No. 1 figures as follows:

RAILROAD NO. 1.

Cash used	$200,000,000
10 per cent	20,000,000
Less 4 per cent interest on $100,000,000 bonds	4,000,00
Leaving a net profit of	16,000,000
8 per cent exemption on $100,000,000 capital	8,000,000
Excess profits subject to tax	8,000,000
Tax payable	640,000

RAILROAD NO. 2.

Cash employed	200,000,000
10 per cent profit	20,000,000
Exemption, 8 per cent on $200,000,000	16,000,000
Excess profit	4,000,000
Tax collectible	320,000

In other words, the one who borrows is the one who pays double the tax. In other words, it penalizes a company or an individual who borrows and reduces to corporate form his enterprise. It penalizes him because he does not have the money. It charges him twice the tax because he is poor. I regard it as a most unjust discrimination. It can not be ascertained well unless it is applied to concrete cases. It will be found when the department goes to working out this tax, in the event it passes in its present form, it will penalize the man who does not have money enough to conduct the business, and to the man who puts in 50 cents and borrows 50 cents of every dollar he puts in it will cost twice as much to pay the tax as it will for the man who has the whole dollar to put in at the beginning. It therefore is an obstruction to development; it is a hindrance to the man who is enterprising, industrious, and willing to put in his own money and not employ somebody else's savings.

Mr. WEEKS. Mr. President——

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

Mr. SHERMAN. For a question.

Mr. WEEKS. I suggest to the Senator that this might also be the fact in connection with the case he has cited. The bank which is taxed least might be owned by half a dozen very rich men, while the bank which is taxed twice as much might be owned by a large number of small investors who have put their money into that bank because they believed it a safe investment. Therefore the person of comparatively small means would be the one taxed instead of the rich man.

Mr. SHERMAN. Yes, sir. That is a good illustration. It works out in that event the same way. The comparatively large number of small investors who might take 1 share at the par value of $100, or 10 shares, and make it their savings bank since they all know each other and have confidence in each other's integrity and organize a business—these men because of those conditions are penalized under this bill and compelled to pay a grossly disproportionate part of the special tax to be levied.

From the illustration I have given it will thus be seen that the railroad having bonds, under section 202 of the revenue act, will make $4,000,000 less in profits and pay a tax 100 per cent higher than the stronger railroad, which did not have to borrow money.

It works out all the way along the line. Building operations are the same way. These matters are to be tested finally when applied to the actual operations of life. All these laws finally must be applied; they are not theoretical; they come finally to the men who are doing business, to the active man, not the retired man who is living on an income, who for practical purposes is living off the active ones, on the men in every active line in life, whether in the arts or industries, in agriculture, in the professions, or what not. We must get down to the specific instance, and in the building illustration it would work out this way.

Another illustration especially applies to heavy real estate transactions:

A building in New York costing, with the land, $20,000,000, with $15,000,000 4 per cent bonds and $5,000,000 capital.

That is not an extraordinary valuation in view of 20 and 25 story office buildings that are built on a ground lease in several of the larger cities with fifteen million 4 per cent bonds and $5,000,000 capital. That is the way it actually would be framed. The experts who figure these things out know exactly how much to put in and where after a term of years it will end. In such a building office space rents at so much per square foot. They know the whole number of square feet in the building from the roof to the basement. They know how much ought to be charged to make it a profitable undertaking. So they figure it out that way; they form a corporation with $20,000,000—$15,000,000 bonds and $5,000,000 in shares. That will cover the ground and the building.

As against a building built on capital stock without bonds, would figure as follows:

BUILDING NO. 1.

Cash used	$20,000,000
10 per cent profit	2,000,000
Deduct bond interest	600,000
Net profit	1,400,000
8 per cent exemption on $5,000,000 capital	400,000
Excess profit	1,000,000
Tax	80,000

BUILDING NO. 2.

Cash employed	20,000,000
10 per cent profit	2,000,000
Exemption 8 per cent on $20,000,000	1,600,000
Excess profit	400,000
Tax	32,000

It shows again that the person desiring to avail himself of borrowed capital for the development of a business enterprise is compelled under this bill to pay twice as much tax as the man who has the cash to conduct the same enterprise without borrowing.

Again, a corporation not having enough cash to transact its business, and making less profit, pays over 100 per cent higher profit tax than the corporation which was stronger financially.

I do not always agree with the doctrine that is sometimes urged in this Chamber that those who are strong financially ought to pay the greater part of the burden. I rather incline to the uniformity of taxation, that all pay something. This bill, however, goes upon exactly the reverse, that the weaker the taxpayer the more he will pay of this burden, and it actually will work out that way.

In the illustration given I have not taken out the $5,000 exemption in the income, because it makes it much shorter, but it works out in exactly the same proportion if that deduction be allowed.

Now, apply it to ships. Get off the land on the sea, and the same thing holds true. A corporation owns a ship in 1913 worth $250,000 and is capitalized for $250,000. That is actual cash value. That is within the language of the bill. The war makes the ship worth $1,000,000. I do not think that is an exorbitant valuation based upon actual advances.

The corporation is offered $1,000,000 cash for its possessions. The offer is refused. The party offering $1,000,000 purchases a sister ship to the one owned by the first corporation at its present market value and pays $1,000,000 cash. A corporation is organized and business is begun. Each company makes $80,000 on the operation of its ship during the tax year under

the revenue bill. Corporation No. 1 pays taxes under the revenue bill as follows:

Total profit	$80,000
Value of assets at time of transfer to corporation, $250,000; 8 per cent deduction	20,000
Leaving excess profits taxable	60,000
8 per cent on excess profits, which is the amount of the tax	4,800
Corporation No. 2 makes	80,000
Value of assets at time of transfer to corporation, $1,000,000; 8 per cent exemption	80,000
Tax payable	Nothing.

The exemption exactly balances the income, and the tax paid is nothing, whereas the first paid $4,800.

It is evident from the above that two corporations, under section 202, doing precisely the same business with sister ships, would in one case pay a tax of $4,800 and in the other not be taxed at all.

Another illustration follows:

A company organized years ago, possessing a patent of great value, is capitalized as follows—I am taking now an actual illustration:

Total capital	$2,000,000
Divided:	
Cash	1,000,000
In a valuable patent	1,000,000

In the course of years the patent expires and is of no value whatever.

After a limited time, under the patent laws, the patent runs out. Then it belongs to the public, to the world.

Another company having invested in the business has without the patent and using the same cash capital as its rival succeeded in developing an equal business.

Corporation No. 1 works out as follows:

Annual profits at the present time	$160,000
Value of cash and assets at the time they were transferred to the corporation, $2,000,000; exemption 8 per cent	160,000
Amount of tax	Nothing.

In other words, the expired patent has suddenly become valuable, in that it relieves this company of taxation which will continue to apply to its rival, as follows:

Applying the same rule to its rivals:

COMPANY NO. 2.

Capital	$1,000,000
Present profits	160,000
8 per cent exemption	80,000
Excess profits	80,000
Tax	6,400

And they are conducting the same kind of business.

That is not fair taxation.

I wish to call attention very briefly to the proposed $22,000,000 of the estate tax or death rate, called in England and in some States the inheritance tax. It is estimated that $22,000,000 will be produced from the increased rate. This has been a source of revenue for States. I think some 23 or 24 States levy and collect this same estate tax. I remarked the other day that slowly the sources of revenue belonging to the States are being absorbed by the General Government. We must call a halt at some place.

In my own State, for instance, we have collected there something like $1,000,000 every year. I want to refer to that. The $1,000,000 that is collected is turned into the State treasury. It is made one of the assets, and a material one, too, in the payment of our expenses from year to year. It can not be supposed that we will permit a double tax to be levied upon estates. That would be extremely unfair.

I think it very material to here state the amount of inheritance tax collected from some of the States. In my own State it hung at about $1,000,000 for a good many years, and the last year that I have here $2,092,000 and over were collected from this source; in Indiana $233,000 were collected; in Iowa $318,000 were collected; in Kansas $270,000 were collected; in Maine $283,000 were collected; in Maryland $256,000 were collected; in Massachusetts $2,308,000 were collected; in Michigan $501,000 were collected; in Minnesota $650,000 were collected; in Missouri $411,000 were collected; in New Jersey $1,090,000 were collected; in New York $8,263,000 were collected; in Pennsylvania $2,516,000 were collected; and in Tennessee $210,830 were collected.

These amounts are material in the revenues of the States. The revenues of the States are not large in proportion to the sums we are handling here. In my own State of Illinois, for instance, our total revenues for the biennial period aggregate about $39,000,000 and a fraction—$19,000,000 and over each year; but of the $2,000,000 collected from the estate tax, the rest of it barring the income from certain departments, the insurance income, comes from the income from the foreign corporation tax, the licensing of corporations and their creation under the laws of the State, and fees from various other departments running up into some million dollars annually, necessitating, however, the bulk of our taxes to be collected by direct taxation.

This is but the beginning. If $22,000,000 can be collected in a single year by the Government, it will not be long until, in the stress of collecting more money under large appropriations, this tax will again be doubled or trebled. It is merely a question of time until this source of revenue will be entirely absorbed, because it will grow so burdensome that State legislatures will, by the property owners of the different States and the voters, become compelled to repeal their State laws collecting revenue from like sources.

It will be noted that the $22,000,000 that it is proposed to collect by this bill just about equals the entire collection of the estate tax in all the 48 States of the Union, though not quite. The total tax collected was $24,381,000 for the year. How long can it continue until the States will be compelled to withdraw that source of revenue altogether and to turn it over to the General Government?

The income tax is continually increasing; it has been doubled. We are not complaining so much about that; I am not complaining about it. So far as the little income tax that I pay is concerned, most of it is held out here by the disbursing officer. If they want to double it again, I can stand it. If the price of potatoes, Mr. President, does not go up too much, I can still live; but if it keeps on, what I am complaining about is that after awhile the income will be at that figure where personal property from which the income is drawn will no longer be a source of revenue for the States. You will either beat the assessor or you will lose your principal.

We have the double-column plan of assessments of credits as well as other property in my State. We put in one column the actual value of the property, and in column No. 2 the assessor carries out one-third of the value. On that we pay the local taxes. I paid my local taxes a few days ago; and I am paying in my own State $7.66 on every hundred dollars of valuation for taxpaying purposes. On every credit, on a 5 per cent basis—which is the limit on a municipal bond, and it is the limit in Illinois corn land on real-estate security—on a 5 per cent basis, when you get through, if that is your income, after you pay the income tax to the Government and pay the local taxes out of the same income, you have about 1 cent and three-fourths on each dollar left with which to buy the barrel of potatoes which I spoke about a while ago, Mr. President.

Just about how long it can continue without confiscating property is merely a question of how long, in the wisdom of gentlemen writing bills of this character, they will continue to heap on these burdens.

There is another section of the bill which I want to take up in due time; but section 202 has already been passed and section 400 we have reached. I wish to refer to that, and particularly to the oleomargarine amendment, on which I have heretofore refrained from making any comment, but I expect to do so in due time. I will now yield the floor.

Friday evening, February 23, 1917.

Mr. SHERMAN. Mr. President, this section provides for a possible 50-year issue, which, as the Senator from Massachusetts [Mr. WEEKS] says, after 20 years might be a potential 70-year security. There are some of the securities of Great Britain issued in the Napoleonic wars still in the hands of investors. Some of the securities that raised money that ended the struggle at Waterloo are still held in various parts of Europe. But that was a struggle which no historian and no financier, much less any Senator, would undertake to compare with the Spanish-American War, and why a possible extension of 70 years should be given to the very small issue of securities to conduct that war is wholly beyond my understanding.

Thomas Jefferson, the patron saint of the majority party, and rightfully so, said at one time—it is found in his letters compiled and published in the nine-volume edition of the Government—that he did not think any security ought to last and be binding on any Government after 20 years; he said that each generation should take care of itself; that if the project went over to bind another generation it lacked the moral obligation that ought to attend the payment of a debt.

Mr. HUGHES. Mr. President——

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

Mr. SHERMAN. Yes, sir.

Mr. HUGHES. I wish to ask the Senator if he can, out of his accumulation of historical knowledge, tell me whether this Government ever, in paying a bond, offered anything but another bond. I should like to know, as a matter of information,

has the Government ever paid an obligation in the shape of a bond by anything but another bond?

Mr. SHERMAN. It has paid some of its obligations.

Mr. HUGHES. I mean with anything except a bond while they reduced or attempted to reduce the public debt. If they ever attempted to take up bonds except by putting out other bonds, I would like to know under what circumstances it happened.

Mr. SHERMAN. The Government has redeemed and paid many of its obligations. A large part of the issues created during the Civil War have been paid by current receipts. Some have been paid by refunding and issuing new bonds and taking up the old, as proposed here; but the interest-bearing indebtedness of the United States has been very materially reduced out of the current revenues since the war closed.

Mr. HUGHES. I have heard that disputed, I will say to the Senator, and I thought perhaps he could offhand point to some instance or some legislation where it was done.

Mr. SHERMAN. I have not any of the data before me now, but I can take the bond issues growing out of the Civil War and their reduction since that time to show that some of the bonds have been paid out of current receipts. The interest-bearing debt of the United States is very materially less than it was in 1863 or the years immediately following the close of the war. The interest-bearing debt was at its maximum in 1866. It decreased in 1890 or 1891 to less than one-third.

Thomas Jefferson is especially remarkable for another dictum that would appear almost on a par with a 20-year bond that ought to end all obligations. I found it in a letter that he wrote along about the time of the one I referred to, in which he said that all the buildings in the Capital ought to be limited to three stories high; that it was dangerous to go beyond; that it invited calamity from Providence. Elevators had not been invented, and the extension ladders for fire protection, the various methods of saving life, had not yet been presented to the enlarged vision of Sir Thomas. He concluded that three stories ought to be the limit, and that we were inviting great disaster to go beyond a three-story limit. These matters are only offered by way of illustration.

Upon the record, Mr. President, I do not know why we ought to issue $64,945,460 worth of bonds at all; why we ought to provide for the refunding. It may appear to be the views of a trustful novice, but I turn to the report of the Secretary of the Treasury for the fiscal year ending June 30, 1916. It may be that this is a fairy story. I have heard it intimated that the figures could not be realized in hard cash, but the condition of the Treasury June 30, 1916, is contained in this report on pages 36 and 37. After a complete presentation of the condition of the Treasury, including cash reserve funds, trust funds, with a complete résumé of the interest-bearing debt of the United States and the debt on which interest had ceased, the debt bearing interest account in the general fund of various kinds, on the other side of the ledger it deducts current liabilities. It then proceeds with this astonishing statement:

Balance in the Treasury June 30, 1916, as per financial statement of the United States Government, $235,925,945.68.

If we have that balance of cash, and that is what it is reported last June, soon to be a year ago, there was enough in the Treasury to have paid this indebtedness. The average man, as the public comes and goes, thinks that this means cash, and it has so been taken generally in the comments upon the condition of the Treasury.

Of course, this is not available cash; it is not available to pay the public debt or even to pay the current expenses of the Government. It is perfectly apparent that that is so when we turn to some of the cash resources, item by item, as gold coin of $85,000,000 and over, standard silver dollars of $9,000,000 and over, and omitting the Federal reserve and United States and National bank note items. It includes the subsidiary silver coin, of which it is found in this report that there are more than $17,000,000; of minor coin, $905,000 and over; of silver bullion at a cost of over $6,000,000; and unclassified and unsorted currency, $385,000 and over.

Of course, it is perfectly well understood that these several items, especially the last which I have read, are not available as a cash balance. It is understood that they could not be drawn out and used as a part of the free funds of the United States available for the payment either of current expenses or of taking up the bonded indebtedness that might be matured or of going out on the market and buying the securities. That is the way Great Britain does. Practically her consols are never payable; she issues them and they pass into the hands of investors. When the treasury has a surplus that can be devoted to the payment of the public debt or the reduction of it, her officers go out on the market and buy the securities at the very best available rates that can be had. So any surplus in the treasury in years past, when that Government had a surplus, was devoted to the reduction of the public debt in that way, without waiting for the maturity of the obligation.

I turn again to another report of the condition of our Treasury, which will be an estimate for the fiscal year ending on the 30th day of June, 1917. It will not be long until that is here; it is but four months away. The detailed estimates for the fiscal years 1917–1918 are all given here. For this year, 1917, it seems there is reported in the general fund as follows:

Balance in the Treasury, June 30, 1916, as per financial statement of the United States Government, $235,925,945.68.

Those are the figures brought over from the last financial year and are taken as a credit in the bookkeeping. This balance, therefore, at the beginning of the fiscal year of 1917—which began last June, by the way, and will end on the 30th of June, 1917—is taken as a credit and is carried over. To that are added various items throughout the year—Treasury warrants, matured coupons, interest checks, disbursing officers' checks, and the like, aggregating a total of $17,000,000 and over deducted—leaving a total, claimed as a credit in the Treasury, on June 30, 1916, free of all current obligations, of $218,863,995.43.

I am taking the bookkeeping of the Secretary of the Treasury. Whether it is the best bookkeeping or not, I am not stopping to say; I am only taking it as it is written. If the same kind of a record were made in a national bank, and there were no more assets found back of it, the president of the bank would be involved in great difficulties with the Comptroller of the Currency. If this balance is true, we ought to pay the bonds out of the cash in the Treasury. If it is not true, it ought not to be published in such a book as this, a Government publication.

It is stated that there was a balance in the Treasury on June 30, 1916, free of all current obligations. If I have a balance in my pocket free of current obligations, it means that I have discharged what I owe my landlord and my grocer, and such obligations as are pressing on me, or that I have paid all my debts and have a free balance.

Let us go on:

Estimated ordinary receipts, $975,750,000. Estimated Panama Canal receipts, tolls, etc., $6,500,000.

That is on the idea that the Panama Canal will be operating and that some tolls will be collected for the year that will end next June.

Estimated deposits for postal-savings bonds, $2,000,000.

Making our total receipts $984,250,000. I add free cash balance brought over from the ledger of the 30th day of June, 1916, making a total of $1,203,113,995 and some cents. The authorities take from that the disbursements; they take out of that all of the expenditures for the year and then estimate that the balance in the general fund on the 30th day of June, 1917, will be $114,937,995.43. If we have $114,937,995.43, why not take a little over half of it and pay the $64,000,000 of the Spanish War bonds that are maturing, or that can be taken up, and that are proposed to be taken up by the issue possibly of 50-year bonds and refunded? I have always proceeded on the idea that when I got a free cash balance in my pocket instead of issuing a note for 50 years I would take the cash balance and go out and pay the debt.

Mr. SIMMONS. Mr. President——

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

Mr. SHERMAN. Yes; I yield.

Mr. SIMMONS. The Senator is correct in his statement about the balance in the general fund at the beginning of the fiscal year 1917. It was $218,000,000, I think the Senator said?

Mr. SHERMAN. Yes.

Mr. SIMMONS. That is true, but all of the expenses of the Mexican situation, which were not provided for at all, have been paid out of that fund, leaving, as I now recall it, an estimate of $64,000,000 at the end of this fiscal year. It is estimated that the expenses of the Mexican situation will be $162,000,000. That will all be paid during the present fiscal year out of the general fund. There is no other fund with which to pay it. It is estimated that that will leave in the general fund at the end of this fiscal year, $64,000,000.

The Senator from Illinois says we ought to take that $64,000,000 and redeem the Spanish War bonds. If we did so it would leave the Treasury without anything in it at the end of the fiscal year.

Mr. SHERMAN. I call the Senator's attention to page 9 of the bill.

Mr. SIMMONS. Of course, safety requires that there should always be kept in the Treasury a reasonable sum, and $64,000,000 is a very small balance in the general fund.

Mr. SHERMAN. I quite agree with the Senator, the chairman of the Committee on Finance, as to the necessity of an adequate working balance in the Treasury, one that shall be liberal, to say the least; but on page 9 of the bill, under title 4, section 400, is provision for an additional $100,000,000 of bonds to meet public expenditures on account of the Mexican situation. That has nothing to do with the $64,00,000 provided in the section under discussion now, which are to refund Spanish War bonds already outstanding and maturing some time soon. The $100,000,000 bond issue provided in section 400 is to meet the Mexican situation. Until very recently, except by press reports, we have not any accurate statement of the expense of the Mexican trouble.

Mr. SIMMONS. The Senator does not state that quite accurately, I think.

Mr. SHERMAN. I wish to be fair about it.

Mr. SIMMONS. The proposition is to take care of the Mexican situation by issuing these bonds. That indebtedness has already been paid or will be paid by the end of this fiscal year out of the general fund. When the bonds are sold, of course, the proceeds will reimburse the general fund that amount. But there are other expenditures to be paid with the $100,000,000 of bonds besides those incurred on account of the Mexican situation. There is the Alaskan Railroad, involving an expenditure of some $35,000,000.

Mr. SHERMAN. Let me interrupt the Senator to say that that expenditure will not all be paid during the ensuing fiscal year.

Mr. SIMMONS. I am proceeding to explain the $100,000,000 bond proposition. That would be added to the $162,000,000. Then, there is the armor-plate plant expenditure to be added—$11,000,000. In addition to that there is the $70,000,000 already authorized for the nitrate plant, and the amount needed under the shipping act, and the $25,000,000 for the purchase of the Danish West Indies, making a total of $303,000,000 of bonds. There are, however, only something over $200,000,000 of Panama Canal bonds that can be sold, and, therefore, it is necessary, if we are going to take care of this $303,000,000 by a bond issue, to issue $100,000,000 more bonds, or about $100,000,000 bonds. So the $100,000,000 of bonds proposed to be issued is the balance of the $303,000,000, after we have sold the Panama Canal bonds.

Mr. SHERMAN. There is no doubt of that. First, the $35,000,000 authorized for the Alaskan Railway up to this time has not been expended, or anything like that amount. I have not the latest figures as to the expenditure for that project, but I think I am entirely accurate in saying that the ensuing fiscal year will not call for more than $5,000,000 for the Alaskan Railroad. The work is progressing, like most of the undertakings of the Government, in a very leisurely manner, and it will be many years before the $35,000,000 will be called out of the Treasury. There is no necessity for issuing 3 per cent bonds to provide a part of the $35,000,000, when the proceeds are likely not to be needed for 10 years, and all the while we will be paying 3 per cent on the bonds and getting only about 2 per cent or 1½ per cent from the Government deposits in the national banks when loaned out. That is not a good business transaction.

Mr. SIMMONS. I am unable to say how much has actually been expended. I think it is estimated that over $21,000,000 will be expended by June 30, 1918.

Mr. SHERMAN. I am not certain about it, but not all of it has been expended by any means.

Mr. SIMMONS. These bonds will not have to be issued, and will not be issued, I assume, until the money is needed for the purposes for which the bonds are to be issued. We are not raising additional revenue for that work; we are going to take care of it by a bond issue; and the bonds will be issued as the money is needed for that purpose, I assume.

Mr. SHERMAN. Conceding that that will be the business way in which it may be administered, the same is true as to the armor plant. Nobody knows when the armor plant will be located. It may be located within the next three months, but more than likely it will not be located for some time yet; and after its location it will be quite a long time before the plans can be drawn, before the preliminary work can be done, before the blue prints are made, and before the ground is broken even for the first foundation stone. That is a long way off. Many Congresses will meet and have adjourned before that happens. The nitrate plant, involving an expenditure of $20,000,000 more, will go along in the same way. That is not yet located.

Mr. SIMMONS. Yes; but does not the Senator realize the fact that unless we have provided the money or the sources of the money with which to do a particular Government work, the department would not feel itself justified in beginning the work and incurring the liability? An authorization and an appropriation are two very different things.

Mr. SHERMAN. Entirely different things. I understand that.

Mr. SMOOT. I will call the Senator's attention to the fact that in the shipping bill there was provided an authorization for the issuance of $50,000,000 of Panama Canal bonds. That has already been authorized.

Mr. SIMMONS. Yes; that has already been authorized.

Mr. SMOOT. And the bill providing $20,000,000 for the nitrate plant also carried an authorization for the issuance of Panama Canal bonds.

Mr. SIMMONS. I mention these only to show that the $70,000,000 under the shipping act and the nitrate-plant act just subtract that much from the Panama Canal bonds.

Mr. SMOOT. There are about $240,000,000 of Panama Canal bonds available.

Mr. SIMMONS. No; about $222,000,000, to be exact.

Mr. SMOOT. On February 21, which was the day before yesterday——

Mr. SIMMONS. I only know from the statement of the Treasury.

Mr. SMOOT. That is my source of information. The Treasury Department says, as to the Panama Canal bonds, in its daily statement of February 21, that the total amount of Panama Canal bonds authorized by law is $375,200,980, and the total bonds issued to February 21, 1917, was $134,631,980, leaving a balance of bonds authorized, but not yet issued, amounting to $240,569,000.

Mr. SIMMONS. I will not dispute the accuracy of the Senator's statement. I was speaking rather from memory, but it is a fact that we have provided already that $70,000,000 of the Panama Canal bonds shall be issued under the nitrate-plant and shipping acts. That is the total amount that we have authorized up to this time.

Mr. SMOOT. That would leave a balance of $170,000,000.

Mr. SIMMONS. Probably so, if the Senator is correct in his figures.

Mr. SMOOT. I am correct, if the statement of the Treasury Department is right.

Mr. SIMMONS. My statement is that the total amount of bonds, as estimated by the Treasury Department that it would be necessary to issue, including the $70,000,000 to which I have just referred, under the provisions of this bill would be $303,000,000, and that there are only, as I recollect, $222,000,000 of Panama Canal bonds that can now be issued. That would leave the amount of new bonds that it would be necessary to issue, if we are to finance these projects by selling bonds and raising the money in that way, instead of by making direct appropriations out of the Treasury. Of the $240,000,000 of these Panama bonds authorized but not issued, only so many can be issued as is necessary to reimburse the Treasury for disbursements actually made for the construction of the Panama Canal. The amount so disbursed has not been sufficient to call for the issue of all these bonds. Because of this and of other reasons, the Treasury Department at this time can only issue $222,000,000 of these bonds for the purpose of reimbursing the Treasury.

Mr. SHERMAN. That is substantially correct as to the different enterprises, and the amount of the Panama Canal bonds still available is $240,569,000, $134,000,000 having already been issued out of the total amount, $375,000,000, that were authorized.

This, however, does not answer the question of the free balance on the 30th day of June, 1917, because when these bonds are issued the expenses of the Mexican situation will be refunded, or that amount will pass into the Treasury. If this free balance of $235,000,000 last June, and of $144,937,995 estimated by the Secretary to be in the Treasury June 30, 1917, is correct, all that we have to do is to sell some of the bonds and refund the amount spent on the Mexican border or in the expeditionary force down into the interior. That is a very simple process. Just as soon as the bonds are authorized all of that alleged free balance in the Treasury can be replaced by the proceeds of a bond issue. Then the rest of the bonds will be available from time to time for the nitrate plant of $20,000.000, the armor-plate plant of $11,000,000—no one expects that issue to be made, of course, until the money is needed for the construction of these undertakings—and the $50,000,000 in the shipping bill will come along and be provided for by bonds. But the point I am making is that the expenses incident to the Mexican troubles will be paid out of the $100,000,000 bond issue in section 400, and that will replace in the Treasury the sums that have been drawn out from current revenues to meet these expenses from time to time as they have been made.

Mr. SIMMONS. But by reason of the fact that the Government has paid these Mexican expenses out of the general fund, there is a deficit for the year of $157,000,000. The $162,000,000 that will be received from the sale of the bonds to meet the

Mexican situation will pay that deficit and leave only about $5,000,000.

Mr. SHERMAN. The singular state of affairs is that notwithstanding this estimate of a free cash balance on the 30th of June, 1917, in one public document—the report of the Secretary of the Treasury—another public document inconsistent with that is laid on our desks here daily. I have in my hand, Mr. President, one of date February 21, 1917; and in that, on page 2, I read from various columns, each under its appropriate head, as follows:

Excess of ordinary receipts over ordinary disbursements this month, 0.
Corresponding period last year, 0.
Fiscal year 1917, 0.
Corresponding period, fiscal year 1916, 0.

Turning now to the other side of the ledger:

Excess of ordinary disbursements over ordinary receipts this month, $22,618,335.34.
Corresponding period last year, $6,760,444.98.
Fiscal year of 1917—

Now, this is still the excess of ordinary disbursements over ordinary receipts—

$162,059,896.80.

These two documents when put side by side constitute the most singular state of affairs in United States finance ever known in the history of this country. It can not be explained by saying that the free balance in the report of the Secretary of the Treasury has been spent by the current liabilities made by the Mexican situation. When it is put alongside of the deficit that appears in the daily reports from the Treasury laid on our desks of $162,000,000 for 1917, there is no system of finance, there is no system of bookkeeping known, that will adjust the two accounts consistently with each other, or consistently with any free cash balance of the kind named in the report of the 30th of June, 1916, as estimated to be in the Treasury on the 30th day of June, 1917. The $100,000,000 of bonds provided in section 400 will simply restore, it is suggested by the chairman, the amount of the Mexican expenses paid out of the current revenues, and will do no more.

Mr. SIMMONS. The Senator certainly has misunderstood me or I am misunderstanding him very badly. To me it is very simple. At the beginning of the fiscal year there was in the general fund $218,000,000. That was the total of the general fund.

Mr. SHERMAN. That is correct, in round numbers.

Mr. SIMMONS. Now, we incurred on account of the Mexican situation an expense of $162,000,000, for which there was no revenue provided, and that was necessarily paid out of the general fund. As a result, the general fund was reduced to $64,000,000, and there is a deficit of $157,000,000 for the year. Now, when the bonds are sold and that money is placed back in the Treasury, it will wipe out that deficit and add about $5,000,000 to the general fund in the Treasury from that source. The estimated amount in the general fund on the 30th day of June, 1917, will then be $218,000,000 plus $5,000,000, or $223,000,000. So that after we have paid the expense of the Mexican situation out of the general fund, making a deficit of $157,000,000, we have wiped out that deficit by selling the bonds and using the funds to pay the deficit, leaving the $218,000,000 plus the $5,000,000 difference between the proceeds of the Mexican bonds and the deficit in the Treasury. That $223,000,000 in the general fund, according to the Treasury Department, will be applied to the discharge of the estimated deficit during the year 1918.

Mr. SHERMAN. Of current liabilities.

Mr. SIMMONS. Yes. That will leave the Treasury empty; and it is proposed that we raise a sufficient amount to replenish the Treasury to the extent of $100,000,000, the general fund having been wiped out altogether.

Mr. BRADY. The bonds that we sell will take the place of this deficit caused by the Mexican trouble. Is that right?

Mr. SIMMONS. Well, yes; in a sense that would be right. The bonds that we sell for the Mexican situation will pay this deficit of $157,000,000 that has been brought about by taking out of the general fund the money necessary to pay the expenses of the Mexican situation.

Mr. BRADY. Then, as I understand it, when we sell these bonds the money will be placed in the Treasury to replenish the Treasury for the money we have taken out for this purpose?

Mr. SIMMONS. It will be placed in the Treasury, yes; to pay the deficit created by the payment of the expenses of the Mexican situation out of the general fund, there having been no provision for additional revenue made to take care of the Mexican situation.

Mr. BRADY. And that has been paid?

Mr. SIMMONS. That has been paid.

Mr. BRADY. And when we sell these bonds that will be replaced?

Mr. SIMMONS. It will be replaced.

Mr. BRADY. And the funds will take the place of the deficit?

Mr. SIMMONS. When it is replaced, it will wipe out the deficit. That is my understanding.

Mr. WADSWORTH. Mr. President, will the Senator from Illinois yield to me?

Mr. SHERMAN. Yes, sir.

Mr. WADSWORTH. In other words, may I suggest to the Senator from North Carolina, at the conclusion of this operation instead of a deficit in the Treasury we will have a debt? We will wipe out the deficit by assuming a debt?

Mr. SIMMONS. Yes. We will have paid this expense by issuing bonds instead of by levying taxes. That is all there is in it.

Mr. SHERMAN. I have done that a great many times. I have extinguished my indebtedness by borrowing the money at the bank.

Mr. SIMMONS. Senators will remember that last year, when we were passing the emergency act, we stated in the report on that bill that we had not provided for the payment of the expenses of the Mexican situation; that it was intended that those expenses should be defrayed by selling Panama Canal bonds.

Mr. SHERMAN. Yes, sir.

Mr. SIMMONS. If the Secretary had exercised the authority conferred upon him by law and sold those bonds there would have been no deficit in the Treasury this last year; but he did not do that. He took the money out of the general fund and paid the Mexican expenses, and that made a deficit of $157,000,000.

Mr. SMOOT. I think the Senator is mistaken in saying that we agreed or decided to pay——

Mr. SIMMONS. No; I do not say the Senate agreed to anything. I say we stated that in the report of the committee, and we did not provide for taxation to pay that expense.

Mr. SMOOT. Why, Mr. President, the last deficiency bill that was passed in the last session of Congress appropriated so much money for the Mexican expenses.

Mr. SIMMONS. Oh, undoubtedly.

Mr. SMOOT. After that, I will say to the Senator, this punitive expedition into Mexica to catch Mr. Villa was ordered, and that is what has caused the extreme amount paid and asked to be refunded to the Treasury by the issuing of bonds. Nobody anticipated that the Mexican expenses would be $162,000,000.

Mr. SIMMONS. Why, of course; the Senator is correct about that. At the time we made the appropriation to defray the expenses of the Army, nobody supposed that this trouble in Mexico would arise; but it did arise, and on the 8th of September of last year we passed this bill to raise additional revenue. It was then estimated that this unexpected expense would reach $130,000,000 by the 31st day of December, 1916; and to meet that we made no provision whatever, but we said that it was expected that that expense would be met by the issuance of Panama Canal bonds. Those bonds were never issued. I do not know what the expense up to December amounted to.

Mr. SMOOT. In September, just before we adjourned, the estimate was that the total expense for the Mexican war, so called—as I may term it, at least—would amount to $130,000,000.

Mr. SIMMONS. That is right, up to December 31.

Mr. SMOOT. Up to December 31; and we had taken care of all of the expenses of that war by appropriations in the deficiency appropriation bill.

Mr. SIMMONS. Cash appropriations?

Mr. SMOOT. Cash appropriations.

Mr. SIMMONS. Yes; but the Senator loses sight of this fact: Of course we did not make cash appropriations for the Mexican war before the war broke out, because we did not know that the war would break out.

Mr. SMOOT. Well, it was in September, before we adjourned.

Mr. SIMMONS. But assuming that the Senator is right about that—I am not questioning what the Senator says—there is a vast difference between an appropriation and a provision to pay for it. What I am saying is that we made no provision for additional revenue for the payment of that appropriation.

Mr. SMOOT. Well, we had estimates that went to show that if the revenues of the Government amounted to what they were estimated to be, they would take care of it.

Mr. SIMMONS. Yes; but if we had added the estimated expenses of the Mexican situation at the time we passed the act of September 8, 1916, to the other expenses that we were

levying taxes at that time to provide for, we would have had to make a much larger levy than we did. We provided for all of the estimated deficit at that time except the Mexican situation. We did not provide for that. We levied no tax for that. On the contrary, we said that that expense would have to be met, and we expected it to be met, by the sale of these bonds.

Mr. BRADY. Then it seems to be a condition and not a theory that we are facing. These things have actually occurred, and the money has been spent, and we have appropriated the money, but the appropriations have not been paid in cash?

Mr. SIMMONS. They have been paid in cash, out of the general fund, or will be paid in cash by the end of the fiscal year; but the bonds have not been sold.

Mr. BRADY. That is my understanding.

Mr. SHERMAN. Then there were about, say, $64,000,000 used out of the current revenues to meet the expenses of the expeditionary force in Mexico.

Mr. SIMMONS. It is estimated that by the 1st day of July $162,000,000 will have been expended.

Mr. SHERMAN. Yes; to be entirely accurate. We are only quoting now from memory, all of us. In that event, how does the Senator figure that the Secretary could estimate that on the 30th day of June, 1917, there would be $114,000,000 and over of free balance in the Treasury?

Mr. SIMMONS. What date is the Senator talking about?

Mr. SHERMAN. The 30th of June, 1917—the coming 30th day of June.

Mr. SIMMONS. When was that estimate made?

Mr. SHERMAN. This report was made or issued on December 4, 1916—last December.

Mr. SIMMONS. I have not examined it. I do not know. The report itself will probably answer the Senator's question.

Mr. SHERMAN. Now, this is the point I am trying to get at, Mr. President: The only way in which that can be accounted for is that a number of items have been included in the $114,000,000 of balance that ought not to be included in a balance—subsidiary coin, silver bullion, amounts carried to the accounts of disbursing officers, and the like, a number of those items—that those have been erroneously transferred and treated as a part of the cash balance.

Mr. SIMMONS. The cash balance that is estimated now as $64,000,000 at the end of this fiscal year is after making deductions for certain items that are sometimes included in these statements. The statements are made in different ways. Sometimes it is stated that so much will be in the general fund, and then there is a statement that this includes disbursing officers' accounts; sometimes it is stated that there will be so much, excluding disbursing officers' accounts.

Mr. SMOOT. The estimate made by the Secretary of the Treasury could only come true if a greater part of the income tax was paid before June 30, 1917.

Mr. SHERMAN. Which only adds to the difficulty.

Mr. SMOOT. Which only adds to the difficulty. The balance on February 21, 1917, by the daily statement of the United States Treasury, shows it to be $67,000,000. The exact amount is $67,842,933.99; whereas instead of being a net balance in the Treasury of the United States to-day, there is nearly $47,000,000 short, or, in other words, there is a deficit in the Treasury of the United States to-day of $47,000,000.

Mr. SIMMONS. You mean in the general fund?

Mr. SMOOT. I mean in the general fund. It happens in this way. In the balance now of $67,842,933.99 there is included $67,648,167.82 credit to disbursing officers' accounts. In other words, Mr. President, it is just the same as if I had $67,000,000 in bank and issued $67,000,000 in checks to pay my debts against it. I could not claim that I had that much credit in the bank.

Mr. SIMMONS. I do not think the Senator's figures bear out his statement. His figures do not show a deficit in the Treasury. It simply shows that the money has been appropriated for the disbursing offices, but has not yet been drawn out of the Treasury. It is in the Treasury as any other money that has been appropriated is there, and it remains there until checks are drawn against it. It is a matter of bookkeeping. It is as if I transferred some of my funds from the bank with which I deposit to another bank solely for convenience. It would be as fair to claim that as soon as Congress appropriates funds for a certain purpose the general fund in the Treasury, as carried on the books, should be decreased by that amount. All the money in the general fund, as now treated, is available for future expenditures of the Government, and none of it has already been spent.

I attach hereto a statement furnished me by the Actuary of the Treasury Department, which I think will tend to clarify the questions in controversy between the Senator from Illinois [Mr. SHERMAN] and myself.

FINANCIAL STATEMENT.

[Latest statement furnished by the Treasury Department, revised to Feb. 10, 1917.]

Amount in general fund, June 30, 1916, including $41,286,057 disbursing officials' credits after deducting outstanding checks		$218,863,995
Estimated disbursements, fiscal year 1917	$1,141,482,794	
Estimated receipts, fiscal year 1917	984,250,000	
Estimated excess of disbursements over receipts		157,232,794
Estimated balance in general fund, June 30, 1917		61,631,000
Reimbursement of fund from sale of bonds:		
On account of Mexican situation	$162,400,000	
Alaskan Railway	21,800,000	
Armor-plate plant	11,000,000	
Total reimbursement		195,200,000
Estimated amount in fund June 30, 1917		256,831,000
Amount available from general fund after retaining $100,000,000 as a working balance		156,831,000
Estimated deficit for year ending June 30, 1918		374,080,000
Additional revenue required for 1918		217,249,000
Estimated margin (this will probably be reduced still further by later deficiency estimate)		30,751,000

Mr. SHERMAN. The actuary's statement does not cover the criticism I am making. Money appropriated and passed to the credit of disbursing officers of the various departments is no more assets than money in a bank account segregated by a certified check.

Saturday, February 24, 1917.

Mr. SHERMAN. Mr. President, last evening when I somewhat prematurely concluded my remarks I was on the eve of explaining my objections to the proposed method of marketing the bonds provided in section 400 of the bill. I now recur to that unfortunate feature for the purpose of placing what I consider a necessary explanation before the Senate before it shall vote, in order that it may be duly advised, to adopt the language of courts that have heard arguments, before it shall have concluded its deliberations. Particularly, Mr. President, I reprobate that portion of the section that seems to provide that the Spanish War bond issues which shall be used are to be offered to the public only at the discretion of the Secretary of the Treasury. The bonds are to be used for refunding purposes. That refunding may be accomplished by the substitution when the holders of the present issues present them; or the bonds may be sold, and the proceeds used to retire the old issue as it is presented.

It is provided in this section, on page 12:

> That said bonds may be disposed of by sale or exchange by the Secretary of the Treasury at not less than par, under such regulations as he may prescribe, and in case of sale all citizens of the United States shall be given an equal opportunity to subscribe therefor, but no commissions shall be allowed or paid thereon, and a sum not exceeding one-fifth of 1 per cent of the amount of bonds herein authorized to be issued is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of preparing, advertising, and issuing the same and the expenses of refunding the bonds of the 3 per cent loan of 1908 to 1918.

The criticism I have of this section, Mr. President, is that it is merely permissive to the Secretary of the Treasury. I have in mind many bond issues since I began to observe that form of public security, and very seldom in our history has the opportunity been given to the general public to subscribe. I can just remember, because of some boyhood recollections, when the Franco-Prussian War of 1870 closed. A number of Alsatians lived in my country and were neighbors of my people. They were French in origin, but were Germanized by course of law in the captured provinces. They had their sympathies with France rather than with the Fatherland. I heard them talk at the time the treaty of peace was concluded. I did not know precisely what the wording of it was at that time, but it made an impression on me, and I looked it up in later years to understand the significance of it.

For the sum paid by France as indemnity there had been a short, it is true, but a decisive war. That country had lost in the issue of battle and the Prussians were victorious. Then came the question of the terms of peace. I remember yet one of the earliest diplomatic jests that remains in my mind. One of the Rothschilds was present at the conclusion of the treaty. The Prussian Government, through its diplomatic representatives, imposed a very large sum upon the French Government. The last Napoleon had gone out as the result of that unsuccessful war, brought on contrary to the judgment of many of the public men of France. But France was required to pay the

indemnity. It was the sum of one billion francs. A very large sum in those days. One of the French diplomats held up his hands in deprecation of the sum and said, "If a person had begun to count from the Christian era, one person attempting to count this vast amount of money exacted as an indemnity could not have counted it." Rothschild, who was a Hebrew, said: "We provided for that emergency; the Jews number from the beginning of the world, and there is enough time to count it if any curious person should undertake it."

So when the time came to raise the money for the indemnity, and the Prussian Government preferred not to take securities, the French Government was confronted with the task of raising the money for the payment of this large indemnity. I have in my scrapbook, put away, from the memories of those days, a picture of the French people crowding in the little villages out in the grape districts and in the wheat fields of France, all over the fertile portions, where that rural land-loving population cultivate their country like a garden, for the purpose of subscribing to the securities offered by the French Government to raise this great indemnity. It was not offered to a bond house. The entire sum issued by the French Government to settle the war was offered to popular subscription. It brought out the savings of the thrifty French peasant; it brought from the small merchant his little store of francs; it brought the gold 20-franc pieces bearing the superscription and image of Napoleon; they brought from their savings and they subscribed the greater part of the indemnity to be paid by popular subscription. Here in this country, and I am not criticizing any administration for the process followed, I am only telling it as affecting, generally, the condition that has attended the marketing of our securities.

Mr. WADSWORTH. Will the Senator yield?

Mr. SHERMAN. I yield for a question.

Mr. WADSWORTH. As a matter of interest, does the Senator remember how long it took the French people to pay that indemnity?

Mr. SHERMAN. I do not know how long it took to discharge the entire sum of the indemnity.

Mr. WADSWORTH. My recollection is that they did it in about two years.

Mr. SHERMAN. In a comparatively short time. The Senator is right.

Mr. WADSWORTH. Furthermore, the Prussian Government in fixing the indemnity fixed it at a figure which they calculated would require the French about 20 years to pay it off.

Mr. SHERMAN. They would naturally suppose it would require a much longer period; and in fixing what was at that time considered to be a very large sum, that it would embarrass the French Government or her people very largely to pay such a sum; but very much to the surprise of the banking houses in this country, if we recur to the history of that time, owing to the resilient qualities of the French people, their hitherto unsuspected thrift in laying up their savings, when the popular subscription was offered it aroused their patriotism and they subscribed of their means so that there was no practical difficulty in floating the entire loan, and later on, as the Senator has suggested, in a very short time they paid it off. It was a matter of pride since the Napoleon régime had ceased and France was succeeded by a republican form of government. I think the Senator is quite right in saying that within a two years' period practically all the indebtedness was discharged. It showed the very great recuperative power of that wonderful people.

If this country, to recur to our practices, as I suggested last night when I was diverted to another subject which I was not able to finish until the adjournment hour came, during the Civil War necessarily popular subscriptions were not practicable. I remember at this time from hearsay, because I had not arrived at that age of understanding when I appreciated fully those problems, but from hearsay of what was done when my people came home from the war, they were paid in greenbacks. They were mere promises of the Government to pay. Whether they would ever be redeemed in gold or in any form of specie that would return to the ante-bellum days no one knew at that time. But the New York City banks in response to the Secretary of the Treasury, Mr. Chase, upon several occasions before specie payment was resumed went into their strong boxes and gave up many millions in gold in order to support the credit of the Government then engaged in arming and equipping its armies and in blockading the ports of the Confederate States. However, after a time specie payment was suspended and remained suspended until the great financial authority of the State of Ohio in Congress gave the country one of the great periods of his life, the shining moment of John Sherman when we first put in tangible form the resumption act and adhered to its purpose until it was accomplished. The proceeds of the securities that were issued soon melted away. The gold that was received by the Secretary passed into hidden hands. Following the universal law of circulating mediums the more valuable form of money disappeared and there remained nothing but the scrip or greenback. Therefore, for a time the Treasury notes and greenbacks became the accepted form of currency in common use during that period.

But when bonds were issued at that time it was a question who the takers would be. The house of Jay Cooke & Co. negotiated a great many of those bonds in this country and in Europe. It so happened that they were all paid; this country preserved its integrity; the Union endured. The taxing power remained, and so those bonds were paid at 100 cents on the dollar. Other bonds were marketed, and by the fortunes of war and finance some are not paid yet. Unfortunately the resources and securities of the Confederate government went down together, and many millions of those securities are held yet by protesting investors across the sea, awaiting the time when at some hopeful period they may possibly be paid.

But in those periods, in times of stress when coin had disappeared from the hands of trade, when we had almost gone back exclusively to the paper-money transfers or to the rude barter of uncivilized people in transacting our business, there was some reason why bonds no longer should be offered to public subscription. The financial resources of the country must be assembled. It was indispensable at that time that some means be had of waging successful war, and so the great bond houses of that period handled our securities. But in that time it was a matter of necessity. There were no savings in the hands of the people at that time available for great issues of public investment. So it continued until the war closed.

I can remember in later years when other issues were added. During the administration of President Cleveland it became necessary to issue bonds. The plethoric condition of the Treasury had been somewhat relieved, but as usual when there is a change in administration it ceased to annoy us, and a bond issue came. Where were those bonds sold? If I remember aright, and I think a recurrence to the RECORD will carry out the statement, they were given to certain New York City bond houses, and afterwards they were sold to the public, as from time to time they were capable of digesting that large issue of securities. Some of those bonds found their way into the hands of the general public but only through the intermediary of bond houses.

It has been the custom since that time with other administrations, both of the Republican and other parties that might have charge of those responsibilities, either to practice or to attempt to practice the same method of marketing securities. I am opposed to that now.

I think now that in this revenue bill, if by the misfortunes of parliamentary procedure we must at last proceed to a roll call and pass it, and it should receive the approval of the President, there ought to be some positive mandatory instruction in the bill that will make it possible for the general public to have an opportunity to subscribe. It might be said that this course is contemplated in this section. It is not, since there is nothing obligatory on the Secretary so to do. It only provides "that said bonds may be disposed of by sale or exchange by the Secretary of the Treasury at not less than par"—"may be disposed of," not "shall"—"under such regulations as he may prescribe, and in case of sale all citizens of the United States shall be given an equal opportunity to subscribe therefor." "In case of sale"—that is, in the event, in the discretion of the Secretary, he orders the sale to the public in the form of a popular subscription.

But the preceding language, investing the power in the Secretary, says that the bonds "may be disposed of by sale or exchange." It does not impose upon the Secretary the duty of offering first to public subscription, because that is not so provided in the section. I doubt whether the department would offer to the general public those subscriptions.

If there ever was a time, Mr. President, this is a time when we could safely take the public into our confidence on the issue of securities, say, of the amount named here, at least; it is $64,000,000, in round figures, provided for the refunding of the Spanish War bonds; $100,000,000 of the issue are provided for the purpose of restoring, as the chairman of the Committee on Finance very lucidly explained last night, the sums of money that have been drawn from the Public Treasury.

He explained—and that we all concede—that it was necessary that this sum be taken to meet current liabilities from time to time. The fiscal year beginning June 30, 1916, and ending June 30, 1917, requires the expenditure, as the occasion arose, of sums of money from the Public Treasury not otherwise appropriated. So the available balance that was there was devoted

to many purposes—protecting the Mexican border, meeting the expenditures in the various departments of civil life, the punitive expedition into Mexico, the patrol along the boundary line, and such other expenses as drew upon the Treasury funds then in the Treasury. These funds, therefore, were withdrawn from time to time, and it happened that they aggregated something like the amount that is intended to be covered by this bond issue. It is explained that the bond issue will restore the money that has been depleted in this way, so that there may not be a large deficit at the end of the year.

I am not criticizing the bond issue, Mr. President, just at this time in connection with this section. I am criticizing the possible way in which this bond issue may be marketed. I shall offer, when it reaches the Senate out of the Committee of the Whole, at the appropriate time an amendment requiring this bond issue to be offered to popular subscription. I want to see whether the American people are as patriotic as the French people were in the seventies. I want to see whether the American citizen with some of his savings will crowd to the post office at the crossroads, whether he will crowd to the small city and to the great metropolis of the country, and there subscribe the savings that every prudent man or woman has who has the ability to lay aside something and there invest in these securities. If that is done, whatever the rate may be, say, not exceeding 3 per cent, the public, with their small savings, will be able to get the securities of the Government at a 3 per cent rate without any deduction or commission, such as when it is dealt out to him by some bond house that charges it may be from one-half to 2 per cent before our securities ever reach the private citizen. Pick up the bond quotations. It is a part of every person's business, whoever handles them, whether they are dealers in bonds or not. Sometimes our clients are investors.

Municipal bonds run from 3 to 5 per cent in the middle, northern, and eastern areas of the United States. They range there more than at other points, the rate running from 4½ to as high as 6. But do not for a moment think that the public outside ever gets the bond at that rate. They are universally jobbed in the first instance to the bond house, and by the time you buy them for your client you pay a commission to the bond house for carrying them. I am not complaining about it. I am only stating the fact. For carrying the bonds, for furnishing the ability that assembles that form of marketable security, you pay from, say, one-half per cent to sometimes an even per cent. So that the 4 per cent bonds—you do well if you get them at 3 or 3½. That I want to avoid. In the sale of $164,000,000 of bonds comprised in both these sections I want the public to have an opportunity to go out and buy a public security at the 3 per cent rate without the intervention of a bond house and the necessary commission.

Let us find out if we have any money in the Treasury. I have heard a great deal about the prosperity that is bursting our banks. Now, let us relieve ourselves and avoid the rupture by investing it in Uncle Sam's securities, giving the people a chance. I have heard the slogan a good many times, "Give them a chance."

In the first instance I propose that the Secretary of the Treasury shall be required to offer a popular subscription.

In section 402 there is a provision, as the bill came from the other House, that the sum of such certificates of indebtedness outstanding shall at no time exceed $300,000,000. Those are to be issued at not exceeding 3 per cent per annum. This has been increased by the Senate committee to $500,000,000. It is likely that the short-time certificates would not be as marketable as would be bonds for a long term. The section reads:

SEC. 32. That the Secretary of the Treasury is authorized to borrow from time to time, at a rate of interest not exceeding 3 per cent per annum, such sum or sums as in his judgment may be necessary to meet public expenditures, and to issue therefor certificates of indebtedness in such form and in such dominations as he may prescribe; and each certificate so issued shall be payable, with the interest accrued thereon, at such time, not exceeding one year from the date of its issue, as the Secretary of the Treasury may prescribe.

This would, of course, permit such certificates to be marketed for 30 days. It necessarily provides for short-term maturities in that form of indebtedness. In all probability the $300,000,000 or $500,000,000, in whatever sum, if it shall become law, may be provided, will furnish to the banking houses and the bond houses a sufficient short-term maturity security not exceeding one year. It ought to possess very attractive features as an investment of that kind. If the amount shall remain at $500,000,000, it certainly is enough to turn over to the financial institutions of the country as their share. So it seems fair here that we ask as to the bond issues provided for the long-time maturities, that the opportunity shall be given to the public to subscribe. This section, therefore, that I have just read lends strength to the request that I shall make in the amendment when offered.

The oleomargarine amendment has been thoroughly discussed, Mr. President, and I fear I could add no new light to that. I feel, upon the whole, that it will be my duty to vote against it; perhaps not on the intrinsic merits of the article, but upon the way in which business has adjusted itself to the present conditions and regulations on that subject. Likely in the area which, with my colleague, I have the honor to represent here there is as much, if not more, oleomargarine manufactured than in any other place in this country. It is the great livestock market for the West and the Northwest country. The great slaughter yards of the continent are there. Naturally it furnishes a point for the manufacture of this product. The raw material is there. I do not believe this article is unhealthy. I have eaten a great deal of it. I have heard it criticized. I have also heard some criticism made here on butter. I shall not undertake to decide the relative struggle between these two food articles. Some Senator had some remarks to make upon cottonseed oil, stating that it was used in his section of the country in place of linseed oil with which to mix paint. Well, probably it is useful for that purpose; I hope it is. If so, it only adds to the importance of the product. The more uses that can be discovered for it the better.

I can remember when corn was only used for two or three things. So can my colleague [Mr. LEWIS] and other men who come from the corn country. Down on the Kentucky shore I went across one time during a hard-fought campaign on the other side and met with some Kentucky people whom I once knew over in Illinois. I asked an old lady whether they raised as much corn as we did. She said yes, they raised considerable corn. I said, "How much?" She said, "We raise all the corn we need for whisky, besides what we waste for bread." So those were all the articles in that country that anybody in those days ever thought of using corn for. I have seen corn used for fuel in the western country; I have seen it given for the carrying away. It was an article that could not be marketed because freight rates were high, and it cost more to gather it and get it to market than it was worth.

Since that time, Mr. President, I have seen corn rise from the simple product of my Kentucky lady friend until 103 products, according to the last report I have, were actually manufactured out of corn. Consider the glucose works. I hold no brief for them, but by their chemical researches and industrial activities, they have discovered uses for corn which have hitherto been unknown. So corn has taken its commercial rank, and there is no more cheap corn. No bushel of corn goes begging on the market, nor is it likely to do so in the years to come.

Cottonseed oil is the same way. We can remember, those of my generation, when cotton seed was a drug on the market; earlier it was a nuisance to the cotton raisers; it was like the corncobs at the elevator or in the cornfield, which were burned up or given to anybody for carting them away and keeping them from cumbering the ground. I do not know what corn and cottonseed oil may be used for in the future in the great variety of the dispensations of Providence that bless us—many of these things that are great blessings which we simply do not understand. I do not know what cottonseed oil may be used for in the future, but I know now that lunch-counter doughnuts are made with it. Many a statesman has survived on "sinkers" made out of that article who did not know it, and he has kept perfectly healthy and devastated the whole country. If he had not been told about it by some chemist who went nosing around the country, he would never have known but that they were made out of old-fashioned lard.

Cottonseed oil is palatable. It never hurts anybody if it be pure. It is a vegetable product. The most ultra vegetarian in the world is just as safe in using cottonseed oil in moderate quantities as he is in using peanut oil. It has food qualities about it. It produces no indigestion, unless it is adulterated with something else. So that there can be no complaint made about that. Therefore I am not disposed here to criticize the different kinds of food products under these two classifications. I have eaten both.

I have taken my full share of the milk pail in the morning in my time. I have eaten butter for which I have felt it was almost like a sacrilege to return thanks, even if I did it by proxy. Butter has been renovated; it has been rechurned; it has been treated with boracic acid; it has been many a time given a June shade along about St. Valentine's Day. I do not complain about it, because it is still butter, good, bad, or indifferent. Sometimes it is a very stalwart variety, particularly in hot weather. It could be sold by the Spalding sporting goods company as an athletic merchandise rather than as a food product.

I know all about butter. I began in early life churning it when my good mother, by way of vicarious atonement for fishing on Sunday, used to make me churn on Monday morning. That is what made me moral in early life, to escape invidious tasks of that kind.

Then, I have seen butterine or oleomargarine made. I have seen some that was not fit to eat. I wish to say this in justice to the packing houses. We bought from them for more than four years many, many thousands of dollars' worth of oleomargarine. My associates and myself had 20,000 people to take care of. We furnished them food, clothing, shelter, heat, light, power, medical treatment, and regulations for that period of time. When the price of butter went up in the winter time we could not buy dairy butter; it was impossible; when it reached 40 cents we had to quit, and we had to buy a substitute. It is a mere matter of taste whether you eat the pale or whether you want the yellow streak in it. That is a matter of taste, just like a clean tablecloth is a matter of taste. Mr. President, if you and I go out to a dinner party and there be a soiled tablecloth, it affects our appetite. If, however, there is a quantity of cut glass and silverware and the waiter wears a long-tail coat, there is a difference. All those things make the food more digestible, and a man is happier when he is situated in that way; but in reality they do not add anything to the food product. That is a psychological question, not a manufacturing question or a chemical one; it has to do with the human mind, and the mind has something to do with the digestive apparatus.

Every wise doctor will tell you that you can not eat when you are gloomy; you can not digest so well when you are melancholy; and that is the reason why the good-natured dog is always the one to have, because he is safer, digests his food better, and is better on the chase.

So with the statesman. You might just as well take it good-naturedly and not be grouchy about it. That does no good. I never knew anybody to stop a filibuster by getting mad about it. I remember just before I made my entry into this Chamber that the minority party, which had not then come into power, engaged in one, and I have good reason to remember that, because they killed some of my pets among the postmasters. I am cursed with a long memory. I wish I did not have it sometimes. A memory-method man came around one time and said he could teach me so that I could remember everything. I said I did not care to be so instructed, but if some one would come around and teach me how to forget some of the things I knew, I would pay him money for it. I remember that filibuster and what was done by it. Go back to the records of Congress. You get the record there. Everybody leaves his tracks behind him. That is what the poet said:

And departing, leave behind us
Footprints on the sands of time.

We leave our speeches in the CONGRESSIONAL RECORD, which is very much worse. I ought not to leave anything but footprints. I would not mind that, for my number 10's look like anybody else's of the same size, but my speeches sometimes do not, and that is what annoys me when I think of posterity; but, so far as posterity is concerned, that does not trouble me much, for, like Mark Twain, I do not care to do so much for posterity, because "it has never done anything for me."

Oleomargarine is something that has good and bad features about it. I have bought much of it, and I have seen it made. I went into the office of a packing house one time without announcement. I went to their general attorney, whom I had known for a great many years when out in the country we were brush lawyers together, and I said, "Give me a letter; I want to go down and see how you are making your oleomargarine nowadays." I went down without any previous announcement. I know that, because he went with me, and he did not have time to telephone.

Now, but a part of the lard of the hog is used for oleomargarine. They can not take all kinds of lard and make marketable butterine, but they take the good lard, the leaf lard out of the hog and tallow from fat steers fit for market. They take a certain kind of tallow, but not all of it. In the butchering of a corn-fed native northern steer there will be found certain layers of tallow that is flaked off; it is a superior quality. It is better than that trimmed from other places, around the muscles and tendons. These are the places where the great accumulation of fat in a good beef steer are found, and that is why one of them is worth more than a scrub. A Hereford, with its well-known characteristics, will not eat any more than a scrub, and it will make beef, while the other will not. So with the milch cattle. The added price of the tallow that can be taken out of a steer on the old-time basis—I do not know what it would be now with higher prices—but the added value for oleomargarine purposes was $2 on every average steer that was marketed or killed at the slaughterhouse.

After the lard or tallow is secured it is washed. The washing process is clean. It is washed until it is absolutely purified and is chemically clean. I have seen butter washed. Just as much foreign matter can come out of butter, unless it is very carefully made in a well-managed dairy or creamery or farm or by the housewife—there can be as much impurity gotten out of butter when it is reworked for the market as can be gotten out of the average tallow or lard. It all ought to come out, although if we eat it when it is not purified we may not know the difference. That likely is what the poet meant when he said:

Where ignorance is bliss,
'Tis folly to be wise.

If you do not know it is there and eat it, it is just as good as it was before; but if you know it, it would be nauseating. Many of the people who work around dairies and oleomargarine plants never eat butter afterwards. I worked for several years with a fellow who was once employed in a dairy, and I noticed when butter was passed around he never took any. I asked him why, and he said: "Why, I worked in a dairy one time, and I never ate any butter after that." He said: "It sot me agin it." He came from the State of my friend, the Senator from Indiana [Mr. WATSON], who will recognize the dialect of James Whitcomb Riley and Meredith Nicholson, a man who started to the "Port of Missing Men," and lost his best girl on the way.

After the product is washed, cleaned, and purified it is churned with real milk, and when it comes out it has the clear, light color of the uncolored oleomargarine. It tastes just the same.

I think butter and oleomargarine are both useful food products. I am not prepared on the oleomargarine amendment to vote for it and to repeal the existing law, to which the business of the country has adjusted itself. Outside of the acts in regard to moonshining and intoxicating liquor, I do not think there was any act of Congress ever enacted that invited so many violations as the oleomargarine act. In Chicago I know men who have violated it repeatedly and who have suffered the extreme penalties of the law. The same thing is true in New York City, and in certain western cities outside of Chicago violations have occurred; but the difference between one-fourth of a cent a pound and 10 cents a pound is so large as to invite adventurous spirits to engage in a contest of hide and seek with the Government in the hope that they may get away, and when they do their profits are so abnormally large that the premium pays for the hazard. Even when they are caught they are able to pay the bill and come out and engage in the business again, if not in their own names in the name of somebody else, which is a very convenient way of going back into the same business.

But we have an anticolor law in many States. The Senator from one State mentioned it—I think the Senator from North Dakota, but, at any rate, some one did. A number of States have anticolor laws. My own State has an anticolor law, passed more than 20 years ago, forbidding the coloring of oleomargarine and substantially similar to the act of Congress. That was passed before, as I remember, the act of Congress was passed; but forbidding this method of coloring is not for the purpose of destroying the food product but of preventing the opportunity to deceive the purchaser. It is because it is colored to such a similitude of butter that nobody except an expert can tell the difference. I do not think I could tell the difference if it is colored unless I should melt it—go into a kitchen or some place where you can melt it in a pan and notice that it is an oily composition and not merely butter fat, and even then anybody but an expert will often be deceived on it.

Butterine was invented or discovered by a French chemist, as I remember. As I recall the history of it from reading it in a work on industrial chemistry several years ago, a French chemist took butter and analyzed it and resolved it into its constituent elements. He found from this analytical process what it was that entered into the natural product; after that was done he assembled like substances of these different elements, and by the synthetic process he combined them, and all he had to do when he got the essential elements together was to add the coloring matter. That is exactly what these people want to do now, to add the coloring matter; and when that is done not one man in a thousand retail purchasers on the general market will tell the difference, and he will buy butterine, not at 10 cents a pound, but at the same price he is paying for genuine dairy butter. That is the reason why I am disposed to adhere to the law as it stands at the present time. It will enable somebody to reap an illegitimate profit at the expense of the ultimate consumer.

There is another provision of this law that I have not fully covered, Mr. President, and to which I return with considerable reluctance. It is the part referring to the method of levying the tax.

During the fiscal year ending the 30th of June, 1916, there were levied and collected by direct taxes, in round figures, $512,000,000. This, when added to the total ordinary receipts of the current year, makes our total revenue. I am opposed to such a large proportion of our revenue being derived from direct taxes. These figures from the report of the Secretary of the Treasury for the fiscal year ending June 30, 1916, contain the elements of criticism which I now proceed to make.

On page 32 of this report the receipts are itemized, as follows:

Customs	$213,185,845.63
Internal revenue, ordinary	303,486,474.04
Emergency revenue	84,278,302.13
Corporation income tax	56,933,657.98
Individual income tax	67,943,594.63

Aggregating the total of which I spoke a moment ago, $512,702,028.78.

This emergency revenue was raised under the preceding act of September 8, 1916. That was the act containing the adhesive-stamp section, the act containing the licensing or excise tax on many forms of occupations—brokers, commission men, those who had billiard tables, those who ran picture shows, theaters, places of public entertainment. A graduated tax was placed on them according to the size of the city in which they lived. These taxes were extremely obnoxious. They were in force long enough to demonstrate that a stamp tax in time of peace was as obnoxious in 1914 and 1915 as it was in 1776, when the celebrated affair took place in Boston Harbor. Except in time of war there is something that the American people resent about continually licking stamps to transact the business of the country. These items, along with the stamp tax on telephone and telegraph messages, on express receipts and bills of lading, constituted a most obnoxious feature of the collections of $84,278,302 in the item I have quoted; so that was released, for the reasons I have indicated. It was very unpopular.

The corporation income tax and individual income tax continued and prevailed until the 8th of September, 1916. Then the rate was doubled, and the act of 1916 came as the substitute. We have been collecting revenue under that up to the present hour. There were certain miscellaneous receipts from sales of public lands and the like which the fee-earning departments of the Government covered into the Treasury, which, with some other sources, constituted miscellaneous receipts; the total ordinary receipts of the Treasury for this year were $779,664,552.49.

Then came the expenditures, with which I do not at this time care to deal in detail, save to show that after the expenditures were all accounted for it left a surplus, according to the bookkeeping to which I was referring last night. This bookkeeping, I think, is a fallacious one. I do not think it would be regarded as sound finance in the management of any fair-sized corporation in this country; but it so happened, in the method of adjusting accounts and making reports, that, after revenues were received and expenditures made, it showed a balance on hand in the Treasury, and it is referred to in several instances in this report as a "free balance."

Now, the expert accountants, so far as I can understand them, say that this free balance is one that is available for business purposes, and has charged against it no other expenditures that would legally divert it or segregate it from the general funds in the Treasury. It is free for all the legitimate current liabilities that come along during the fiscal year of that enterprise.

It is to be noted in the total receipts of this year, Mr. President, that but $213,185,845 are derived from customs duties. Therein, I think, lies the elemental error of this method of taxation. From the beginning of the Government down to the first year of this administration the method of raising revenue through customs was adhered to. The exact method of laying the customs, the framing of schedules, was a matter of controversy which involved partisan politics.

Our brethren on the majority side of the Chamber invariably, for many years, provided in their platforms, by many ringing declarations, for the laying of duties for the purpose of collecting revenue. Their adversaries, while admitting that the revenue was an agreeable incident to customs, said that primarily they levied customs in order to give our own markets the advantage. Republicans had another purpose, which was that when the customs burden was to be distributed they made the person who brought the article through the customhouse pay a portion of our public burden; and so the taxes were laid, not to promote importations, as was the avowed purpose of the 1913 act, but laid for the purpose of protecting the wage earner and the manufacturer of a like kind or the product of a like kind, whether from the field or the factory, in our country from injurious competition with the like article that might come here from abroad.

This constituted the issue that was joined between those who believed in a tariff for revenue only and those who believed in it for protection, with incidental revenue as a part of the program.

It was universally understood that in collecting customs duties levied by the Democratic Party it was a tax. They levied it upon articles the like of which we could not produce in this country because of lack of natural advantages. To be entirely scientific they ought to have gone the entire length, which they seldom did. They ought to have gone to the length of Great Britain, which from the days of Bright and Cobden had been an avowed free-trade country. They levied with no thought of protection. They levied for the purpose of obtaining the greatest amount of revenue from a given volume of imports.

They are paying the penalty to-day, Mr. President, of their economic folly. When the submarine demonstrated its destructive possibilities on the open sea England faced for the first time her greatest peril since she swept to the end of her Napoleonic wars on the fateful field of Waterloo. When the *Deutschland* landed at Baltimore from her undersea voyage a year ago this August it demonstrated to the world that no country can depend upon foreign markets in time of war. I heard the senior Senator from Idaho [Mr. BORAH], over three years ago, quoting from some English authorities, and adding to them his own forceful comments on the history of the English Isles. He said: "The saddest thing in the story of England is the way her fields have decayed, the way her farmers have scattered to the four quarters of the earth, the way she has drawn from all other agricultures of the world and let her own decay."

That was before the war came, before the world had heard of the submarine. That was when England's merchant fleet went around the world, when she drew supplies from Cape Town, when her wool came from Australia, when her wheat came from the ports of Argentine, when the great Atlantic was plowed by her freight boats until their ways were like a trail across the plains of the great West. In the plenitude of her merchant shipping she felt that she could feed her multitudes from all the quarters of the world.

Years ago I remember reading about the Holland submarine—the first one that was ever described—in the Scientific American. I read it with some degree of curiosity. It was an American invention. Like all the hellish contrivances that have added to the atrocities of war, it was reserved for some Yankee to give the Germans the thought of mischief that might blow up the naval world. Out of that thought came to the skilled mechanic, the electrician, and to the German chemist in the Old World the thought of making it an instrument of war, and so it was made. The first time that a submarine showed its destructive possibilities it spelled the necessity of a country's developing its own resources; and if it has one acre of fertile land it must raise to the full capacity of that acre every food product that the latitude will permit.

But in all those years England continued a free-trade country. They brought their food from every place. They scorned the thought that the great hunting preserves, the great holdings of land attacked by Lloyd George in later days, would ever be a menace to the Empire. It is not territorially a large country, it is true; but the great hunting regions of that country, the acres of land that are lying idle would spell to-day to England the relief which they may need within the next six months as an indispensable necessity unless they find some method of combating the submarine, which may cut off their supplies from different parts of the world necessary to sustain not only their armies but their civil population.

So we in this country without any of this unpleasant experience, from our understanding of the inherent soundness of the principle, have adhered to the beneficial doctrine of protection. We have traveled that way for many years. George Washington was a protectionist. Would it have been a discordant note to have struck the day his Farewell Address was read, the 22d, in this body if there had risen unconsciously in our minds the thought that he himself was a protectionist? He believed in the development of our own resources, in giving our own people the advantage of our markets. He had no more hatred for a factory than he had for a field. He was a farmer or a planter, and he believed in developing both kinds of undertakings in our country.

Jefferson was of a different belief. In his letters published, the nine volumes of them, which one can read in leisure moments during long winter nights, there is a letter in which he

says that he hates the greasy sight of a factory; that he does not think a factory is an invention of God at all; it is an invention of erring man. If he could look upon us to-day, or could be reincarnated and were put down in Pittsburgh, with its coal smoke, he might not survive. It was not according to his way of life. He thought the product of the chase and a reasonable degree of agriculture furnished all the needs of the human family, and when that was done nothing further was required; because if you wanted clothing, go to France and get it. All his dress goods came from France. Whenever a visitor called on him and he got off his dressing gown and carpet slippers, he put on something brought from Paris. There was no use for us to manufacture such articles in this country when we could get them in Paris.

I do not know whether any of us in the Chamber wear anything brought from Paris. I only want to illustrate the point that with the doctrine of protection abandoned, by levying taxes under such a bill as this we surrender the whole principle. Out of $779,000,000, in round figures, of revenue receipts for 1916 we collected only $213,000,000 total in customs.

I have here some tables that I have worked out which I desire to use in enforcing this point. For instance, in 1906 our free imports were 44.81 per cent and our dutiable imports were 55.19 per cent.

In 1907 the free imports were 44.9 per cent and the dutiable 55.1 per cent.

In 1910—and these were all protection years—the free imports were 48.51 per cent and the dutiable 51.49 per cent.

In 1913, the last year of a protective series of schedules, 54.47 per cent of our imports were free and 45.53 per cent were dutiable.

In 1914, which is the first year in part of the revision of the majority party in 1913 for the fiscal year ending June 30, 1914, there is a portion of the results of that act. The free imports were 59.54 per cent and the dutiable 40.46 per cent. A portion of the protective rates producing considerable revenue was continued for some period after October, when the act became operative, and some of them continued until December, 1913, some as far as January, 1914, a portion of the sugar duties reached over to May, 1914, or the spring of 1914, and would have been entirely removed had it not been for the first aid to a bankrupt Treasury in the form of a restoration of those duties less than a year ago.

In 1915, which was the first full tariff year of the act of 1913, 61.73 per cent of all the imports were free and 38.27 per cent were dutiable. In 1916, which is the last year, the fiscal year ending June 30, 1916, the imports are 67.91 per cent free and 32.9 per cent dutiable.

Now, right along those per cents, or those figures in this method of taxation that has been substituted, lies the whole story of the difference between direct taxation and the plan of levying customs duties for the larger part of our public revenue. It has a direct connection with the relation between customs duties and direct taxes. Those are the figures that I desire now to offer in connection with the others.

In 1916, for instance, of our total public revenues 50 per cent were from customs duties and 50 per cent from direct taxes. The greater part of the direct taxes at that time were the ordinary internal revenue, that on liquors, spirituous and malt, tobacco and its various manufactured forms.

In 1907—I am taking the same years—the per cent between customs duties receipts and direct-tax receipts was still 50 per cent and 50 per cent.

In 1910 it remained the same.

In 1913, which was the year the majority side took control of this question, 45 per cent of our total ordinary receipts were from customs and 55 per cent were from direct taxes.

In 1914, the first full year of the revised tariff act on the principles either of free trade or of a tariff for revenue only, the customs duties were 39 per cent of our total ordinary receipts and the direct taxes were 61 per cent.

In 1915 our total customs receipts, compared with our total ordinary revenue receipts, were 30 per cent and direct taxes 70 per cent.

In 1916, the last fiscal year we have on which to compute these questions, our customs duties were 27 per cent of our total ordinary receipts and the direct taxes were 72 per cent.

The constant tendency on this theory and the applied principles written out in such bills as are pending here tend constantly to take the burden from the customhouses and lay it as a direct tax. A larger part of the special taxes in the particular bill in question is avowedly intended to be placed upon a few persons. This constant tendency is what we criticize. It is why we oppose such a bill. We regard it as unsound in principle and infinitely worse in its practical effect upon those called on to bear the burden.

The relations between exports and imports are very material on this same question. In 1906 our exports were 58 per cent of our total foreign trade and our imports were 42 per cent. These were peace years. In 1907 our exports were 57 per cent and imports 43 per cent. In 1910, 51 per cent and 49 per cent; in 1913, 57 per cent and 43 per cent; in 1914, 55 per cent and 45 per cent; in 1915, 62 per cent and 38 per cent; in 1916, the last year, our exports were 66 per cent and our imports were 34 per cent.

What this coming year will show on the 30th day of June, 1917, no one can tell; but the constant tendency in time of peace, not only of this principle in the particular tariff law in force at this time but all bills of a like kind created by the majority party, has constantly been to increase our imports in time of peace and decrease our export trade.

Accordingly, before the war broke out we found that was the exact result. Then came the great demand caused by disaster. Farm products, from the live stock, the dairy, the field, everything that contributes to the food of civilized man, had begun to feel the effect of it. It was relieved only by the cataclysm of the nations. Invariably our exports fall off under the operation of this applied principle in time of peace, and our imports increase so that it works both ways. We lose our export trade and we at the same time lose by our imports our domestic trade, and both of them tend to reduce the proceeds of the farmer's annual toil. The business man, the manufacturer, the jobber, all suffer alike.

In lieu of our own products they are supplanted, a great number of them, by the imported article of a like kind that necessarily displaces them; and that is the avowed purpose, because I heard it declared on the floor of the Senate Chamber that the object of increasing the importations was to diminish the price so as to bring down the high cost of living.

The Senator from North Dakota alluded to that. I think properly so, although he realizes that the entire increase of the cost was not because of domestic legislation or home affairs but upon this demand that I have named. Still, the inherent absurdity of such a process for any permanent relief is evident to everyone who has followed this problem to its logical conclusion.

Here are some of the Republican tariffs applied during these years. In 1906 the per cent from free of duty—that is, of imports duty free—was 44.81 and dutiable 55.19 per cent. Our free imports that year were $984,876,000, and dutiable imports $1,213,000,000. In 1907 there were duty free 44.9 per cent; there were dutiable 55.1 per cent, with free imports of $986,000,000 and dutiable imports of $1,211,000,000. In 1910 48.51 per cent of our imports were free listed and 51.49 per cent dutiable, with free imports of about $1,600,000,000 and dutiable imports of $1,131,000,000.

In 1913, the last year in which this act, dutiable in character, was in force, there were duty free 54.47 per cent; there were dutiable 45.53 per cent, with free imports of $1,197,000,000 and dutiable imports of $1,000,000,000.

Then a very great difference took place between the imports and exports and the per cent free up until the time the war broke out, when all the operations of this economic principle were necessarily disturbed by conditions that increased our exports vastly over anything ever before known in the country.

It is perfectly evident that this increase of exports is not caused by anything in our domestic policies or in the wisdom in the tariff revision of 1913 or in subsequent amendments to that act.

I have traced now the importance of these rates in the raising of revenue as a substitute for the method adopted in this bill. Before I leave that I wish to call attention to the fact that if our imports in 1915 had been dutiable at the rates that were laid for the purpose of producing revenues, we would have had abundant revenues even to meet the cost of military and naval preparation.

Let me take some of the imports in our country during those years. For instance, in 1914 our imports were $1,893,000,000, of which $862,000,000, under the revised tariff of 1913, were dutiable.

In 1915 our total imports were $1,674,000,000, of which $762,000,000 were dutiable. In 1916 our total imports were $2,197,000,000, of which $1,000,000,000 were dutiable. The average ad valorem rate of 40.5 per cent on dutiable imports for 1913, if applied in customs duties in 1914 to the dutiable imports—you do not have to make dutiable all the imports—but if it had been applied to the dutiable imports of that year at former protective rates, it would have produced $345,000,000 that year; in 1915, $305,000,000; in 1916, $400,000,000. How

much did we get in 1916? That shows the relevancy of these figures. In 1916 we got $213,000,000. If we had applied the rates that would have been entirely within the bounds of having the same volume of imports it would not have cut off, as our critics say, the imports into this country; but if that rate had been applied we would have collected in 1916 over $400,000,000, which is very nearly double the sum of money that was collected, and which makes necessary just such an issue as is provided in these bonds or the levying of direct taxes to take the place of the customs duties we have lost.

That is the reason why I think it is very unwise to abandon customs duties and then seek to make it up by a levy of direct taxes. We began the direct taxes in the emergency act of October, 1914. We continued it by joint resolution a year afterwards. It continued in force until September 8, 1916, when a new act was substituted, and now we are seeking to supplement its deficiencies by the special taxes provided in the bill pending before the Senate.

All of them are a part of the same transaction. While they are divided into chapters, where we began some time ago, they are all connected with the revision that occurred in this Chamber and in the House in 1913. They all came directly from the unwise and unsound provisions of that enactment.

I find, Mr. President, some other things connected with this. I am somewhat loath to approach them, but I consider it indispensable in the proper presentation of the measure proposed.

As we know, money bills must originate in the House of Representatives. The Senate is powerless to write the simplest original bill for the production of public revenue. After such a bill shall have passed the other House and reached this Chamber, we can propose amendments; we can increase or decrease its provisions according to our judgment. When we do so, however, we are acting upon the original initiative for revenue that came from the other House. That is the beginning. So the House after all is the origin of any of these measures embodying what we regard as unfair and unsound principles.

Mr. REED. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Missouri?

Mr. SHERMAN. For a question only.

Mr. REED. I desire to make a parliamentary inquiry.

Mr. SHERMAN. And I will also reserve, Mr. President, the right, if the interruption departs from the domain of a question, to myself raise the point of order.

The PRESIDING OFFICER. The Senator from Missouri rose to a parliamentary inquiry?

Mr. REED. Yes, sir.

The PRESIDING OFFICER. The Senator will state it.

Mr. REED. I desire to inquire what the Senator from Illinois is discussing; whether he is discussing the bill itself or an amendment to it; and if so, what amendment?

Mr. SHERMAN. I would just modify the bill, if I had my way, by raising that amount of money by a proper system of duties equal in amount to the direct taxes proposed to be laid by the bill.

Mr. REED. But the Senator did not understand me. To what particular amendment to this bill which is now before the Senate is the Senator addressing himself?

Mr. SHERMAN. The whole of the bill, if that is satisfactory.

Mr. REED. Exactly. Then, Mr. President, I make the point of order——

Mr. SHERMAN. I wish you to.

Mr. REED. That the Senator has addressed himself to the whole of the bill four times within this legislative day.

Mr. CURTIS. Mr. President——

Mr. SHERMAN. I should like to be heard on the point of order.

Mr. CURTIS. I make the point of order that the Senator from Missouri can not take the Senator from his feet on a point of order, and I call the attention of the Chair to the decision on page 429 of the Precedents.

The PRESIDING OFFICER. The Senator from Missouri raised a parliamentary inquiry. He really addressed his question to the Chair to ascertain what was the pending amendment. The Secretary will state the pending amendment for the information of the Senator.

The SECRETARY. The pending amendment is that reported by the Committee on Finance, on page 13, line 24, to strike out the numerals "$300,000,000" and to insert in lieu thereof the numerals "$500,000,000."

Mr. REED. I make the point of order that the Senator from Illinois, having said he is addressing himself to the whole bill, is out of order, because he has spoken four times on this legislative day on the same subject.

Mr. SHERMAN. I have never referred to this section before, Mr. President—to the direct amendment. I might have done so by inference.

The PRESIDING OFFICER. The Senator will pardon the Chair. The rule does not permit a Senator to speak more than twice on any one legislative day upon one question.

Mr. SHERMAN. I am not aware that I have been on my feet to-day before, though I was on my feet last night upon the amendment.

The PRESIDING OFFICER. But the Chair holds that at this time, so far as the Chair knows, the RECORD does not show that the Senator has spoken more than once.

Mr. SHERMAN. That was my recollection.

Mr. REED. The RECORD does show that the Senator has had the floor four times on this legislative day and has addressed the Senate at length. The RECORD shows that the pending question at the time was the bill. For instance, I call attention to the RECORD of the calendar day of February 1, on page 4233, which is as follows:

Mr. SIMMONS. I ask that the unfinished business be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 20573) to provide increased revenues to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes.

Then, without any amendment or any proposition being offered, but with the bill itself pending—I hope I am having the attention of the Chair——

The PRESIDING OFFICER. The Senator has the attention of the Chair.

Mr. REED. I am talking to the Chair. The RECORD shows that—

[Mr. SHERMAN resumed and concluded the speech begun by him on yesterday. The entire speech will be published hereafter.]

Three times that RECORD—Mr. President, I should like to have the attention of the Presiding Officer, and I should like to have the clerks and the servants of the Senate remain in their places when I am addressing the President.

Mr. SHERMAN. Mr. President, I want to call the attention of the Senator who rises to a parliamentary inquiry to the CONGRESSIONAL RECORD. I think my memory serves me correctly. I spoke once and addressed myself to the section levying the excess profits tax. That was the subject matter to which, if the RECORD is reproduced, it will show that I then confined myself.

Mr. SMOOT. Mr. President——

Mr. SHERMAN. Just a moment. I desire to make a second statement. Last night I addressed myself to the section in reference to the Spanish War bond issue. Those two propositions are the only ones I have specifically discussed. To-night I am finishing what I began last night, and taking up another section.

Mr. REED. The subject to which a Senator addresses himself, in contemplation of law, is not determined by what he says. If it were, then nearly every Senator could be taken off his feet for talking upon a matter that was not relevant to the subject really before the Senate. Senators are allowed to talk on any kind of a subject, because in contemplation of law they are always talking on the subject which is before the Senate. The subject before the Senate each time the Senator from Illinois has risen has been the bill itself. At the present time an amendment is pending; but the Senator himself confessed that he was not speaking to that amendment, but was speaking to the main bill, as he had been during two or three calendar days.

Mr. SHERMAN. The Senator from Missouri asked me, as I supposed, to what point I was intending to address my remarks hereafter. I did intend, had no point of order been raised, and I do intend if the point is not sustained by the Chair, to comment upon the bill generally.

Mr. REED. Mr. President, the Senator from Illinois is in error.

Mr. SHERMAN. I had not reached that point, and the Senator was anticipating disaster, I suppose, which led him to make the point of order.

Mr. REED. The Senator from Illinois is in error. I asked him upon what subject he was speaking.

Mr. SHERMAN. I did not so understand.

Mr. REED. An inquiry that anyone naturally would think I would make. I made it in good faith.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Utah? This is not a debatable question, however, the Chair will suggest.

Mr. SMOOT. But it has been debated for some time.

The PRESIDING OFFICER. Yes; the Chair will hold that it is not debatable, but he will hear the Senator from Utah.

Mr. SMOOT. Mr. President, when the Senator from North Carolina [Mr. SIMMONS], having the bill in charge, opened the debate he spoke upon the bill. During his remarks he said that he thought the proper way to proceed was, first, to let those who wished to speak upon the bill do so. The Senator from Illinois [Mr. SHERMAN] spoke upon the bill I do not know how long, but for some time, and the Senate then recessed. The mere fact of the Senate recessing does not take a Senator off the floor, and if he resumes his speech on the following day, even though it be a calendar day, it does not follow that he has spoken twice upon the bill. After the speech that was delivered by the Senator from Illinois upon the bill there had been an amendment before the Senate, as there has been every time the Senator has spoken and as there is at this particular time. The Senator spoke upon the oleomargarine amendment. That was not speaking upon the bill. I will also call the Senator's attention to the fact that the Senate recessed during the course of the Senator's speech.

Mr. REED. Certainly the Senate recessing——

Mr. SMOOT. The recessing of the Senate does not shut the Senator off from continuing his speech the next day, and the RECORD will so show.

Mr. REED. No.

Mr. SMOOT. The RECORD shows that the Senator's speech will appear hereafter in full.

Mr. REED. But the RECORD shows that something else happened besides the recess.

The PRESIDING OFFICER. The Chair is ready to rule. The Chair does not want to be discourteous; but this point of order is not debatable.

Mr. REED. I was calling attention to a fact, but I do not desire to debate it.

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Let the Chair dispose of the point of order. The point of order made by the Senator from Missouri is that the Senator from Illinois having occupied the floor four times in one day—meaning, in the opinion of the Chair, one legislative day, which may embrace many calendar days—is not in order. The Chair thinks the point of order is well taken. Of course, if the Senator from Illinois has spoken more than twice since what the Chair will characterize as the Norris amendment was disposed of, which was last night, the Senator from Illinois would not under the rules be proceeding in order.

Mr. SHERMAN. But I had not finished last night when the recess came. I yielded the floor for the recess.

The PRESIDING OFFICER. The Senator will pardon the Chair. That is not the question. The question that is pending, and which has been pending since last night, is the amendment which was stated by the Secretary just a moment ago. Has the Senator spoken more than twice since the last amendment, being the Norris amendment, was disposed of?

Mr. SHERMAN. What does that relate to? I do not specifically recall the connection. Is that the oleomargarine amendment?

The PRESIDING OFFICER. It relates to the certificate of indebtedness amendment to the amendment of the committee, found on page 13. The Chair will hold that the RECORD does not show—and the Chair is only bound by the RECORD—that the Senator has spoken more than twice on the pending amendment, but will admonish the Senator——

Mr. SHERMAN. Last night, when the recess came, I had not completed my remarks on the Spanish War bond provision. The floor was yielded at that time in order that a motion for a recess might be made.

Mr. REED. Mr. President, the trouble with the Chair is that in his ruling, in trying to follow the RECORD, he finds himself in conflict with the statement made by the Senator himself. Technically speaking, the RECORD does show that certain amendments were pending, because the bill is before the Senate, and as fast as one committee amendment is disposed of another automatically comes up. The Senator disclaims having been addressing himself to these amendments, but solemnly affirms that he has been speaking to the entire bill, and just now could not tell the Chair whether or not he had been speaking to the Norris amendment, nor did he even know what the Norris amendment was, and, not knowing what the pending amendment is, clearly, when the Senator stands on the floor and confesses that he is not speaking to the amendment, his word must be taken. The reason why Senators are permitted to make irrelevant addresses is because they are always pretending they are talking to an amendment; but when a Senator frankly and honestly admits that he is not talking to an amendment and does not know what the amendment is, but is making the same kind of a speech he has been making for four days, and that he has made at four different times, with intervening business, it is time that the point of order should be raised.

Mr. SHERMAN. May I be heard in response briefly?

The PRESIDING OFFICER. The Senator has the floor.

Mr. SHERMAN. I wish to be heard particularly upon the point raised by the Senator from Missouri. First, when I yielded the floor on yesterday evening to a Senator—I have forgotten who it was, but possibly the Senator from North Carolina—to make a motion for a recess, I was prepared to go on; but it seemed that for the convenience of Senators and to enable them to secure a little rest or to quit for the evening at 11 o'clock, the hour at which the Senate has been resting from its labors usually, a motion to recess until 10.30 o'clock to-day was made. I yielded for that purpose. I have taken the first available moment I have had to get the recognition of the Chair, with ordinary consideration for the rights of Senators on both sides of the Chamber.

The Senator from Missouri says he made the inquiry as to what I was addressing myself. At the time he propounded the parliamentary inquiry I was addressing myself in a preliminary way to the whole bill. I had not been doing so up to that time. I had been speaking on two amendments, one the amendment in regard to the method of marketing the Spanish-American War refunding bonds and the other the change back to the House provision for $300,000,000 of certificates of indebtedness instead of $500,000,000 of certificates of indebtedness provided by the Senate Finance Committee amendment.

I asked what the Norris amendment was. I was not aware that this was the Norris amendment designed to restore the House provision. I knew that that was before us for discussion; but I did not know the particular Senator who made the motion. We do not—at least, I do not—always keep track of such matters, because it is impossible at times to hear who makes a motion, especially on the far side of the Chamber, or on either side, if one sits far back. I did not distinguish this amendment by name, but distinguished it by principle, and have been arguing on that principle here to-night in connection with the direct tax that will be required to be met by this bill.

This paragraph of the bill increases the certificates of indebtedness from $300,000,000, the provision of the House, to $500,000,000, the provision of the Senate committee amendment; and when the Senator asked me to what part of the bill I was addressing myself, I said the whole bill; and he will remember—at least, others will remember, and so will the Chair—that I added "if that were satisfactory." I was disposed to be courteous to the Senator from Missouri on the point he was making the inquiry about. I was then in a preliminary paragraph going beyond this particular amendment.

Again, Mr. President, I do not know of such a precedent in this body as has been suggested; but, if it must be made, I am willing that it should be made now by the majority party. I will use it for four years to the full limit of whatever capacity I may have, much or little.

Mr. REED. Mr. President, I should like to have a ruling on the question.

Mr. SHERMAN. I am not through yet. I beg the Senator's pardon; but will he desist until I am through? I gave him his own time.

The PRESIDING OFFICER. For what purpose does the Senator from Missouri rise?

Mr. REED. I am asking that the point of order may be sustained, which will take the Senator from Illinois from the floor and allow some Senator to occupy it who has the right to do so.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. The Chair does not desire to hear any further debate on the matter.

Mr. CURTIS. I should like to call the attention of the Chair on this point to the precedent found in Gilfry's Precedents of the Senate on page 429, where the President pro tempore [Mr. GALLINGER] held:

> The Chair, without expressing an opinion on that point at present, will suggest that the Senator from Nevada can not be taken from the floor in the midst of a speech on a point of order.

The PRESIDING OFFICER. The Chair does not agree with that ruling, and the Chair wishes to say to the Senator from Illinois, if he will pardon the Chair, that the precedents are overwhelmingly to the effect that when a Senator addresses the Chair, and upon any one question which is pending speaks more than twice on the same day, he has forfeited the floor.

There is much force in the point of order made by the Senator from Missouri, but the present very temporary occupant of the chair does not feel warranted just now, in the absence of the complete record, in taking the Senator off the floor, but does admonish him——

Mr. SHERMAN. Mr. President——

The PRESIDING OFFICER. Just a moment—but does admonish the Senator that if he speaks more than twice when

any one question is pending he will not again be entitled to the floor on the same day.

Mr. SHERMAN. I have not spoken on this matter of the certificates of indebtedness prior to this evening——

The PRESIDING OFFICER. If the Senator will pardon the Chair, that does not make any difference.

Mr. SHERMAN. And if the Senator from Missouri or the Chair——

The PRESIDING OFFICER. The Chair has overruled the point of order.

Mr. SHERMAN (continuing). Wishes me to confine myself to that, I will do so. I have not heretofore spent any time on that.

The PRESIDING OFFICER. If the Senator will pardon the Chair, the Chair has not held that the Senator must confine his remarks to any one question. He may speak upon any question he desires. It is the number of times he addresses the Senate when a single question is before the Senate that is the material point.

Mr. SHERMAN. I will then continue, and believe I understand fully the wisdom of the Chair's ruling.

The bill will provide by this section relative to certificates of indebtedness, and certain other features which are incidental to it and which can be argued by inference, for an increase of indebtedness of three hundred or five hundred million dollars, as the case may be. Then, in connection with the previous sections of the excess profits tax, taking in a very large number of business concerns, including all forms of insurance companies, it would provide the means, with certain smaller additions, of meeting the revenues desired to be raised by this bill.

Directly connected with this is what I had stated in the last paragraph of my remarks when interrupted by the Senator from Missouri—that the House is the place of origin of money bills. It sent over here these provisions, among which is the item of $300,000,000, changed here to $500,000,000. Now, because the House is the source of such bills, it becomes material to know how the House is constituted. It is the popular body. It represents people. The greater the population of a State, the more its Representatives, of course. It was intended from the beginning either to be a large body or that the ratio on which Members are elected should be increased from time to time. Accordingly, we have increased the number from about 30,000 population, the first ratio of representation, until it is more than seven times that amount. About 211,000 constitute the ratio on which representation is now based in the lower House, and out of the lower House comes every money bill that reaches the Senate Chamber finally. Now, it is of some importance to know how the House is constituted.

There are 48 States in the Union. There are 435 Representatives, coming from as many districts in all the country. Each one of these districts approximately has the ratio of 211,000 provided by the last apportionment act of Congress. From the 435 districts apportioned in this way there comes the motive power that is the foundation head of revenue legislation. Without it we can do nothing. We are wholly impotent in this body to raise a dollar. All we can do is to help them spend it, and suggest such wise additions or emendations as we may think proper after the bill shall have reached us. So it is of infinite importance to us to know how the House is created and constituted.

This has grown to be a government of political majorities, of party; and so long as partisan activity prevails in a republican form of government there will be party divisions, party elections, party nominations and all of the good and the evil that flows from these forms of governmental activity. In accordance with that, in many States the legislatures have gone so far as to interfere. I know what the argument was, and so does the President, against these regulations. I think they have gone to extremes at times. They probably have committed some of the very evils they sought to avoid; but, nevertheless, the laws have been enacted and sustained on the idea that a political party was so connected with public operations, with governmental affairs, that the legislature or Congress had a right to regulate, within the domains of their governmental power, such activities of large multitudes of people aggregated for common purposes.

Because of this we have had State primary laws. We have corrupt practices acts passed by Congress, or publicity acts that have been in force for different periods. There is now pending here something that is supposed to purify popular primaries and elections, something that is supposed to purify the House in order that the source of revenue legislation from which these bills come may be a little more representative, a little more free from suspicion, a little more responsive to the mainsprings of popular action and of popular rule in the various States and districts from which these 435 Representatives come.

To that end the very able and well-informed Senator from Oklahoma [Mr. OWEN] has introduced bills to the end that the House might have set for it a higher standard, so that in the ultimate analysis of affairs the fountainhead of revenue legislation would be better and higher and more patriotic and more responsive to the demands of both public and private life than it has been under the old order of things. I believe that that is the purpose of all such legislation. With it I have considerable sympathy.

The bill is pending here, reported out of the committee for these beneficent purposes. If it has any effect at all, it will be to make government better. If it does not have that effect, we have no business to have it here at all. Its purpose must be to improve the House, to improve the character of its legislation, to make fairer its revenue laws, and to distribute the burden in such a way that everybody will come nearer paying his share than he would under the provisions of the bill that is now pending.

This bill, reported out from the subcommittee of the Committee on Privileges and Elections, provided a limited sum that might be spent in primaries and nominations. It provided how much should be paid to newspaper publishers for articles in their columns on election matters. The virtues of no candidate for public office for the nomination or the election can under its provisions be advertised beyond a fixed sum of money, in the discretion of the authors of this bill, or finally in the Senate, when it shall be enacted. In that event it fixes the price of advertising in political campaigns like the price of a bolt of calico or a hat. It puts it on the ground that you can do this if you have any right at all to control the charge for a private service—because advertising in a newspaper ordinarily has no more to do with a public question than the sale of a hat or a bolt of calico. But, at any rate, it is proposed to change the rule and regulate the advertising, fix the price at which a publisher will proclaim the many virtues of the candidate, if you are running, in his columns, so that the public may be informed of your very great fitness for public office.

When that is done you have opened the door, if it shall be constitutional, to regulate the price of anything else. You might just as well regulate the price of the subscription of the newspaper and provide that it shall be sold for 1 cent. If you begin to charge for one service, the door is open to charge for all of them. Perhaps that may be thought desirable. I doubt it. I am not undertaking now to settle that. I am only trying to find whether we are going to improve the fountainhead from which such bills as this come; and if we do not, we might just as well let it alone. No improvement can come out of it.

At the census of 1910 we had 91,972,266 people in the whole of the United States. The estimated increase of 1914, beginning from 1910 and running over, would bring it up to 98,781,324 people in the four years. In 1915 it would increase it to 100,399,318, and in 1916, by the same estimated percentages, we would have 102,035,826 people.

Let me divide those. I want to talk about popular government awhile in connection with revenue legislation, to find out whether the revenue would be improved if we have a more popular form of government than we have now.

Not many weeks ago the National League for the Promotion of Popular Government met in this city. It was to advance the rule of the people, to promote the initiative, referendum, the recall, so as to have elections all the time and to induce people to go to the elections more than they have been in the habit of going in years past.

I have prepared some tables here connected with this question, Mr. President, to find out whether we can make the House more responsive to the population and more really representative of the population. I have here, for instance, several States, beginning with Alabama, in which there is a certain population, total, and divided as to nationality. I shall not pursue the branch which some of my friends might think would be invidious. It is not my purpose to do that, because that is a question which I do not now wish to discuss, and I declare that that is not now any object that I have in presenting these figures. It is purely in the way of noting whether or not the House is a representative body, leaving the other question as something which can not now be solved, and no good purpose would be served by its discussion. I have some sympathies on the question. I know something of its difficulties, and I might not be entirely without a wish on my part to settle, consistently with the rights of civilized, sane government, economical in character and effective, the problem that is presented in many of these States.

Alabama, for instance, has 1,228,832 whites by the census of 1910, and 908,282 negroes, with 979 of all others, or a total population of 2,138,093.

Arkansas has 1,131,026 whites and 442,891 negroes, with 532 of all other population, making a total of 1,574,449.

Florida has a total of 443,634 whites and 308,669 negroes, and 316 of all others, or a total population of 752,619.

Georgia has a population of 1,431,802 whites, 1,176,987 negroes, 332 of all other population, or a total of 2,609,121.

Louisiana has 941,086 whites, 713,874 negroes, 1,428 of all other nationalities, or a total population of 1,656,388.

Mississippi has 786,111 whites, 1,009,487 negroes, 1,516 of all other population, or a total of 1,797,114.

North Carolina has 1,500,511 whites, 697,843 negroes, 7,933 of all other nationalities, or a total of 2,206,287.

South Carolina has 679,161 whites, 835,843 negroes, 396 of all others, or a total population of 1,515,400.

Tennessee has 1,711,432 whites, 473,088 negroes, 269 of all other nationalities, or a total of 2,184,789.

Texas has 3,204,848 whites, 690,049 negroes, 1,645 of all other nationalities, or a total population of 3,896,542.

Virginia has 1,389,809 of the first, 671,096 of the second, 707 of all other population, or a total of 2,061,612.

I do not expect to read these figures at length. I have here all of these tables. These have accumulated into the following figures: The whites are 14,468,252; the negroes, 7,928,109; 16,053 of all others, or a total population of 22,392,414.

Let me note here particularly that the total population of the foregoing 11 States at the time of the 1910 census was 22,392,414; and the estimates by these same figures, according to the percentages I have employed just preceding the tabulation given, would make the population in 1914 of those States over 24,000,000, in 1915, 24,194,000, and in 1916 nearly 25,000,000.

I insert here what I shall designate as Table A and Table No. 1:

TABLE 1.—*Total population, United States.*

Census, 1910	91,972,266
Estimated 1914 increase 7.4 per cent over 1910	98,781,324
Estimated 1915 increase 1.63 per cent over 1914	100,399,318
Estimated 1916 increase 1.63 per cent over 1915	102,035,823

Census 1910.

State	White	Negro	All other.	Total.
Alabama	1,228,832	908,282	979	2,138,093
Arkansas	1,131,026	442,891	532	1,574,449
Florida	443,634	308,669	316	752,619
Georgia	1,431,802	1,176,987	332	2,609,121
Louisiana	941,086	713,874	1,428	1,656,388
Mississippi	786,111	1,009,487	1,516	1,797,114
North Carolina	1,500,511	697,843	7,933	2,206,287
South Carolina	679,161	835,843	396	1,515,400
Tennessee	1,711,432	473,088	269	2,184,789
Texas	3,204,848	690,049	1,645	3,896,542
Virginia	1,389,809	671,096	707	2,061,612
Total	14,468,252	7,928,109	16,053	22,392,414

Total population foregoing 11 States, 1910 census	22,392,414
Estimated, 1914	24,049,455
Estimated, 1915	24,194,497
Estimated, 1916	24,839,853

Here are the votes cast in those States of the Union in 1916:

Wilson and Hughes total vote 1916	17,663,760
11 foregoing States cast in 1916	1,792,800
11 foregoing States have of total population ____ per cent	24
11 foregoing States cast of actual 1916 vote ____ do ____	10
11 foregoing States have Representatives in Congress	104

It will be seen that the 11 foregoing States cast in 1916 of the total vote I have just enumerated 1,792,800 votes. They have of the population 24 per cent. They cast of the actual vote 10 per cent. They have Representatives in Congress 104.

I take in another table each of these States in turn with its population estimated in 1916 on the percentages I have named, the Wilson and Hughes vote added in 1916, and their Representatives in Congress are:

Table No. 2.

State.	Population (estimated), 1915.	1916 vote, Wilson and Hughes.	Representatives in Congress.
Alabama	2,301,277	126,440	10
Arkansas	1,713,102	162,013	7
Florida	870,802	70,719	4
Georgia	2,816,289	137,056	12
Louisiana	1,801,306	86,519	8
Mississippi	1,926,778	84,636	8
North Carolina	2,371,095	289,273	10
South Carolina	1,607,745	63,655	7
Tennessee	2,271,379	269,448	10
Texas	4,343,710	350,858	18
Virginia	2,171,014	152,183	10
Total	24,194,497	1,792,800	104

In another table are compared certain other States with their votes and representation. Indiana has 665,068 votes and 13 Representatives. This, I might remark on the way, is nearly five times the vote of Georgia, and Indiana has only one Representative in the lower House more than the State of Georgia.

Iowa cast 502,000 votes and has 11 Representatives. It cast three times as many votes as the State of Georgia, and has one fewer Representative.

Table No. 3 shows the differences in voting power back of Representatives in some districts as compared with others.

Table No. 3.

	Population (estimated), 1915.	1916 vote, Wilson and Hughes.	Representatives in Congress.
Indiana	2,798,142	665,068	13
Iowa	2,221,033	502,148	11
Maine	767,638	133,624	4
Michigan	3,015,442	625,872	13
Minnesota	1,926,778	358,706	10
New Hampshire	440,584	87,502	2
New Jersey	2,881,840	480,000	12
North Dakota	713,083	107,922	3
Rhode Island	602,765	85,252	3
Vermont	362,452	62,958	2
West Virginia	1,359,474	283,527	6
	17,039,233	3,392,579	79

The 11 foregoing States cast of total votes of United States in 1916	3,392,579
The 11 foregoing States have of total population ____ per cent	17
The 11 foregoing States cast of the total actual 1916 vote ____ per cent	20
The 11 foregoing States have Representatives in Congress	79

It will be seen from this table that these 11 States have 17 per cent of the population; they cast of the actual total vote 20 per cent of the entire vote of the United States, and have in Congress 79 Representatives. They have as population only 17 per cent, as against 27 per cent in the 11 States in the first table. They cast 20 per cent of the votes, as against 10 per cent in the first table. They have 79 Representatives, as against 104 in the first table. With a vote that is double that in the first table, they have 25 fewer Representatives. It is a representative body created in that way, out of which comes such revenue bills as that we are considering here. It is no wonder there is not a distribution of taxes in accordance with sound principles of uniformity and a fair equalization of the burden.

I have taken heretofore the smallest States for this comparison to explain why such revenue bills as this are framed. It sheds light upon that question. New York has a total population of over 10,000,000. I read in this table the exact figures:

Table No. 4.

State.	Total estimated population, 1915	Wilson and Hughes male vote, 1916.	Representatives in Congress.
New York	10,086,563	1,632,300	43
Pennsylvania	8,383,992	1,225,518	36
Illinois	6,069,519	1,259,890	27

The foregoing three States in Table No. 4 cast two and one-third times as many votes as the 11 States in Table No. 2, while the population in the three States is about equal to the 11 States in Table No. 2. The States have only 106 Representatives in Congress, while the 11 States in Table No. 2 have 104.

The 11 States in Table No. 3 have only 79 Representatives in Congress and cast nearly twice as many votes as the 11 States in Table No. 2, which have 104 Representatives in Congress. Unfair voting representation results in unfair taxes.

It would not be fair to take the total vote where there is woman suffrage and compare it with those States in which there is male suffrage only. The three States given have only 106 Representatives in Congress, while the 11 States have a total of 104 Representatives. That is the reason why such bills as the one pending come here in this form. It is because it does not voice any truly representative government. It is a minority government, and you can not expect anything else out of such votes as those. Whether intended or not, it is sectional legislation. I am not reflecting upon the motives. I am only discussing the fact and the reason why such a result appears here in the tangible form of a printed bill.

I take some of these others for comparison as to why such bills are urged.

South Carolina, with 1,607,000 population and a total vote in 1916 for both Wilson and Hughes of 63,655, has seven Representatives in Congress. I give below four States, as follows:

State.	Total estimated population, 1915.	Wilson and Hughes, male vote, 1916.	Representatives in Congress.
South Carolina	1,607,745	63,655	7
Mississippi	1,926,778	84,636	8
Louisiana	1,801,306	86,519	8
Florida	870,802	70,719	4
Total	6,206,631	305,529	27

My own State, which with my colleague is represented in this body, has a population of 6,069,000 and cast 1,259,890 male votes, and has just as many Representatives—27—as the 4 States I have enumerated. They cast in the 4 States one-quarter, just about 25 per cent, of the vote we cast in the single State, and out of one-fourth of the vote you get 27 Representatives in the 4 States, and in the single State we get just the same number. That seems to be popular government. That is far from republican government. That is not representation of the people. The House of Representatives as now constituted is not a great popular body. Compare the population, votes cast, and Representatives in Congress of the following States:

	Total estimated population, 1915.	Wilson and Hughes male vote, 1916.	Representatives in Congress.
Illinois	6,069,631	1,259,890	27

Let me take four other States:

	Total estimated population, 1915.	Wilson and Hughes male vote, 1916.	Representatives in Congress.
Michigan	3,015,442	625,872	13
Indiana	2,798,142	665,068	13
Texas	4,343,710	350,858	18
Massachusetts	3,662,339	516,697	16

We find, Mr. President, the coefficient of values put up by these men of the potential force they represent in the popular body, which makes them not the representatives of the population, but the representation of a particular element in the population. Out of that kind of representation we can not expect anything, in the nature of things, but legislation of this character.

Let me compare a little further. Alabama, with 2,301,000 population—126,440 votes—has 10 Representatives in the House.

	Estimated population in 1915.	Wilson and Hughes vote, 1916.	Representatives in Congress.
Alabama	2,301,277	126,440	10
Minnesota	2,246,761	358,706	10

Precisely the same number, with a population approximately equal, in the one case Minnesota cast nearly three times the vote of Alabama. What I am criticizing is, it is not popular government; it is not representation; it is unfair; it gives you double or treble voting power in the House. Again I submit the following:

	Population (estimated) 1915.	Wilson and Hughes vote in 1916.	Representatives in Congress.
Iowa	2,221,038	502,148	11
Virginia	2,171,014	152,183	10
Connecticut	1,223,583	206,300	5
Mississippi	1,926,778	84,636	8
New Hampshire	440,584	87,502	2
South Carolina	1,607,745	63,655	7
Vermont	362,452	62,958	2
Maine	767,638	133,624	4
Nebraska	1,258,624	276,598	6

That is not fair representation. In the old form of the Constitution representation was based upon population, excluding certain persons and Indians not taxed, and giving representation for three-fifths of all other persons who are all now represented here, but excluded from voting.

It will be seen from the foregoing table that Vermont has 362,452 population, cast 62,958 votes, and has two Representatives in the House. Its vote is nearly equal to that of South Carolina. There is a difference of only about 700 votes in the total vote cast in the State for Wilson and Hughes in each State. South Carolina, however, has seven Representatives, and Vermont, within 700 of the same number of votes cast, has two Representatives. The same proportion holds good of other portions of the country when compared. I have tables prepared here that show in the 11 States containing the entire 27,109,000 population referred to, the total white males, the total colored males 21 years of age and over, the per cent of votes cast for Wilson and Hughes in each State of male whites, of colored males of 21 and over, a comparison of the total white population and the total negro population in the State, and the per cent of the total population and of votes in the several States. I do not want to read these at length, because I want to economize time as much as possible, but I can later ask leave and, if indulged by the Senate in that right, I can insert them at length at the conclusion of my remarks.

I only wish to quote certain facts "to point the moral and to adorn the tale" of representation in the House under existing conditions.

Alabama, for instance, had of native whites 288,422. It has that many males over 21 years of age. The foreign born are 10,521, the colored are 214,168; total white and colored, 513,111. That is the potential vote of Alabama, 513,111 votes.

I have further some tabulations here which show at considerable length the percentages carried out, which later on I will insert without reading them at the present time.

The following tables show in the 11 States containing 7,928,109 negro population the total male whites and the colored males of 21 years of age and over, the per cent of the vote cast for Wilson and Hughes in each State is of such white males and of the colored males of 21 and over; the per cent the total white population and the total negro population in each State is of the total population in each State and the per cent of the total population voting in the several States.

State.	Males 21 years and over.				Total 1916 vote, Hughes and Wilson.	Per cent of total vote 1916 of total male whites in State 21 years and over.
	Native white.	Foreign-born white.	Colored.	Total whites and colored.		
Alabama	288,422	10,521	214,168	513,111	126,440	42.58
Arkansas	274,583	9,718	111,523	395,824	162,013	56.98
Florida	106,866	17,445	89,884	214,195	70,719	56.88
Georgia	345,056	8,513	267,047	620,616	137,056	38.76
Louisiana	213,482	26,519	174,918	414,919	86,519	36.04
Mississippi	187,506	5,235	234,212	426,953	84,636	43.91
North Carolina	354,315	3,296	148,523	506,134	289,273	80.80
South Carolina	162,414	3,355	169,277	335,046	63,655	38.39
Tennessee	423,319	10,112	119,237	552,668	269,448	62.00
Texas	723,810	112,152	167,395	1,003,357	350,858	41.98
Virginia	348,777	14,882	159,873	523,532	152,183	41.84

State.	Per cent of total vote of 1916 of total male whites and male colored in State 21 years of age and over.	Per cent total white population 1910 of total population in Table No. 1.	Per cent negro population 1910 of total population in Table No. 1.	Per cent total population voting in 1916.
Alabama	24.60	57.52	42.48	5.91
Arkansas	40.00	71.81	28.19	10.00
Florida	33.00	59.00	41.00	9.39
Georgia	22.00	54.80	45.20	5.25
Louisiana	25.00	56.85	43.15	5.22
Mississippi	19.82	43.74	56.26	4.70
North Carolina	57.15	60.00	32.00	13.11
South Carolina	18.99	44.81	55.19	4.20
Tennessee	48.00	78.00	22.00	12.33
Texas	34.96	82.00	18.00	9.00
Virginia	29.00	67.60	32.40	7.38

I turn now to the total male population of some of the other States. New York votes 57.54 per cent, which is a very low per cent. It is low in Pennsylvania, likewise. A great number of resident aliens are not registered, and do not vote. The total per cent of the white population of the total population is 98.38 per cent in New York; there are only 1.62 per cent colored; and the total population voting is 17.91 per cent. In Pennsylvania it is 16 per cent, but in Illinois 22.34 per cent; in Ohio, 23.49 per cent; and in Indiana 24.62 per cent.

I might stop to remark here that Iowa only is second, and that Indiana votes the highest per cent of her population of any State in the Union. Nobody seems to get away in that part of the country; they all go to the polls.

State.	Per cent of total vote 1916 of total male whites and male colored in State 21 years of age and over.	Per cent total white population of total population.	Per cent negro population 1910 of total population.	Per cent total population voting 1916.
New York	57.54	98.38	1.62	17.91
Pennsylvania	53.07	97.42	2.52	16.00
Illinois	72.27	98.02	1.93	22.34
Ohio	75.44	97.64	2.33	23.49
Indiana	80.86	97.74	2.23	24.62
Iowa	75.67	99.30	.66	22.56
Maine	56.68	99.69	.18	18.00
Michigan	71.86	99.11	.60	22.27
Minnesota	55.81	99.20	.34	17.28
New Hampshire	64.02	99.84	.06	20.00
New Jersey	61.95	96.40	3.53	18.91
North Dakota	62.06	99.00	.16	18.71
Rhode Island	52.03	98.13	1.75	15.70
Vermont	55.46	99.53	.45	17.40
Wisconsin	60.60	99.43	.16	17.75
West Virginia	83.70	94.73	5.25	23.21

The average number of days in a school year I will not stop to add here, only to remark that, for instance, in South Carolina the average length of the school year is 92 days, whereas it runs up in Oklahoma to 130 days, and other of the States where there is more popular attendance as well as length of time. The distribution of the potential vote is as follows:

Males 21 years of age and over.

State.	Native white.	Foreign born.	Colored.	Total white and colored.	Total vote, Wilson and Hughes.	Per cent of total vote, 1916, of total male white, in State 21 years of age and over.
New York	1,562,358	1,221,013	53,402	2,836,773	1,632,390	58.65
Pennsylvania	1,500,987	741,610	66,429	2,309,026	1,225,518	54.64
Illinois	1,096,518	604,524	42,140	1,743,182	1,259,890	74.06
Ohio	1,135,999	308,478	39,788	1,484,265	1,119,782	77.52
Indiana	712,504	88,927	21,003	822,434	665,068	82.98
Iowa	511,034	146,880	5,758	657,814	502,148	76.33
Maine	186,391	48,464	872	235,727	133,624	56.90
Michigan	560,045	302,177	8,654	870,876	625,872	72.59
Minnesota	338,621	298,282	5,766	642,669	358,696	56.31
New Hampshire	94,437	41,956	275	136,668	87,502	64.15
New Jersey	435,195	309,648	29,859	774,702	480,000	64.48
North Dakota	92,220	79,721	1,949	173,890	107,922	62.76
Rhode Island	84,513	75,899	3,422	163,834	85,252	53.14
Vermont	88,754	23,759	993	113,506	62,958	55.95
West Virginia	280,811	34,687	22,851	338,349	283,527	89.86
Wisconsin	410,604	269,237	3,902	683,743	414,365	60.95

It will be seen from the foregoing table that Oklahoma has a fair average of the votes cast. Tennessee has a fair average. North Carolina runs higher than some of the other States, and I am very glad to read their figures, and to give them credit for the large per cent of the total popular vote cast, though under some burdensome conditions at times. Here is the result of the primary law carried out, and it will produce its natural effect the longer it runs and the more extensive its application.

For instance, in my own State we begin to notice it. It has the same effect in every place. In the State of Wisconsin like results are found. In 1888, 354,744 people voted who were of a voting age in that State; in 1892, 371,000 voted; in 1896, 447,000; in 1900, 442,000 voted. The vote fell off in 1904 to 443,000; in 1912, 399,000 voted. It fell off again considerably. In 1916 a few more voted—414,000—but still there were nearly 33,000 fewer votes cast in 1916 than were cast in 1896.

The same effect is beginning to be noticeable in many other States where the direct primary calls for the nomination for all officers from top to bottom. The voter is bewildered; he is tired of primary elections, because the primary election in that form becomes the same as the general election, and all of these things have their effect in the constitution of the House of Representatives. That is the source of this legislation.

Observe the vote cast the following years:

Popular vote for President in Wisconsin.

1888	354,744
1892	371,222
1896	447,063
1900	442,613
1904	443,014
1908	454,435
1912	399,972
1916	414,365

The highest vote in the State was cast in 1908, being 454,435. In 1912 the vote was 399,972, a shrinkage of 54,463. In 1916 the total vote was 414,365, which was 40,070 below the vote of 1908.

Oklahoma cast 255,228 votes in 1908, the first presidential election in the State. Two hundred and fifty-three thousand eight hundred and one votes were cast in 1912 and 245,356 in 1916. The heaviest vote in the State was therefore the first one. The second election in 1912 showed a decrease of 1,427 and in 1916 a decrease of 9,872 votes.

There is another thing that is quite material in it. The election law of Arkansas, for instance, gives the board of county commissioners the power not less than five days before any general election to appoint three judges of election for each of the precincts:

The judges of election * * * shall not all be selected from the same political party.

Then here is this significant proviso:

If competent persons of different politics can be found.

There is the loophole. In all human probability in many places there are no competent persons of the opposite political party who can be found. That has some potential connection with the shrinkage of the vote.

According to the compilation of 1914 of the laws of Florida it is provided:

FLORIDA.

(Comp. Laws, 1914, sec. 205.)

It shall be the duty of the county commissioners in each county, at least 20 days prior to the holding of any general or special election therein, to appoint three intelligent, discreet, and fair-minded inspectors of election, and a clerk of election, for each polling place in each and every election district in such county, all of whom shall be residents and registered and qualified electors of the election district for which they shall be appointed, all of whom shall not belong to the same political party.

It is to be observed, though, that the election commissioners have the discretion as to what representative of the minority party shall be appointed. No political organization names them, if one exists.

In the State of Louisiana, from the compilation of her laws in 1916, I extract the following:

LOUISIANA.

(Laws, 1916, No. 130, sec. 12.)

In every parish of the State it shall be the duty of the board of supervisors of election, 30 days prior to any election, to appoint three commissioners and one clerk to preside over the election at each polling precinct, and said commissioners and clerk shall be qualified voters of the ward of which said polling precinct forms part, and shall be appointed from lists to contain not less than six names furnished by each of the several political parties. These lists must be furnished to the board of supervisors of election at least 35 days before the day of election. Any list offered after this date shall not be received, nor shall any such list be received or acted upon or recognized by the board of supervisors of election which shall contain the name of any person not registered as affiliated with the party handing in the list. In so far as is practicable the commissioners shall be so apportioned as to equally represent all the political parties authorized by law to make nominations.

That looks very practical on its face, but here are some amendments which have been made since the time the original acts were passed in 1914 and 1916.

The election laws of the State of Louisiana, as enacted and amended, were formed with the special and avowed purpose of forever perpetuating the Democratic Party in that State and to prevent any other party from either having candidates or from attempting to elect other than Democrats to office.

That this is a fact and not an opinion is easily deducible from an examination of the laws relative to elections that have but recently been passed and are now being enforced in that State.

Following the election of a Progressive Congressman in the third district in 1914 and the polling of some 50,000 votes by the Progressive candidate for governor in 1916, the Democratic legislature met and passed several laws, the effect of which is not only to discourage any opposition to the Democratic Party but to make it impossible that there shall ever be the remotest chance of defeating that party in any State election.

Section 1 of act 35 of 1916 provides that hereafter all political parties shall make nominations by primaries which must be held on the same day.

Section 2 of this same act defines what is meant by a political party in this language:

SEC. 2. That the term political party as used in this act is defined to be a political party that shall have cast at least 10 per cent of the entire vote cast in the State at the last preceding general election, whether gubernatorial or congressional.

The joker in this section is at once apparent.

A political party to retain its standing as such must cast 10 per cent of the vote at the last preceding general election, whether gubernatorial or congressional.

In the last gubernatorial election held in April, 1916, the Progressive Party cast about 50,000 votes, equal to more than 33⅓ per cent of the total vote cast, but in the general congressional election held a few months later, to wit, in November of the same year, the Democratic candidates for Congress—eight in number—had opposition in but one district, and, while the opposition candidate was elected, he having received more than 50 per cent of the votes cast in that district, yet because the Democratic candidates in the other seven districts were without opposition and because he did not alone cast more than 10 per cent of the entire vote cast in the State, his party is now out of existence, and he can no longer become a candidate of the party known as the Progressive Party.

In this election, held in November, 1916, the Progressive Party cast a little over 6,000 votes and the Republican Party cast about the same number of votes, and yet, because the total votes cast in this election amounted to about 90,000 votes, and because both the Progressive and Republican Parties failed to cast 10 per cent of this vote, they are now defunct parties in that State and no longer have any standing whatever.

Section 9 of this same act provides that none but those who have disclosed their political affiliation (by due registration) shall be permitted to become candidates or to vote in any primary election of any political party as defined by the said act, and affixes a penalty of both fine and imprisonment for any violation of this section.

Of course, as there is now but one party in the State of Louisiana, there can be but one primary, and there can now be no violation of this provision, but its unfairness and purpose are apparent.

The necessary result is that both parties are defunct in that State; that they have no existence under this statute, and can not have a political organization nor present a ticket. This might ordinarily be enough, but, in order to "make assurance doubly sure," this provision was added by the law in 1914:

Any person attempting to vote, or voting, or taking part in any primary election, or aiding or assisting in the nomination or election of a candidate of a political party different from that with which he has declared himself to be affiliated, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined and punished as provided for in section 31 of this act. (To wit, fine and imprisonment.)

I commend that to the friends of popular government all over this country. I might take part in a primary next April; I might vote a certain party ticket, but, as is universally recognized amongst all free voters as a right, after the ticket is nominated, after platforms are formulated, after the campaign progresses, I might change my mind. I do not know of any place amongst the border States, or any place in the great northern, western, or eastern parts of the United States, where if I vote for one ticket in a primary and vote some other way in November I will be fined and sent to jail. That is what this act does in Louisiana. It provides that if one takes any part in an election different from the part he took in the primary he will be fined for it. That is a splendid way and an effective way to promote party regularity.

If that had been the law in many States in 1912, the jails and prisons of the country would have held a majority or a quorum of the great body of the free voters of the Northern and Western States who exercised universally their right to go to the primary and vote one way and to vote for another candidate in the November elections. If the Louisiana law had applied all over the country, President Wilson could not have been elected in either 1912 or 1916. If that had been the law, the voters outside a certain part of the Union, would have been in stockades by the hundreds of thousands, to say nothing of the jails, and this administration would not to-day be facing an inauguration for a second term.

If the law of Louisiana had applied in the great progressive States when the division came, instead of being exalted into patriots you would now all be wearing a martyr's crown. But in the name of popular government all this is done. Is it any wonder, Mr. President, that such revenue bills come into this body, based on such local election laws?

As I have suggested, I am not here for the purpose of criticizing racial conditions in the Southern States at this time. That is not now my object in offering these remarks. What I am endeavoring to accomplish is not only that those States themselves, but the border States and all the great States upon whom falls the crushing burden of this tax shall become so aroused because of the manifest unfairness of it that at some time in a proper way and through legal channels the verdict will be reversed in some States. This is a legitimate argument.

Here is a man, for instance, registered in the State, whose law I am now considering, as affiliated with one party. He is precluded at the general election from voting for anyone save the candidate of the party with which he is affiliated. A man is penalized for not being a Democrat if he ever was one. Once a Democrat always a Democrat, or else a martyr's crown and a term in jail. In other words, if one is registered as a Democrat and at a general election votes for a Progressive or a Republican, he violates the criminal law. He violates elsewhere only the political law. We all recognize that, and he suffers whatever political punishment may come, ostracism from his party, loss of his good standing, and so forth; but whoever heard of making it a crime and sending him to jail for voting some other ticket than at the primary?

Again, if a voter participates in a primary election to the extent of voting for one candidate on the ticket and refuses to vote for the others, he is yet bound under the law to vote for each and every candidate of that party at the general election which follows, and, as a matter of fact, every ballot has written thereon a pledge binding the voter to do this, and anyone violating this section of the law must suffer fine and imprisonment, and this in the face of the fact that the State of Louisiana has adopted the Australian ballot, which is supposed to be secret, and to promote the purity of elections.

When I read the corrupt-practices act I find all kinds of provisions prohibiting the use of money, limiting the amount of money that can be paid for legitimate campaign expenses, providing penalties for the voter in certain cases, and for the candidate who corrupts the voter. That leads me to think, Mr. President, that a good many things are corrupt which should be included in a corrupt-practices act besides buying a voter for a $2 bill.

The very statute of Louisiana is corrupt; the very legislative breath that gave life to such a statute is utterly indefensible. It is corrupt to defraud a man of his vote; it is corrupt to drive him away from the polls with a shotgun; it is corrupt to suppress votes; it is corrupt to prohibit a voter from changing his mind between primary day and election; it is corrupt to create classes and to exclude some and include others. Educational tests that apply to one part of the population only are corrupt, and are essentially as immoral as buying a vote with money. Grandfather clauses are corrupt and are essentially wrong. While we are embracing the subject of corrupt practices I want nationally to widen the purview of the act and see if we really can not have some cleaning of the stable other than the narrow scope of the pending bill.

I am not now discussing the question of the race issue. I am discussing the question of the white man; but before I get through, here or some place else, I will put into the RECORD the evidence I have had that the white man himself of the Southern States is tired of having put upon him laws that deprive him of a vote in his own State, complaining that the laws made once to disfranchise the colored man are now used to disfranchise him, and have become essentially corrupt and repressive of the white man in his own country. While we are clearing the air of corruption let us go far enough to effect a complete cure. I am just as interested in the cleanliness of politics in other States as I am in my own. I doubt very much whether some Senators and Representatives who have served for a time in this body and in the other House know that the Members of the House of Representatives from Louisiana are elected under such a suppressive arbitrary decree of its legislature as the one I have read.

As has been seen, act 35 of 1916, known as the primary law, has done away with every party save the Democratic Party, but it remained for another law, known as the general-election law, to put on the finishing touches.

Section 51 of act 130 of 1916 provides the only manner in which nominations can be made other than by primary elections, and, as we have seen, only a "political party" as defined by statute can hold a primary election. As we have seen, under that statute only a political party casting 10 per cent of the vote comes within the definition.

This section provides that nominations for municipal and parochial offices, as well as for Members of Congress and State officials, may be made by nomination papers signed by a certain number of qualified electors, who must be duly registered and affiliated with the political organization for which such nominations are made.

And section 52 of this same act provides that the organization of a new party must also be done by nomination papers signed by more than 1,000 qualified electors, duly registered as affiliated with the party in process of formation, and must nominate a candidate to be voted for throughout the State. If a candidate thus nominated receives more than 10 per cent of the entire vote cast throughout the State, then the persons signing such nomination papers are recognized as a "lawful political party."

It is profitable to follow the nomination papers through the different provisions of the statute.

Section 55 provides that such nomination papers must be filed within a stated time with the secretary of state and if in apparent conformity with law, and unless objected to within 72 hours after the last day for filing same, shall be considered as regular. But if such nomination papers are objected to, such objection shall be considered by a contest board, composed of the secretary of state, auditor, and treasurer, and two electors to be appointed by the governor, and a decision of a majority of this board shall be final.

In other words, all nominations are referred to a partisan board, two members of which are named by the governor, and the others of which belong to the dominant political party, providing that a majority—so that if there shall be any accident, still they are saved—shall act on the petition, and that their action shall be final. It is not open to any court, it is not open to any tribunal on earth except the one to which it has been submitted and whose final decision is the end of it. This contest board can hold that the nomination papers are not in conformity with law on the merest technicality, or they can throw out such papers without assigning any reasons, as they have done. They do not have to give any reasons whatever, except that in their sovereign displeasure they reject the nomination papers, and that is final.

Suppose the nomination papers get by the contest board. That is not likely, but suppose they do: What chance has a candidate nominated in this manner for an election?

Sections 11 and 12 of this same law provide that the board of supervisors of election for each parish, which is also partisan, being composed of one member appointed by the governor, one the registrar of voters, and one the civil sheriff, shall meet at a stated time and appoint commissioners and clerks of election, which so far as practicable shall be apportioned so as to represent all political parties authorized by law to make nominations.

But as there is only one political party in the State, that party alone will have all the commissioners, and those who may be nominated by nomination papers are given no representation at the polls save and except watchers, who may remain near the polls but have no voice in the election.

If you digest the whole of the act by reading it through and considering what impression it leaves of a vital character on your recollection, it amounts to this: That it perpetuates the dominant party. It prevents the nomination or election of other candidates. It makes it a misdemeanor under the statutes of that State to oppose the dominant party in any effort that may be made to defeat it or to establish against it a political contest of any character. However dissatisfied, a voter commits a crime to change his mind and vote another ticket so as to form a new political party.

Here is our neighboring State, not very far away, Maryland. That is a border State. There is a very singular state of affairs in Maryland. A sample ballot is supposed to be published. We know what the use of the sample ballot is, and the larger the population the more it is needed. In that sample ballot the information is given by which the voter can inform himself. In the general election, where several hundred names are on the ballot, it becomes one of the indispensable guides for the intelligent voter to inform himself how to vote. To one not so accustomed it is equally indispensable that somebody have a sample ballot, so that he may be informed or instructed before he goes to the polls. That is the universal purpose of the sample ballot, so that the person not familiar with how to vote may be informed by another, and his candidate may be satisfactorily located by the sample ballot before he receives the actual ballot that he takes with him into the booth.

There are, I think, in the State of Maryland only 23 counties. The center of population is Baltimore. A few other cities in the State have a considerable number of votes. Let me call attention to one thing in the State of Maryland. In one single congressional district in the State of Maryland a different rule prevails. That district has 5 counties in it out of the 23. In all of the other counties—here is the practical effect of the statute—a sample ballot is furnished to guide the voter to vote for some candidate or some ticket. There is no party appellation, but there is a sample ballot. In the five counties, by statute so arranged as to exclude them, there is not a sample ballot in the whole district. That is the Republican district in the State of Maryland—the district represented by SYDNEY MUDD. That is a most remarkable coincidence, as one of Dickens's characters said when he was caught with another's portable property on his person. He said he did not know how it happened. He said: "It is a mere coincidence."

There is the statute, Mr. President. There is no sample ballot in the Republican district. Why? Maybe they are so intelligent in that district that they do not need any guide. Maybe it would be embarrassing. Maybe the cost of print paper has gone up, and they anticipated it, and so they took time by the forelock and reduced the high cost of elections in Maryland in the five counties in Mr. MUDD's district. Anyhow, it happened. I wish I could have printed—and possibly I can, because there are no pictures on them; they do not violate the rule about illustrations—the ballots of some of the elections held in this State.

There is one of them, with divers long black marks horizontally stretched across the ballot. That is a Somerset County official ballot of 1907. Now, those black marks are not mourning for dead candidates. Do not mistake me. There is no solemnity on this occasion. You can reserve your funeral eulogies for some fit occasion. These black marks mean to the initiated, who have the grand password and the hailing sign of the order, that immediately below the black mark is the Democratic candidate. The mourning is for the fellow that is above, not the one that is below.

That is one of the sample ballots. There are others of a like kind—some here that are the most remarkable hodgepodges that have ever been seen in the English language. Never since cold type has been used to designate the name of a human being has such a remarkable collection been found on these ballots, with some others of one or two States that I wish to offer here as a means of illustrating the source of our revenue laws. Do not raise the point of order. It is material. The parliamentary inquiry will go back directly to where such fiscal miscarriages as these are gotten up.

This is a copy of the Somerset County ballot:

SOMERSET OFFICIAL BALLOT OF 1909.

FOR CHIEF JUDGE OF THE FIRST JUDICIAL CIRCUIT OF MARYLAND.
(Vote for one.)

John R. Pattison.

FOR COUNTY COMMISSIONER.
(Vote for one.)

James Lankford.
James G. Webster.
Joseph R. Reading.
James D. Anderson.

FOR ASSOCIATE JUDGE OF THE FIRST JUDICIAL CIRCUIT OF MARYLAND.
(Vote for one.)

Robley D. Jones.

FOR COMPTROLLER OF THE TREASURY.
(Vote for one.)

Frank E. Williams, of Cecil County.
Richard A. Harris, of Baltimore City.
Mark Jackson, of Baltimore City.
Joshua W. Hering, of Carroll County.

CONSTITUTIONAL AMENDMENT.

Against the constitutional amendment.
For the constitutional amendment.

FOR REGISTER OF WILLS.
(Vote for one.)

Daniel J. Maddox.
Sidney Waller.

FOR SHERIFF.
(Vote for one.)

Edward W. Smith.
E. James Hall.
William J. Phillips.

FOR SURVEYOR.
(Vote for one.)

Levin H. Hall.

FOR THE HOUSE OF DELEGATES.
(Vote for three.)

Sidney Columbus Dryden.
Abraham Lincoln Dryden.
Henry Mills Dryden.
Elon Way Mills.
John Samuel Scott.
William E. Ward.
William T. Willing.
Peter O. Hudson.
James Ralph Dodson.
William F. Byrd.
Herschell Ford.
Alfeus L. Carver.

These ballots I ask to have preserved in the RECORD, as I regard them as much more illuminating to practical politicians of our country than to the voters in the five counties of the district referred to.

In the State of Mississippi, for whose Senators I have a profound regard, I quote the following from the Code of 1906, sections 4150 and 4152:

Prior to every election the commissioners of election shall appoint three persons for each election district to be managers of the election, who shall not all be of the same political party, if suitable persons of different political parties can be had in the district, and if any person appointed shall fail to attend and serve the managers present, if any, may designate one to fill his place—

That latter is a good provision, and is found, I think, in the laws of most of the States. However, in many places it is entirely within the probabilities that no suitable person of an adverse political party could be found; and that may be a very necessary provision in order that there may not be a hiatus in the election board.

I refer now to the laws of Oklahoma. This we might regard as a border State. The State was admitted in 1907. I think I am now referring correctly, by memory, to the time. When it was admitted it had a constitution in which the general right of suffrage, without any undue restrictions, was placed. In 1910 the constitution was amended on the suffrage section so as to require the educational test, but providing that all who were descended from an ancestor who was a voter in 1866 should be exempted from the literacy test. This was set aside by the Federal Supreme Court in connection with a very similar case from the State of Maryland, and these constitute the two cases that were decided at that time.

The governor of Oklahoma appoints the State election board. The State election board appoints the county election board. The county election board names all the judges and clerks in the voting precincts of the several counties. The original act providing for that required representation from the opposite political party. I think I am quoting the opinion of the State supreme court correctly when I say that the Supreme Court of Oklahoma decided that the section requiring representation from the adverse political party was not binding upon the election officials, and so they were under no obligations of observing it; and in many instances I think I am correct in saying that they do not; so there is no such representation.

South Carolina: There is no "grandfather clause" in the State of South Carolina, contrary to the general impression that prevails in many places. The operation of the election laws of the State, however, accomplishes all practical purposes. The partisan purpose is not even concealed as far as the words of their statute are expressed. It is somewhat self-confident in expression.

The executive, judicial, and legislative officials of the State contemplate but one political party in the State, and never seem to have any thought that there would ever be anything else. The statute seems to breathe it. The principal and most effective features used for this purpose, to exclude any other than the dominant party from the governmental affairs of the State, are the requirements for the registration of the voters both at the primaries and at the general election, the multiplicity of the ballot boxes in every precinct, and the absolutely partisan boards of election officers and managers, every one of whom is appointed under the law solely by the governor of the State.

The provision of the law in that respect I will quote in the RECORD:

It shall be the duty of the governor, and he is hereby authorized and empowered, at least 30 days prior to any general election, to appoint for each county three commissioners of election for governor, lieutenant governor, State officers, circuit solicitors, members of the general assembly, and county officers, and three other commissioners of election for presidential electors and Members of Congress, or either of said officers, who shall continue in office until their successors are appointed and qualified. The commissioners of election for State and county officers shall appoint three managers of election for such officers; and the commissioners of election for Members of Congress of presidential electors, or either of said officers, shall appoint three other managers of election for said officers for each polling place at each precinct of the county for which they shall respectively be appointed.

The general qualification for voters, as set out in article 2, section 4, of the constitution, has the appearance to the casual reader of being fair, in that it states that such qualificaions require the voter to be a male citizen 21 years of age, a resident of the State for two years, of the county for one year, and the polling precinct for four months, and the payment in advance six months before the election of any poll tax due and payable.

The requirement for the possession of a registration certificate, however, upsets the fair application of the above qualifications, in that every person who applies for a registration certificate must be able, to the satisfaction of the Democratic registration board, to "both read and write any section of the constitution submitted, or show that he owns and has paid all taxes collectible during previous year on property in the State assessed at $300 or more." There is not a Republican, Independent, Bull Moose, or Socialist manager of election in the State, nor is there a member of those parties in charge of passing upon the qualifications of voters with power to issue registration certificates. Could anything be more grossly partisan and outrageous?

In this connection it can be truthfully said that the determination of the Democratic Party of South Carolina to have but one party is further illustrated by the fact that thousands of men in the State who, under the present conditions, quite naturally, and I might say properly, for the present and the immediate future, are willing to vote for the Democratic nominee for governor and local officers, but who desire to vote for a Republican for Congress and Republican electors for President, the partisan purpose in this connection is shown by the fact that the Senators from South Carolina and the Members of Congress from South Carolina and the Legislature of South Carolina all refuse to change the present oath required before a man can vote at the Democratic primary, so as to eliminate the pledge to support the Democratic nominees for Congress and for President. It would seem that even half a spirit of fairness would enable such men to take that portion of the oath before voting which bound them to support only the nominees for governor and local State officers, and leave them free at least to go to the general election for Congress and the presidential electors. But the Democrats will not permit even that elasticity of their laws and regulations. The oath is taken as an entirety, and no division is allowed.

The sections from the Code of 1912, from 206 to 232, I shall not read at length, save to say that they are created in such a way that the election officials and the management of the election are entirely in the hands of the dominant party.

I come now to the magnificent State of Texas. I have read the tables relating to conditions there. In that State 370,000 votes were cast out of a total population of 3,896,542. It would seem like that would be almost sufficient of itself to show that there would be no danger, but to make assurance even more conveniently certain the revised code of Texas of 1911, articles 2920 and 2921, contains the following provision:

TEXAS.

(Rev. Civil Stat., 1911, arts. 2920, 2921.)

The county commissioners' court shall, at the February term, appoint from among the citizens of each voting precinct in which there are less than 100 voters who have paid their poll tax and received their certificates of exemption two reputable men who are qualified voters as judges of election. They shall be selected from different political parties, if practicable, and shall continue to act until their successors are appointed. When the bounds of the precinct are changed so that one or more judges reside outside of the precinct for which they were appointed, the court shall appoint others to fill such vacancy or vacancies. One of the judges, who shall in all cases belong to the party that at the last general election cast the largest vote for governor throughout the State, shall be designated as the presiding judge of elections; he shall appoint two competent and

reputable clerks, of different political parties if practicable, who are qualified voters, to act as clerks of election. * * * (Art. 2920.)

There is always this condition "if practicable." That leaves it in the discretion of the then election judges, or the appointing authority rather, to make the local election officials all of the dominant party. It is so easy when this avenue is presented to find that it is not practicable.

For every precinct in which there are 100 male citizens or more who have paid their poll tax or received their certificates of exemption, the commissioners court shall appoint four judges of election, who shall be chosen when practicable from opposing political parties, one of whom shall be designated as presiding judge. * * * The presiding judge shall appoint four competent and reputable clerks who have paid their poll tax, and of different political parties, when practicable. * * * (Art. 2921.)

There is the same phrase again in that section, "when practicable"—

one of whom shall be designated as presiding judge.

I come to the laws of Virginia.

VIRGINIA.

(Pollard's Code, 1904, sec. 64.)

There shall be in each county and city an electoral board, composed of three members, who shall be appointed by the circuit court of the county, or corporation court of the city, or the judge of the court in vacation. * * *

Circuit courts are of general jurisdiction. The judges of these courts appoint within their districts for the several counties an election board.

Each electoral board shall appoint the judges, clerks, and registrars of election for its city or county, including the towns therein, and in appointing judges of election representation as far as possible shall be given to each of the two political parties which at the general election next preceding their appointment cast the highest and next highest number of votes.

There is again the same provision, "as far as practicable," or "as far as possible," and so on, which opens up the way for many things.

Registration is required under this law. The registration board meets at certain stated intervals and the voter goes in order to qualify himself. Let me give you an illustration in a county in Virginia, witnesses for which I can produce. The following incident occurred: A man who was as pale faced as any Caucasian whose ancestors had emigrated from Europe went down to the registration board to register.

There, sitting up in all the plenitude of their pomp and majesty was an election board. One gentleman possessed of a great flood of public information accosted the humble voter when he desired to qualify to exercise the right of the American citizen in the form of a future election.

When he made known his wants, he said, "Sir, I must examine you. There is an educational test that you must meet, sir. Who are the members of the State Board of Education of Virginia?"

Well, the prospective voter began to reflect, and he could not tell of a solitary one of them for his life. He told him, "You can not be registered; you can not meet the educational test."

The would-be voter was very much disappointed. He desired to be heard at the November election and took it greatly to heart. He walked up the street very dejected. He met a friend who was an attorney at law, and it is the lawyer who always makes trouble in this world. He recounted his melancholy experience and said he regretted to be deprived of his vote.

The lawyer said, "I know the judge of the circuit court who lives in this town and who appointed that election board and is responsible for the men who rejected your vote. I will go up and see him."

He did so. He found the judge at home. He said, "Judge, tell me the names of the members of the board of education of the State of Virginia."

The judge rammed his hands down in his pockets and looked at his toes, and, with a little bit of a near-profane exclamation, he said, "Blankety blank, if I can do it."

The lawyer said, "Your election board down here has just disfranchised a white man, a citizen of Virginia, because he could not do the same thing. What do you think about it?"

The judge said, "Come with me; I will talk to the board." And he did. He delivered him some information in the way of an admonition to walk in a more godly and citizenlike way, and the rejected voter was registered on the spot, because he knew as much as the judge of the circuit court that created this official gentleman with the swelling bosom and the great wealth of civic information. If it had not been for the accident that he met this pestiferous lawyer who knew this judge of the district who created this Solomon, the voter would have been disfranchised.

It is only when the curtain comes up or when somebody peeps through a knot hole in the fence and sees the game going on that we understand what is going on behind the scenes across the Potomac River, almost in sight of this Capitol, by which representation in the House of 37 Members—I will figure out before I leave the floor—sit in that House to-day who have no more right to be in there than I have to be in the House of Lords in London, and who represent no more people than a man without a country, much less constituents.

Now that you are purifying elections, just clean them all around; let us have a general house purification. There is more corruption, as I suggested, than merely influencing a man or woman by bribery. It may not be corrupt to refuse to register a man because he can not tell who are the members of the board of education of the State of Virginia, but it gets dangerously close to the line, and it seems to me like there is a set purpose to ask questions of that kind.

It reminds me a good deal of a civil-service examination to find an expert to do something. You pick up something of that kind, prepare a blue print, and you ask what became of the Egyptian kings between the sixth and twelfth dynasties. I met a fellow one time who had been given something like that in a civil-service examination. He said "I could answer." I said "How did you answer?" He said "They are all dead; I would be sure to get it right on that." I said "Could you tell what killed them?" He said "No; they might have died of overeating crocodiles in the Nile, or they might have been killed in battle; they might have died of old age; they might have perished on the sands of the Libyan Desert in some of the military forays, or might have been consumed by lions; nobody can tell."

Still, that would be an educational examination. I looked at some examination papers once, just out of curiosity, when picking the eligibles off a list, to satisfy myself, and it reminded me a good deal of this examination of the election officials before I got through. I wanted to get a stationary engineer. I wished to get somebody who could tell scale in a boiler, who could change the water supply, or prevent it; who knew how to run an engine and to generate power. I sent for the papers. There were two. One wrote a very bad hand, and the drawings he made were not up to the ordinary standard of an engineer on paper. The other one wrote a beautiful hand and drew pictures that would have been a pleasure to an artist. I looked down upon the answer to the question. It said "Where have you been employed, and how many times?" The one who drew artistic pictures had been employed seven times in 9 years and the other one had been employed once in 14 years. The latter's civil-service rating was very low; he was not a great man on paper. I said "Let me look at your examination papers and I will see about it." I saw he had been taking care of an engine all his life, and he had not been drawing pictures. We selected him. I did not want the other fellow. I thought he had had too many employers.

I am reminded by that civil-service examination of this examiner on the election board in Virginia. It was just such a question. The next time the would-be voter came around, instead of asking him who were the members of the education board, he would ask him who were the Senators from Virginia, and he might not know. Of course, they would disfranchise him for lese majesté, and away with him to the bastile. Something had happened. You can always catch a fellow. I can sit down and write a list of questions which nobody in this Chamber can answer, and everyone of you can sit down and write something that I can not answer. I could write a whole string of them. Every fellow has his own experience.

I could stand on my feet here and ask a question about Herodotus that you could not answer, because that is my fad. I have read him ever since I can remember just out of sheer curiosity. I think he was slandered in early life. I sympathize with him. Do you know he is said to have been the father of history? Go over in the Congressional Library and you will see upon the handsome paneled walls graven in stone the name of the historian—Moses, Herodotus, Josephus, and other great names. They call Herodotus the father of history, and an old Greek who was jealous of him said he was not the father of history but the "father of lies." That aroused my sympathy. If he had been living I would not have cared. If anybody calls another one a liar who is living they can get at each other and fight it out, but when both are dead I think it is a mistake to perpetuate the feud.

I can get up a list of questions on Herodotus or some other antique character, present them to the qualified voters as this gentleman was asked to answer by the board in Virginia, and disfranchise him all his life.

I give this as an illustration drawn from actual life. If I had been a painter or sculptor I would have been a realist.

None of the statues of Venus would have been my long suit. I would have drawn you a work horse, something practical, a water buffalo, or something of the kind in ancient times. I do not wish any theory of that kind. So I believe in something practical that will find out whether a voter has the manliness to be able to participate in free government, so that he can elect a Representative some time who will be fit to draw a revenue bill that will not make an American citizen regret for such a horrible example.

Such class legislation had never been seen until they began to write bills like those in this administration. I have the tariff platform written one time when Bryan was a candidate, and there was a tariff fulmination against class legislation. You have it now in this revenue bill. There is nothing but class discrimination in it. If you cut out the classes nothing would be left. If you cut out the class taxes nobody would be left to pay the taxes. The harder working, the more thrifty, the more economical, and the more ability the man has the more he is penalized because he has it.

I follow the record on qualifying this voter down in that part of the country. I think a great deal of the history of Virginia. It has had some of the greatest men in this country. Look at the census and you will find that in the days of George Washington, John Marshall, Edmund Randolph, Pendleton, and all the men who gave their services in the Revolution and in the formation of this Union it was then the first State in the Union. It preserved that proud distinction for many years. It still has a mighty population and a great strain of blood and good people. Its representatives are still up to the standard; but when we are told by them that they will purify elections and will with their influence and associates put through the corrupt-practices act because they are experts I have some question about accepting them as authority on the question.

The historic Commonwealth of Virginia, for example, gave Washington and Jefferson and Madison and Monroe and Marshall. The country where now live millions out in the West was then in the hands of the red man and the buffalo and the wild animals of the desert and the plain. The gloomy forests stretched in endless belts from river to river and zone to zone all over that country. Since then that region has been peopled with a mighty population and we are told we must have our elections regulated by Congress. The horrible examples are all in that region apparently.

It was intended that this should be a representative Republic, representative in this body of the mighty sovereignty that confederated the colonies and won our independence from the British Crown and in the lower House to represent the population.

The judges of the courts, these circuit judges, should ordinarily go back to the people for the renewal of their term of office. The judges, however, of the circuit court in Virginia are appointed by the legislature. That is their source of judicial power, and they are always not only partisan Democrats—we would expect that—but generally they are of the regular organization type.

Electoral boards are appointed by the judge of the circuit court for counties and judge of corporation court for cities, composed of three men for each of the 100 counties and 20 cities.

They are always Democratic in fact, always Democratic in practice, and so far as the law is concerned, except in two or three instances where one Republican of the three officers was selected for "satisfactory reasons," it is solidly a partisan Democratic election board.

The registrars—those gentlemen one of whom I described a while ago—are appointed by the electoral boards of each county and city, being one partisan Democrat for each voting precinct. The officers of election are appointed by electoral boards for each county and city, composed of three judges and two clerks.

There is the same provision—"where practicable, all judges shall not belong to the same political party." That is the requirement of the law. In practice two judges and the two clerks are partisan Democrats, and the remaining judge selected to represent the Republican Party by the partisan electoral board is almost always, in close counties and precincts, a man satisfactory to the Democratic organization.

You see how it works. A man may not be able to vote without having somebody help him mark his ballot; his sight may be defective; possibly he may not understand the language printed on the ballot, and he calls, if he be a Republican, for a Republican judge or clerk, as the case may be, to go in and help him mark his ballot. While he is in the booth there are four regular organization Democrats left outside. They, meantime, have sole control of the ballot box, and it takes long enough to inform the voter who is deficient in some way to enable them to investigate if necessary. It is understood that that will be done; and I am informed upon credible authority that it is a regular practice in the few precincts where there is a Republican officer to spirit him away a while to inform some voter. Then everything is done decently and in order.

The act further provides that the voter must make application to the registrar in his own writing in the presence of the registrar, and he must answer satisfactorily the questions the registrar propounds to him. That is the language particularly—"questions propounded to him."

That opens the floodgates of human knowledge. Everything that has been stored from the time written language began back to the time of mythology and tradition are open questions—"questions propounded to him." When the Savior was on earth, the first thing that a lawyer did, as you will find in the New Testament, when he approached him was to begin asking him questions, and in this election law the first thing they do to the voter is to enable the registrar to propound questions. They are still at it. We think we are progressive, but there is no change in human nature in 6,000 years. There is nothing new under the sun. Old Solomon was right. Solomon further said there is a time for everything; and it is a good time now to talk about a corrupt-practices act, with a view of purifying such revenue bills as this.

Mr. President, when the registration is all over, after you have had all the questions propounded to you—whatever that may mean—if the registrar refuses registration the right of appeal to the judge of court is granted. That is what they did in this case. They happened to find him.

Such judge of a court having been selected as set out above.

Then comes the poll-tax provision, which is a most beautiful piece of tapestry. It is woven so perfectly that it spells a complete work of art. If it were not so serious I would read it alongside the satires of Juvenal as a comment upon popular government among the descendants of George Washington.

If registered the elector can not vote unless he shall have personally paid a poll tax of $1.50 for each of three consecutive years six months or more previous to the election in which he offers to vote, except in case of a person who has resided in the State only two years must pay poll tax for two years, and a young man just coming of age must pay for one year.

So you see, a young man just coming of age can get by for one year. After he jumps these two hurdles, then he reaches another one.

That reminds me a good deal of an illiterate man who was sticking his head into the court room of a country courthouse at one time, and asked a man who was then coming out: "What is the judge doing in there just now?" The reply was: "He is just reading his obstructions to the jury."

That is what they do in this election law—just keep on reading obstructions to the voter. He may, in the providence of God, get to the ballot box some day, but he will be pretty well weeded out; he will be one of the elect when he reaches that spot.

The ballot is secret except as to partisan electoral board, which board has full charge of printing and distributing the ballots to judges of election.

The ballots have no distinguishing mark or symbol, and a pen or pencil mark must be run through at least three-fourths of all names except the name for which the elector wishes to vote.

There is no distinguishing party symbol; just a general shotgun ballot. Some of the ballots are very peculiar. I do not know what printer set them up. If I should judge by the high degree of the typographical art, I should say, at least that Virginia was not "bone-dry" before he started on the job, because he certainly became cross-eyed in typesetting. It is a very peculiar looking document.

They must have no distinguishing marks or symbol. Some of the names instead of being spelled with capital letters are spelled with small letters. The initial of John is spelled with a small "j." It reminds me of Bob Ingersoll's lecture when published. He would not show proper respect to the Deity; he always printed it with a small "g."

Of 458,000 males of voting age 300,000 are disfranchised or do not vote in Virginia; 160,000 of them are white men and 140,000 of them are negroes. There are more white men in Virginia who never vote than there are negroes in the State of Virginia who do not vote.

Now you have reached the last hurdle. There are 120 electoral boards in Virginia. See how it works. One hundred counties each with an electoral board and 20 cities or municipalities. These electoral boards are, without exception, practically solidly Democratic.

Why is that required if you want to cleanse elections? I commend to some of my friends on the majority side of this Chamber that if you wish to purify the elections, start some place in your own household, and do not begin to talk about corruption in Detroit, Indianapolis, Chicago, or in St. Louis.

It may be that some wayfaring derelict in the lodging-house districts receives the price of a meal for his proud privilege of American citizenship; that might happen; but is that much worse than to create conditions that keep 160,000 white men in your own State from voting?

There are in the State of Virginia 120 electoral boards, solidly partisan Democratic; 2,500 registrars, all partisan Democratic; 5,000 clerks of election, all partisan Democratic; 7,500 judges of election, 5,000 partisan Democrats and 2,500 others selected by Democratic partisan boards for their purposes. This is the Virginia election machinery.

Now, I want to quote from some of the records of the Old Dominion. I will go as far as any of you in enacting a corrupt-practices act. I expect to vote for some kind of a corrupt-practices bill, but I do not wish it to be too narrow in its definition. I want it to be liberal enough, to be broad enough, to remedy the evil; to use the remark of an eminent reforming lecturer I heard on the platform at one time, "I want you to rise to the great level of your great privilege."

On July 24, 1913, Mr. John Garland Pollard, whom many Virginians know and now the Attorney General of the State of Virginia, made a statement at Louisa Courthouse in opening his campaign for attorney general, to which I desire to call attention. I am not quoting from one in the corrupt and effete East nor the wild and sometimes vociferous West; I am quoting from a citizen of a conservative State that contains within its borders the sacred ashes of the Father of his Country, where the author of the Declaration of Independence once dwelt, where the great expounder of the powers of this Government, John Marshall, had his rise from youth to mature manhood, and in the fullness of his judicial power sat within a few hundred feet of this Chamber, who dignified and embellished the bench, and gave to this Republic the vital force of its great national powers under which the laws of both peace and of war are administered. Mr. Pollard said:

> I consider the first and most fundamental need of the State to be a thorough purification of her general and primary election laws. The good of the State and the preservation of the party demand that our election laws be put above suspicion.
>
> * * * * * * *
>
> It is true that no election law, however strong, can ever prevent occasional fraud, but a mere casual examination of our election laws will show that they invite fraud. These laws, though changed in recent years, are in their essence relics of reconstruction days, and now that the Negro is eliminated from politics we, to put it mildly, have simply forgotten to change the character of our election laws after the emergency has passed.

Now, there is a very frank declaration. If any proof were needed, the proof is here.

> It is not fair that the men who expose these conditions should be called malcontents, nor that they should be charged with advertising the shortcomings of their State. The real enemies of Virginia are those who supinely rest under such conditions and seek to cast slurs on those who dare protest.
>
> In my opinion there is no graver crime against the State than the violation of the sancity of the ballot. I class the crime along with treason. It is essentially felonious in its nature and it is nothing short of farcical that under the present laws it is classed as a misdemeanor and may be punished—

Note the lightning, the bolts of Jove that fall with destructive fury upon the God-fearless wretch who violates the election laws of Virginia—

> and may be punished by a fine of $2.50 and one day in jail.

It is unconstitutional because it is cruel and unusual punishment. If anything were needed to turn this election law into the jest of the ages, into a combination of Mark Twain, Max Adler, Bill Nye, and all the humorists down to the time of George Ade, it is the last paragraph, the penal clause, providing $2.50 fine and a day in jail. The guilty party would get there just in time to be furnished a meal at noon, and by the time the lunch hour is over he would again walk abroad in all the pomp and panoply of American citizenship, clothed with the toga virilis of the Romans, ready to stand up before all the world and say "I am he."

I have been quoting from Mr. Pollard, a name itself that is distinguished in the annals of the Old Dominion and neighboring States, brave in war and patriotic in peace.

At Marion, Va., on the 14th of January, 1914, a letter was written to Mr. Pollard on the same subject by William C. Pendleton. Probably Mr. Pendleton in that country is known as a Progressive. He was somewhat out of line with the ordinary methods of political thought. He sat down on the occasion named and wrote to Mr. Pollard, attorney general elect of Virginia, the following letter:

> DEAR SIR: While a candidate for the nomination for attorney general of Virginia, you expressed yourself very frankly and bravely about the election laws of the State. In your speech—

Referring to the speech, an extract from which I read a while ago—

> made at Louisa Courthouse, and repeated at other places, you said:
>
> "I consider the first and most fundamental need of the State to be a thorough purification of her general and primary election laws."
>
> And you stated: "A mere casual examination of our election laws will show that they invite fraud."
>
> Your first assertion, above quoted, presupposes that the general election laws of the State are thoroughly impure. No matter whether this condition is the result of intention or not, it is none the less deplorable and should be corrected as speedily as possible. Unfortunately the means and methods for rectification are both slow and obscure.
>
> As you helped to make the organic law of the State, which contains the basis of our suffrage and election laws, and as you have codified and interpreted the statute laws made in pursuance of the constitutional provisions on the elective franchise, you are peculiarly qualified to point out the evils of these laws and suggest the changes that sound public policy require to be made. I respectfully request that you do this and give your views to the public while the general assembly is in session. By so doing you can greatly accelerate the movement for honest elections and efficient government in Virginia. You said in your speech at Louisa Courthouse:
>
> "If I am elected attorney general of Virginia, I shall let no strict construction of the duties of the office prevent me from suggesting and advocating and using the influence of the office to promote measures which will make effective the will of the people."
>
> Can the will of the people be fairly ascertained under suffrage and election laws that "invite fraud" and that need a "thorough purification"?
>
> At the risk of appearing presumptuous I will name some of the deformities and evils that I believe afflict our present suffrage and election laws.
>
> In my judgment there should be no other prerequisite to the exercise of the elective franchise than that named in section 6 of the Bill of Rights, which says "that all men, having sufficient evidence of permanent common interest with and attachment to the community have the right of suffrage."
>
> This means that suffrage inheres to good citizenship as a matter of right, and that any pecuniary prerequisite for voting degrades the right into a privilege or license. For this reason the poll-tax qualification ought not to have been put into our constitution, as it renders abortive the truths written in section 6 of the Bill of Rights.
>
> But there are other reasons why the poll-tax qualification for voting should be repealed. The law as it now exists has been and will be a source of fraud and corruption. No statutory law can prevent it from continuing so. It should be repealed, because it was made to obstruct and restrict the electorate and not for the purpose of raising revenue. This is a great vice, but the greatest is that the constitutional provision has fraud stamped upon its face. The closing sentence of section 22 says:
>
> "The collection of the State poll tax assessed against anyone shall not be enforced by legal process until the same has become three years past due."
>
> This is virtually an offer of a premium on delinquency and an evident inducement for reducing the electorate and a consequent depletion of the revenues that are dedicated to the public schools. Could anything more unwise and wicked have been written in the organic law of the State?
>
> The laws that prescribe the form of ballots to be used at elections and the manner of preparing and using them are all wrong. These laws are seemingly made to confuse, delay, and obstruct the voter. The constitution directs that "the absolute secrecy of the ballot shall be maintained," and also directs "the general assembly to provide for ballots without distinguishing mark or symbol." This latter prescription has given the general assembly authority to provide a form of ballot that does not preserve the secrecy of the ballot, and that authority has been extended to the electoral boards who have the ballots printed. The result is that the ballots provided and used at elections in Virginia are so complex and puzzling to the voter of ordinary intelligence that he is forced to reveal for whom or what party he is voting to all the election officers or to take the dangerous risk of losing his vote by marking his own ballot. The voters who have registered since January 1, 1904, are required to mark their own ballots. This causes a large percentage of these voters to lose their votes by mismarking their ballots.
>
> The voter is not allowed to see a ballot until one is handed him by the judges in the polling room. This is absolutely wrong and unfair.
>
> There should be some distinguishing mark or symbol on the ballots, and a ballot should be posted and published so that each voter can see and study it before he attempts to vote. This is the only reasonable and honest way of ascertaining the true will of the people.
>
> The ballots are secretly printed under the supervision and direction of a partisan electoral board, and ample opportunity is given to supply partisan workers with ballots to be used from the outside of the polling places. This trick has been played in this section of the State, and the effort has been made by men who are now holding high official positions to persuade members of electoral boards to contribute to this outrageous fraud.
>
> The clause in the constitution which provides for the appointment of electoral boards in each county and city of the State is unfair and invites fraud in that it does not provide for making these boards bipartisan or nonpartisan. This clause is unfair and suggestive of fraud, because it does not direct that the minority party be given the privilege or accorded the right of selecting the election officers to represent their party at elections.
>
> It is unfair and furnishes ample opportunity for padding poll books and stuffing ballot boxes, because it does not direct that one of the election clerks at each precinct shall be appointed from the minority party. In support of this contention I offer in evidence the fact that the governor-elect of Virginia, Hon. Henry C. Stuart, offered an amendment to the report of the committee on the elective franchise in the constitutional convention to provide that one of the election clerks should be named from the minority party. And in support of his

amendment he pointed out clearly the possible frauds that could be committed through the absence of an election clerk representing the minority party.

Is there any need for my calling your attention to the very dangerous registration laws we have in Virginia? Is the law right that gives to one man—too often an uncompromising partisan—absolute authority to say who shall register, and with no appeal from his decision when he improperly registers a man? Will it not be right to have registration boards in this State, as they have in other States—bipartisan or nonpartisan—from whose decisions ample provision is made for appeal when their decisions are questioned? Our whole scheme of registration is so complicated and repulsive that reputable young men and citizens who come here from other States are reluctant to pass through the disgusting ordeal of registration.

What is the use of clamoring for honest elections and a pure electorate with our statute books, and even our Constitution, loaded with suffrage laws that are confessedly unfair and that invite fraud? The stream can not be made pure while the source is kept polluted.

What will it avail to say that the government of Virginia is a people's government or a Republic with our suffrage laws so constructed and operated as to deprive or bar from the exercise of suffrage more than two-thirds of the white men of voting age in the State?

Let us hike back as quickly as possible to the honest election methods that obtained under the Constitution of 1851. Let us restore the rule of the people by a return to the suffrage conditions that prevailed under that Constitution—when the only qualification for voting was good citizenship.

Let the people again have the right—that is the foundation of popular government—of selecting and electing their own magistrates and servants, as was the case when a pure and true democracy governed Virginia under the constitution of 1851.

In addressing you this letter I am inspired by no partisan spirit, but am moved by as deep and abiding affection for my native State and its people as any living man can possibly hold.

Honorable sir, if I have misstated any facts or drawn any false conclusions, I will be pleased to have you point them out and correct them. I am,

Very truly, yours,, WM. C. PENDLETON.

I submit now the reply to the open letter of Mr. William C. Pendleton:

RICHMOND, VA., *January 24, 1914.*

Mr. WILLIAM C. PENDLETON, *Marion, Va.*

DEAR SIR: I thank you for drawing the attention of your readers to the first and most fundamental need of the State, to wit, a thorough purification of both the general and primary election laws. In aiding in focusing the attention of the people on the necessity for election reform you are rendering your State a distinct service. This is one reform upon which all honest patriotic citizens may unite regardless of party affiliations. The man who does not see the need of honest election laws is past redemption. When you meet such a man it is useless to argue with him. As Mr. Bryan fittingly says, "If a man wishes to convince you that stealing is honest, do not argue with him—search him," and so the man who is satisfied with Virginia election laws should not be argued with, but his record should be searched and you will generally find that he has in some way been a beneficiary of the present dishonest laws.

I do not in the least object to your having called to my attention the pledge which I made in my campaign to suggest, to advocate, and to use my influence to promote measures which will make effective the will of the people. Upon my election I went to work at once to redeem my pledge. I have been studying the election laws of this and other States; I have carried on an extensive correspondence with those interested in the subject; I have drafted measures to correct the evils, and am now using all the influence I have to secure election reform.

I fully agree with you that the constitution should require bipartisan electoral boards. Twelve years ago, as a member of the constitutional convention, I voted in favor of such a board and was sincerely sorry that the measure was not adopted.

I fully agree with you that the law should provide for an appeal from the decision of the registrar in improperly placing upon our registration books men who are not entitled to vote. The present serious defect in our law has been the cause of fraudulent registration, and in my opinion there is urgent necessity for immediate relief.

I wish time would permit me to express my views concerning many other defects in our election laws, but I am now about to leave the city and upon my return will be so engrossed with my official duties that I am unable to discuss the matter more at length, but I assure you of my willingness to cooperate with you and all other patriotic citizens, regardless of party affiliations, in placing upon the statute books of Virginia an election law which will be in keeping with the exalted patriotism for which Virginians have been noted.

Yours, truly,

JOHN GARLAND POLLARD.

Extracts from remarks in the late constitutional convention of Virginia by members of that convention regarding appointment of election officers:

(Hancock, 3034.)

It is contended that this plan will be productive of fraud, but no one is bold enough to assert on this floor that the fraud thereunder will in any degree compare with that now practiced in the Commonwealth.

(Braxton, 3038.)

Any electoral board or any other body that appoints officers, and does not of its own motion recognize the propriety of making their appointees nonpartisan or if giving due representation to the various political parties can not possibly be found to adopt them. The so-called Republican they will put on the board will practically be no Republican at all.

(Meredith, 3031.)

None of us can deny that the electoral boards ought to have on them a representation of both parties. If we recognize the fact, why not say it in the constitution instead of drawing a distinction between the electoral board and the officers of election? We should mark out the path so as to relieve the circuit judges from the temptation of yielding to party desires.

Again:

(Meredith, 3031.)

I call your attention to the fact that you have prescribed here that as to judges of election the two political parties shall have representation, but when you come to the electoral board you make no such requirement. I respectfully submit that that is an indication to the judges that you do not want them appointed that way. You have prescribed that as to the judges of election the two leading political parties shall be represented, but you have made no such provision as to the electoral board, which is the real appointing power. That is an intimation to the circuit judges that they may exercise their political preferences in the appointment of members of the electoral board. If you are going to bring the judges into politics, I respectfully submit that you ought to make a provision that will relieve them as far as possible from the temptation of yielding to party prejudice.

(Keizell, 3037.)

WILLIAM MEREDITH. Would you be satisfied to have the judges of Rockingham County appoint an electoral board of three Republicans?

Mr. KEIZELL. I say that I should feel it was incumbent upon me to go * * *

So far as the electoral board of my county is concerned, I have had elected three men of the highest character that can be found in the county—Democrats it is true, but men acceptable to everybody.

Editorial from the Old Dominion Republican, published at Roanoke, Va., April 1, 1913:

UNJUST REPRESENTATION.

After the Democratic machine had tricked the people of Virginia into voting for a constitutional convention, and 300,000 men were disfranchised in 1903, it was hoped at least that the much-promised "honest elections" would become a reality.

But what has happened? The same disfranchising constitution commanded the 1912 general assembly to redistrict the State into senatorial and assembly districts based on the census of 1910. That general assembly, however, refused to do so; and its bad example was followed in 1914, the extraordinary session of 1915, and the regular session of 1916.

And what is the result? For more than 10 years injustice has been heaped on injustice. The Democratic (negro) counties are standing still as to population, while the Republican (white) counties of the southwestern and valley sections of Virginia are growing fast in population and wealth.

The following shows how unjustly the sections are represented in the house of delegates:

Democratic (colored) counties.

	White.	Colored.	Total population.	Number delegates.
Appomattox	5,815	3,089	8,904	1
Princess Anne	5,708	5,818	11,526	1
Lunenburg	5,969	6,811	12,780	1
Orange	7,959	5,527	13,486	1
Gloucester	6,570	5,907	12,477	1
Isle of Wight	7,416	7,513	14,929	1
Culpeper	8,210	5,202	13,472	1
Charlotte	7,450	8,335	15,785	1
Dinwiddie	6,074	9,368	14,442	1
Prince Edward	5,808	8,458	14,266	1
Total	66,970	66,088	133,067	10

It will be seen that the above counties average 1 delegate for each 13,306 of population, two-thirds of which population is disfranchised; while in the following counties an average of 29,000 people is required for a delegate, or two and one-fourth times as many as in the first set of counties:

Republican white counties.

	White.	Colored.	Total population.	Number delegates.
Dickenson	9,192	7	9,199	½
Buchanan	12,330	4	12,334	½
Wise	31,301	2,861	34,162	½
Tazewell	22,126	2,820	24,946	½
Highland	5,057	260	5,317	½
Bath	5,362	1,176	6,538	½
Scott	23,311	503	23,814	1
Shenandoah	20,449	493	20,942	1
Carroll	20,848	268	21,116	1
Total	149,976	8,392	158,368	5½

And the appointment for representation in the State senate is equally unfair.

But let us go a step further in the comparison. In the election for President held on November 7, 1916, the vote in the above two sets of counties totaled as follows:

Democratic (colored) counties.

Appomattox	833
Princess Anne	582
Lunenburg	924
Orange	761
Gloucester	994
Isle of Wight	819

Culpeper	1,033
Charlotte	1,083
Dinwiddie	677
Prince Edward	776
Total	8,482

Republican (white) counties.

Dickenson	1,402
Buchanan	1,547
Wise	3,330
Tazewell	2,699
Highland	680
Bath	606
Scott	3,062
Shenandoah	2,865
Carroll	2,282
Total	18,473

Would anyone contend that there is a government of the people, for the people, and by the people in the Commonwealth of Virginia?

You notice that the collection of the poll tax in Virginia is not enforced until after they are delinquent for three years. Why is that? It is so that the delinquents will be disqualified from voting. When they appear before the registration board, that is a cause for disqualification and refusing registry; otherwise the members of the board of registration might exhaust themselves, might intellectually become bankrupt, in the examination of voters. They would so strain their thinkers as to be fatal to their continued sane balance of mind unless they were allowed to disfranchise voters who were three years delinquent on poll tax. In that event they are stricken from the list and not allowed to vote. It is a first aid to the election registration board. It is permitted for the express purpose of disfranchising 160,000 white men in the State; and in the line of the corrupt practices over this country there is nothing more corrupt than such a provision as that in a law which expressly invites the disqualification and the denial of the right to vote, and does so designedly.

Why, who ever paid a poll tax until he had to? I just got beyond the age of poll tax a few years ago. I never paid it until they came and hunted me out. I remember a lawyer, who used to be an associate of mine in Illinois, who refused to pay his poll tax. He said it was unconstitutional. He said the tax ought to be levied on property and by rules of uniformity, and he litigated it and took it up to the appellate court. It was affirmed. He would not pay it and was arrested and sent to jail, and remained in jail for some time, just on the question of paying the poll tax. I only cite this to show how difficult it is to collect it. It goes against human nature to levy it upon everybody—rich, poor, sick, well, everybody alike.

I remember a news item a few days ago in Boston, the only place that I travel in all North America where I find a sign reading "Evening Schools of Literature." It is only indicative of the literary progress of Boston. It has not yet been wholly taken by the Vandals and the Huns. They still read good literature, and in the long winter evenings they talk over the traditions of the Concord Valley, where Emerson and Thoreau and the poets of an earlier time and another generation preached the Gospel and wrote the great epics of New England. I noticed, even in this city, a place that supports a very large population, that they will not pay their poll tax, and Mayor Curley has had a world of trouble trying to collect it, and finally he decided to write a whole lot of it off the books, although it can be collected by fine and imprisonment. He gave it up. They may be addicted to beans and literary culture, but they simply will not pay a poll tax.

Then you expect them to do that down in Virginia—to go and pay a poll tax before they can register. Why, you know that streak of human nature. When you put that kind of a provision in the law, you know that they will not pay a poll tax; and it is put there in the expectation that it will work out in the same way.

The provision of Attorney General Pollard for fair elections was indorsed by the Virginia Progressive Democratic League in its first convention, assembled at Richmond on the 28th day of February, 1914, in which, after reaffirming the declaration of the Virginia bill of rights, resolved, among other things:

Election reform, including the enactment of statutes raising the required qualifications of the registrars, providing for the effective purging of the books of registration, penalizing the improper payment of poll taxes, and punishing as felonies deliberate election frauds, and including also a legal, direct preferential party primary, allowing all nominations, State, county, and municipal, to be made under a primary-election statute, that statute that shall embrace these features: (1) A fixed date at a fixed period in advance of the regular election for the holding of primary elections to prevent the juggling of dates by way of favoritism by party committees. (2) The regular election judges to conduct the primaries, thereby preventing the special selection of primary judges for ulterior purposes, and including the selection of regular election judges of such character and capacity as that they may be entrusted with the conduct of all elections, regular and primary, with full assurance of their honest dealing, integrity, and impartiality. (3) A definitely prescribed and fixed standard of qualification of voters for participation in party primaries, leaving out the arbitrary discretion of party committees or election judges, the least possible latitude. (4) Severe penalties attached to fraud in all elections and penal prohibition against the exercise by election judges of solicitation for or against candidates or measures on the days of regular or primary elections. (5) All primary election contests to be determinable in the courts with the full authority to compel the attendance of witnesses.

The record of some of the ballots used in the good Commonwealth of Virginia, whose Democratic officials so zealously urged the purity of the ballot, should be preserved to all posterity, and I give two samples, one used in Scott County, Va., and the other in Washington County, Va., only a few years ago. Confusion can go no further. I commend them to Senators who sincerely demand a corrupt-practice act for a careful perusal. I ask the compositor to set them, following as nearly as possible the style of the copy.

SCOTT COUNTY, VIRGINIA, OFFICIAL BALLOT.

[EXHIBIT A.—Filed with deposition of I. C. Coley.—J. P. Bellamy, N. P.]

Official Ballot for the County o. Scott, State of Virginia, Election Tuesday November sixth, nineteen hundred.

For President of the United States William McKinley of Ohio.
for vice-president of the United States Theodore Roosevelt of New York.
for electors at large for the state of Virginia Warren S. Lurty of Rockingham county George W. Butler of Warwick county
District Electors
For First District S. B. Hardwick of Westmoreland
For second district John J Deyer of Southampton county
for Third district Jonas Marcuse of Richmond city
for Fourth district R. Bolling Wilcox of Prince George
for Fifth district M. D. Martin of Carroll county
for Sixth district Jacob S. Baer of Roanoke county
for Seventh district Samuel J. Hoffman of shenandoah county
for Eighth district M. K. Lowry of stafford county
for Ninth district D. F. Bailey of Washington county
for Tenth district E. L. Mattice of Rock Bridge county
For President of the United States William Jennings Bryan of Nebraska
for vice-President of the United States Adlai E. Stevenson of Illinois
for Electors at Large for the state of Virginia William Hodges Mann of Nottaway county J. L. Jeffries of Culpeper county
for District Electors
for First district T. J. Downing of Lancaster county
for Second district John Whitehead of Norfolk City
for Third district S. L. Kelley of Richmond City
for Fourth District Robert Turnbull of Brunswick county
for Fifth district Eugene Withers of Danville City
for Sixth district Graham Claytor of Bedford county
for Seventh district R. S. Parks of Page county
for Eighth district L. H. Machen of Fairfax county
for Ninth district R. T. Irvine of Wise county
for Tenth district Pembroke Pettit of Fluvanna county
for President of the United States Eugene V. Debs
for vice-President of the United States Job Harriman
for Electors at large for the state of Virginia John J Quantz
for district electors for the state of Virginia
for First district
for second district
for Third district
for Fourth district
for Fifth district
for Sixth district
for Seventh district
for Eighth district
for Ninth district
for Tenth district
for representative of the ninth congressional district of Virginia in the Fifty-seventh Congress of the United States William F. Rhea
for president of the United States Joseph F. Malloney of Massachusetts
for vice-president of the United States Valentine Remmel of Pennsylvania
for electors at large for the state of Virginia A. B. McCulloch of Manchester City H. D. McTier of Roanoke City
for district electors for the state of Virginia
for First district Hugh Bolton of Hampton City
for Second District Louis Pegler of Elizabeth City
for Third district Jos. E. Madison of Henrico county
for Fourth district B. D. Downey of Roanoke City
for Fifth district Louis S. Mayo of Richmond City
for Sixth district Wm. T. Welch of Roanoke City
for Seventh district Otto Biersch of Richmond City
for Eighth district Edward Schade of Newport News
for Ninth district I. N. Dunkleberger of Roanoke City
for Tenth district Hugh O'Connor of Newport News
for president of the United States Wharton Barker of Pennsylvania
for vice-president of the United States Ignatius Donnelly of Minnesota
for Electors at Large for the state of Virginia W. E. Tinsley of Roanoke County J. Luther Kibler of Shenandoah county
for district electors for the State of Virginia
for First district
for Second district
for Third district
for Fourth district Cephas N. Stacy of Amelia County
for Fifth District
for Sixth district Thomas W. Evans of Campbell County
for Seventh district Wm. H. H. Martin of Clarke county
for Eighth district G. W. Bradshaw of Loudoun county
for Ninth district
for Tenth district
for Representative of the ninth congressional district of Virginia in the Fifty-seventh Congress of the United States James A. Walker
for President of the United States John G. Wooley of Illinois
for vice-president of the United States Henry D. Metcalfe of Rhode Island
for Electors at large for the state of Virginia J. H. Busby D. J. Hoge
for district electors for the state of Virginia
for First district W. T. Ashby
for Second district W. B. Wilder
for Third district L N. Fox
for Fourth district E. S. Emory
for Fifth district Geo. S. Dyer
for Sixth district O. B. Rucker
for Seventh district T. B. Winter
for Eighth district S. T. Nichols
for Ninth district R. H. Farrier
for Tenth district D. S. Sheets

OFFICIAL BALLOT FOR THE COUNTY OF WASHINGTON, STATE OF VIRGINIA. ELECTION TUESDAY, NOVEMBER SIXTH, NINETEEN HUNDRED.

[EXHIBIT A.—Filed with deposition of R. P. Cummings.—S. R. Preston, Notary Public.]

For President Of The United States William Jennings Bryan Of Nebraska
For Vice-President Of The United States Adlai E. Stevenson Of Illinois
For Electors At Large For The State Of Virginia William Hodges Mann Of Nottoway County J. L. Jeffries Of Culpepper County
For District Electors For The State Of Virginia
First District T. J. Downing Of Lancaster County
Second District John Whitehead Of Norfolk City
Third District S. L. Kelley Of Richmond City
Fourth District Robert Turnbull Of Brunswick County
Fifth District Eugene Withers Of Danville City
Sixth District Graham Clayton Of Bedford County
Seventh District R. S. Parks Of Page County
Eighth District L. H. Machen Of Fairfax County
Ninth District R. T. Irvine Of Wise County
Tenth District Pembroke Pettit Of Fluvanna County
For President Of The United States Eugene V. Debs
For Vice-President Of The United States Job Harriman
For Electors At Large For The State O. Virginia John J. Quantz
For District Electors For The State Of Virginia
First District
Second District
Third District
Fourth District
Fifth District
Sixth District
Seventh District
Eighth District
Ninth District
Tenth District

For President Of The United States William McKinley Of Ohio
For Vice-President Of The United States Theodore Roosevelt Of New York
For Electors At Large For The State Of Virginia Warren S. Lurty Of Rockingham County George W. Butler Of Warwick County
For District Electors For The State Of Virginia
First District S. B. Hardwick Of Westmoreland County
Second District John J. Deyer Of Southampton County
Third District Jonas Marcuse Of Richmond City
Fourth District R. Bolling Willcox Of Prince George County
Fifth District M. D. Martin Of Carroll County
Sixth District Jacob S. Baer Of Roanoke County
Seventh District Samuel J. Hoffman Of Shenandoah County
Eighth District M. K. Lowry Of Stafford County
Ninth District D. F. Bailey Of Washington County
Tenth District E. L. Mattice Of Rock Bridge County
For Representative in The Fifty-Seventh Congress Of the United States James A. Walker
For President Of The United States Wharton Barker Of Pennsylvania
For Vice-President Of The United States Ignatius Donnelly Of Minnesota
For Electors At Large For The State of Virginia W. H. Tinsley Of Roanoke County J. Luther Kibler Of Shenandoah County
For District Electors For The State of Virginia
First District
Second District
Third District
Fourth District Cephas N. Stacy Of Amelia County
Fifth District
Sixth District Thos. W. Evans Of Campbell County
Seventh District Wm. H. H. Martin Of Clark County
Eighth District G. W. Bradshaw Of Loudon County
Ninth District
Tenth District

For President Of The United States Joseph F. Malloney Of Massachusetts
For Vice-President Of The United States Valentine Remmel of Pennsylvania
For Electors At Large For The State Of Virginia A. B. McCulloch Of Manchester City H. D. McTier Of Roanoke City
For District Electors For The State of Virginia
First District Hugh Bolton Of Hampton City
Second District Louis Pegler Of Elizabeth City
Third District Jos. E. Madison Of Henrico County
Fourth District B. D. Downey Of Roanoke City
Fifth District Louis S. Mayo Of Richmond City
Sixth District Wm. T. Welch Of Roanoke City
Seventh District Otto Biersch Of Richmond City
Eighth District Edward Schade Of Newport News
Ninth District I. A. Dunkelberger Of Roanoke City
Tenth District Hugh O'Connor Of Newport News
For Representative In The Fifty-Seventh Congress Of The United States William F. Rhea
For President Of The United States John G. Wooley Of Illinois
For Vice-President Of The United States Henry B. Metcalfe Of Rhode Island
For Electors At Large For The State Of Virginia J. H. Busby D. J. Hoge
For District Electors For The State Of Virginia
First District W. T. Ashby
Second District W. B. Wilder
Third District L. N. Fox
Fourth District E. S. Emory
Fifth District Geo. S. Dyer
Sixth District O. B. Rucker
Seventh District T. B. Winter
Eighth District S. T. Nichols
Ninth District R. H. Farrier
Tenth District D. S. Sheets

The Georgia political system is based upon the theory that there should be only one political party. There is no provision even that there should be representatives of two political parties at the ballot box, and as a matter of fact there are only Democrats who conduct the elections throughout that great Commonwealth. Sometimes these Democratic officials permit the counting of the vote as the voter desires it and sometimes they do not. Could we not understand from this system how Mr. Taft could carry a congressional district in Georgia in 1908 and yet the Democratic candidate for Congress get practically all the votes cast for him as against the Republican opponent? Their system is based on the theory that the Democratic Party is the only party that is entitled to have any existence or any representation at the ballot box. Their provision of the law is as follows, taken from their 1914 code:

GEORGIA.

[Pol. Code, 1914. secs. 76, 81.]

The persons qualified to hold elections are ordinaries, justices of the peace, and freeholders. There must be three superintendents, and one must either be an ordinary or a justice of the peace, except in a certain contingency hereinafter to be set forth. (Sec. 76.)

If by 10 o'clock a. m. on the day of election there is no proper officer present to hold the election, or there is one and he refuses, three freeholders may superintend the election. (Sec. 81.)

In the recent presidential election, the Republicans had in all the State not more than five or six Republican clerks, and only one Republican judge; and those were personal appointments pure and simple. In all the other cases they were denied representation at the polls in the persons of judges or clerks.

(2) All political parties are not protected from fraud in casting, delivering, and counting votes. The grossest fraud and willful refusal to permit Republicans to vote exists in this State. The Democratic machinery allow only such ballots to be cast, delivered, and counted as they see fit. They apply any sort of arbitrary and willful misrepresentation to prevent Republicans from voting. They tell the negroes in the country districts that it is not an election in which they can vote, and that it is only a white man's election, or that they have not their names on the list, even though in some and many cases registration has been had; and when this is mentioned they tell the would-be voter that they have not the ordinary's list. In other instances they tell him he can not vote if he can not repeat the entire Constitution of the United States by heart. In many instances, and especially in the last election, they tell the would-be voter he can not use or cast any ballot not found on the table at the polls, where they keep only Democratic ballots; and they destroy Republican ballots or throw them out of the room. So that when a would-be voter approaches the polls with a Republican ticket that has been mailed to him he is asked where he got it and told it is "no good" and it can not be cast there.

Another source of fraud is where the ordinary is compelled to accept registration of white Republicans, and colored as well, when they call at his office for that purpose. He later omits their names from the list he prepares for the election managers and judges, so when they ask to be allowed to vote they are told their name is not on the list. Many ordinaries arbitrarily erase hundreds of Republican names from the lists. Even in the ninth congressional district, where the Republicans are all white, no negroes being permitted to reside there, and where the Republicans have a majority, the ordinaries leave off hundreds of names of registered voters. In 1912 they left off more than 600 names of white Republicans in the ninth.

In most of the country districts, when negroes go to the office of the ordinary to register, they are told that the ordinary is not ready for them, but for them to go home and he will later on in the year make a trip over the county and bring the registration book with him and then he will call on them and let them register. That is the end of that. They never see him and never get to register. That is one of their fakes for withholding registration.

An eminent citizen of Georgia writes me as follows:

When the Democratic managers count the ballots they count to suit themselves. In the county of Dekalb they reported to the secretary of state that Hughes got 12 votes on the regular Republican ticket and 151 on the so-called Progressive ticket, and that Wilson got 1,050. It so happened that we had the only Republican judge appointed at one of the polls in that county, at Stone Mountain, and he told me that he and the other clerks and judges counted and certified to 191 regular Republican votes for Hughes and 9 Progressive votes for him and only 673 for Wilson.

So, you see, we got more than ten times as many regular Republican votes at one voting place in the county than the election managers for the county gave us out of the entire county. Mr. Griffin, the Republican judge, will make affidavit to this. In Atlanta, at one of the polling places, the judges or clerks deliberately tore up and threw on the floor a dozen regular Republican tickets cast by negroes after accepting them and checking off their names on the list, and I have the sworn statement of white business men who saw it done.

They gave us 1,121 votes in Fulton County, in which is located this city. We had 996 negroes registered, and every one of them voted for Hughes and Fairbanks. We had 3,000 Jewish registered votes who came to our headquarters and got tickets and swore they were going to vote for Hughes; and we had, over and above these, at least 1,500 members—whites—of our Hughes Club here. We knew of at least 5,400 votes we should have had, but the election managers gave us only 1,121.

We are utterly helpless, and the case is hopeless unless Congress takes charge and control of all national elections. Congress should provide the form of ballots for all national elections, both presidential, senatorial, and congressional. And Congress should say that unless the Republicans are given equal representation at the polls in clerks, judges, and managers no election could be held, or at least none counted as held. Congress should provide that all ballots be printed on the same sheet; that is, that the sheet should be wide enough for as many columns as there were party candidates in the field. Let the same sheet carry the Democratic ticket with its candidates and the Republican ticket with its candidates, and let no other form or kind of ticket be cast or counted. Then the Democratic managers could not destroy the Republican tickets without destroying their own. Then they could not tell which ticket the voter was going to vote for, and

consequently the man who wished to vote for Republican candidates would not become a target for the abuse and slander and attack of those around the polls and of the clerks and judges who often resort to this intimidation.

Then each ticket should be numbered serially, a serial for each county and each district, each serial consecutively numbered, and when the tickets are given the election judges and clerks they should be charged up with them and made to account for them, either as ballots cast and checked off the list of names or ballots returned and not cast; and no ballot that was not secured from those clerks and judges at the polls should or would or could be counted.

If some law were passed to protect the Republican voters of this and other Southern States, the Nation would open its eyes at the results of a fair count. We would have really two parties in the South, the best thing that could possibly happen for the South. Every man acknowledges it and wants it, but the present method of holding elections and counting votes makes them all feel hopeless and helpless.

A similar situation exists in Florida, where there is no thought in the minds of those who make the election laws to make provision for the existence of more than one political party, and that political party is the Democratic Party.

I give, Mr. President, these brief summaries of the election laws of the Southern States. It is not possible in a short statement to portray accurately the means adopted by the Democratic leaders in those States to preserve Democratic ascendency. They use the cry of negro domination and the preservation of the political supremacy of the white race as a means of holding their party in power. Under the laws of the South very few negroes can vote, so these laws apply to the white race, and apply to them exclusively. There are not more than 5,000 negroes that can vote in Virginia, whereas 50,000 white men voted for Mr. Hughes at the last election, or attempted to do so; yet the candidates—and they were all white—of the Republican Party for Congress in that State were not represented at the ballot box, nor are they in any other place in the South.

I commend these practices to the Democrats of the Nation, to the people of the Nation, and believe that when they are understood—not only in the South, where they are practiced, but throughout the Union—that a better sentiment will prevail and these practices will be eliminated along with the other corrupt influences that have been exercised from time to time as people have developed in their exercise of self-government. These are fit subjects to consider with a corrupt-practices act as calling for relief equally, if not more, than other evils.

Before closing, I add a statement sent me on the election laws of South Carolina.

(Code 1912, 206, 230, 232; art. 2, sec. 4 and (d).)

Contrary to the general impression, there is no "grandfather clause" in the constitution of the State of South Carolina; that is, there is no such discrimination expressed in words, as is the case in the constitution or statute laws of some of the other Southern States.

The operation of the election laws of the State, however, are as partisan and unfair as if that particular form of discrimination against voters was expressed in terms. In fact, the partisan purpose is not even concealed as far as the words of the law are expressed, and the placid, self-confident manner in which the executive, judicial, and legislative officials of South Carolina contemplate but one political party in the State is a reflection, if not a disgrace, upon the spirit of the American people and its free institutions, as well as upon the provisions and meaning of the Federal Constitution itself.

The principal and most effective features used for the exclusion of any other than the Democratic Party from the governmental affairs of the State are the requirements for the registration of the voters both at the primaries and at the general election, the multiplicity of the ballot boxes at every precinct, and the absolutely partisan boards of election officers and managers, every one of whom is appointed, under the law, solely by the governor of the State.

It may be said that a majority of the few colored men in the State who are permitted to obtain registration certificates do so by the exhibition of tax receipts showing that they have complied with the alternative proposition and have paid taxes upon property "assessed at $300 or more," for it goes without saying that the registration officers of the State very seldom, if ever, pass favorably upon the capacity of a colored applicant to "both read and write any section of the Constitution" submitted to him by the registration officers.

It might also be stated that the monopoly of the Democratic Party in the State is such that comparatively few white men are refused registration certificates, if it is understood, which it generally is, that they will vote the Democratic ticket.

I quote as follows:

It is not so much bad election laws in my State—

Said Congressman BRITT, of North Carolina—

as it is their administration, in many instances, with an evil eye and a wicked hand. We have minority representation on the various election boards from the State board of elections down to the precinct poll holders, but this representation is merely nominal and not potential. The Democratic members of these boards control the elections absolutely. They determine the qualifications of every person offering to vote. In the test of qualifications, if there are doubts, they are usually resolved in favor of Democrats and against Republicans. The registrars of election are always Democrats to a man, and they have it in their power to increase their vote enormously by admitting persons not properly registrable who will vote the Democratic ticket and by denying registration to Republicans who are properly registrable.

Again, the laws are so made as to permit election frauds by minor election officials, and at the same time place their acts beyond judicial review. For instance, a county board of elections, a body selected from the poll holders and always solidly Democratic, is clothed by the statute with power to judicially determine the number of votes cast for any candidate, and the courts hold that this is the exercise of discretionary power, and, therefore not reviewable by the courts. It was in this way that my seat was unlawfully taken away from me. After prolonged delay, a high-handed and partisan board of county canvassers in Buncombe County made a set of spurious and false returns and wiped out my majority of 13 and gave my opponent a majority of 9. This was an open and notorious fraud. Nevertheless, both the superior and the supreme courts held that they could not correct the wrong on account of its being, under the law, the exercise of judicial discretion.

The educational qualification is also unfairly administered. Persons who are of Democratic politics can register practically regardless of educational qualification, while those who vote the Republican ticket are subjected to the very severest test. It is in these ways, and divers others, that an election system that might be administered fairly and justly to all is made, through wicked design, an instrument of fraud and corruption.

So what we need in my State is not so much better laws, but a fairer and more impartial administration of such as we have.

Mr. SIMMONS (at 11 o'clock and 50 minutes p. m. Saturday). Mr. President——

The PRESIDING OFFICER (Mr. LEA of Tennessee in the chair). Does the Senator from Illinois yield to the Senator from North Carolina?

Mr. SHERMAN. Yes, sir; I yield for a temporary purpose, with the understanding that I may resume before Sunday morning.

Mr. SIMMONS. Mr. President, I wish to present a request for unanimous consent to vote upon this bill, and I ask the Secretary to read the proposed agreement.

The PRESIDING OFFICER. The Secretary will read the proposed unanimous-consent agreement.

The SECRETARY. The Senator from North Carolina asks unanimous consent that at 8 o'clock p. m. on Wednesday, February 28, 1917, the Senate will proceed to vote upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 20573, an act to provide increased revenue, and so forth, through the regular parliamentary stages to its final disposition; that the bill shall remain the unfinished business until finally disposed of, and no motion that would displace it shall be in order. If temporarily laid aside by unanimous consent, any Senator shall have the right to bring it immediately before the Senate, either to speak about it or to propose an amendment to it. No motion to lay any amendment on the table shall be entertained by the Chair, provided that it shall be in order on Monday, February 26, at 3 o'clock p. m., to make a motion to proceed for a period of not more than five hours to the consideration of H. R. 14777, the flood-control bill, so called.

The PRESIDING OFFICER. The Senator from North Carolina presents a request for unanimous consent. The Secretary will call the roll.

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

Ashurst	Harding	Martine, N. J.	Smith, Mich.
Bankhead	Hitchcock	Norris	Smith, S. C.
Borah	Hollis	Overman	Smoot
Brady	Hughes	Owen	Stone
Brandegee	Husting	Page	Swanson
Bryan	James	Penrose	Thomas
Chamberlain	Jones	Pittman	Townsend
Chilton	Kenyon	Poindexter	Underwood
Clapp	Kern	Pomerene	Vardaman
Clark	Kirby	Ransdell	Wadsworth
Colt	La Follette	Reed	Walsh
Cummins	Lane	Robinson	Warren
Curtis	Lea, Tenn.	Shafroth	Watson
Dillingham	Lee, Md.	Sheppard	Weeks
du Pont	Lewis	Sherman	Williams
Fernald	Lodge	Shields	
Fletcher	McLean	Simmons	
Gronna	Martin, Va.	Smith, Ga.	

Mr. CHILTON. I have been requested to announce that the Senator from Delaware [Mr. SAULSBURY] is detained on account of illness.

Mr. HUSTING. I wish to announce that the junior Senator from South Dakota [Mr. JOHNSON] is absent on account of illness.

The PRESIDING OFFICER. Sixty-nine Senators having answered to their names, there is a quorum of the Senate present. Is there objection to the proposed unanimous-consent request?

Mr. ASHURST. Mr. President, of course I would object unless it is also understood that the conference report on the Indian appropriation bill shall be either adopted or rejected. All I ask is for the Senate to be frank enough with me and with the situation either to adopt or to reject the conference report on the Indian appropriation bill; and until that conference report is adopted or rejected, I shall object. If, however, the Senate will agree—I do not want it in writing; you are all gentlemen here—if you will agree that as soon as this agreement is disposed of you will adopt or reject that conference report——

Mr. OVERMAN. Can we not reject it by unanimous consent?

Mr. ASHURST. Not by unanimous consent; no. That is all I ask. I am entitled to that. You made me the promise two

years ago, and you did not keep it. You are going to pass that Indian bill, or you will not have any legislation. You will never break a promise to me again.

Mr. SMOOT. Mr. President, may I suggest to the Senator from Arizona——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Utah?

Mr. ASHURST. I yield.

Mr. SMOOT. May I suggest that Thursday morning——

Mr. ASHURST. No, sir; no, sir.

Mr. SMOOT. Well, wait a minute, until I get through.

Mr. ASHURST. No; you sang me that kind of a song two years ago—"Wait, wait, wait"—and we waited forever. Now. the iron hand: You will pass the Indian bill, or you will get nothing.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement

Mr. ASHURST. I object unless the Indian bill is voted on.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that one-half hour be given, after we dispose of the flood-control bill, for the consideration and disposal of the Indian appropriation bill.

Mr. SIMMONS. That is all right.

Mr. JAMES. That is all right. Let us agree to it. Let us dispose of his bill.

Mr. SIMMONS. After this bill is disposed of on Wednesday, at the next session we will take up the conference report on the Indian appropriation bill.

Mr. ASHURST. Mr. President, Wednesday is not satisfactory to me. I want it done to-night.

SEVERAL SENATORS. Oh, no!

Mr. SIMMONS. You can not do it to-night. It is 12 o'clock now.

Mr. ASHURST. Well, then, do it Monday. I want one hour Monday—30 minutes Monday.

Mr. VARDAMAN. Mr. President, if I am correctly informed as to what that report contains, I think it is understood by Senators who are particularly interested in the questions treated in the report that it should be adopted; and I think the assurance of Senators who are interested in it to the Senator from Arizona will be all that he desires. Now, I will not object to the consideration of it, and I think it will come up. It can be taken up at any time during the consideration of the revenue bill. There will not be any objection to the confirmation of your report.

Mr. WILLIAMS. Mr. President——

Mr. SIMMONS. Mr. President, if the Senator will pardon me, would there be any objection to putting in a provision that immediately upon the conclusion of the flood-control bill we will set apart five hours for that?

Mr. VARDAMAN. I should not object at all. That will be very satisfactory to me, if it will to Senators on the other side of the Chamber.

Mr. SIMMONS. We will allow one hour immediately after the consideration of the flood-control bill——

Mr. VARDAMAN. Two hours, if necessary.

Mr. ASHURST. For the consideration and disposal of the conference report on the Indian bill.

Mr. SIMMONS. Yes.

Mr. PENROSE. That is right—consideration and disposal.

Mr. ASHURST. Of the report.

The PRESIDING OFFICER. The Secretary will now state the unanimous-consent request with that suggestion incorporated in it.

Mr. WILLIAMS. Mr. President, before that request is put, I wish to say that the main thing in the way of an agreement between the two Houses upon the Indian appropriation bill has been disposed of. There was a very live fight upon the subject of the Mississippi Choctaws, but by reducing the amount of the allotment from $200 to $100 that is disposed of, and that has been agreed to, because I find there will be plenty of money to secure the claim the Mississippi Choctaws may have. I do not think the Senator from Arizona will need more than half an hour.

Mr. SWANSON. He is given two hours.

Mr. SMOOT. Not to exceed two hours.

Mr. WILLIAMS. Then I express the hope that that will be engrafted upon the unanimous-consent agreement.

Mr. SIMMONS. I ask unanimous consent that immediately after——

Mr. SHAFROTH. I wish to have some kind of an understanding as to the Porto Rican civil-government bill.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats that the business of the Senate may be transacted.

Mr. PENROSE. Mr. President, I wish to make a statement to the Senate. This thing has gone far enough, so far as the minority are concerned. The proceedings disclose some lack of good common sense. The minority have sacrificed considerably in making this concession to the majority, and if Senators with pet measures are going to write this agreement into a condition where the minority will have no opportunity to express their views, objections will begin to come from the minority. Further than that, I can give full assurance to the Senator from Montana and the Senator from Arizona that neither of them will pass their bills at this session.

Mr. LANE. Mr. President, I should like to understand the terms of the agreement. I have just come in.

Mr. WILLIAMS. I ask unanimous consent——

The PRESIDING OFFICER. The Senator from Oregon has been recognized.

Mr. LANE. There is a good deal of talk going on, and I wish to understand just what it is about. I wish to know in a general way for information; but I wish to say that the Indian bill is not worth the price of holding up anything else. It ought to be killed right off in a parliamentary way.

The PRESIDING OFFICER. The Secretary will now state the unanimous-consent agreement as modified.

Mr. SIMMONS. I wish, at the suggestion of the Senator from Ohio [Mr. POMERENE], to make just this addition, which I do not think anyone will object to.

It is agreed by unanimous consent that at 8 o'clock p. m., Wednesday, February 28, 1917, the Senate will proceed to vote—

I have added "without further debate"—

upon any amendment—

And so forth.

Mr. LA FOLLETTE. That is all right.

Mr. POMERENE. I think the agreement would have been so construed without those words, but I did not want any doubt about it.

Mr. CURTIS. That is all right.

Mr. REED. Let it be read as now modified.

The PRESIDING OFFICER. The Secretary will read the request for unanimous consent.

The Secretary read as follows:

It is agreed by unanimous consent that at 8 o'clock p. m. on Wednesday, February 28, 1917, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill H. R. 20573, an act to provide increased revenue, etc., through the regular parliamentary stages to its final disposition; that the bill shall remain the unfinished business until finally disposed of, and no motion that would displace it shall be in order. If temporarily laid aside by unanimous consent, any Senator shall have the right to bring it immediately before the Senate, either to speak upon it or to propose an amendment to it. No motion to lay any amendment on the table shall be entertained by the Chair: *Provided*, That it shall be in order on Monday, February 26, at 3 o'clock p. m., to make a motion to proceed for a period of not more than five hours to the consideration of H. R. 14777, the flood-control bill, so called; and, further, that immediately following the conclusion of the consideration of the flood-control bill, H. R. 14777, the Senate will consider and dispose of the conference report upon H. R. 18453, the Indian appropriation bill.

Mr. CLAPP. Mr. President, I wish to warn the Senate that they may find themselves in a very unfortunate situation. We are near the close of the session. We can not anticipate what matters it may be desirable to bring in. If the agreement was worded, instead of prohibiting a motion, that a motion would not displace the revenue bill as unfinished business it would leave the Senate where they might bring a matter that was very necessary and important by motion before the Senate, where now they can only do it by unanimous consent. I shall not object, but I want to suggest to the Senate that in the closing hours they may find themselves very much embarrassed before they get through.

Mr. NORRIS. As I heard the agreement read in regard to the Indian appropriation bill, it is not limited as to the time of its consideration.

Mr. OVERMAN and others. Two hours.

The PRESIDING OFFICER. The Secretary will state that portion of the agreement.

The Secretary read as follows:

Provided, That it shall be in order on Monday, February 26, at 3 o'clock p. m., to make a motion to proceed for a period of not more than five hours to the consideration of House bill 14777, the flood-control bill so called; and, further, that immediately following the conclusion of the consideration of the flood-control bill (H. R. 14777) the Senate will consider and dispose of the conference report upon House bill 18453, the Indian appropriation bill.

Mr. CURTIS. For two hours.

Mr. NORRIS. The conference report alone might take all the balance of the time.

Mr. SIMMONS. Let it read "not exceeding two hours."

The Secretary read as follows:

The Senate will proceed to consider for a period of not exceeding two hours the conference report upon the Indian appropriation bill.

Mr. LA FOLLETTE. "To consider and dispose of."

Mr. SIMMONS. Very well.

Mr. REED. If I understand the unanimous-consent agreement, with the exception of those particular matters that are referred to as exceptions nothing can take place until next Wednesday in the nature of legislation.

Mr. HUGHES. Except by unanimous consent.

Mr. REED. Except by unanimous consent.

Mr. LA FOLLETTE. That is true.

Mr. REED. That means that the river and harbor bill can not be passed at this session, and it probably means that several other bills can not be passed. I take it that is the reason why the provision is put in the unanimous-consent agreement that the present bill shall remain the unfinished business until next Wednesday.

Mr. PENROSE. Will the Senator permit an interruption on that point?

Mr. REED. Certainly.

Mr. PENROSE. I, with a number of other Senators, had something to do with the agreement in this connection. I do not think anybody ever thought of the river and harbor bill. I have considered that to be so dead that even its memory was forgotten.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Florida?

Mr. REED. I yield.

Mr. FLETCHER. I wish to say that I do not feel that I ought to interpose an objection to this unanimous-consent agreement as proposed. At the same time I do intend, after the time mentioned has expired, to propose that the Senate shall take up the river and harbor bill.

Mr. PENROSE. That is all right.

Mr. FLETCHER. I do not think it is dead by any means. I do not believe the Senate has got to a point where it proposes to have over a million dollars of absolute loss to the Government and over a million dollars of absolute waste on improvements already on the way, with an inestimable loss to the commerce of this country. It would be a disaster to defeat legislation which would take care of the rivers and harbors of the country and our commerce. Therefore I shall expect to give the Senate an opportunity of disposing of the river and harbor bill after the time here specified is over, or if I can obtain unanimous consent in the meantime I will try to do that.

Mr. REED. Mr. President, in addition to the river and harbor bill there are several bills reported from the Committee on the Judiciary which have to do with the present international emergency or with conditions growing out of it. I think it would be very much better if a stipulation was not contained in this unanimous-consent agreement practically prohibiting the enactment of any other legislation until next Wednesday. [A pause.]

The PRESIDING OFFICER. Is there objection?

Mr. REED. I hope the Chair will not be impatient about this matter.

The PRESIDING OFFICER. The Chair is not impatient. The Chair thought the Senator from Missouri had concluded.

Mr. REED. Somebody was speaking near me and talking to me, and I turned around to ascertain.

I simply suggest the unwisdom of the Senate by unanimous consent attaching a condition of that sort which may rise up to plague us for the reason assigned by the Senator from Minnesota [Mr. CLAPP], because, as we know, this unanimous-consent agreement can not be changed afterwards even by unanimous consent.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. REED. I do.

Mr. CUMMINS. I think possibly the Senator from Missouri has overlooked this part of the agreement. It makes the revenue bill the unfinished business. If you desire to do it, the majority now have two hours every day each one of these days in which to transact any business you may want to transact.

SEVERAL SENATORS. The morning hour?

Mr. CUMMINS. The morning hour. As it is now the morning hour is devoted to general business.

Mr. REED. I understand that, and yet I understand this condition was put in here by wise men for a purpose which to them seemed wise, and that purpose is to obstruct the other business which I have referred to, and some which I have not referred to.

I simply want the Senate to fully understand the situation. As far as I am concerned, I am not going to make an objection, but I do think the majority could very well afford to strike out of this agreement the proposition that the pending measure shall remain the unfinished business until next Wednesday. The hardship of the occasion, the necessity of it, makes it almost impossible to refuse consent, but we have reached this point in our legislative affairs because it has been pretty well understood that obstructive tactics would not be interposed. I think we all understand the situation now, and I trust it will be borne in mind in the future.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and the agreement is entered into.

Mr. SIMMONS. I move that the Senate——

Mr. HUGHES. Will the Senator allow me? I ask unanimous consent for the present consideration of a conference report on a pension bill.

Mr. SIMMONS. I yield for that purpose.

PENSIONS AND INCREASE OF PENSIONS—CONFERENCE REPORT.

Mr. HUGHES submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 20451) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, 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 amendments numbered 5, 10, 12, 20, 22, 25, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 9, 11, 13, 14, 15, 16, 17, 18, 19, 21, 23, 24, 27, 29, 30, 31, 32, and 33, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$20"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$36"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$30"; and the Senate agree to the same.

CHARLES F. JOHNSON,
WILLIAM HUGHES,
REED SMOOT,
Managers on the part of the Senate.

ISAAC R. SHERWOOD,
JOE J. RUSSELL,
JOHN W. LANGLEY,
Managers on the part of the House.

Mr. HUGHES. I ask for the adoption of the report.

The report was agreed to.

Mr. SHAFROTH. I ask unanimous consent to take up the conference report on the Porto Rican civil-government bill. It has been agreed to in every respect.

Mr. PENROSE. There will not be a quorum here.

RECESS.

Mr. SIMMONS. I move that the Senate take a recess until 2 o'clock this afternoon.

The motion was agreed to; and (at 12 o'clock and 15 minutes a. m., Sunday, February 25, 1917), the Senate took a recess until 2 o'clock p. m., Sunday, February 25, 1917.

HOUSE OF REPRESENTATIVES.

SATURDAY, *February 24, 1917.*

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

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father who art in Heaven, let Thy blessing descend upon us in full measure to uphold, sustain, and guide us through the terrible suspense and anxiety which hangs over us, a black and lowering cloud which threatens to break upon us in fury. Help us to prepare for the worst, but to hope and pray for the best. Meanwhile, we pray that in this land of peace and plenty the authorities in State and Nation may find ways and means by which the abnormal prices of foodstuffs may be brought within the reach of the struggling classes, the poor, and needy; that the spectacle enacted in many of our cities recently may not be repeated. In the name of right and truth and justice for humanity's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.