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	2,083	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	4,286			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 Armamento 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, 1899, 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.:

Won't you lend your efforts to give us some time to dispose of our stock before the new law takes effect? This will paralyze and utterly ruin mail-order houses in Cheyenne. We are entitled to justice and a fair deal. Won't you try and see that we get it?

CUSACK & MENTZ.

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EMPIRE MERCANTILE CO.

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 subma[illegible]

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 today 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 1865 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 live-stock 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 olly 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 313 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	3,204,843	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	502,143	11
Maine	767,633	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
	17,089,233	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	1,801,305	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	4,343,719	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	767,633	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	209,448	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	56.08	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 sanctity 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	¼
Buchanan	12,330	4	12,334	¼
Wise	31,391	2,861	34,162	¼
Tazewell	22,126	2,820	24,946	¼
Highland	5,057	260	5,317	¼
Bath	5,362	1,176	6,538	¼
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	3½

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	605
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 Schaie 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.

BATTLE FIELD OF GUILFORD COURTHOUSE.

Mr. DENT. Mr. Speaker, I present a conference report on the bill (H. R. 8229) to establish a national military park at the battle field of Guilford Courthouse, for printing under the rules.

DIPLOMATIC AND CONSULAR APPROPRIATION BILL.

Mr. FLOOD. Mr. Speaker, I present a conference report on the bill (H. R. 19300) making appropriations for the Diplomatic and Consular Service, for printing under the rules.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

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; 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.

EXTENSION OF REMARKS.

Mr. LAZARO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of rural hygiene.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS ROCK RIVER, WIS.

Mr. BURKE. Mr. Speaker, I call up the bill S. 8227, granting the consent of Congress to the city of Port Atkinson, in Jefferson County, Wis., for the construction of a bridge across the Rock River, a similar bill being on the House Calendar, and ask the Speaker to lay the same before the House.

The SPEAKER. The Chair lays before the House the following Senate bill, which the Clerk will report.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the city of Fort Atkinson, in Jefferson County, in the State of Wisconsin, and to its successors and assigns, to construct, maintain, and operate a bridge, and approaches thereto, across the Rock River in said city at a point suitable to the interests of navigation and at a point where Main Street approaches said river in the county of Jefferson, State of Wisconsin, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is expressly reserved.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

The similar House bill, H. R. 20873, was ordered to lie on the table.

IMMIGRATION LAW (H. REPT. NO. 1551).

Mr. BARNHART. Mr. Speaker, I submit the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House concurrent resolution 73.

Resolved by the House of Representatives (the Senate concurring), That 10,000 copies of the immigration law (Public, No. 301, 64th Cong.—H. R. 10384) be printed for the use of the Senate and House of Representatives, to be distributed as follows: 1,500 copies for the use of the House Committee on Immigration and Naturalization; 1,000 copies for the use of the Senate Committee on Immigration; 4,500 copies to be distributed through the folding room of the House; and 3,000 copies through the folding room of the Senate.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

GASOLINE ENGINES (H. DOC. NO. 2088; H. REPT. NO. 1552).

Mr. BARNHART. Mr. Speaker, I submit the following privileged resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 503.

Resolved, That there be printed as a House document the pamphlet entitled "Handbook on Care and Operation of Gasoline Engines," prepared under direction of the Captain Commandant United States Coast Guard, and that in addition there shall be printed 14,200 copies, to be distributed through the folding room of the House.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

SWEARING IN OF A MEMBER.

Mr. BYRNES of South Carolina. Mr. Speaker, the Hon. PAUL G. MCCORKLE has been elected to succeed the late David Edward Finley as Representative of the fifth district of South Carolina. He is here, but without his credentials. Inasmuch as he was not opposed and there is no question of contest, I ask unanimous consent that he be permitted to be sworn in.

The SPEAKER. Is there objection?

There was no objection.

Mr. MCCORKLE appeared at the bar of the House and took the oath of office.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Presiding Officer had appointed Mr. DILLINGHAM a conferee on the part of the Senate on the bill (H. R. 19119) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1918, and for other purposes, in the place of Mr. GALLINGER, who is unable to serve on account of illness.

The message also announced that the President had, on the 21st instant, approved and signed bills of the following titles:

S. 7872. An act to confirm and ratify the sale of the Federal building site at Honolulu, Territory of Hawaii, and for other purposes; and

S. 8105. An act granting the consent of Congress to the Conway County bridge district to construct, maintain, and operate a bridge across the Arkansas River, in the State of Arkansas.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 7905. An act to authorize the Secretary of the Treasury in his discretion to transfer and convey to the commissioners of Lincoln Park, of Chicago, Ill., the riparian rights of the United States as the owner of land fronting on Lake Michigan and occupied as the site of the United States marine hospital in Chicago, Ill.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

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

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

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 No. 151 of the act approved March 3, 1911, commonly known as the Judicial Code.

AGRICULTURAL APPROPRIATION BILL.

Mr. LEVER. Mr. Speaker, I call up the conference report on the bill (H. R. 19359) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1918, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from South Carolina calls up the conference report on the Agricultural appropriation bill and asks that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1547).

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, and for other purposes, 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 10, 14, 21, 24, 26, 29, 30, 44, 45, 48, 67, 68, 69, 70, 71, 75, 76, 77, 79, 82, and 84.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 7, 9, 12, 16, 17, 18, 20, 22, 25, 34, 35, 38, 39, 40, 41, 42, 43, 46, 47, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 72, 78, 80, 81, 83, 87, 89, 92, 94, 95, 96, 98, 99, 100, 101, 102, 103, 104, and 105, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: After the word "Establishment" in said amendment insert a comma and the word "equipment," and strike out "$20,000" and insert in lieu thereof "$6,500"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: On page 9, line 5, strike out "$1,468,740" and insert in lieu thereof "$1,455,240"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: On page 9, line 6, strike out "$1,796,640" and insert in lieu thereof "$1,783,140"; and the Senate agree to the same.

Amendment numbered 8: 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 "$269,200" insert "$277,580"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: After the word "equipment" in the Senate amendment strike out the words "and maintenance"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of "$2,604,956" insert "$2,613,236"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of "$3,445,326" insert "$3,555,326"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of "$90,010" insert "$82,510," and in lieu of "$15,000" insert "$7,500"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of "$112,200" insert "$107,200," and in lieu of "$14,000" insert "$9,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of "$2,460,530" insert "$2,480,530"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of "$3,123,630" insert "$3,143,630"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: Before the figures "1,200" in the Senate amendment insert the words "not exceeding"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: Transpose the comma and the figures "$66,100," following the Senate amendment, to a position preceding said amendment; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of "$1,814,567" insert "$1,817,567"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of "$3,261,475" insert "$3,264,475"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of "$5,709,275" insert "$5,712,275"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: In lieu of "$2,992,580" insert "$2,972,580"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of "$3,127,660" insert "$3,107,660"; and the Senate agree to the same.

Amendments numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendmnt as follows: In lieu of "$813,395" insert "$843,395"; and the Senate agree to the same.

Amendment numbered 86: That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment as follows: In lieu of "$1,688,575" insert "$1,718,575"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: Strike out the language "same to be additional to the existing 80 acres now used as a plant-introduction field station" and transfer the paragraph as thus amended to page 24, between lines 18 and 19, of the bill; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of "$139,500" insert "$104,500"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of "$160,000" insert "$125,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of "$24,581,213" insert "$24,679,113"; and the Senate agree to the same.

Amendment numbered 97: That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment as follows: In lieu of "$25,831,213" insert "$25,929,113," and strike out the new language added by the Senate amendment; and the Senate agree to the same.

A. F. LEVER,
GORDON LEE,
G. N. HAUGEN,
Managers on the part of the House.

E. D. SMITH,
HOKE SMITH,
Managers on the part of the Senate.

(Mr. HAUGEN agrees to this report with the exception of the Smoot amendment.)

STATEMENT.

The managers on the part of the House at the 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, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the amendments of the Senate, namely:

On amendment No. 1: This amendment reduces by $1,680 the appropriation for expenses of the Weather Bureau outside of the city of Washington. The House recedes.

On amendment No. 2: This amendment reduces by $1,680 the amount which may be expended by the Weather Bureau for salaries outside of the city of Washington. The House recedes.

On amendment No. 3: This amendment increases by $15,140 the amount which may be expended by the Weather Bureau for special observations and reports. The House recedes.

On amendment No. 4: This amendment provides $20,000 for the establishment and maintenance of a Weather Bureau station at Greenville, S. C. The House recedes and agrees with an amendment inserting the word "equipment" after the word "establishment" and reducing the appropriation from $20,000 to $6,500.

On amendments Nos. 5 and 6: These amendments represent amended totals.

On amendment No. 7: This amendment authorizes repairs and improvements to buildings at quarantine stations. The House recedes.

On amendment No. 8: This amendment increases by $18,900 the appropriation for animal husbandry investigations. The House recedes and agrees with an amendment making the amount $277,580 in order to conform to the action of the managers at the conference on amendment No. 10.

On amendment No. 9: This amendment provides $15,000 for the purchase of lands in the vicinity of the Morgan Horse Farm, near Middlebury, Vt. The House recedes.

On amendment No. 10: This amendment reduces by $8,380 the amount which may be expended for experiments in poultry feeding and breeding. The Senate recedes.

On amendment No. 11: The first part of this amendment strikes out the language relating to ostrich investigations. The second part adds new language and provides that $12,280 may be expended for the equipment and maintenance of the United States sheep experiment station in Fremont County, Idaho. The House recedes and agrees with an amendment striking out the words "and maintenance" after the word "equipment."

On amendment No. 12: This amendment strikes out the words "investigation of tuberculosis in cattle." The House recedes.

On amendment No. 13: This amendment represents an amended total.

On amendment No. 14: This amendment reduces by $101,620 the appropriation for meat inspection. The Senate recedes.

On amendment No. 15: This amendment represents an amended total.

On amendment No. 16: This amendment increases by $5,000 the appropriation for fruit-disease investigations, with a proviso that $8,000 shall be available for pecan disease investigations. The House recedes.

On amendment No. 17: This amendment adds new language and appropriates $300,000 for the eradication or control of the white-pine blister rust. The House recedes.

On amendment No. 18: This amendment increases by $2,500 the appropriation for soil fertility investigations. The House recedes.

On amendment No. 19: This amendment increase by $15,000 the appropriation for crop acclimatization and fiber-plant investigations, and provides that this sum shall be used for experiments in cotton seed interbreeding. The House recedes and agrees with an amendment reducing the $15,000 for such purpose to $7,500 and reducing the total by a like amount.

On amendment No. 20: This amendment increases by $10,000 the appropriation for cereal investigations. The House recedes.

On amendment No. 21: This amendment increases by $10,000 the allotment for black rust and stripe rust investigations. The Senate recedes.

On amendment No. 22: This amendment inserts after the words "flax straw" the words "and hemp" in the paragraph for paper-plant investigations. The House recedes.

On amendment No. 23: This amendment increases by $10,000 the appropriation for pomological investigations and provides that $14,000 shall be available for the investigation and improvement of the pecan. The House recedes and agrees with an amendment reducing the amount for such purpose by $5,000 and reducing the total by a like amount.

On amendment No. 24: This amendment increases by $2,500 the appropriation for horticultural investigations. The Senate recedes.

On amendment No. 25: This amendment increases by $4,000 the appropriation for the testing and distribution of new and rare seeds and for forage-crop investigations. The House recedes.

On amendment No. 26: This amendment adds new language authorizing the expenditure of $4,000 for forage-crop investigations in cooperation with the Washington State Experiment Station. The Senate recedes.

On amendments Nos. 27 and 28: These amendments represent amended totals.

On amendment No. 29: This amendment reduces by $1,000 the appropriation for the Coronado National Forest. The Senate recedes.

On amendment No. 30: This amendment reduces by $2,000 the appropriation for the Lincoln National Forest. The Senate recedes.

On amendment No. 31: This amendment strikes out the language authorizing the expenditure of $1,200, out of any funds hereafter appropriated for the Nebraska National Forest for any fiscal year to and including the fiscal year ending June 30, 1920, for the purchase of land now under lease and used as a nursery site for the Niobrara division of said forest, and inserts new language appropriating $1,200 for the purchase of the land during the next fiscal year, increasing the total appropriation for the Nebraska National Forest by that amount and providing that the cost of any building erected at the nurseries on the Nebraska National Forest shall not exceed $1,000. The House recedes and agrees with an amendment inserting the words "not exceeding" before the figures "$1,200."

On amendment No. 32: This amendment provides that all moneys received on account of permits for hunting, fishing, or camping on lands acquired under the authority of the Weeks Forestry Act shall be disposed of as is provided by existing law for the disposition of receipts from national forests. The House recedes and agrees with an amendment transposing the position of the proviso so that it appears after the amount of the appropriation.

On amendment No. 33: This amendment represents an amended total.

On amendments Nos. 34 and 35: These amendments insert language authorizing the eradication of poisonous plants in the national forests. The House recedes.

On amendments Nos. 36 and 37: These amendments represent amended totals.

On amendment No. 38: This amendment reduces by $10,000 the appropriation for poultry and egg investigations. The House recedes.

On amendment No. 39: This amendment reduces by $4,600 the appropriation for fish investigations. The House recedes.

On amendment No. 40: This amendment increases by $3,000 the appropriations for table sirup investigations. The House recedes.

On amendments Nos. 41 and 42: These amendments represent amended totals.

On amendment No. 43: This amendment increases by $5,000 the appropriation for the investigation of insects affecting deciduous fruits, with a proviso that $9,600 shall be available for the investigation of insects affecting the pecan. The House recedes.

On amendment No. 44: This amendment makes immediately available $10,000 of the appropriation for the investigation of insects affecting southern field crops. The Senate recedes.

On amendment No. 45: This amendment provides that $20,000 of the appropriation for the investigation of insects affecting truck crops and stored products may be used for the investigation of diseases of beans and peas. The Senate recedes.

On amendments Nos. 46 and 47: These amendments represent amended totals.

On amendment No. 48: This amendment restricts the experiments and demonstrations in destroying predatory animals and animals injurious to agriculture to the lands of the United States. The Senate recedes.

On amendment No. 49: This amendment decreases by $2,440 the appropriation for general administrative expenses of the Bureau of Biological Survey. The House recedes.

On amendments Nos. 50 and 51: These amendments represent amended totals.

On amendment No. 52: This amendment strikes out the language limiting the loaning, renting, or selling of films to educational institutions or associations for agricultural education not organized for profit and substitutes a proviso that such institutions or associations shall have preference. The House recedes.

On amendment No. 53: This amendment reduces by two the number of clerks, class 3, in the Bureau of Crop Estimates. The House recedes.

On amendment No. 54: This amendment reduces by one the number of clerks at $900 each in the Bureau of Crop Estimates. The House recedes.

On amendment No. 55: This amendment reduces by three the number of messengers or laborers at $720 each in the Bureau of Crop Estimates. The House recedes.

On amendment No. 56: This amendment represents an amended total.

On amendment No. 57: This amendment provides that hereafter the Monthly Crop Report shall be printed and distributed on or before the 12th day of each month. The House recedes.

On amendment No. 58: This amendment reduces by $4,078 the appropriation for the field investigations of the Bureau of Crop Estimates. The House recedes.

On amendments Nos. 59 and 60: These amendments represent amended totals.

On amendment No. 61: This amendment reduces by one the number of clerks at $900 in the library. The House recedes.

On amendment No. 62: This amendment represents an amended total.

On amendment No. 63: This amendment reduces by $4,000 the appropriation for the general expenses of the library. The House recedes.

On amendment No. 64: This amendment represents an amended total.

On amendment No. 65: This amendment increases by $15,000 the appropriation for miscellaneous expenses. The House recedes.

On amendment No. 66: This amendment provides for the appointment of a joint committee to investigate the advisability of the erection of additional buildings for the Department of Agriculture. The House recedes.

On amendment No. 67: This amendment strikes out the language authorizing the Secretary of Agriculture to prescribe the form of the annual financial statement required under the acts cited in the paragraph. The Senate recedes.

On amendment No. 68: This amendment increases by $20,000 the appropriation for the insular experiment stations. The Senate recedes.

On amendment No. 69: This amendment increases by $10,000 the allotment for the Hawaii Experiment Station. The Senate recedes.

On amendment No. 70: This amendment increases by $10,000 the allotment for the Porto Rico Experiment Station, with a proviso that $10,000 may be expended for the maintenance of an experimental substation. The Senate recedes.

On amendment No. 71: This amendment increases by $5,000 the amount which may be expended for agricultural extension work in Hawaii. The Senate recedes.

On amendment No. 72: This amendment reduces by $4,000 the appropriation for home economics investigations. The House recedes.

On amendments Nos. 73 and 74: These amendments represent amended totals.

On amendment No. 75: This amendment reduces by $3,400 the appropriation for general administrative expenses of the Office of Public Roads and Rural Engineering. The Senate recedes.

On amendments Nos. 76 and 77: These amendments represent amended totals.

On amendment No. 78: This amendment makes immediately available $40,000 of the appropriation for the Market News Service. The House recedes.

On amendment No. 79: This amendment strikes out the paragraph providing $50,000 for the investigation of the production and marketing of agricultural food products, and inserts a new paragraph appropriating $25,000 to enable the Secretary of Agriculture to certify to shippers the condition of fruits and vegetables at points of destination. The Senate recedes.

On amendment No. 80: This amendment corrects a typographical error. The House recedes.

On amendment No. 81: This amendment reduces by $5,000 the appropriation for cotton standardization. The House recedes.

On amendment No. 82: This amendment authorizes the Secretary of Agriculture to use $25,000 of the appropriation for grain standardization for the installation of an experimental flour mill and chemical and baking laboratories in Washington to aid in establishing standards for wheat and other grains. The Senate recedes.

On amendment No. 83: This amendment provides $4,000 for the administration of the standard basket and container act. The House recedes.

On amendment No. 84: This amendment reduces by $5,000 the appropriation for general administrative expenses of the Bureau of Markets. The Senate recedes.

On amendments Nos. 85 and 86: These amendments represent amended totals.

On amendment No. 87: This amendment gives the Secretary of Agriculture power to administer oaths, examine witnesses, and call for the production of books and papers. The House recedes.

On amendment No. 88: This amendment adds new language and appropriates $35,000 for the purchase, preparation, and irrigation of 150 acres of land at Chico, Cal., as an addition to the existing plant-introduction field station. The House recedes and agrees with an amendment striking out the reference to the existing field station.

On amendment No. 89: This amendment adds new language and appropriates $50,000 to meet the emergency caused by the existence of the pink boll worm of cotton in the Laguna district of Mexico. The House recedes.

On amendments Nos. 90 and 91: These amendments represent amended totals.

On amendment No. 92: This amendment authorizes the Secretary of Agriculture to establish a quarantine without necessary regard to the determination of the fact of the existence of a dangerous plant disease or insect infestation in the State, Territory, or district quarantined. The other changes consist in the incorporation, for purposes of effective administration, of desirable legislation for enforcing effectively the gypsy moth and brown-tail moth quarantine. The House recedes.

On amendment No. 93: This amendment represents an amended total.

On amendment No. 94: This amendment increases by $10,000 the appropriation for demonstrations on reclamation projects. The House recedes.

On amendment No. 95: This amendment increases by $16,396 the appropriation for experiments in dairying and live-stock production in the western United States. The House recedes.

On amendment No. 96: This amendment reduces by $250,000 the appropriation for the eradication of foot-and-mouth and other contagious diseases of animals. The House recedes.

On amendment No. 97: This amendment amends the total carried by the bill for the Department of Agriculture and adds new language imposing certain restrictions upon the expenditure in connection or in cooperation with certain corporations and individuals of the funds appropriated to the department. The House recedes and agrees with an amendment making the amount of the total $25,929,113 instead of $25,831,213 and striking out the new language.

On amendments Nos. 98, 99, 100, 101, 102, 103, and 104: The effect of these amendments is to lower the limit of salary to which the percentage increases shall apply from $1,800 to $1,000 and to provide a 15 per cent increase in salary for employees receiving $480 or less and a 10 per cent increase for employees receiving more than $480 and not exceeding $1,000. The House recedes.

A. F. LEVER,
GORDON LEE,
G. N. HAUGEN,
Managers on the part of the House.

Mr. LEVER. Mr. Speaker, I move the adoption of the conference report.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and fifty-three Members present; not a quorum.

Mr. KITCHIN. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Aiken	Driscoll	Hutchinson	Riordan
Bacharach	Drukker	Johnson, Ky.	Rowland
Barchfeld	Dunn	Kearns	Rucker, Ga.
Barkley	Eagan	Kennedy, R. I.	Rucker, Mo.
Beakes	Edwards	Kiess, Pa.	Sabah
Beales	Flynn	Kreider	Scott, Pa.
Benedict	Freeman	Lafean	Scully
Browning	Gallivan	Liebel	Shackleford
Bruckner	Gray, N. J.	Linthicum	Sisson
Caldwell	Greene, Mass.	Loft	Snyder
Capstick	Griest	Loud	Steenerson
Carew	Griffin	Madden	Stephens, Tex.
Carter, Mass.	Guernsey	Matthews	Stout
Cline	Hart	Moon	Swift
Coady	Hensley	Mooney	Talbott
Conry	Hicks	Nichols, Mich.	Vare
Costello	Hill	Nolan	Ward
Dale, N. Y.	Hinds	Oglesby	Wilson, Fla.
Dallinger	Howell	Oliver	Winslow
Dewalt	Humphrey, Wash.	Park	
Dixon	Husted	Parker, N. J.	

The SPEAKER. On this roll call 352 gentlemen, a quorum, answered to their names.

Mr. KITCHIN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will unlock the doors.

EXTENSION OF REMARKS.

Mr. SMITH of Michigan. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. SMITH of Michigan. I rise to ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the conference report.

Mr. MANN. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Illinois rise?

Mr. MANN. Mr. Speaker, we are not ready to agree to the conference report. We want some debate on this proposition.

Mr. LEVER. Mr. Speaker, I can not hear what the gentleman says at all.

Mr. MANN. This involves the whole question of increasing the compensation of Government employees. Whatever action is taken on this matter probably will be taken on the other bills, and I think there should be some debate upon it.

Mr. LEVER. What time does the gentleman suggest beyond the hour?

Mr. MANN. I think there ought to be an hour to a side.

Mr. LEVER. I would suggest, Mr. Speaker, we agree to an hour and a half, 45 minutes to be controlled by the gentleman from Iowa [Mr. HAUGEN] and 45 minutes by myself, after which time the previous question to be considered as ordered.

Mr. MANN. Very well. Of course, ordering the previous question does not amount to anything if we agree upon debate.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that the debate on this conference report be limited to an hour and a half, one half the time to be controlled by himself and the other half by the gentleman from Iowa [Mr. HAUGEN], and at the end of that time the previous question shall be considered as ordered. Is there objection? [After a pause.] The Chair hears none. The gentleman from South Carolina is recognized for 45 minutes.

Mr. LEVER. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. CANDLER].

Mr. CANDLER of Mississippi. Mr. Speaker, there is a unanimous report and a full and complete agreement presented by the conferees on this bill. Therefore, if this report is adopted, the bill will be passed. There seems to be no vital difference between the Members of the House in reference to any provision of this conference report, except the provision in reference to the increase of pay for the employees of this department. Some Members favor a larger increase than is provided in this report. Whatever action is taken on this report will be a criterion which will govern the conferees upon every other appropriation bill, and whatever determination is made by the House with reference to this provision on this bill will determine this question as to this legislation in all the other bills. Now, what is the history of it? There have been numerous votes in reference to this question as to increase pay for employees. The first proposition which was presented to the House was for an increase of 10 per cent for employees who received salaries under $1,200; a 5 per cent increase for all employees receiving salaries from $1,200 to $1,800, inclusive. That provision was adopted in the legislative, executive, and judicial appropriation bill. In view of the adoption of that provision in that bill the same provision was reported on the Agricultural appropriation bill, and upon that provision in the House there was a roll call and it was adopted as part of the Agricultural bill and went to the Senate. When the question reached the Senate they agreed upon a proposition which provided an increase of 15 per cent for those receiving a salary of $480 and under, and increasing those receiving salaries from $480 to $1,000 10 per cent, and not extending the increase to any employee receiving a salary above $1,000. In other words, the Senate adopted what is well known to the membership of this House as the "Smoot amendment."

Now, the various appropriation bills have been to conference since that, and they have come back here and several votes have been had upon the various propositions. Members have voted on every phase of this salary proposition, and still it goes back to conference and again comes back to the House of Representatives with agreements, disagreements, compromises, all of which have up to this time been rejected. Now, this bill comes back to the House of Representatives with a complete agreement as to every legislative provision in the bill and with a full agreement as between the conferees on the part of the House and the Senate on the increase of salary for the employees of this department, agreeing to the Smoot amendment. Now the sole question, therefore, that is presented to us is whether or not we will adopt this report and pass this bill and finally settle this salary question. That being the only real issue in it, the vital question presented to the membership of this House is whether or not they will continue to disagree in reference to this increase for the employees in the various departments of the Government and tie up all legislation of this House and take the risk of defeating the appropriation bills and, in all probability, by such action force an extra session. [Applause.] Now, there never was a time in the history of this House when there was a greater congestion of all legislation than there is at the present time——

Mr. THOMPSON. Will the gentleman yield?

Mr. CANDLER of Mississippi. I must decline to yield, because I have not the time.

Practically all the appropriation bills and the revenue bill are yet to be passed. All these bills will have to be passed by both Houses; they will have to be enrolled and they will have to be signed by the President of the United States; and all this work will have to be done within the next six or seven days; and unless it is done in that time, necessarily, all these bills will fail and there may be, and the very strong probability is there will be, an extra session of Congress. You do not want an extra session, the President does not want an extra session, and the Senate of the United States, I hope, does not want an extra session. It is not best for the country or for the people or for us. It is best for everybody that this legislation be passed and this matter settled, so that we will be able to finish the work of this Congress by the 4th of March and finally adjourn on that date. [Applause.]

The SPEAKER pro tempore [Mr. WEBB]. The time of the gentleman has expired.

Mr. CANDLER of Mississippi. Mr. Speaker, I ask unanimous consent for two minutes more.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none, and the gentleman is recognized for two minutes more.

Mr. CANDLER of Mississippi. That being the situation, gentlemen, the question is, What will you do in reference to this one provision? If you vote "yea" when the time comes to vote upon this provision, then you will vote to adopt this report and pass this bill and settle this matter, and when it is thus settled we shall hope that all other appropriations will be agreed to and the work can be completed by the 4th of March and we can adjourn and go home. [Applause.] The question is whether or not you are willing, for the mere sake of trying to secure a larger increase for these employees in the various departments of Washington, to hold up all of the appropriations as well as this appropriation for the great Agricultural Department of this Government, whether or not you are so anxious to secure a larger increase for a clerk or a chief of a division or somebody else in these departments to decline to pass legislation and appropriations that are absolutely necessary to carry on the work of the various departments of the Government and cause a condition to come about which will be deplorable and deny to the people of the country the benefits that will be derived from the enactment of this bill and other excellent legislation. If that condition occurs, you will find it necessary to pass resolutions continuing present appropriations, and you will not secure any increase in salaries. You may force an extra session of Congress, in which all the work of this session would have to be done over again. Would you avoid that result? If so, vote "yea" and adopt this report and thereby pass this bill. [Loud applause.]

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Minnesota [Mr. ANDERSON].

Mr. ANDERSON. The net result of the labors of the conferees appears to be an increase of appropriations carried by the bill over the amounts carried in the House bill of $200,000, and over the amount carried in the Senate bill of $100,000. That rather leads to the suspicion that the conferees have somewhere in the bill increased the amounts allowed by both the House and the Senate. I ask the gentleman from South Carolina [Mr. LEVER] if that is true?

Mr. LEVER. No; that is not true. I had not observed the situation called to my attention by the gentleman, but I can say with all positiveness that we did not increase the amounts.

Mr. ANDERSON. I call attention to amendment numbered 8 on page 14. The amount provided by the House was $250,300, and by the Senate $269,200. The amount carried by the conference report is $277,000, $8,000 more than was carried by the Senate amendment. I could not but wonder what that additional $8,000 covered.

Mr. LEVER. The gentleman will notice in amendment numbered 10 that the Senate reduced the item $8,380. The Senate receded in that proposition, and the amount carried in No. 8 is to take care of it.

Mr. ANDERSON. Yes. But the Senate increased the total amount also.

Mr. LEVER. Yes; I see they did. But they evidently did not increase it to the point of taking care of the $8,300, which they reduced here and which is probably an error in the print. I am not sure of that.

Mr. ANDERSON. The Senate added $19,000, which was more than enough to take care of the difference.

Mr. LEVER. The Senate added $18,900 to this item, and I have the figures here.

Mr. ANDERSON. Well, about that.

Mr. LEVER. About that; yes, sir.

Mr. ANDERSON. But that is more than enough to take care of the difference between $45,000 and $37,000. And there is an actual increase over the amount allowed either by the House or the Senate.

Mr. LEVER. The gentleman will also see in the proviso that the Senate added $12,280 for this sheep business in the

West. We had also to take care of that. The House receded on that proposition.

Mr. ANDERSON. That may take care of it, but it does not look like it.

Mr. LEVER. I think it does. I confess candidly I did not look into the figures.

Mr. ANDERSON. I want to ask the gentleman from South Carolina [Mr. LEVER] another question or two. The House conferees disagreed to the Senate amendment increasing the appropriation for investigation of the diseases of black and striped rust, and also disagreed to the amendment increasing the appropriation for the investigation of diseases of beans and peas. In view of the fact that the conferees agreed to increases providing for the investigation of methods of cultivating the pecan and diseases of the pecan, I can not understand why the conferees disagreed to the amendments relating to these great food crops.

Mr. LEVER. In reference to the matter of the black rust, I will say to the gentleman that the Senate increased the amendment set aside for the black rust and the striped rust by $10,000, and increased the amount appropriated by the paragraph accordingly. While the conferees did not agree to the amendment increasing the allotment for the investigation of the black rust and striped rust, they did agree to the increase in the lump sum carried by the paragraph, and the $10,000 additional appropriated by the paragraph will be available for expenditure in connection with the black rust and striped rust.

The SPEAKER pro tempore. The time of the gentleman from Minnesota [Mr. ANDERSON] has expired.

Mr. LEVER. And that was agreeable to the gentleman from North Dakota, I will say.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, during the consideration of the appropriation bills last year there was some discussion of the wisdom and propriety of making some increases in the pay of Government employees. During the discussion of the sundry civil bill last year I expressed regret that an increase in the pay of the poorer paid employees of the Government could not be accomplished, and the hope that in this session of Congress we should take such action as would relieve, to a certain extent at least, those employees of the Government whose pay has not been increased in many years and who in many cases are receiving much less than those employed in similar services by private employers. The House took the matter up in due time and came to a decision, after careful consideration, providing for 10 per cent increase in all compensation up to $1,200 per annum and 5 per cent from $1,200 to $1,800.

That certainly is not a liberal provision. Beyond all question and controversy it does not bring the pay of those affected up to a level with the compensation now paid by private employers the country over for the same kind of work.

Mr. SMITH of Michigan. Mr. Speaker, will the gentleman yield right there for a question?

Mr. MONDELL. In a moment. It does not compensate or nearly compensate for the increase in the cost of living in the last six months.

Mr. SMITH of Michigan. I notice by the report that some of the employees are getting only $480 a year, or $40 a month. Can the gentleman tell us what Government employees are working for a year for $480?

Mr. MONDELL. Most of those whose pay is as low as that are not employed continually, or they are charwomen or boys. The House took the matter up first and discussed it and came to a conclusion in regard to it that was modest and reasonable, and the House has the right to demand that the Senate shall give at least fair and decent consideration to its conclusions.

Mr. MILLER of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. I will if I may finish this sentence. The House has the right to demand that the Senate shall give fair and decent consideration to its conclusions in the matter. The House conferees, however, without having contended, as they should have contended, in my opinion, and as we had reason to believe that they would contend, for the position taken by the House, have yielded absolutely to the Senate. We might have agreed to their conclusions if they had accepted the Senate provisions with an amendment. There would have been a compromise. But this is an abject surrender by the House that first made the proposal to the body that took the matter up later and which did not, I fear, carefully consider it.

Gentlemen are opposing the House provision because, they say, it costs too much money. Well, great heavens, have we reached a point in this country and under this Federal Government when we must hesitate to do justice or partial justice because it is going to cost a few dollars to do it? We are appropriating money by the hundreds of thousands and millions for all sorts and kinds of purposes.

The SPEAKER pro tempore. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Speaker, will the gentleman yield one minute more?

Mr. LEVER. I am sorry I have not the time.

Mr. HAUGEN. I will yield two minutes more to the gentleman.

The SPEAKER. The gentleman is recognized for two minutes more.

Mr. MONDELL. We are spending hundreds of millions for all sorts and kinds of expenditures, for example, for preparedness, that may or may not be necessary; we are appropriating for almost every fad and fancy that anyone suggests or proposes; and in this matter of simple justice it should be a question of what we ought to do in good conscience rather than a question of how much it will cost. Now I yield to the gentleman from Minnesota.

Mr. MILLER of Minnesota. I chanced to meet a man, an employee of the Bureau of Engraving and Printing, the other day, who had served 12 years in the Army, with an unusually excellent record as a private soldier, who is married and has three children and is trying to support them on a salary of $60 per month. Will the gentleman inform me and the House whether there are many employees in the District, heads of families, that are getting as low as that?

Mr. MONDELL. There are not only quite a number of the employees of the Government in the District of Columbia with families who are receiving not more than $60 a month, but there are many such employees of the Federal Government throughout the country, particularly custodians and engineers of public buildings and employees of various bureaus of the Department of Commerce, who are receiving $60 and $65.

The SPEAKER pro tempore. The time of the gentleman from Wyoming has expired.

Mr. LOBECK. Some are receiving $50 and $55.

Mr. LEVER. Mr. Speaker, I yield five minutes to the gentleman from North Carolina [Mr. PAGE].

The SPEAKER pro tempore. The gentleman from North Carolina is recognized for five minutes.

Mr. PAGE of North Carolina. Mr. Speaker, the gentleman from Wyoming [Mr. MONDELL], my friend, who has just taken his seat, takes the position in the concluding remarks of his speech that the amount of money does not make any difference because we are spending money by millions elsewhere. I can not exactly see the logic in that sort of argument, that because you can not save $13,000,000 you will not save $1,000,000, and because you can not save a billion you will not save what you can.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. PAGE of North Carolina. Yes.

Mr. MONDELL. Does the gentleman think we ought to save in this way by clipping the wages of these low-paid employees?

Mr. PAGE of North Carolina. I will answer that in my five minutes. Now, the House this morning is confronted with this proposition, aside from any merits that enter into this controversy. Whether we are going to defeat this Agricultural appropriation bill because of a controversy over the amount of percentage that we will increase the pay of certain clerks in the Government employment. Now, I occupy this position in regard to this matter; if there is anyone author of the House provision, I am that author. I made the proposition in the Committee on Appropriations as a compromise between extremes; therefore if there is any pride of opinion about it I have reason to entertain that as much as any other gentlemen who is a Member of this House. In another body a different view was taken of this matter, and at one time a majority of that body was not in favor of giving any increase to the Government employees in the way that we are giving it. But they reached at last a compromise and adopted what is known as the Smoot amendment. The Senate has voted upon it several times. The gentleman from Wyoming intimated that they had given it no consideration.

He contended that the Senate had not given this matter consideration. As a matter of fact, the Senate is on record as having voted 74 to 3 in favor of the Smoot amendment. I know that unless this conference report is adopted on this Agricultural bill, including the Smoot amendment, this bill will not become a law at this session of Congress, but that it will be necessary to pass a continuing resolution for this appropriation bill. Gentlemen on the Republican side of the House, who at all other times are such ardent friends of the farmer,

are you willing to surrender this bill, framed in the interest of the great agricultural communities of the country, in order that you may increase the salaries of a few clerks in the Government service? If you are, then vote against this conference report. If you are not, vote for it. The gentleman on that side of the House who is a conferee on this bill signs this report, and yet he says by his exception that he is willing this bill should fail rather than that these clerks should not have that increase, or rather than accept the Smoot amendment.

Mr. HAUGEN. The gentleman is mistaken. I appreciate the fact that if this report is turned down the bill will go back to conference. It is in the power of the House to dispose of the matter. It can go again to conference.

Mr. PAGE of North Carolina. Oh, yes; it has been to conference more than once. It has been there twice, and the gentleman knows, as well as any gentleman in this House, the attitude of the Senate toward this amendment. It is not for us to stand here and say that we are going to have our way about the matter or defeat the legislation. I say to the House that this involves not only the Agricultural appropriation bill, but every appropriation bill that carries this provision in it. If the gentlemen on that side of the House are willing to defeat legislation of this importance and character in order that the House may maintain its position as against the Senate on this matter, then vote "no." Otherwise you had better vote "aye."

Mr. GOOD. We will vote "no" on it.

Mr. HAUGEN. I will yield five minutes to the gentleman from Delaware [Mr. MILLER].

Mr. MILLER of Delaware. Mr. Speaker, we have just heard the very eloquent arguments of the gentleman from North Carolina [Mr. PAGE]. I have followed him in several matters on this floor, relating to matters of appropriations, but I can not follow him to-day either on the vote that he advises us to cast, or in his argument.

We have up before us now the question as to whether the so-called Smoot amendment to the various appropriation bills dealing with the salaries of Government employees shall be adopted, or whether the original House provision in the appropriation bill is going to carry. The Smoot amendment provides that employees receiving less than $480 shall receive an increase of 15 per cent, and those receiving between $480 and $1,000 per annum shall receive an increase of 10 per cent. It stops at salaries of $1,000 and goes no further. The House provision in the various appropriation bills provides that those Government employees who receive salaries of $1,200 per annum or under shall receive an increase of 10 per cent and those who receive between $1,200 and $1,800 per annum shall receive a 5 per cent increase.

On the 15th of February this House, by a vote of 281 to 59, concurred in an amendment of Mr. GOOD of Iowa, to the then pending appropriation bill, and showed in a very conclusive fashion the temper of the House on the proposition of increasing the wages and salaries of Government employees.

The gentleman from North Carolina [Mr. PAGE] has said that the Senate stood for the so-called Smoot amendment by a large vote, I think I understood him to say by a vote of 74 to 3. But I maintain that the House in which the appropriation bill originates and on which exhaustive hearings are given to these measures, and upon which we have given more time both in the committee and in debate on the floor than the other body has given, is entitled to just as much consideration in the closing hours of the session as the views of the other body. The club has been held over us that if we vote against this Agricultural appropriation bill on this question of salary increase for clerks it will injure the farmers of the country. That is a club which I do not think the Members of this House will submit to, even if it should mean the failure of the bill, which it will not in the end, because if we sustain our former attitude on this matter by a conclusive vote to-day, the other body can not help but yield, because the responsibility will be upon their shoulders and not upon ours.

Mr. GORDON. Do you think that because the House originates appropriation bills it has a right to insist on its own views?

Mr. MILLER of Delaware. The gentleman did not hear all of my argument. I contend that when this matter has been conclusively decided by this House more than once and placed in one bill by a roll-call vote of, say, 281 to 59, it shows very conclusively the temper of this House. The salaries of clerks to Members of Congress were increased after July 1, 1917, from $1,500 to $2,000 a year, a very substantial increase. I am not going to dwell on the various phases which entered into that increase. I voted for it for reasons which I will not enlarge upon here, but I also voted for the original House provision on the salary increase of Government employees, because I think that the men who are working for the Government in these clerical positions, at a time when the cost of living has gone up beyond all comprehension, which pinches every man here, as we well know, are entitled to our consideration, because if it pinches us, how does it pinch the Government clerk drawing $1,800 or $1,200 a year or less. We have voted for appropriation bills carrying millions of dollars for matters of national defense and other public needs, and I for one am only too glad of a chance to vote as many times as we have an opportunity on all these appropriation bills to do plain, simple justice to these underpaid Government employees.

I yield back the remainder of my time.

Mr. HASTINGS. Will the gentleman yield for a question?

Mr. MILLER of Delaware. I yield to the gentleman.

The SPEAKER. The gentleman's time has expired.

Mr. MILLER of Delaware. I am sorry I have not time.

Mr. LEVER. Mr. Speaker, I yield five minutes to the gentleman from Missouri, Gov. RUBEY. [Applause.]

Mr. RUBEY. Mr. Speaker and gentlemen of the House, we know as well as anyone else, if we just simply stop to think about it, that there is not a piece of legislation that goes through this body but what is the result of compromise. The great Agricultural Committee labored long and diligently in the preparation of this bill, and the result of its labors was compromise. Every member upon that committee could not get the appropriations that he wanted and get every detail of the bill just as we wanted it. Yet we brought it into this House, this House discussed it, and we passed it and sent it to the other body. They took up the measure there, amended it, and passed it. Now, we have but one means of getting together on the differences between the two Houses, and that is by the method of conference committees. The conference committee has reported, and we have that report here before this body this morning, a unanimous report. After to-day has passed and gone we will have only six more days of this session, and at noon on to-morrow week this Congress will adjourn.

We had upon the floor of this House just a few days ago a most excellent address delivered here by the gentleman from Illinois [Mr. MANN]. He told this House then that if we did not get busy and pass these bills, agree to these conference reports, and send them to the enrolling clerks the business of this House would be so congested that we would not be able to get our bills enrolled before adjournment. He made that speech and it was applauded upon both sides of this House. I say to you gentlemen that in the Committee on Agriculture we have never considered politics. On the floor of this House this great bill has never been considered from the standpoint of party politics, and it ought not to be so considered to-day. Here is a great supply bill before this House, with only six more days remaining, and yet if we do not adopt this conference report to-day, and send this bill to the enrolling clerks so that it may be enrolled, and get ready for adjournment, when the 4th of March comes this bill will not have become a law.

Mr. AUSTIN. Will the gentleman permit me to ask him a question?

Mr. RUBEY. Yes.

Mr. AUSTIN. Speaking about the compromise between the two Houses on appropriation bills, where is the compromise when we yield to their amendments?

Mr. RUBEY. The conferees did propose a compromise; they offered as a compromise that the increases shall apply only to clerks receiving as much as $1,500 instead of $1,800. That was submitted to the Senate, and the Senate rejected it. How many times do you expect to vote down this proposition and send it back to conference? Are you going to keep on doing it, as the gentleman said who has just taken his seat?

Mr. RUSSELL of Missouri. Will the gentleman yield?

Mr. RUBEY. Yes.

Mr. RUSSELL of Missouri. I know that the gentleman is on the Agricultural Committee and is anxious to do the right thing. Does he believe that the passage of this bill will be endangered if this is not agreed to?

Mr. RUBEY. I do not think there is any question about it. The gentleman from North Carolina [Mr. PAGE], who has been a Member of the House 20 years, made that statement a little while ago.

Mr. RUSSELL of Missouri. Does not the gentleman think that that conference report contains the best thing to be done for the low-salaried employees of the Government at this time?

Mr. RUBEY. There is no question about that. I voted with the House for the increases which this House adopted—increases up to $1,800. The House has gone on record and I supported it, but I am ready and willing, if we can not get what we want, to get the best we can. If we do not pass this bill and are com-

pelled to pass a continuing resolution, the clerks in the Department of Agriculture will not get a cent of increase and they will lose the increases that we give them in this conference report. I hope the conference report will be agreed to and that this matter will be settled.

Mr. HAUGEN. Mr. Speaker, it would seem that if the clerks are entitled to any increased pay they are entitled to more than is provided for in the Smoot amendment. This matter has been up for consideration at various times in the House, and the sentiment of the House is well known. In view of my personal views and the action taken by the House at various times, I could not, as stated in the report, see my way clear to agree with the other members of the conferees on the salary proposition.

I am not going to discuss the conference report at length, but I have a list of employees furnished me by the Department of Agriculture, giving the number of employees and salary paid on each of the two pay rolls in the department; time will not permit me reading it but will insert it with my remarks, so that it may be printed in the RECORD for the information of the House.

Number of employees and annual salary paid those on the lump-sum roll.

742 at	$1,800
41 at	1,740
20 at	1,700
13 at	1,680
350 at	1,620
6 at	1,608
148 at	1,600
1 at	1,575
27 at	1,560
1 at	1,540
1 at	1,520
137 at	1,500
1 at	1,470
136 at	1,440
569 at	1,400
56 at	1,380
44 at	1,320
44 at	1,300
12 at	1,260
1,289 at	1,200
2 at	1,140
52 at	1,100
127 at	1,080
35 at	1,020
19 at	1,008
427 at	1,000
71 at	960
31 at	912
309 at	900
22 at	864
549 at	840
1 at	825
51 at	816
81 at	780
102 at	768
141 at	750
59 at	720
19 at	672
11 at	660
4 at	630
99 at	600
20 at	540
1 at	525
2 at	500
53 at	480
18 at	450
3 at	420
8 at	360
6 at	300
1 at	240

Number of employees and annual salary paid those on the statutory roll.

Number of employees on the statutory roll.	Grade.	Total.
177	$1,800	$318,600
4	1,700	6,800
2	1,680	3,360
3	1,620	4,860
195	1,600	312,000
77	1,500	115,500
14	1,440	20,160
278	1,400	389,200
8	1,380	11,040
5	1,350	6,750
8	1,320	10,560
114	1,300	148,200
10	1,260	12,600
832	1,200	998,400
6	1,140	6,840
848	1,100	932,800
27	1,080	29,160
1	1,050	1,050
106	1,020	108,120
303	1,000	303,000
51	960	48,960
559	900	503,100
160	840	134,400
34	780	26,520

Number of employees and annual salary paid, etc.—Continued.

Number of employees on the statutory roll.	Grade.	Total.
289	$720	208,080
39	660	25,740
195	600	117,000
61	540	32,940
275	480	132,000
5	450	2,250
14	420	5,880
101	360	36,360
17	300	5,100
95	240	22,800
Grand total		$5,040,130
Total number of employees		4,913

According to the list furnished, the number of employees affected by a proposed increase in salary under H. R. 19359 are as follows:

Two thousand three hundred and twenty-five employees on the lump-fund roll and 3,186 on the statutory roll, or a total number of employees of 5,511, receiving a salary of less than $1,200 per annum would receive 10 per cent increase on their total salary of $4,681,421, or an increase of $468,142, and 3,637 employees on the lump-fund roll and 1,727 on the statutory roll, or a total number of employees of 5,364, receiving a salary of not more than $1,800 and not less than $1,200 per annum would receive 5 per cent increase on their total salary of $7,634,903, or an increase of $381,745. The total number of employees benefited would be 10,875. Total increase, $849,887 over the total $12,316,324 salary which they now receive.

Under the Senate amendment 2,000 on the lump-fund roll receiving salaries more than $480 and not exceeding $1,000, or a total salary of $1,708,109, would receive 10 per cent, or $170,810; 89 salaries of $480 or less, total salary $39,720, would receive 15 per cent, or $5,958; and 1,691 on statutory roll receiving salaries more than $480 and not exceeding $1,000, total salary $1,399,740, would receive 10 per cent, or $139,974; 507 receiving salaries of $480 or less, total salary $204,390, would receive 15 per cent, or $30,658.

Total number of employees, 4,287, receiving total salaries of $3,351,959, would receive a total increase of $347,400.

UNDER CONFERENCE REPORT.

Two thousand five hundred and twenty-three on the lump-fund roll receiving not more than $1,500 and not less than $1,000, a total salary of $3,205,382, would receive 5 per cent, or $160,269; 2,089 receiving salaries of $1,000 or less, a total salary of $1,747,929, would receive 10 per cent, or $174,782, a total increase of $335,051.

Two thousand three hundred and thirty-four on statutory roll receiving not more than $1,500 and not less than $1,000, a total salary of $2,790,380, would receive 5 per cent, or $139,519; 2,198 receiving salaries of $1,000 or less, a total salary of $1,604,130, would receive 10 per cent, or $160,413.

Total number of employees, 9,144, receiving total salaries of $9,347,721, would receive a total increase of $634,983.

The total number of employees in all the departments is reported to be 7,732 receiving $1,600 each, or a total salary of $12,371,200, and 5 per cent increase on that amount would be $618,560.

The total number of Government employees that would be benefited under the Smoot amendment, estimated to be 172,000 receiving an average annual salary of $735, would receive an increase of $13,194,000.

Under the House bill 334,000 employees, receiving an average annual salary of $1,099, would receive an increase of $25,600,000, and under the first conference report on the Agricultural bill submitted, and which was rejected by the Senate, 314,000 employees, receiving an average annual salary of $1,061, would receive an increase of $22,990,000.

The increase carried in the House bill is $502,487 in excess of that carried in the Senate amendment. The increase carried in the conference report is $214,904 less than that carried in the House bill and $287,583 in excess of that carried in the Senate amendment.

Under the first conference report submitted on the Agricultural bill, and rejected by the Senate, 596 employees receiving salaries of $480 or less, or a total salary of $244,110, would receive 5 per cent, or $12,205 less than is carried in the Senate amendment, and 4,857 employees receiving salaries of not more than $1,500 and not less than $1,000, or a total salary of $5,995,762, would receive 5 per cent, or $299,788, more than is carried in the Senate amendment, and 1,223 receiving salaries of more than $1,000 and less than $1,200, or $1,329,462, will re-

ceive 5 per cent less, or $66,473 less than carried in the House bill, and 1,731 receiving salaries of not more than $1,800 nor less than $1,500, or $2,968,603, who were granted a 5 per cent increase, or $148,430, in the House bill will receive no increase.

If those receiving salaries of $1,600 and more than $1,500 were to be added to the conference report, as suggested by some, the 373 in that class now receiving $595,555 salaries would, if granted the 5 per cent increase, receive $29,777.75 increase.

Having made that statement, I simply suggest that it does not seem fair to accept an amendment allowing 15 per cent to employees now receiving $40 a month, or $480 a year, whose salary if working outside would be much less. These people who receive $480, many of them, are the charwomen and the students, many of them undoubtedly glad to work at less than that. The charwomen to-day, under the proposed compromise or Smoot amendment, will receive an increase of $72. The clerks, who have to pass a competitive examination and have spent the best part of their days in school, and spend money in educating and fitting themselves for a position receiving a salary of $600 per annum, will receive under this provision only $60 increase. Those receiving more than $1,000 get nothing. I do not believe that adjustment is fair, and that there should be a more equitable adjustment of salaries.

Mr. MILLER of Delaware. Will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. MILLER of Delaware. Much stress has been laid on the fact that if we do not recede and concur this bill will fail and injure the agricultural interests of the country.

Mr. HAUGEN. That is for Congress to determine. Congress has jurisdiction, time, and power to perfect the bill. This is not the first time that bills have gone back to conference; in the years that I have served here I know of a number of bills that have gone back to conference from time to time. The question is not so much in passing the bill as it is in perfecting the bill. In my opinion we had better pass a good bill or not pass one at all.

Mr. MILLER of Delaware. Last year the Agricultural bill was considered a very good bill, was it not?

Mr. HAUGEN. Yes.

Mr. MILLER of Delaware. If this bill should fail we could pass a joint resolution?

Mr. HAUGEN. Certainly; but that is not the proper thing to do. We had better send it back to conference and have the bill made the way it ought to be made.

Mr. MILLER of Delaware. On that I agree with the gentleman, but it takes away the argument that if the bill fails the agricultural interests of the country will be injured. That is the only point I wished to make by interrupting the gentleman.

Mr. HAUGEN. The gentleman is quite right. We ought to pass the bill in the shape that it ought to be passed.

Mr. LEVER. Mr. Speaker, I yield two minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Speaker, I expect to vote for the conference report, but I wish to refer to Senate amendment 72, on page 71 of the bill. This varies the discussion a little from the salaries of the clerks. This amendment of the Senate reduces from $39,000 to $35,000 the appropriation passed by the House for the investigation of agricultural products for food, clothing, and other uses in the home, and particularly for food.

The States Relations Service of the department, under which this item occurs, has been engaged in a very valuable investigation of agricultural products for food purposes. The most recent investigation in which they have engaged is that pertaining to vegetable oils, and I am sorry that the conferees felt constrained to agree to the reduction of this appropriation as passed by the other body. I do not wish this opportunity to pass without at least expressing my dissent to the action of the conferees, and I hope that hereafter this very important activity of the States Relations Service in the investigation of agricultural products for the purpose of enlarging our food supply will receive proper attention on the part of the committee and the House.

Mr. NORTON. Mr. Speaker, I desire to ask the chairman of the committee a question regarding Senate amendment No. 95, on page 90 of the bill. Has an estimate been made as to where the amount covered by this appropriation is to be expended? Is all this to be expended in some of the experimental farms in the southwestern part of the United States where they now have live-stock experimental stations?

Mr. LEVER. My recollection is that a part of this increase is to be used in the establishment of one of these experimental stations at Delhi, Tex., and the other in the Northwest territory; I do not know exactly the location.

Mr. NORTON. At the Northern Great Plains Experimental Station?

Mr. LEVER. Yes.

Mr. NORTON. I shall expect part of it to be so expended.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, I was impressed with what the gentleman from Missouri [Mr. RUBEY] said in regard to the compromise. I agree with him that neither House should take the unalterable position of not making any concessions, but it strikes me that in this dispute the House conferees offered to make a concession that the Senate rejected, and therefore, instead of making a compromise now, if we accept the report of the conferees, it is a surrender. It is a question now not of compromise but whether we are willing to surrender. When I say that I do not mean that the Senate has no right to make amendments to what the House does on appropriation bills—of course not; but this is not a matter of policy. It is a matter of equity as applied to a great number of Government employees. If we accept this report now, it is not compromise but simply giving up our position—a complete surrender.

Mr. RUBEY. Mr. Speaker, will the gentleman yield?

Mr. FESS. Yes; I yield to my friend from Missouri.

Mr. RUBEY. Does not the gentleman realize that there were many differences between the House and the Senate? The Senate has receded on a great many of its amendments, and the House on some of its.

Mr. FESS. Yes.

Mr. RUBEY. There is where the compromise comes in. This is the only thing now that stands out between them.

Mr. FESS. I did not understand that the gentleman referred to the entire bill.

Mr. RUBEY. I referred to the entire conference report.

Mr. FESS. Certainly; but the point that has been dividing the two branches of Congress in this and other bills is the thing that we are considering now—the question of increase of salary—and we are asked not to make concessions, but a complete surrender of the position that we stand for. This is the thing that appears to me of importance. The figures given by the gentleman from Iowa [Mr. HAUGEN] are conclusive, to my way of thinking. There are many people to be benefited by the House provision but a very few people to be benefited by the Senate provision. If we are to limit it to the Senate provision, why not eliminate the whole thing? There is not any great benefit that will come from the Senate position. There is a great benefit that will come from the House position. You aid no one above a certain rank of salary, $1,000. The House proposes to aid by a small percentage the great group between $1,000 and $1,800. Every Member of the House knows that the standard of expenditure in clerical positions in Government service is not always fixed by the one who makes the expenditure. It is largely fixed by environment, by the force of custom, established without consent of those upon whom it operates, by conditions that are built up in the Government service.

If an individual accepts a position, he suffers the exactions of that standard of expenditure. When you strike out the men from $1,000 to $1,800 you strike a great force of men who certainly suffer from the high cost of living. You strike a very numerous class of our employment that has a standard of expenditure for which they are not responsible. It is all very well to say that if they do not want to occupy such a position they may resign, but it is a matter of little consequence to make such a statement as that.

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield?

Mr. FESS. Yes; I yield to my colleague.

Mr. LONGWORTH. I would like to suggest to my colleague that the "compromise" accepted by our conferees is a little bit like that adopted by a friend of mine. He says that one of the reasons he and his wife get along so happily at home is that they always compromise questions of difference that may arise between them. He said, "For instance, if I want to go out after dinner and she wants me to stay in, we always compromise." I said, "How do you do it?" He replied, "I stay in." [Laughter.]

Mr. FESS. Mr. Speaker, I thank my colleague for the very apt illustration, which is conclusive, so far as I am concerned, and which relieves me of the necessity for further argument.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. LEVER. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, I favor the adoption of the conference report. The vote about to be taken is really conclusive of what shall be done at this time toward the increase

of compensation of Government employees during the next fiscal year. When an increase was first suggested there were many differences of opinion, and it was with great difficulty that we were able to arrive at a proposal to which the Members of the House would agree. The Senate adopted a different proposition, and all of the appropriation bills that are in conference are now practically being held up because of the difference between the two Houses on these proposals. The amendment which is included in the Agricultural appropriation bill, if included in all the appropriation bills, will take about $13,000,000. The amendment as proposed by the House would have taken $26,000,000. There is no doubt, Mr. Speaker, that those who most need some relief are the persons in the lower grades of the Government service. It is not true that there is a false standard of living to which those who accept clerical positions must conform when they enter the Government service. The fact is that persons who enter the clerical service of the United States enter at a compensation in excess of any compensation that they have ever been able to earn theretofore, unless they happen to be those rather unfortunate persons who, because of some misfortune, are covered into the classified service through Executive order.

Mr. COLEMAN. Will the gentleman yield?

Mr. FITZGERALD. I will.

Mr. COLEMAN. While it was true 20 years ago they received a higher compensation, is it true that they receive equal compensation with persons in outside employ now?

Mr. FITZGERALD. It is true to-day the application papers of the Railway Mail Service show that the compensation of men in the service who now average over $1,200 a year, the average compensation they were earning when they applied for entrance to the service, my recollection is, was $720 or $760 a year. Every man who enters the service is bettering his position.

Mr. AUSTIN. Will the gentleman yield?

Mr. FITZGERALD. I have but five minutes. The practical question is this: What are we to do now on settling differences on the appropriation bills? They must be enacted; they must be agreed upon; they must be enrolled and sent to the President for signature. We can not go day after day, until the last two or three days of the session, hoping that perhaps the other body will change its view. There have been conferences between those in the House charged with the control of these appropriation bills and those in the Senate, and as a result of those conferences the men in the House who are responsible for the conduct of the business, to some extent at least, because of their position in the House, have reluctantly reached the conclusion that the House must yield its position upon this matter. There is a well-settled rule of parliamentary procedure, Mr. Speaker, controlling in matters of this character on appropriation bills.

When either House proposes new legislation on an appropriation bill and the other House declines to accede to the legislation, the rule is that the House proposing must yield. We can not insist upon making impossible the enactment of the bills to supply the money to conduct the Government in order to have our way in matters of legislation which are not essential or vital to the Government. We might take the position at times that we would not grant supplies to maintain the Government unless we had the acquiescence of the other body or the Executive to legislation of a vitally essential character for the happiness or welfare of the people——

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVER. I yield the gentleman two minutes more.

Mr. FITZGERALD. We are not justified in stopping the orderly procedure of business or in refusing to agree and accede and enact the appropriation bills into law, unless there be some vital question involved. I can speak freely upon this question. I believe I suggested during the month of November, before Congress convened, at a meeting of some members of the Committee on Appropriations in considering the legislative bill that we should at that time do something to meet the extraordinary emergency that was confronting the country and from which the clerks were suffering. The members of the subcommittee spent considerable time in attempting to reconcile differences that existed, and they finally agreed upon the House provision, and the House acquiesced in it, but we can not persist indefinitely in our view. We at the best must compromise, and if nothing else is possible I am anxious to do something for the poorer-paid employees of the Government. Those employees who have some one depending upon them and who are receiving $1,000 or less in the Government service are the ones who most need some special help at this time. I have some knowledge of what it costs the man getting $1,200 to $1,800 a year to live, and whether he be married or unmarried, he is not as badly off as the man getting $1,000 or less.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. HAUGEN. Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. Mr. Speaker, if the House adopts this conference report we will not obtain any legislation by compromise. On the contrary, our act will be an abject and humiliating surrender. This proposition was first thrashed out in the Committee on Appropriations. The committee looked out over the country and saw that every great manufacturing institution all the way from the Atlantic to the Pacific was increasing the pay of its men in order that they could meet this increased cost of living. We saw every financial institution in the country increasing the pay of its employees, and the question came to us, Can we stand still, remain reactionary, the only reactionaries in all the country, and refuse to give an increase in salary to the Federal employees? We answered that question—that we wanted to give an increase to help them meet the increased cost of living. We wanted to place it so that it could go to those who most deserved it—that is, the heads of families. I take issue with my friend from New York [Mr. FITZGERALD] that this bill aids those who most need the help. We have in the departments an army of stenographers, not heads of families, receiving $900 to $1,000 a year. They get 10 per cent increases, but the man with six or seven children, getting $1,200 a year, paying to-day $4 per bushel for potatoes with which to feed them, we say to him, "Our heart is closed to your appeal" and to the appeals of hungry children, of illy clad children of Government employees, we turn a deaf ear. You can do that on that side if you will, but this side of the House will show the country that we propose to be as progressive as the rest of the country is and give the Federal employees a fair increase. [Applause.]

The Senate provision does not help those who most need it. It is the House provision that does this.

I made inquiry of one department, where there are over 700 employees, the Office of the Auditor of the Treasury for the Post Office Department, and he says that the Smoot amendment will aid only 44 out of the 700 employees in his department who are heads of families. The House amendment would aid 185 heads of families in that department. Only 44 heads of families in that department receive an increase! But who are they who get the increase? Charwomen, messenger boys, and junior messengers. Those are the only ones benefited by the 15 per cent provision. The charwomen get $240 a year for about two hours' service a day.

If you hire one of them to do work in your home, you pay her $1 a day, but here you ask that she shall have an increase of 15 per cent, although most of them, practically all of them, take in washing or have other employment, and you refuse to grant any increase to the man with a family, who must deport himself in a way the Government clerks are expected to deport themselves. To that kind of an employee whose salary is over $1,000 a year you say he shall not have a penny of increase. You say the junior messenger, the boy who has no one dependent on him, or the messenger boy, shall be given an increase of 15 per cent, and we will throw out that kind of sop to the House as our answer to the appeal for an increase to people who deserve it. Let us not do this. By your votes send the word to your districts that you propose increases not only to Government employees in Washington, but Government employees at home, to the men who carry the mail to the doors of your houses on the farm and in the city. We on this side will send the word to them that we voted as a unit in favor of a just increase in salaries of Government employees. Will you on that side of the House send word to the country that you voted as a unit against a slight increase? They say this will mean a defeat of the appropriation bill. Nobody believes that. Nobody in the other end of the Capitol, where they are bluffing, where the conferees of the Senate on this bill did something that they ought to be ashamed of the longest days of their lives, for they signed a conference report on this provision and then went on the floor of the Senate and absolutely refused to stand by their own conference report and asked the Senate to turn down their report. In that body they are still bluffing.

Take that body, for instance. Ten years ago they appropriated for their clerk hire in that body $558,000.

Mr. BORLAND. Will the gentleman yield?

Mr. GOOD. I can not.

Last year they appropriated $860,000, an increase of 40 per cent, for their own clerks; but now, in these times of stress, when the prices of everything that is needed for the support of

a family has advanced from 25 to 100 per cent, they say to the other employees, except their own, "Go back and sit down." They say that we have no money. They say it will cost about $13,000,000 more to adopt the House provision over what it would cost to adopt the Senate provision. We recently passed a bill in this House appropriating $368,000,000 for a Navy, and the Senate that now would cripple the Government service by refusing to grant a small increase to Federal employees, because we do not have the money, increased the Navy bill by $162,000,000. Ah, we have lots of money, hundreds of millions for big interests like the Bethlehem Steel Co. and concerns like that, but not a dollar to help pay the increased cost of living to the Federal employees! Yes; they say we have $162,000,000 over what the House gave for addition to the Navy, but not a dollar, not a penny, for the increased pay of the man who receives $1,100, $1,200, $1,400, $1,500, $1,600, or $1,800. They must work at the same pay they received during normal times.

Ah, but some one says that the Government employee "is now paid more than men are paid in private establishments for like employment." I deny that. Many instances may be cited where the reverse is true. We have a provision of law giving laborers $720 a year. How much do these bills carry? Only $660. Since 1879, notwithstanding the provisions of law that gives to a laborer $720, we have been appropriating only $660 for laborers. And with this increase of 10 per cent he will get $726. You are giving him $6 more than he is really entitled to under the statutes of the United States. Wonderful liberality!

Take some Washington employers. Harry Wardman, in accordance with the report I have here, furnished by the Bureau of Efficiency, is paying to his laborers—that is, common laborers—as much as from $780 to $930 a year. He is paying to his carpenters $1,248 to $1,872 a year. We pay to the carpenters employed by the Government, as a rule, about $900 to $1,000 a year. Take steam engineers, for instance, and they are receiving at Woodward & Lothrop's as high as $1,820 a year. They are receiving from Harry Wardman as much as $1,200 a year, but we pay them $900 to $1,000 a year. The correspondence clerks of the Southern Railway Co., a company that has been condemned here at times because it does not pay high salaries, are paid from $1,080 to $2,400 a year, and we are paying them $1,100 to $1,600 a year, and we do not propose to increase their salaries by a single penny. You take chief clerks, and most of our chief clerks get around $2,000 a year, and here is the Southern Railway paying their chief clerks from $2,000 to $2,400 a year. This Smoot amendment will add to the salaries of the boys $72 a year, but to the heads of the families it does not add a single cent.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LEVER. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. Moss].

Mr. MOSS. Mr. Speaker and gentlemen, during this controversy I have voted on every roll call to sustain the House. I have honestly and earnestly favored the larger increase in salary for the employees of the Government.

There are, however, two sides to this controversy. The interests of the taxpayers rightfully claim consideration at our hands. I have the honor to represent at least 5,000 coal miners, who are as patriotic and hard-working men as there are in the United States. These constituents of mine are taxpayers, and I will guarantee that the average income of these men is well below $1,000 a year. In the congressional district which I have the honor to represent are many farmers having farms of 40 acres, and I am certain that the average income of these farmers—the net return to them for their labor—is well below $1,000 per annum. I know of no way by law to grant these taxpayers an advance of even 10 per cent in their incomes. A laboring man who has an income from $1,200 to $1,800 per year would indeed be hard to find. I am now closing a service of eight years in this House, and I can not recall a single instance where an employee has been separated from the Government service in my district who did not feel aggrieved and who did not desire a restoration in the service. I may go further and say that but few of my constituents would refuse governmental positions at salaries ranging from $1,200 to $1,800 per annum. It is not a fair statement to try to place Government employees in the position of being imposed upon and being poorly paid.

I sympathize with those who suffer from the increase in the cost of living, and on every roll call up to the present time I have voted in the House in their behalf on this proposition to increase salaries. We are now assured by the conferees that the Senate will not yield and that to insist further on the House provision is to defeat this appropriation bill, to cause an extra session of Congress. I do not care to assume the responsibility of defeating all appropriation bills and thereby forcing an extra session, so I shall vote for the conference report.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. LEVER. Mr. Speaker, how many speeches has the gentleman from Iowa?

Mr. HAUGEN. Just one speech.

Mr. LEVER. I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

The SPEAKER pro tempore. The gentleman from Tennessee is recognized for five minutes.

Mr. BYRNS of Tennessee. Mr. Speaker, the gentleman from Iowa [Mr. GOOD] spent a good deal of time in eloquently and very forcibly discussing the merits of the proposition of a higher raise, of a higher increase of salary than that which is provided in the Smoot amendment. That is not the question which confronts the House to-day. The House has gone on record several times in favor of a greater increase than that allowed under the Smoot amendment. I helped to frame the House provisions. No one will deny that I have done what I could to have it adopted. In my judgment it is eminently fairer than what is known as the Smoot amendment. The question, however, which confronts the House to-day is whether or not the House is willing, by voting down this conference report, to jeopardize the passage of every appropriation bill now pending. I am firmly of the opinion that unless this House shall adopt this Smoot amendment, as proposed by the conferees upon the Agricultural appropriation bill, it will mean the ultimate failure not only of this appropriation bill but of all the other appropriation bills in which the same question arises. For two weeks, as a member of the conference committee upon another appropriation bill, we have been discussing this along with other matters in conference with the Senate conferees. Those conferees have determinedly and repeatedly insisted that they will agree to no compromise between the Smoot amendment and the provision proposed by the House. So I repeat that unless gentlemen here are willing to go upon record to-day as favoring, if necessary, an extra session by reason of the failure of these appropriation bills rather than yield to this proposition of an increase of clerks' salaries, then we ought to adopt this conference report upon the Agricultural appropriation bill.

The original House provision was contained, when first reported to this House, in the legislative, executive, and judicial appropriation bill, which I had the honor to report from the Committee on Appropriations. This House, as I stated, has indorsed that proposition several times in that and other bills. The Senate proposed what is known as the Smoot amendment.

The gentleman from Wyoming [Mr. MONDELL] said that the House conferees, in his opinion, had not earnestly insisted on the incorporation of the House provision. I wish to say to him that the conferees upon the legislative bill and the conferees upon this bill and upon other bills have earnestly so insisted. As a matter of fact, the conference committee on the Agricultural bill reported a compromise between the two propositions. That compromise proposition went to the Senate.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. BYRNS of Tennessee. I regret I can not.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. BYRNS of Tennessee. And after a full and clear discussion in the Senate, in which the statement was made that the action of the Senate would be taken as an indication as to what it would finally and ultimately do, the Senate, by a vote of 72 to 4, refused to agree to the compromise proposed by that conference committee. And, therefore, I repeat, gentlemen, it is a question of whether or not you are willing now, in the closing days of this session, to jeopardize not only the passage of the Agricultural bill but the legislative bill and all the other supply bills containing this kind of a proposition.

It is stated that we can send this bill back to conference, and perhaps something can be done. This bill has been in conference twice. The legislative bill has been in conference twice. The Senators have refused to yield upon the proposition. You gentlemen know that we must pass these bills. Some of them must be passed now if we are to hope to have them enrolled during the few days intervening between now and the 4th of March, the day of adjournment. Therefore I insist, gentlemen, that the proposition here to-day is not whether you want to see greater increases allowed; the proposition, in my judgment, is whether or not you are willing to go on record as saying you would prefer to see all these appropriation bills fail, if necessary, rather than accept the Smoot amendment, which

proposes an increase of salary to those receiving under $1,000 a year. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Tennessee has expired.

Mr. LEVER. Mr. Speaker, how much time have we remaining?

The SPEAKER pro tempore. The gentleman from South Carolina has 12 minutes and the gentleman from Iowa [Mr. HAUGEN] has 9 minutes remaining. Does the gentleman from South Carolina desire to close the debate?

Mr. LEVER. I desire to yield to myself seven minutes.

The SPEAKER pro tempore. The gentleman from South Carolina is recognized for seven minutes.

Mr. LEVER. Mr. Speaker, the situation which confronts the House should be clearly understood by its membership. The Agricultural appropriation bill has been in conference now for quite a while. The conferees on that bill, both of the Senate and the House, agreed to a compromise which the House conferees at least thought would solve this difficulty. When the Senate conferees called up the conference report in the Senate and moved its adoption the compromise suggested by the conferees was voted down on a roll call by a vote of 74 to 3. The Senate conferees voted against their own report.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. LEVER. Yes.

Mr. MANN. As long as the gentleman is referring to the proceedings of the Senate, did not the Senate conferees ask the Senate to vote it down?

Mr. LEVER. That is what I said. The Senate conferees voted against it, showing to my mind clearly the feeling of the Senate on this proposition.

Now, then, we are within six days of the close of this session.

Mr. CRAMTON. Mr. Speaker, will the gentleman yield?

Mr. LEVER. I regret I can not. Not a single, solitary great supply bill has received the signature of the President as yet. We are in a legislative jam, which threatens us with having to bring in here continuing resolutions, which mean the defeat of all these great supply bills.

The vote to-day is upon the adoption of the cenference report—a complete report on the Agricultural appropriation bill. The query for each gentleman to answer for himself is this: Am I willing that the great Agricultural appropriation bill, carrying item after item of new and vital importance, items of pressing importance, shall fail because, forsooth, the Senate of the United States is not willing that a clerk receiving $1,800 a year salary shall have that salary increased $90? I want to ask my friends if they are willing to vote down the conference report on the Agricultural appropriation bill and insure absolutely the necessity of continuing resolutions in lieu of the great Agricultural appropriation bill, which, for example, is carrying a new item which a continuing resolution would not cover of $75,000 to begin the work of eradicating tuberculosis in cattle and hogs in this country? Are you willing to delay the inauguration of that great piece of work for 12 months because, forsooth, the Senate of the United States is not willing to increase the salary of a $1,200 clerk by $120 per annum?

Again I want to ask you gentlemen if you are willing to delay the work to be inaugurated in the dairy division of the Agricultural Department, for which an increased appropriation of $117,000 is made, because the Senate is not willing to increase the salary of a $1,500 clerk $75 for the year? I want to ask you gentlemen if you are willing that the Department of Agriculture shall not have the use of the $60,000 increase for the eradication of hog cholera because, forsooth, the Senate is not willing to increase the salaries of certain Government clerks? I want to ask you gentlemen if you are willing to vote down this report, which carries an increase of $163,980 for the meat-inspection service of this country, for the protection of the purity of the food of the country, a portion of which increase will be used to pay increases in the salaries of the meat-inspection force, because the Senate is not willing to increase the salary of an $1,800 clerk by $90 per annum? I am appealing to your good sense and your reason. I want to ask you men who are interested in citrus fruits, are you willing to vote down this conference report, with a $180,000 increase for the citrus-fruit industry of this country, because the Senate will not increase the salary of a $1,200 clerk? I want to ask you gentlemen of the Northwest and the North if you are willing to vote down this conference report, with a $105,000 increase in it for farm-demonstration work in your section, because the Senate of the United States is hard-hearted enough to refuse to increase the salary of a Government clerk? I want to ask you gentlemen if you are willing to vote down this conference report and delay the work under the grain-standardization act, for which the appropriation of $271,000 is carried in this bill, because the Senate will not increase the salary of a Government clerk? I want to ask you gentlemen of the South if you are willing to vote down this report and endanger the cotton industry, because this bill, and only this bill, carries an appropriation of $50,000 for the eradication of the pink cotton worm which threatens Texas at this moment, because, forsooth, the Senate will not allow an increase to an $1,800 Government clerk? I want to ask you men from the Northeast and Northwest and Central West if you are willing that the white-pine industry of this country, valued at $400,000,000, shall be endangered with the white-pine blister rust because the Senate is not willing to give an increase in the salary of a $1,500 clerk? If you do, vote down this conference report. If you do not, vote it up. [Applause.]

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] has nine remaining minutes.

Mr. HAUGEN. I yield the remainder of my time to the gentleman from Illinois [Mr. MANN].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for nine minutes. [Applause.]

Mr. MANN. Mr. Speaker, I have often read in stories how the nurse of some child would endeavor to make the child be good by threatening it with stories about bugaboos and spooks and ghosts, but I never witnessed such a spook exhibition as some of our friends on the Democratic side have given this morning. [Applause.] There is no more danger of the Agricultural bill failing at this session of Congress than there is of the sun not rising to-morrow morning. [Applause.] And I am willing to trust that the sun will rise. They are just trying to scare the House. A pretty cute thing! Here is this proposition upon each one of the appropriation bills, brought to the House for consideration first on the Agricultural bill. Why the Agricultural bill? That was not the first bill passed, and that was not the one upon which this provision originated. It was in order for gentlemen on the floor to say, "Forsooth, will you defeat the Agricultural bill; forsooth!" [Applause.] Pure tommyrot. There is nothing to it. The Agricultural bill will not be defeated. At this stage of the short session of Congress there is always a lot of bluffing going on about defeating the appropriation bills and having an extra session of Congress; but during my experience of 20 years—and that is longer than the experience of any other gentleman now on the floor except the gentleman from Wisconsin [Mr. COOPER]—such a thing has never occurred, and it will not occur this time. There will be no extra session of Congress because of any failure of the appropriation bills.

What is the situation? Let me say a word. Gentlemen have referred to what I said the other day about the enrolled bills, and the gentlemen who talk about that are not familiar with the process of enrolling the bills. This Agricultural bill will be enrolled, as far as the enrolled copy is concerned, except the last paragraph in the bill, before to-night or to-morrow night. [Applause.] They will be ready to complete it. In the closing days of Congress many bills are enrolled before they are passed, and as soon as the conference committee agree upon the bill, with only one item practically in dispute, the enrolling clerks go to work, and then the bill is practically enrolled, and they can finish the enrollment of the Agricultural bill in half an hour after the conference report is finally agreed upon. And if the conference report on the Agricultural bill should not be finally agreed upon by both bodies before 10 o'clock on Sunday morning a week after to-morrow, the bill will be ready for the President's signature at half past 11 o'clock on that same morning.

Mr. RUBEY. Will the gentleman yield?

Mr. MANN. For a question.

Mr. RUBEY. Why did the gentleman make the speech he did the other day, then?

Mr. MANN. Because the conference committees were not at work. They were not getting the bills into shape where the clerk could commence the enrollment of a bill. [Applause.] Can not the gentleman see the distinction? Here there is only one paragraph in dispute, and that is the last paragraph in the bill. That paragraph can be enrolled in half an hour. Now, what is the situation? The Senate has had one vote upon the proposition. The gentlemen gleefully talk about a vote of 77 to 4. That is, none of them gave the correct figures, but that is what the vote was. They were not accurate even about that. On that vote the conferees who presented the report asked the Senate to vote it down. If our conferees had come in here and asked the House to vote down this report, it would be voted down practically unanimously, with probably no vote against it. The Senate has had one vote. We have had two votes, 280 to about 60, one a little above and one a little below those figures. Has it come to pass that the House of Representatives is obliterated? Do we no longer exist? Are we here merely to draw our pay? Have we no opinions of our own? Of course the un-

written practice in matters of this kind is always that there will be a compromise between the provisions insisted upon by the two respective bodies. This is no compromise. It is ignominious, disgraceful surrender, with absolutely no excuse for it. The House took a vote yesterday, 282 to 61 in favor of the House provision, and walking out of this Chamber the conferees on two bills, without discussing the question, without attempting to get a compromise, walked over to the Senate and abjectly surrendered. [Applause.] I am not going to criticize the action of the conferees. [Laughter.] No; I am merely stating a fact. I believe that the dignity of the House is somewhat at stake. We take orders from the Executive, but up to this time we have not taken orders from the Senate of the United States. [Applause.] We can reject the conference report and before to-night they will agree upon a compromise.

There is no trouble about compromising with the Senate. I have been here long enough to know and to recognize a Senatorial bluff. I am not a poker player, but I can tell a Senatorial bluff—pure bluff. The Senate is no more anxious to defeat appropriation bills than is the House. When the Senate says that "we have got to have our way or we will not play," all you have to do is to tell them to go to! They will come to time. There is no trouble about that. If we have nerve enough—and we have on our side of the House—to say to the Senate "Compromise with us," they will do it; and the conference report would be back in the House for action. I hope we will have the nerve once to stand up for our legitimate prerogatives and rights. [Applause on the Republican side.]

The SPEAKER. The gentleman from North Carolina has five minutes.

Mr. LEVER. I yield five minutes to the gentleman from North Carolina [Mr. KITCHIN].

Mr. KITCHIN. Mr. Speaker, the plain question before the House is whether it shall adopt the Senate amendment as to the increase in the clerks' salaries and limit the salaries to which the increase shall apply, or whether the House shall hold out stubbornly in the face of present conditions for the provisions of increase and limits which the House bill contains. I favor the House bill provision. I voted for it. I think it is the fairest and most just and equitable of any that has been suggested—far more just and equitable than the Senate provision. But the question that confronts us is whether we will hold out to what we consider is a fair rate and jeopardize the passage of this bill, jeopardize the passage of the District of Columbia bill, the legislative bill, the Indian affairs bill, the military bill, because the action of the House on this bill will be the action of the conferees on the other bills.

The Senate conferees, both Democrats and Republicans, have notified the House conferees on these bills that they will not yield, that they will not move one peg, and before they will do so they will force an extra session; they would defeat each and every one of the appropriation bills, and force the House either into an extra session or continuing resolutions with respect to them.

The gentleman from Illinois [Mr. MANN] says that since he has been in the House—20 years—he has never known an appropriation bill or a conference report to be defeated by any such bluff as the Senate is putting up. In his experience he has never been confronted by men in this end of the Capitol and at the other end of the Capitol who want an extra session and are willing to force an extra session, and justify it upon the pretext that they are doing it in the interest of the poor clerks and employees. Never since he has been in the House has that proposition confronted the House—that if we refuse to give the increase they want they are willing to put it in the power of the men in this House and at the other end of the Capitol to defeat not only the wise and beneficial legislation in this bill, the wise and beneficial legislation in the military bill, in the Indian bill, in the legislative bill, in the District of Columbia bill, but, gentlemen, the wise, just, and righteous legislation in the Post Office bill. [Applause on the Democratic side.]

I would not be a bit surprised, my fellow Members, to learn that a part of the motive behind the determination at this and the other end of the Capitol to defeat these bills and force an extra session or continuing resolutions is not so much the spirit of economy as it is to destroy some provision in the Post Office bill. [Applause on the Democratic side.] Let no man who is a friend of the legislation in that Post Office bill, which had almost the unanimous sanction of this House, be deceived. Men in this House know that it would not do for those who oppose the provisions of the Post Office bill to let all other bills pass, agree on all provisions in the other bills, but stand out in disagreement only on the Post Office bill; but to defeat some provision in the Post Office bill other than that for increase of salaries without exposing the real motive they, of course, must try to force a disagreement on the provisions in this bill, in the Indian bill, the District bill, and other appropriation bills relative to the salary increase. Gentlemen, they can not fool me. I believe that there are men at the other end of the Capitol that are willing to see every appropriation bill with its beneficent legislation fail and an extra session had in order to defeat the amendment in the Post Office bill which they themselves put on. [Applause on the Democratic side.]

Now, gentlemen, I do not know whether we ought to have any faith in what men say or not. I do not know whether the conferees on the different appropriation bills on the part of the House—whether they should put any faith in what the conferees on the part of the Senate say, but they tell the House that the Senate conferees say they will never yield; that they will force an extra session first, and that the Senate will stand by them. I do not know whether the gentleman from Illinois should put any faith in what Republican conferees say about this; he knows better than I do; he may know that they are not telling the truth when they say——

Mr. MANN. They have not said it.

Mr. KITCHIN. They say they will not agree to any conference report on these bills with the House increase in it. Not only that, but the author of the Senate amendment said yesterday that the Senate would stand out to the last for the amendment. [Applause.]

The SPEAKER. The question is on agreeing to the conference report.

The question was being taken, when Mr. LEVER demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 174, nays 190, answered "present" 1, not voting 69, as follows:

YEAS—174.

Abercrombie	Dixon	Kincheloe	Russell, Mo.
Adamson	Doolittle	Kitchin	Saunders
Aiken	Doremus	Konop	Sears
Alexander	Doughton	Lazaro	Shackleford
Allen	Dupré	Lee	Shallenberger
Almon	Eagle	Lesher	Sherley
Ashbrook	Estopinal	Lever	Sherwood
Aswell	Evans	Lewis	Shouse
Ayres	Ferris	Lieb	Sims
Bailey	Fields	Littlepage	Slayden
Barkley	Fitzgerald	Lloyd	Small
Barnhart	Foster	Lobeck	Smith, N. Y.
Bell	Gandy	McCorkle	Smith, Tex.
Black	Gard	McGillicuddy	Sparkman
Blackmon	Garner	McKellar	Steagall
Booher	Garrett	McLemore	Stedman
Borland	Glass	Maher	Steele, Iowa
Buchanan, Tex.	Godwin, N. C.	Mays	Steele, Pa.
Burgess	Goodwin, Ark.	Montague	Stephens, Miss.
Burnett	Gordon	Moon	Stephens, Nebr.
Byrnes, S. C.	Gray, Ala.	Morrison	Stephens, Tex.
Byrns, Tenn.	Gray, Ind.	Moss	Stout
Callaway	Gregg	Murray	Sumners
Candler, Miss.	Hamlin	Neely	Taggart
Cantrill	Hardy	Nicholls, S. C.	Taylor, Ark.
Caraway	Harrison, Miss.	Oldfield	Taylor, Colo.
Carew	Harrison, Va.	Olney	Thomas
Carter, Okla.	Hastings	O'Shaunessy	Thompson
Casey	Hayden	Overmyer	Tillman
Church	Heflin	Padgett	Venable
Clark, Fla.	Helm	Page, N. C.	Vinson
Coady	Henry	Park	Walker
Collier	Hilliard	Patten	Watkins
Connelly	Holland	Pou	Watson, Va.
Cox	Hood	Quin	Webb
Crisp	Houston	Ragsdale	Whaley
Cullop	Howard	Rainey	Williams, W. E.
Davenport	Hughes	Raker	Wilson, Fla.
Davis, Tex.	Hull, Tenn.	Rauch	Wilson, La.
Decker	Humphreys, Miss.	Rayburn	Wingo
Dent	James	Reilly	Wise
Dickinson	Johnson, Ky.	Rouse	Young, Tex.
Dies	Jones	Rubey	
Dill	Key, Ohio	Rucker, Ga.	

NAYS—190.

Adair	Cooper, W. Va.	Eagan	Gillett
Anderson	Cooper, Wis.	Edmonds	Glynn
Anthony	Copley	Ellsworth	Good
Benedict	Crago	Elston	Gould
Bennet	Cramton	Emerson	Green, Iowa
Bowers	Crosser	Esch	Greene, Mass.
Britt	Curry	Fairchild	Greene, Vt.
Britten	Dale, Vt.	Farley	Griffin
Browne	Danforth	Farr	Guernsey
Buchanan, Ill.	Darrow	Fess	Hadley
Campbell	Davis, Minn.	Focht	Hamilton, Mich.
Cannon	Dempsey	Fordney	Hamilton, N. Y.
Carlin	Denison	Foss	Hart
Cary	Dillon	Frear	Haskell
Charles	Dowell	Fuller	Haugen
Chiperfield	Driscoll	Gallagher	Hawley
Coleman	Dunn	Gardner	Hayes
Cooper, Ohio	Dyer	Garland	Heaton

Helgesen	McArthur	Parker, N. Y.	Sterling
Hollingsworth	McCracken	Peters	Stiness
Hopwood	McCulloch	Phelan	Stone
Howell	McDermott	Platt	Sulloway
Huddleston	McFadden	Powers	Sutherland
Hulbert	McKenzie	Pratt	Sweet
Hull, Iowa	McKinley	Ramseyer	Switzer
Igoe	McLaughlin	Randall	Tague
Johnson, S. Dak.	Madden	Reavis	Tavenner
Johnson, Wash.	Magee	Ricketts	Temple
Kahn	Mann	Riordan	Tilson
Keating	Mapes	Roberts, Nev.	Timberlake
Keister	Martin	Rodenberg	Tinkham
Kelley	Meeker	Rogers	Towner
Kennedy, Iowa	Miller, Del.	Rowe	Treadway
Kent	Miller, Minn.	Russell, Ohio	Van Dyke
Kiess, Pa.	Miller, Pa.	Sanford	Volstead
King	Mondell	Schall	Walsh
Kinkaid	Moore, Pa.	Scott, Mich.	Ward
Lafean	Moores, Ind.	Sells	Wason
La Follette	Morgan, Okla.	Siegel	Watson, Pa.
Langley	Morin	Sinnott	Wheeler
Lehlbach	Mott	Slemp	Williams, T. S.
Lenroot	Mudd	Sloan	Williams, Ohio
Liebel	Nelson	Smith, Idaho	Wilson, Ill.
Lindbergh	Nichols, Mich.	Smith, Mich.	Winslow
London	North	Smith, Minn.	Woods, Iowa
Longworth	Norton	Snell	Woodyard
Loud	Oakey	Snyder	Young, N. Dak.
McAndrews	Paige, Mass.	Stafford	

ANSWERED "PRESENT"—1.

Austin

NOT VOTING—69.

Bacharach	Dewalt	Humphrey, Wash.	Parker, N. J.
Barchfeld	Dooling	Husted	Porter
Beakes	Drukker	Hutchinson	Price
Beales	Edwards	Jacoway	Roberts, Mass.
Browning	Flood	Kearns	Rowland
Bruckner	Flynn	Kennedy, R. I.	Rucker, Mo.
Brumbaugh	Freeman	Kettner	Sabath
Burke	Gallivan	Kreider	Scott, Pa.
Butler	Graham	Lafean	Scully
Caldwell	Gray, N. J.	Linthicum	Sisson
Capstick	Griest	Loft	Steenerson
Carter, Mass.	Hamill	McClintic	Swift
Chandler, N. Y.	Helvering	Matthews	Talbott
Cline	Hensley	Mooney	Vare
Conry	Hernandez	Morgan, La.	Wood, Ind.
Costello	Hicks	Nolan	
Dale, N. Y.	Hill	Oglesby	
Dallinger	Hinds	Oliver	

So the conference report was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. BEAKES with Mr. BACHARACH.

Mr. BRUCKNER with Mr. WOOD of Indiana.

Mr. BRUMBAUGH with Mr. ROBERTS of Massachusetts.

Mr. CALDWELL with Mr. BROWNING.

Mr. CLINE with Mr. BUTLER.

Mr. CONRY with Mr. CAPSTICK.

Mr. DALE of New York with Mr. CARTER of Massachusetts.

Mr. DOOLING with Mr. COSTELLO.

Mr. FLOOD with Mr. DALLINGER.

Mr. GALLIVAN with Mr. DRUKKER.

Mr. HAMILL with Mr. FREEMAN.

Mr. HELVERING with Mr. GRAY of New Jersey.

Mr. KETTNER with Mr. GRIEST.

Mr. LOFT with Mr. HERNANDEZ.

Mr. MORGAN of Louisiana with Mr. HICKS.

Mr. OGLESBY with Mr. HUSTED.

Mr. PRICE with Mr. HUTCHINSON.

Mr. RUCKER of Missouri with Mr. STEENERSON.

Mr. SABATH with Mr. KREIDER.

Mr. SISSON with Mr. ROWLAND.

Mr. TALBOTT with Mr. KEARNS.

Mr. DEWALT with Mr. SWIFT.

Mr. EDWARDS with Mr. HUMPHREY of Washington.

Mr. HENSLEY with Mr. MOONEY.

Mr. OLIVER with Mr. AUSTIN.

Mr. LINTHICUM with Mr. PARKER of New Jersey.

Mr. SCULLY with Mr. VARE.

Mr. FLYNN with Mr. GRAHAM.

On the vote:

Mr. BURKE (for conference report) with Mr. HILL (against).

Mr. MOON (for conference report) with Mr. NOLAN (against).

Mr. JACOWAY (for conference report) with Mr. HINDS (against).

Mr. MCCLINTIC (for conference report) with Mr. KENNEDY of Rhode Island (against).

Mr. AUSTIN. Mr. Speaker, I ask permission to withdraw my vote in the negative and answer "present." I am paired with the gentleman from Alabama, Mr. OLIVER.

The name of Mr. AUSTIN was called, and he answered "Present."

Mr. FLOOD. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman in the Hall listening when his name was called?

Mr. FLOOD. No.

The SPEAKER. The gentleman does not bring himself within the rule.

The result of the vote was announced as above recorded.

Mr. LEVER. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendments and ask for a further conference.

The SPEAKER. The gentleman from South Carolina moves that the House further insist upon its disagreement to the Senate amendments and ask for a conference.

Mr. MANN. Mr. Speaker, I will not ask for recognition, though I would be entitled to it.

Mr. LEVER. I realize that.

Mr. MANN. But I hope the conferees, when named, will represent the House this time and not the Senate.

The question was taken, and the motion was agreed to.

The SPEAKER. The Clerk will report the conferees.

The Clerk read as follows:

Mr. LEVER, Mr. LEE, and Mr. HAUGEN.

LEAVE OF ABSENCE.

Mr. BURNETT. I desire to ask for unanimous consent for leave of absence for to-day, Monday, and Tuesday for my colleague, Mr. OLIVER, of Alabama, who is away on important official business.

The SPEAKER. The gentleman from Alabama asks leave of absence for his colleague [Mr. OLIVER] for to-day, Monday, and Tuesday on account of important official business. Is there objection? [After a pause.] The Chair hears none.

CIVIL GOVERNMENT FOR PORTO RICO—CONFERENCE REPORT.

Mr. JONES. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Virginia rise?

Mr. JONES. For the purpose of calling up the conference report on the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes, and to move the adoption of the conference report.

The SPEAKER. The Clerk will read the report.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman asks unanimous consent to have the statement read in lieu of the report. Is there objection? [After a pause.] The Chair hears none.

The statement was read.

The conference report and statement are as follows:

CONFERENCE REPORT (NO. 1546).

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, 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 13, 14, 15, 16, 19, 21, 25, 35, 36, 39, 42, 43, 81, 82, 90, 91, 92, and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 17, 18, 20, 22, 23, 24, 26, 27, 28, 29, 30, 31, 34, 37, 38, 41, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 69, 71, 73, 74, 77, 78, 79, 80, 83, 84, 85, 86, 87, 88, 89, and 93, and agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: "That all money derived from any tax levied or assessed for a special purpose shall be treated as a special fund in the Treasury and paid out for such purpose only except upon the approval of the President of the United States"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: ", subject to disapproval by the governor if he desires to act"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: ", and he shall perform such other duties, not inconsistent with this

act, as may be prescribed by law"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: "governor, which appeal shall specifically set forth the particular action of the auditor to which exception is taken, with the reason and authorities relied on for reversing such decision. The decision of the governor in such case shall be final, subject to such right of action as may be otherwise provided by law"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: ", and no Senator or Representative shall, during the time for which he shall have been elected, be appointed to any civil office under the government of Porto Rico, nor be appointed to any office created by act of the legislature during the time for which he shall have been elected until two years after his term of office shall have expired"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: "That the first regular session of the Legislature of Porto Rico, provided for by this act, shall convene on the twenty-eighth day after the first election provided for herein, and regular sessions of the legislature shall be held biennially thereafter, convening on the second Monday in February of the year 1919, and on the second Monday in February of each second year thereafter"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following:

"Each house shall keep a journal of its proceedings, and may, in its discretion, from time to time publish the same, and the yeas and nays on any question shall, on the demand of one-fifth of the members present, be entered on the journal.

"The sessions of each house and of the committees of the whole shall be open.

"Neither house shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two houses shall be sitting.

"No law shall be passed except by bill, and no bill shall be so altered or amended on its passage through either house as to change its original purpose.

"No act of the legislature except the general appropriation bills for the expenses of the government shall take effect until 90 days after its passage, unless in case of emergency (which shall be expressed in the preamble or body of the act) the legislature shall by a vote of two-thirds of all the members elected to each house otherwise direct. No bill, except the general appropriation bill for the expenses of the government only, introduced in either house of the legislature after the first 40 days of the session, shall become a law.

"No bill shall be considered or become a law unless referred to a committee, returned therefrom, and printed for the use of the members: *Provided*, That either house may by a majority vote discharge a committee from the consideration of a measure and bring it before the body for consideration.

"No bill, except general appropriation bills, shall be passed containing more than one subject, which shall be clearly expressed in its title; but if any subject shall be embraced in any act which shall not be expressed in the title, such act shall be void only as to so much thereof as shall not be so expressed.

"No law shall be revived or amended, or the provisions thereof extended or conferred by reference to its title only, but so much thereof as is revived, amended, extended, or conferred shall be reenacted and published at length.

"The presiding officer of each house shall, in the presence of the house over which he presides, sign all bills and joint resolutions passed by the legislature, after their titles shall have been publicly read immediately before signing; and the fact of signing shall be entered on the journal.

"The legislature shall prescribe by law the number, duties, and compensation of the officers and employees of each house; and no payment shall be made for services to the legislature from the treasury, or be in any way authorized to any person, except to an acting officer or employee elected or appointed in pursuance of law.

"No bill shall be passed giving any extra compensation to any public officer, servant or employee, agent or contractor, after services shall have been rendered or contract made.

"Except as otherwise provided in this act, no law shall extend the term of any public officer, or increase or diminish his salary or emoluments after his election or appointment, nor permit any officer or employee to draw compensation for more than one office or position.

"All bills for raising revenue shall originate in the house of representatives, but the senate may propose or concur with amendments, as in case of other bills.

"The general appropriation bill shall embrace nothing but appropriations for the ordinary expenses of the executive, legislative, and judicial departments, interest on the public debt, and for public schools. All other appropriations shall be made by separate bills, each embracing but one subject.

"Every order, resolution, or vote to which the concurrence of both houses may be necessary, except on the question of adjournment, or relating solely to the transaction of business of the two houses, shall be presented to the governor, and before it shall take effect be approved by him, or, being disapproved, shall be repassed by two-thirds of both houses, according to the rules and limitations prescribed in case of a bill.

"Any person who shall, directly or indirectly, offer, give, or promise any money or thing of value, testimonial, privilege, or personal advantage to any executive or judicial officer or member of the legislature to influence him in the performance of any of his public or official duties, shall be deemed guilty of bribery, and be punished by a fine not exceeding $5,000, or imprisonment not exceeding five years, or both.

"The offense of corrupt solicitation of members of the legislature, or of public officers of Porto Rico, or of any municipal division thereof, and any occupation or practice of solicitation of such members or officers to influence their official action, shall be defined by law, and shall be punished by fine and imprisonment.

"In case the available revenues of Porto Rico for any fiscal year, including available surplus in the insular treasury, are insufficient to meet all the appropriations made by the legislature for such year, such appropriations shall be paid in the following order, unless otherwise directed by the governor:

"First class. The ordinary expenses of the legislative, executive, and judicial departments of the State government, and interest on any public debt, shall first be paid in full.

"Second class. Appropriations for all institutions, such as the penitentiary, insane asylum, industrial school, and the like, where the inmates are confined involuntarily, shall next be paid in full.

"Third class. Appropriations for education and educational and charitable institutions shall next be paid in full.

"Fourth class. Appropriations for any other officer or officers, bureaus or boards, shall next be paid in full.

"Fifth class. Appropriations for all other purposes shall next be paid.

"That in case there are not sufficient revenues for any fiscal year, including available surplus in the insular treasury, to meet in full the appropriations of said year for all of the said classes of appropriations, then said revenues shall be applied to the classes in the order above named, and if, after the payment of the prior classes in full, there are not sufficient revenues for any fiscal year to pay in full the appropriations for that year for the next class, then, in that event, whatever there may be to apply on account of appropriations for said class shall be distributed among said appropriations pro rata according as the amount of each appropriation of that class shall bear to the total amount of all of said appropriations for that class for said fiscal year.

"No appropriation shall be made, nor any expenditure authorized by the legislature, whereby the expenditure of the government of Porto Rico during any fiscal year shall exceed the total revenue then provided for by law and applicable for such appropriation or expenditure, including any available surplus in the treasury, unless the legislature making such appropriation shall provide for levying a sufficient tax to pay such appropriation or expenditure within such fiscal year."

And the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following:

"That the qualified electors of Porto Rico shall at the next general election choose a Resident Commissioner to the United States, whose term of office shall begin on the date of the

issuance of his certificate of election and shall continue until the 4th of March, 1921. At each subsequent election, beginning with the year 1920, the qualified electors of Porto Rico shall choose a Resident Commissioner to the United States, whose term of office shall be four years from the 4th of March following such general election."

And the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following: ", but the legislature may consolidate departments, or abolish any department, with the consent of the President of the United States"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate, insert the following:

"That nothing in this act contained shall be so construed as to abrogate or in any manner impair or effect the provision contained in section 3 of the joint resolution approved May 1, 1900, with respect to the buying, selling, or holding of real estate. That the governor of Porto Rico shall cause to have made and submitted to Congress at the session beginning the first Monday in December, 1917, a report of all the real estate used for the purposes of agriculture and held either directly or indirectly by corporations, partnerships, or individuals in holdings in excess of 500 acres."

And the Senate agree to the same.

Amendment numbered 76: That the House recede from its disagreement to the amendment of the Senate numbered 76, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate, strike out all of section 40 in the engrossed bill; and the Senate agree to the same.

That the enrolling clerk shall renumber the sections of the bill in accordance with this conference report.

W. A. JONES,
FINIS J. GARRETT,
H. M. TOWNER,
Managers on the part of the House.

JOHN F. SHAFROTH,
JNO. W. KERN,
MILES POINDEXTER,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House on the dsagreeing 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, state the House has receded from its disagreement to the amendments of the Senate Nos. 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 17, 18, 20, 22, 23, 24, 26, 27, 28, 29, 30, 31, 34, 37, 38, 41, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 56, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 69, 71, 73, 74, 77, 78, 79, 80, 83, 84, 85, 86, 87, 88, 89, and 93, and agrees to the same.

That the Senate has receded from its amendments Nos. 13, 14, 15, 16, 19, 21, 25, 35, 36, 39, 42, 43, 81, 82, 90, 91, 92, and 94.

The House recedes from its disagreement to the Senate amendments Nos. 9, 32, 33, 40, 55, 57, 68, 70, 72, 75, and 76, and agrees to the same with certain amendments.

Many of the Senate amendments agreed to by the managers on the part of the House relate to the bill of rights contained in the bill, whilst a number of others merely change the language of the sections to which they relate, without changing their substance. Others relate to matters of detail, and are not very material.

Senate amendment No. 6, beginning on line 24, page 4, of the bill, and ending on line 17, page 5, known as the Gronna amendment, agreed to by the House conferees, declares that one year after the approval of this act it shall be unlawful to import, manufacture, sell, or give away any intoxicating drink or drug in Porto Rico, and prescribes the penalty for a violation of this provision. It further provides, however, that if within five years after the approval of this act the qualified voters of the island shall vote to repeal this provision it shall thereafter not be in force and effect.

Senate amendment No. 13, on page 8 of this bill, gives those persons who do not desire to become citizens of the United States one year in which to make declaration to that effect.

Senate amendment No. 26, page 15, strikes out the House provisions which permits heads of departments appointed by the governor to be selected from the elected members of the senate and house of representatives.

Senate amendment No. 37, page 18, reduces the salary of the auditor as fixed in the bill at $6,500 to $5,000.

Senate amendment No. 48, page 24, strikes out the provision of the bill which requires that members of the house of representatives shall own taxable property.

Senate amendment No. 69, page 39, declares that at the first election held pursuant to this act the qualified voters shall be those having the qualifications of voters under the present law, and that thereafter voters shall be citizens of the United States 21 years of age or over and have such additional qualifications as may be prescribed by the Legislature of Porto Rico. It also provides that no property qualification shall be imposed upon or required of any voter. The effect of this amendment is to eliminate the educational and property qualifications contained in the suffrage provision of the bill and to inhibit the Legislature of Porto Rico from ever enacting a property qualification for voting.

Senate amendment No. 75, page 44, is agreed to with an amendment. It provides that nothing in this act shall be construed as abrogating or in any way changing section 3 of a joint resolution approved May 1, 1900, with respect to real estate holdings, and directs the governor of Porto Rico to have made and submitted to the next regular session of Congress a report of all the real estate used for the purpose of agriculture and held either directly or indirectly by corporations, partnerships, or individuals. The managers on the part of the House, believing that the report required in this amendment would entail a large amount of work and considerable cost upon the government of Porto Rico, and that every reasonable purpose and object to be attained can be accomplished by limiting the report to holdings in excess of 500 acres [since subsequent to the enactment of the joint resolution of Congress referred to no corporation engaged in agriculture could secure a charter which did not restrict it to the ownership and control of not to exceed 500 acres of land], have insisted upon such a limitation. The Senate conferees have agreed to this limitation. There are now some 55,000 holdings of agricultural lands in Porto Rico, the vast majority of which are of small acreage.

Section 40 of the bill as amended in the Senate is wholly omitted. The immigration measure recently enacted by Congress accomplishes the purpose sought to be attained in this section.

The amendments which have been more particularly referred to constitute the more important changes which have been made in the bill.

W. A. JONES,
H. M. TOWNER,
Managers on the part of the House.

Mr. GARRETT. Mr. Speaker, at the time of the completion of this statement I was absent, engaged in work on another committee of the House, and consequently my name does not appear signed to the statement. I was one of the managers on the part of the House; the statement is accurate, and if I had been present I would have signed it.

Mr. JONES. Mr. Speaker, unless some gentleman wishes to discuss the conference report——

Mr. MANN. Mr. Speaker, I think the gentleman from Virginia or somebody briefly should explain what the action of the conferees is.

Mr. JONES. I shall be very glad to do so.

Mr. MANN. We do not want any long debate.

The SPEAKER. The gentleman from Virginia is recognized for one hour.

Mr. JONES. Mr. Speaker, the report upon this bill is a complete one. The managers on the part of the Senate and the House are in full agreement as to every amendment made to the bill in the Senate. The Senate amended the bill in nearly 100 particulars, but only two of all these amendments are of very great importance. The first, known as the Gronna amendment, declares that one year after the approval of this act it shall be unlawful to import, manufacture, sell, or give away any intoxicating drink or drug in Porto Rico.

Mr. STAFFORD. Will the gentleman yield? Is this a bone-dry amendment?

Mr. JONES. In a moment—with the proviso that at any general election within five years after the approval of this act the voters of Porto Rico may, upon petition of not less than 10 per cent of them, determine whether this provision shall remain in force and effect. Now, I yield to the gentleman.

Mr. STAFFORD. The gentleman has virtually answered the question I wished to inquire about. I was inquiring whether it was a bone-dry proposition, and the gentleman has stated it is except providing a referendum for the voters of Porto Rico.

Mr. JONES. That is the situation exactly. That is the Senate amendment, and the House conferees have accepted it in its entirety. The next most important amendment put on the bill by the Senate and accepted by the House conferees is that which relates to suffrage. The bill as it passed the House provided that voters should either be able to read and write or be bona fide taxpayers. In other words, that citizens of Porto Rico must possess either an educational or a property qualification in order to exercise the right of suffrage. The Senate has stricken out both the alternative educational and property qualifications, and in order to insure against the imposition of any property qualification in the future has declared in its amendment that the Legislature of Porto Rico shall never impose one. Another amendment of some importance is that which removes the property qualification which in the bill as it passed the House attaches to members of the house of representatives. That provision is stricken from the bill by the Senate amendment. There are other amendments of more or less importance, but for the most part the others are immaterial. The House accepted, I think, 66 of the Senate amendments, but, in the main, as I have indicated, they are of very little moment, many being merely matters of form or language, and do not change the substance of the bill. A number of provisions have been added to the Bill of Rights of the House bill which appear in some of the more modern constitutions of the States of our Union. The Senate thought fit to hedge the Porto Rican Legislature around with a number of such provisions, some of which the managers on the part of the House have accepted, whilst disagreeing to others. I think I have mentioned all of the Senate amendments which have been agreed to, but if I have overlooked any which any Member may deem of importance and concerning which he desires an explanation I shall be glad to give it so far as I may be able to do so.

Mr. GARRETT. Mr. Speaker, I desire to suggest to my colleague that while he is on the floor he explain the necessity for the joint or concurrent resolution which it will be essential to pass immediately following this.

Mr. JONES. I will say to the House that if this report is adopted I shall ask unanimous consent for the passage of a joint resolution. It seems a mistake has been made.

Mr. MANN. The bill has not been enrolled yet.

Mr. JONES. The mistake is that of some clerk of the Senate.

Mr. MANN. It is the enrolling clerk, but not in the enrollment of the bill.

Mr. JONES. That is true. I did not mean to convey any other idea. I merely wished to say that a Senate clerk had made this mistake. The bill as it passed the House required that both senators and representatives should possess a property qualification. As it came back to the House the property qualification as to representatives had been stricken out, whilst that as to senators had been left undisturbed. It was represented to the House managers by those of the Senate that the Senate had also stricken out the property qualification as to senators, but the record showed differently; and, of course, we were bound by the record. An examination of the proceedings of the Senate shows that the contention of the Senate conferees was correct, and that a clerk of the Senate had made a mistake. This concurrent resolution is to correct that error.

Mr. MILLER of Minnesota. To which provision does the gentleman refer?

Mr. JONES. It is the property qualification as to senators. The House bill provided that senators should own $1,000 in property. Now, that was stricken out in the Senate, but as the bill came back to the House it was still in it.

Mr. MANN. There was no Senate amendment that came to the House.

Mr. JONES. No Senate amendment came to the House.

Mr. MANN. So that officially there is no Senate amendment.

Mr. JONES. Officially there is none.

Mr. MILLER of Minnesota. Is it the intention now to bring in a joint resolution that will eliminate from the bill the property qualification for senators.

Mr. JONES. For senators. That is the purpose.

Mr. MANN. Let us see what the situation is, so that I may get it clear. We passed the bill with the property provision as to senators in one place and as to members of the house in another place?

Mr. JONES. Yes.

Mr. MANN. And the bill comes back to us with the Senate amendment. It has stricken out the property qualification as to members of the house but has not stricken out the property qualification as to members of the senate?

Mr. JONES. Whereas it was done——

Mr. MANN. And the conferees have agreed to the provisions striking out the property qualification as to the members of the house?

Mr. JONES. Yes.

Mr. MANN. And that will be agreed to if adopted?

Mr. JONES. Yes.

Mr. MANN. And the conferees think the same provision ought to exist as to senators?

Mr. JONES. Yes.

Mr. MANN. It does not require a joint resolution. The gentleman should have a concurrent resolution——

Mr. JONES. I should have said a concurrent resolution, if I did not.

Mr. MANN (continuing). Directing the enrolling clerk of the House in enrolling the bill to leave that language out.

Mr. JONES. I have the resolution here, and it is a concurrent resolution. I should not have said joint resolution.

Mr. MANN. It is a request to the enrolling clerk, because he knows how it stands and knows where it belongs.

Mr. JONES. The resolution was prepared by Senate officials and sent to me.

Mr. MANN. I will say to the gentleman, never take trust in a Senate amendment to a House bill. It is best to send it here to Mr. Hempstead and let him examine it. If he has charge of it, it will be all right.

Mr. JONES. It has been examined by that official of the House, and it is satisfactory to the conferees of the Senate as well as those of the House. I had intended to make this explanation following the adoption of the report, but, at the suggestion of the gentleman from Tennessee [Mr. GARRETT], I now make it.

I shall now be glad to answer any questions which gentlemen may desire to ask, either in regard to Senate amendments or to provisions of the measure itself.

Mr. LONDON. Has there been any expression of opinion on the part of the people of Porto Rico in regard to the prohibition provision?

Mr. JONES. Not that I know of. I can only say to the gentleman that the Committee on Insular Affairs from time to time has received petitions that have been sent here from Porto Rico asking that some provision relating to prohibition be placed in the bill.

Mr. LONDON. Providing for prohibition?

Mr. JONES. Yes; providing for prohibition.

Mr. SLAYDEN. How many such petitions?

Mr. JONES. Oh, I could not say. It has been some time since any have come, but quite a number came from Sunday schools, ministers of the gospel, and from various organizations in Porto Rico. I can not now recall the number or from whom they all came.

Mr. SLAYDEN. What I mean to ask is whether they were sufficient in number to impress you with the idea that they reflected the sentiment of the island?

Mr. JONES. They were not so numerous as to impress the Committee on Insular Affairs with the propriety of putting such a provision in the bill. This amendment was put on in the Senate and is known as the Gronna amendment. It is not the amendment originally introduced in the Senate, but is a compromise measure, so far as the Senate is concerned. As I understand the matter, the friends of prohibition in the Senate accepted the referendum in order to overcome objection in that body to imposing prohibition upon the people of Porto Rico. It is expressly provided that prohibition is not to go into effect in any event for one year after the approval of the bill, and in the meantime the voters of Porto Rico are permitted to say at the next general election, which will be held in July of this year, whether or not it shall ever go into effect.

Mr. MILLER of Minnesota. Mr. Speaker, I would like to have 10 minutes when the gentleman is through.

Mr. JONES. Certainly.

Mr. HELM. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. GARD). Does the gentleman from Virginia yield to the gentleman from Kentucky?

Mr. JONES. I do.

Mr. HELM. I understand the provisions of this make American citizens out of the people of Porto Rico. Under the existing immigration law it would be illegal to import labor from Porto Rico under contract into the United States; under existing law they not being citizens now of the United States?

Mr. JONES. I am not prepared to say that such is the case. We have recently passed, as the gentleman knows, an immigration law which very much changes the old law, and I have not been able to familiarize myself with its many features.

Mr. HELM. The point I have in mind is not in the immigration law. I may be mistaken, but it is my opinion that under existing law foreign labor can not be brought into the United States under contract.

Mr. JONES. That is true.

Mr. HELM. Now, in view of the fact that there is a pressing demand for labor of all kinds in the United States, and after the passage of this bill which confers citizenship of the United States on the Porto Ricans, the people of Porto Rico, they could be brought into the United States under a labor contract?

Mr. JONES. That is unquestionably true, I think; and I am not prepared to say it is not now true. The people of the Philippine Islands have never been made citizens of the United States, and yet I do not believe there has ever been any question raised as to the right to bring Filipinos into this country under contract to labor.

Mr. HELM. One further question: After the passage of this law would it be possible and legal for consuls now needed in Latin-American territory to be selected from the citizenship of the island of Porto Rico and become citizens of the United States?

Mr. JONES. I think so; unquestionably.

Now I will yield, if no gentleman wishes to ask me any further questions, 10 minutes to the gentleman from Minnesota [Mr. MILLER].

The SPEAKER pro tempore. The gentleman from Minnesota is recognized for 10 minutes.

Mr. MILLER of Minnesota. Mr. Speaker, I do not wish to pose in the attitude of a severe critic of this conference report. I expect the report is going to be adopted by the House for two reasons—first, not enough information respecting things that are to be changed is abroad, and the second reason is that the session is about to end, and there ought to be legislation in behalf of Porto Rico. Therefore gentlemen will no doubt feel it their duty to close the matter up once for all.

This bill passed the Senate only a few days ago. It was sent to conference shortly after that. I do not know just how long it was in conference, but I think I am accurate in saying it was not more than two days. Then it was reported to the House late last night, and to-day it is brought up here, and we are asked to adopt it.

That is the easiest way on earth for mistakes to occur. Some mistakes are being made in this bill here and now, mistakes that would not be made if the bill were carefully considered and thoroughly digested before it was brought up for a vote. I am very sorry that the exigencies of legislation did not permit this bill to go to the Committee on Insular Affairs at once, in order that it might be thrashed out for several days.

One important question is the question of the franchise in Porto Rico. The committee struck out all the qualifications that the House committee saw fit to impose on the right to vote in Porto Rico. The House conferees accepted the Senate provision. In other words, manhood suffrage is permitted under this bill. It was not permitted under the bill as it passed the House. Why? Because all the people in Porto Rico in responsible positions do not want it.

Now, I see a smile on the face of the gentleman from New York [Mr. LONDON]. I am not surprised that he smiles; but I want to say that that smile finds no echo amongst the people who stand for something in Porto Rico; and I want to say to him that that smile will stand for revolution and outrage in Porto Rico before the story is completed and told. There are in the island of Porto Rico a limited number of responsible individuals. There are a great many who are irresponsible. They are ignorant; they have no property; they have no ideals; they are a mob. They can be trained and made good and efficient citizens; but when you put in their hands the instrumentality of voting without first giving them a chance to learn the duties of citizenship you are preparing for trouble, revolution, and bad government in the island of Porto Rico. You are blundering in the face of experience. You are repeating the great error our fathers committed when they gave the newly emancipated slaves in this country immediately the right to vote.

Now, I believe the negro ought to have the right to vote in the United States, and I have so voted all the time; but we committed a crime against him and against government when we gave him the right to vote before we gave him training in the way he should exercise it. Those so-called reconstruction days are the darkest in America's history. Infinitely better for the negro, infinitely better for the country if we had extended to him the right to vote only as fast as he became proficient in its exercise. By this bill you are placing the ballot in the hands of men in Porto Rico infinitely less qualified to exercise the responsibilities of suffrage than were the negroes of South Carolina, Georgia, Florida, Mississippi, Texas, if you please, in 1866 and 1867.

Mr. JONES. Mr. Speaker, will the gentleman permit me to ask him a question?

Mr. MILLER of Minnesota. Oh, the gentleman can have more time of his own.

Mr. JONES. Just a question.

Mr. MILLER of Minnesota. Very well.

Mr. JONES. Is it not true—of course the gentleman knows it is—that they have manhood suffrage there now? This is not changing the situation.

Mr. MILLER of Minnesota. Ah, but the gentleman well knows that manhood suffrage is restricted there, with a property qualification, and that restriction keeps it pure. Now, I am not a strong advocate of a property qualification anywhere, but something must be done to restrict the franchise in Porto Rico, if you are going to have voting there pure and decent and intelligent.

Mr. JONES. The gentleman does not mean to say there is a property qualification there now?

Mr. MILLER of Minnesota. I mean to say that the gentleman's statement that there is universal suffrage there now is not correct.

Mr. JONES. But there is. The gentleman is mistaken.

Mr. MILLER of Minnesota. I am not mistaken.

Mr. JONES. Oh, but the gentleman is mistaken.

Mr. MILLER of Minnesota. The testimony is entirely the other way.

Mr. CAMPBELL. I would like to ask the gentleman from Minnesota what his information is upon that question. My understanding is that they have male suffrage in Porto Rico.

Mr. MILLER of Minnesota. I do not know what the gentleman's understanding is founded upon; but I do know this, that they do not all vote there, and have not done it. They have technically the right to vote in Georgia, but they do not vote. They have the right to vote in Virginia, but they do not vote; and the records all disclose that only a limited number in Porto Rico vote to-day.

Mr. FESS. Will the gentleman yield?

Mr. MILLER of Minnesota. Certainly.

Mr. FESS. This limitation that was placed on suffrage by the House committee was placed there upon the recommendation and information presented by a person from Porto Rico who understood the situation.

Mr. MILLER of Minnesota. The gentleman's statement is absolutely correct, and that is the reason I am stating what I now state. I have never been in Porto Rico. I have never looked the people over. My advice is entirely that of the late Resident Commissioner from Porto Rico, who certainly was interested in his country and his people. My advice is that of all the representatives who have appeared from that island before the committees of this House, interested in their country and in this legislation. So I say before you do that it should be given the most careful consideration and scrutiny. While I expect the conference report will be adopted, for the reasons I have given, I do not think that ought ever to be written into the law.

Now this same vice extends further. The House placed a property qualification upon the senators and representatives in this insular legislature. In order that a man might become a member of the House of Representatives in Porto Rico, under the bill that we passed in the House he had to own some property. He had at least to have a pair of pants, or a cow, or a horse, or a dog, or a garden, or something. Under this conference report he does not need to own anything but a little hair on his back and a purpose in his heart, whatever it may be. He can sit in the house of representatives and decide the fate of the insular government there.

We required that a member of the senate should have property of a certain amount. Under this bill anybody who can get the mob to yell for him can sit in the chambers of the mighty, vote taxes and spend them with a profligate hand, a proceeding of which we are not without some knowledge in this country.

Then I want to direct the attention of the House to one further point. I think those features running through the bill are extremely injurious. They are directly, diametrically opposed to the express desire of every man who has come to this Government from Porto Rico, contrary to the rocommendations of the Porto Rican Resident Commissioner when he was alive and performing his duty, contrary to the recommendations of the committees that have come from there during the

past two or three years appearing before the committees of Congress in respect to this legislation which you are now about to enact.

I notice that the Senate placed in the bill a long series of new things associated around the bill of rights. I am glad to see that the House conferees were able to get some of them squeezed out. I have no doubt they did their level best. I feel like congratulating them for the success that they have attained, but I only wish they had stood a little firmer, that they had stood pat a little longer, because there are two or three things that still remain in the bill that ought not to be there. For instance, let me read to you this, which is included in the bill as it is going to stand:

No law shall be passed except by bill, and no bill shall be so altered or amended on its passage through either house as to change its original purpose.

What is a court going to say was the original purpose of a bill? What is the use of amending it if you do not change its purpose somewhat? Is it the fundamental purpose, or is it some purpose associated with the details of it? What is a court going to say? That provision will produce litigation, and may defeat some meritorious legislation.

Now, let me direct your attention to one more provision:

No act of the legislature except the general appropriation bills for the expenses of the government shall take effect until 90 days after its passage, unless in case of emergency (which shall be expressed in the preamble or body of the act) the legislature shall by a vote of two-thirds of all the members elected to each house otherwise direct. No bill, except the general appropriation bill for the expenses of the government only, introduced in either house of the legislature after the first 40 days of the session, shall become a law.

I have no objection to the last part; but what reason is there, I ask, why it should take a two-thirds vote of both branches of the legislature to make an act effective earlier than 90 days after its passage?

The SPEAKER pro tempore. The time allotted to the gentleman from Minnesota has expired.

Mr. MILLER of Minnesota. May I have five minutes more?

Mr. JONES. I yield to the gentleman five minutes.

Mr. MILLER of Minnesota. Then let me invite your attention to one further paragraph that I think is somewhat serious:

The presiding officer of each house shall, in the presence of the house over which he presides, sign all bills and joint resolutions passed by the legislature, after their titles shall have been publicly read, immediately before signing; and the fact of signing shall be entered on the journal.

Mr. GARRETT. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Minnesota. Yes.

Mr. GARRETT. I will suggest to the gentleman that that is the practice even here.

Mr. MILLER of Minnesota. I understand that, in a way; but the practice in the Congress of the United States is hardly to be followed in many of these State legislatures.

Mr. GARRETT. If the gentleman will permit, does he not think possibly that in view of all the circumstances it is much more important that that be done in Porto Rico than it would be that it be done here?

Mr. MILLER of Minnesota. Well, I do not know. It may be; but let me ask how about bills——

Mr. GARRETT. There is this difference in the practice as applied there under this rule: The title must be read before the presiding officer signs it.

Mr. MILLER of Minnesota. Yes.

Mr. GARRETT. Here, of course, the presiding officer signs in the presence of the House and then lays the bill before the House. There is that difference, and that is all.

Mr. MILLER of Minnesota. You only allow them 90 days, and here is a formality required in the closing days of the session.

Mr. GARRETT. It is a safeguard, in view of all the circumstances.

Mr. MILLER of Minnesota. I know it is somewhat in the nature of a safeguard, but I question whether it is a wise one. It is a safeguard we ought to have carefully considered before we acknowledge it should be a part of the law.

Let me again ask the membership of the House to note the further step and the last step they have taken in the matter of the franchise. Amendment 69, on page 39 of the bill, says—this is the proviso:

That no property qualification shall ever be imposed or required of any voter.

I say that is going altogether too far. You have taken away from the people of the island of Porto Rico by the power you undoubtedly have the right of a law-abiding, public-spirited, patriotic people of that island to protect themselves against the mob—and I use the term advisedly by reason of the peculiar characteristics of the people of that place—the right to say that property qualification or some qualification attached to the right to vote is necessary to safeguard the interest and safety of the people in the island.

Mr. JONES. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 29 minutes.

Mr. JONES. I yield 10 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Speaker, of course, it would be utterly impossible to frame a constitution for the government of a people that would meet the entire approval of any individual. However, let me say this to the House, that fortunately while this is a fundamental constitution of government, it is not so difficult of change as are constitutions of a nation or a state, for the reason that if it shall be found that we as a Congress in giving them this fundamental system of government have made any mistake in regard to any of its provisions, we can change it very quickly by a mere act of Congress. If experience shows that any provision contained in the act is not wise, we can thus easily remedy the difficulty.

I want to call attention of the membership of the House to this fact. It is exceedingly important that this legislation should be passed, and passed now. It is the result of four or more years of consideration in an effort to give these people what they are entitled to, a system of government of some kind. All these years, since they became a possession of the United States, they have been under a provisional government. They have never had given to them what they are entitled to, and what we are now about to give them, a finished system of government under the Constitution of the United States.

Let me speak briefly of two or three main considerations that have been regarded as very important questions. These people, a million and a quarter, living in that island for all these years, have been in the anomalous position of not being citizens of any country in the world. We made them citizens of Porto Rico, and Porto Rico is not a country. It is and has been all these years merely a dependency, so that we gave them only a name. We have been exercising sovereignty over them. We have allowed them to use some of the attributes of citizenship, but we did not give them citizenship. This bill makes the people of Porto Rico citizens of the United States.

I think it may be difficult to understand what that will mean to this people. They can have a place now among the citizenship of the world. Previous to that time they have had none. They were aliens in their own land; going to another country they could not claim the protection of this country, because they were not citizens of the United States. We are conferring on them what they ought to have had years ago and what they earnestly desire—the privilege of being American citizens and being placed under the protection of our flag.

There has been criticism because we have given them a too elaborate system of government. In that criticism I join. I think that perhaps we ought not to have given them such a complicated system of government. But we had to do this as best we could. We have given them regulations and restrictions as to the operations of their government that have been considered to be valuable by many of the States of the Union. We have given them privileges such as I believe are needed by almost all the citizens of the United States. There ought not to be any serious complaints, and if it should be found that in any respect with regard to any of these provisions we have made a mistake, it will be very easy for us to correct such mistake.

Criticism has been made on the qualifications for voters. Gentlemen should remember that the present qualification for voters in the island of Porto Rico is that which we enjoy generally in the United States—universal manhood suffrage. Spain in order to recognize the loyalty of Porto Rico to her a few years before the revolution occurred in Cuba, which not only took Cuba out from under the yoke of Spain but also Porto Rico and placed her within the jurisdiction of the United States—Spain had conferred universal suffrage on the male population 21 years of age. When we took possession of the islands and started the military government the military government gave to the people universal male suffrage without educational or property qualifications. When we established our temporary form of government, in order to give them a form of government that they have been exercising down to the present time, we still retained what they had possessed both in the Spanish régime and under the military occupancy, we gave them universal manhood suffrage without qualification. The question has been a vital and interesting one for consideration during the years we have had this proposition under discussion—the question of what qualification for suffrage ought to be given to the people of the island. I believe that perhaps it will be better for them at least to have an educational qualification. I think that many of the best people of the islands believe that, and they will have the right to establish such requisite if they so

desire; but in this bill we give them universal manhood suffrage such as they have had for perhaps 20 years or more until they change it. We are not taking anything away from them, but we do give them the right to make an educational or other qualification for suffrage if they so desire. We have taken away from them the right of making a property qualification, and that is the only restriction that is laid upon the legislature in fixing qualifications for suffrage. It occurs to me that under the circumstances and with the conflicting views that have arisen between the Houses and individuals we have been exceedingly fortunate in being able to reach such a conclusion. Personally I am very well satisfied that this provision is as it is now. I think we have reached a happy solution of that question and also of the question with regard to prohibition. So far as we safely can, we give to the people of the islands local self-government in their own interest, with only such restrictions as we considered vital for the protection of their own liberty and welfare.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. FESS. I am interested in knowing from what angle this compromise was reached, in view of the fact that the House inserted a property qualification and the Senate went to the other extreme and forever forbade it.

Mr. TOWNER. I prefer to tell the gentleman that in private and not to make it public. [Laughter.] I can only say that we were not able to get all that we desired; we did the best we could under the circumstances.

Mr. JONES. Mr. Speaker, I yield three minutes to the gentleman from Texas [Mr. DAVIS].

Mr. DAVIS of Texas. Mr. Speaker, I feel an interest now as I have felt an interest in the formation of this bill through all of our committee work. We are dealing with the people who fell into our hands under the destiny of a war that was called divine, and I just want to refer to the very defective and miserable memory of the gentleman from Minnesota [Mr. MILLER] when he says that there was nobody before the committee asking for universal male suffrage. I remember one. He could not speak very good English, but if I remember his name he was Mr. Aglacious—something. He was very careful, and told us repeatedly that he stood for the rice workers and that he stood for certain organizations of mechanics; that he represented, in other words, the district labor organizations in the country, and he said in his broken English, "It will be mighty hard for my people to understand the glories of the great Republic that took them away from Spain if you treat them in point of suffrage worse than the Kingdom of Spain treated them." And I remember, my friends, very distinctly, that he pleaded in his broken English for the proposition that is now in the bill. Our committee did not adopt it; I myself did not fight heroically, although I said, and say now, that I felt it would be a reproach to the glory and the grandeur of our country to take a helpless people, hold them at arm's length and for over 10 years not even make them citizens for ourselves and for themselves, and treat them in point of suffrage more intolerantly than Gen. Weyler, the Spanish despot, did; and so I am very glad the matter has gone like it has.

Mr. MILLER of Minnesota. Will the gentleman yield?

Mr. DAVIS of Texas. Yes.

Mr. MILLER of Minnesota. Does the gentleman mean that these people have voted in their lives under Spain or outside of Spain?

Mr. DAVIS of Texas. They had universal suffrage over six months the year before our people went there——

Mr. MILLER of Minnesota. And never elected a man who took office.

Mr. DAVIS of Texas. The military government extended it, but they had the right; but whether they exercised it or not is another question. I am talking about the right. The gentleman seems to have a very defective memory on this side, but a very capricious memory on the other side. I am not going to make this speech any further. I am one of those who believe the people in a country in which God has given them birth and existence have a prior right, and when you reach out your strong arm over 2,000 miles away and put your paw on them, you ought at least to see that they get fair treatment. I felt that way.

Mr. MILLER of Minnesota. Just one other question; the gentleman has been very kind——

Mr. DAVIS of Texas. Yes.

Mr. MILLER of Minnesota. Do all the colored people in Texas exercise this God-given right?

Mr. DAVIS of Texas. Every man in Texas has the same right to vote I have.

Mr. MILLER of Minnesota. But do they vote?

Mr. DAVIS of Texas. Black and white, thank God, if they want to. I have got to pay $1.50 poll tax before I vote, and that goes into the school fund and helps educate the negro children; $48 where they pay one.

Mr. MILLER of Minnesota. Does not the gentleman think some such property qualification would be proper for Porto Rico or——

Mr. DAVIS of Texas. We are acting for ourselves down there in Texas, and these people are not acting for themselves. When they treat themselves that way I have no objection, not a bit of it. [Applause.]

Mr. JONES. Mr. Speaker, I yield one minute to the gentleman from Rhode Island [Mr. O'SHAUNESSY].

Mr. O'SHAUNESSY. Mr. Speaker and gentlemen of the House, I want to congratulate the people of Porto Rico upon the government that is going to be conferred upon it through the generous disposition of the American Congress. I respectfully commend the action of this Congress to the Legislature of Rhode Island. In Rhode Island we have a property qualification, and in this twentieth century the contrast may be very well made. The Porto Ricans shall vote unrestricted, the Rhode Islanders shall be bound by property qualifications. [Applause.]

Mr. JONES. I yield to the gentleman from Missouri [Mr. BOOHER].

Mr. BOOHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a telegram signed by seven of the banks of St. Joseph, Mo., asking that a joint resolution making the Reed prohibition bill operative after July 1, 1918, be passed.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The telegram is as follows:

ST. JOSEPH, MO., *February 23, 1917.*

Hon. CHARLES F. BOOHER,
House of Representatives, Washington, D. C.:

We would request you to assist in securing joint resolution making Reed bill operative beginning July 1, 1918. We believe this would be fair to the great number of men engaged in the liquor business to give them an opportunity to liquidate their business.

GERMAN AMERICAN NATIONAL BANK.
BANK OF BUCHANAN COUNTY.
AMERICAN EXCHANGE BANK.
BURNS NATIONAL.
FIRST NATIONAL BANK.
MISSOURI VALLEY TRUST CO.
EMPIRE TRUST CO.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield me one minute?

Mr. JONES. How much time have I?

The SPEAKER. The gentleman has 10 minutes remaining.

Mr. JONES. I yield three minutes to the gentleman.

Mr. COOPER of Wisconsin. I will take two. Mr. Speaker, I am very glad indeed that this bill is to grant citizenship—I understand that it does—to the people of Porto Rico. I ask the chairman of the Committee on Insular Affairs if I am correct in that?

Mr. JONES. Certainly.

Mr. COOPER of Wisconsin. I am glad for more than one reason. The people of Porto Rico set an example generations ago which we ought to have followed. There was slavery in Porto Rico, but the people were so filled with the spirit of liberty that they voluntarily taxed themselves, paid for the slaves, and emancipated them. We had to go to war before our slaves could be made free. A people that so recognized the rights of man as voluntarily to tax themselves to destroy human slavery are worthy to be made citizens of this Republic. We are never to give up Porto Rico for, now that we have completed the Panama Canal, the retention of the island becomes very important to the safety of the canal, and in that way to the safety of the Nation itself. It helps to make the Gulf of Mexico an American lake. I again express my pleasure that this bill grants these people citizenship. Some years ago, as the chairman of the Committee on Insular Affairs, I twice reported from that committee to the House bills to grant United States citizenship to the inhabitants of Porto Rico. [Applause.]

Mr. JONES. Mr. Speaker, I merely wish to say, in conclusion, that I sympathize in large measure with what the gentleman from Minnesota [Mr. MILLER] has said in regard to this suffrage provision.

I agree with much that he has said upon this subject. He knows, of course, that when the bill passed the House it contained both an educational and a property qualification. The gentleman knows too perfectly well what my position was upon this subject; but the sentiment of the Senate, if I am correctly informed, was strongly against either a property or an educational qualification. And if I remember aright, there was not a single dissenting vote in the Senate against the proposition to

strike both of these qualifications from the bill. In these circumstances the conferees of the Senate felt obliged to insist upon the Senate proposition, and, in my judgment, this bill could not have been passed by this Congress if the House conferees had held out for either a property or an educational qualification; certainly not if they had insisted upon retaining the property qualification.

Mr. SNYDER. Will the gentleman submit to a question?

Mr. JONES. I will.

Mr. SNYDER. Will not the gentleman agree with me that, notwithstanding the qualification that our good friend from Rhode Island [Mr. O'SHAUNESSY] mentions as to his State, that occasionally a good man comes from Rhode Island?

Mr. JONES. Yes. I give my unqualified assent to that statement, and I wish to add that, notwithstanding that neither educational nor property qualifications have found any place in the suffrage laws of Porto Rico during the past two decades, the voters of that island have selected as their representative at Washington in the person of the late lamented Luis Muñoz Rivera one of the ablest statesmen it has been my good fortune to meet during my somewhat long service in the Congress of the United States. [Applause.]

Now, Mr. Speaker, I move the previous question on the adoption of the report.

The SPEAKER. The gentleman moves the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

Mr. JONES. Mr. Speaker, I desire to ask for the immediate consideration of the concurrent resolution which I now send to the Clerk's desk, the necessity for the passage of which I have already explained.

The SPEAKER. The gentleman will send it up to the Clerk.

Mr. JONES. It merely corrects an error in the bill.

The SPEAKER. The gentleman asks for the present consideration of the concurrent resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 78, authorizing and directing the Clerk of the House of Representatives to correct the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes.

The SPEAKER. Is there objection?

Mr. MANN. Let us have the resolution read.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That in the reenrollment of the bill (H. R. 9533) to provide a civil government for Porto Rico, and for other purposes, the Clerk of the House of Representatives be, and he is hereby, authorized and directed 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," as the same appears on page 21, lines 22 and 24 in the engrossed bill of the House of Representatives.

The SPEAKER. Is there objection to the consideration of the resolution? [After a pause.] The Chair hears none.

The question is on agreeing to the resolution.

The concurrent resolution was agreed to.

SUNDRY CIVIL APPROPRIATIONS.

Mr. FITZGERALD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 20967) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1918, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the sundry civil appropriation bill, with Mr. GARNER in the chair.

Mr. FITZGERALD. Mr. Chairman, I wish to announce that I hope to have the House sit to-night until about 11 o'clock. The Members can make their arrangements accordingly.

The CHAIRMAN. The Clerk will report the bill by title.

The bill was read by title.

Mr. BORLAND. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Missouri [Mr. BORLAND] offers an amendment, which the Clerk will report. The Chair understands the gentleman withdraws the amendment which was pending when the committee rose last night, and offers this amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 55, by adding at the end of line 3 the following: "For all expenses necessary to carry out the order of the President of the United States to investigate within the scope of his powers and to report the facts relating to any alleged violations of the antitrust acts by any corporation in the production, ownership, manufacture, storage, and distribution of foodstuffs and the products or by-products arising from or in connection with their preparation and manufacture, $400,000."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on the amendment.

Mr. BORLAND. I might say to the gentleman that this language has been agreed upon by the chairman of the committee and the gentleman who offers the amendment.

Mr. STAFFORD. The amendment as proposed varies decidedly from the proposition that was submitted by the gentleman yesterday night and the proposal that was submitted to the full Committee on Appropriations.

Mr. BORLAND. Mr. Chairman, the gentleman will find, however, that it follows literally the wording of the law and the order of the President under the law. Now, it has been agreed, I will say to the gentleman, with the chairman of the committee that in all respects in which the language ought to be amended to include experts, the compensation for traveling expenses, and so forth, we can later agree to make the proper changes if the House approves the purpose. We will agree later what is the proper wording of the amendment if the House authorizes the purpose expressed in the amendment.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MOORE of Pennsylvania. Is this amendment offered in lieu of the one that the gentleman offered last night?

Mr. BORLAND. Yes; this is offered in lieu of the one that I offered last night.

Mr. MOORE of Pennsylvania. The other was ruled out on a point of order?

Mr. BORLAND. Yes.

Mr. MOORE of Pennsylvania. This does not propose to create a commission as the other one did?

Mr. BORLAND. No. Neither created a new commission.

Mr. MOORE of Pennsylvania. This is to provide for carrying out the order of the President to the Federal Trade Commission?

Mr. BORLAND. Yes.

Mr. MOORE of Pennsylvania. The one introduced last night provided for the creation of a commission, did it not?

Mr. BORLAND. It was the same proposition, but that was in the language submitted by the Treasury Department.

Mr. MOORE of Pennsylvania. This is probably one of the most important questions that this House will have to deal with. You propose in this amendment now to have the President himself take up this question of the investigation of the food supplies?

Mr. BORLAND. Oh, no; the gentleman did not catch the reading of the amendment. I will give the gentleman a copy. It carries out the order made by the President to the Federal Trade Commission.

Mr. MOORE of Pennsylvania. Then it puts the jurisdiction in the Federal Trade Commission?

Mr. BORLAND. Yes.

Mr. MOORE of Pennsylvania. Or in the jurisdiction of the Attorney General of the United States?

Mr. BORLAND. In the jurisdiction of the Federal Trade Commission.

Mr. MOORE of Pennsylvania. Why not put the matter directly in the hands of the Attorney General of the United States, with enough money to enable him to go forward and make his investigations and prosecutions if necessary?

Mr. BORLAND. Well, the gentleman well knows that the President has ordered this investigation at the hands of the Federal Trade Commission, and that the Federal Trade Commission act provides in its terms for such a reference as that. It provides that the President of the United States or either House of Congress may order investigations of this character. The President, in pursuance of that act, has done so, and we were confronted with an estimate of appropriations submitted through the regular channels to cover the expenses of that investigation so ordered by the President. We have nothing before us except that.

Mr. MOORE of Pennsylvania. The gentleman from Missouri has endeavored several times to obtain authority for an investigation of the Beef Trust in the United States, and he has not succeeded up to the present time. Has the gentleman any doubt in his mind as to the power of the Attorney General to proceed under existing law and prosecute the Beef Trust or any other trust that is cornering food supplies?

Mr. BORLAND. Well, is the gentleman asking me a parliamentary question?

Mr. MOORE of Pennsylvania. I am asking the gentleman as a lawyer. The gentleman is a lawyer. Is it not true that the

President or the Attorney General now has the power under existing law to proceed against the Beef Trust or any other trust or combination that is cornering food supplies?

Mr. BORLAND. The Attorney General has unquestioned power to begin isolated prosecutions in any district court in the United States against any alleged combinations. But that will not accomplish the purpose that the gentleman and I have been working upon, namely, to secure a uniform and complete and universal economic investigation.

Mr. MOORE of Pennsylvania. That is all right. I would like to have that, but what we should do now is to meet the present-day demands of the people, who want a reduction in the present prices of food supplies. If the gentleman's amendment passes, it means the reference of this whole matter to the Federal Trade Commission for a lengthy investigation and a report perhaps two years hence. What we want in the great cities is an immediate investigation and immediate relief, if it can be obtained. I contend, and the gentleman from Missouri sustains the contention, that the Attorney General has the power now to make whatever prosecutions may be necessary.

Mr. BORLAND. The gentleman knows I have been working at it.

Mr. MOORE of Pennsylvania. I know the gentleman has been, and the gentleman has not succeeded in getting at the bottom of this thing. People are knocking now at the doors of the mayor's office in New York City asking relief from lack of food.

Mr. BORLAND. Mr. Chairman, I must decline to debate this thing now with the gentleman.

Mr. MOORE of Pennsylvania. Very well; we will debate it later.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. Yes.

Mr. MONDELL. I thought we could enlighten the gentleman in a moment by informing him that the Attorney General has just conducted an investigation and has reported that at the present time he can find no violations of the antitrust laws.

Mr. FITZGERALD. Mr. Chairman, I ask that the question of order be settled first before this debate proceeds further.

Mr. STAFFORD. Mr. Chairman, as it was my privilege to accommodate the gentleman from New York and others, I withdraw the reservation of the point of order.

The CHAIRMAN. Does the gentleman from Wisconsin reserve the point of order?

Mr. STAFFORD. Mr. Chairman, in the confusion I stated that I withdrew the reservation.

The CHAIRMAN. The time of the gentleman from Missouri has expired. The gentleman from New York [Mr. FITZGERALD] is recognized.

Mr. BORLAND. Mr. Chairman, I thought I would suggest to the gentleman from New York that we ought to agree upon a time for debate. Several gentlemen want to be heard.

Mr. FITZGERALD. I think the gentleman had better start.

Mr. BORLAND. Several gentlemen would like to be heard. Can we not fix a time for debate?

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. BORLAND. Mr. Chairman——

Mr. MANN. The gentleman can only proceed by unanimous consent.

The CHAIRMAN. Does the gentleman from Missouri ask unanimous consent to address the committee? That is the only way he can get the floor now, as the Chair understands. The gentleman has five minutes.

Mr. BORLAND. No; I have had no time. There was a reservation of a point of order.

Mr. MANN. I have no objection to the gentleman speaking.

The CHAIRMAN. The gentleman from Missouri is recognized for five minutes.

Mr. BORLAND. Mr. Chairman, I would like to ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. BORLAND. Mr. Chairman, this is an appropriation to meet the expenses of an investigation into the food products situation in pursuance of an order to the Federal Trade Commission by the President dated February 7, 1917. That order is contained in House Document No. 2061, and I would like to ask all the Members here that can to send out to the document room and get copies of that document.

You are aware of the fact that the Federal Trade Commission was created, among other things, not to conduct the kind of investigation which would be involved in an isolated criminal case, the success or failure of which would have no effect except in an indirect way upon the economic situation, nor to conduct an investigation which involves simply the collection of statistics without the possibility of acting upon them, but to conduct an investigation such as I have been demanding here—an analytical and economic investigation of the causes of the control over the prices of food products.

Mr. FARR. Will the gentleman yield?

Mr. BORLAND. No; I am sorry to say, I can not.

Mr. FARR. I would like to ask the gentleman a question for information.

Mr. BORLAND. I can not yield. We have been working for a year upon a proposition which originated with the live-stock producers and farmers and agricultural associations of this country. They were a unit on the proposition that they wanted an investigation into the production, marketing, and distribution of meat products. The American Live Stock Association, the Missouri Cattle, Swine, and Sheep Feeders' Association, the Corn Belt Meat Producers' Association, the Panhandle Association, the Kansas Live Stock Association, and every agricultural association that met, as well as the National Grange, have gone on record for exactly the same thing, and so has the National Dairy Association.

I regard it as a disgrace that such a thing as a shortage of food or extortionate or impossible prices for food to the consumer should occur in a country such as this. [Applause.] Endowed as we are with such magnificent possibilities for the production of human food, there should never be a shortage in this country. It shows a disgraceful breakdown in our entire economic system. It shows that somewhere between the producer and the consumer of the food products, the hand of greed has stopped the natural channels of distribution. [Applause.] Now, the sole question is, gentlemen, do you want to turn on the light? I say to you that the powerful interests concerned in the meat packing and cold-storage business of this country, with the allied banks, have been fighting us here for 15 months before the committees of this House. [Applause.] We ought to have begun this investigation 9, 10, or 12 months ago; and yet we are confronted to-day with food riots in the metropolis of the richest and most productive country on the face of the globe. I say such a thing ought never to be allowed to occur again. We do not want the ordinary investigation that these gentlemen have asked; we do not want simply an investigation by the Bureau of Markets, which is the collection of statistics; because the Secretary of Agriculture himself comes before this Congress and says that his power stops with the voluntary collection of evidence. What we want is the inquisitorial powers with which we clothed the Federal Trade Commission to compel the production of books and papers, to examine into the connection between the stockyards, the cold storage and packing houses, the bankers, and the retail markets, and find out where is the cause of this shortage.

Mr. HAMILTON of Michigan. Will the gentleman yield?

Mr. BORLAND. I regret to say I can not do so.

Mr. HAMILTON of Michigan. The gentleman has just made a very interesting statement. I would like to make a little inquiry of him for information.

Mr. BORLAND. I would be very glad to yield to my friend from Michigan, but I can not do so now. This group of allied interests is centralized. It reaches not only the production of live cattle and the loaning of money for the feeding, marketing, and slaughtering of them, but it controls the cold storage of food, vegetables, poultry, butter, eggs, and a large amount of the perishable goods that enter into the food products of the country. Not only that, they control the cottonseed oil mills, the peanut oil mills, the soy-bean oil mills, and all the oil mills that produce vegetable oil entering into the food products of the country. Not only that, but they control the transportation and the retail distribution, for one packer before the Committee on the Judiciary testified that his firm alone had 400 branch distribution agencies in the United States.

Not only that. They are building packing houses in Montevideo, Uruguay, in the Argentine Republic, in Chile, in Australia, in New Zealand, in Canada, and in every beef-producing region of the world.

Not only so, but they have got the ships to carry the chilled beef here, there, and everywhere. And, crowning it all, they have got the great banks of New York and Chicago and are able to dictate the financial relations of all the men who come into business connections with them. Why, when their products were seized on the sea they did not need to appeal to diplomacy. No; they had a channel through which the beef that was seized upon the sea, carried in American ships, was paid for promptly by the belligerent nations. Did that ever dawn upon you? They are as powerful to-day as the arm of any first-class power

in diplomatic relations. Why, the belligerent nations could not borrow a dollar in this country unless they settled for that cargo of beef that they seized from the Beef Trust.

Mr. MANN. Will the gentleman yield?

Mr. BORLAND. I will yield to the leader of the minority; yes.

Mr. MANN. They did appeal to diplomacy, and could not get any pay, and they never got entirely paid for their cargo of beef, and got nothing for a long time, for many, many months.

Mr. BORLAND. They have gotten paid, which is more than almost anybody else has done.

Mr. MANN. They have never gotten paid the value of the beef taken by Great Britain.

Mr. BORLAND. The gentleman is pretty familiar with the facts——

Mr. MANN. I am.

Mr. BORLAND. But the newspaper reports indicated that they had been paid, and that they had paid on the basis of renewing the contracts for the supply of the armies abroad.

Mr. MANN. I am familiar with the facts, because I went to the State Department to help get relief for them.

Mr. PAGE of North Carolina. The gentleman from Missouri has stated a condition which amounts practically to a combination in restraint of trade. What has become of the Department of Justice and the law already on the statute books?

Mr. BORLAND. I regret that I can not answer for the Department of Justice, but I want to say this——

Mr. HAMILTON of Michigan. Will the gentleman answer a question?

Mr. BORLAND. I think I will have to yield now to my friend from Michigan.

Mr. HAMILTON of Michigan. It would seem that way. The gentleman stated a while ago that for 15 months the investigation of these nefarious performances had been prevented by these interests, if I caught his statement correctly.

Mr. BORLAND. Oh, delayed.

Mr. HAMILTON of Michigan. It is a very important thing, and I think all of us would like to have the gentleman elaborate a little. We would like to know how they have been able to prevent this investigation.

Mr. BORLAND. I would like to know myself in some particulars.

Mr. HAMILTON of Michigan. What influence have they exerted here in this House?

Mr. BORLAND. There is the ordinary delay, and there is the ordinary difference of opinion, even among men who are honestly backing the same thing, and I have no doubt——

Mr. HAMILTON of Michigan. Have they influenced committeees here?

Mr. BORLAND. No. I have no doubt that there will be an honest difference of opinion still among many of us who are seeking the same thing. And among differences of opinion as to what is the best thing to be done, artfully suggested by the interests affected, the guilty ones will escape.

Mr. HAMILTON of Michigan. Suppose there should be an honest difference of opinion, would you think it was through the influence of these people?

Mr. BORLAND. I can not yield to my friend further. Unfortunately there has been a long delay. We brought out a resolution from the Judiciary Committee to cover this thing in its entirety and to broaden its scope. A log jam occurred in Congress and there was some doubt about its getting through. While that occurred the press and the people called upon the President urging an investigation. He did not originate the order, but in response to the widespread demand, particularly among the producers and consumers, he finally, after consultation with his advisers, issued this order, under his authority, for the Federal Trade Commission to go ahead. It is in the literal terms that received the approval of the Judiciary Committee.

Now we are confronted with this situation: The President has the same right to initiate the investigation as has the Senate or the Congress. He did so through the proper channels and had estimates for the appropriation sent in. It is possible for us to veto the efforts of the President by refusing any appropriation. The Federal Trade Commission is operating under three resolutions, solely at the instance of the Senate. We gave them the money to do so because we thought that the Senate acted from proper motives. But the President sends one in, and for some reason or other the appropriation for it was refused.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MANN. Does the gentleman want any more time?

Mr. BORLAND. Not at present. I may want some at the conclusion of the debate.

Mr. MOORE of Pennsylvania. Will the gentleman yield before he takes his seat? I have read in a paper called the Traffic World a suggestion that certain American commerce can not be had with neutral ports unless the shipments are large enough to practicallly boycott the belligerent. Does the gentleman know whether there is any truth in that statement?

Mr. BORLAND. No; but I notice particularly the payment for a cargo of beef improperly condemned as a prize. I notice that it was done coincident with the new loan.

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent to proceed for 15 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for 15 minutes. Is there objection?

There was no objection.

Mr. FITZGERALD. Mr. Chairman, last October, during a debate upon the prices of foodstuffs, a member of the British Parliament made a memorable statement. "Nothing," he said, "had so angered the people of Great Britain during the last two years, as the enormous profits made on the supplies of food, except it had been the shameless excuses put up for them by the Government spokesmen."

That statement is fully applicable to the situation in this country and can be supplemented by saying with equal truth that the Congress has shown an absolute incapacity to deal with the most vital problem affecting the American people to-day. [Applause.] That there would be food riots in New York City was not unknown until a day or two ago. I predicted last November that such a situation would result. I said then that unless drastic steps were taken to relieve the conditions steadily growing more intolerable, that the suffering poor of the country, for the want of food and the inability to purchase it, because of excessive prices, were bound to resort to violence. The riots that have taken place are not the riots of the thriftless and the worthless; it is the outraged and indignant protest of the thrifty, the industrious, and frugal, who can not meet the demands for prices of food that now prevail.

Last November I suggested certain remedies. I did not believe that I was omniscient and could determine with absolute certainty what was advisable, but I desired to suggest something of a practical character to meet the then existing conditions and to avoid the present difficulties. The suggestions were not made at random, neither were they idle promptings of my own imagination. Many solutions had been proposed by persons whose comprehensive knowledge of conditions justified them in proposing remedies. From them I selected those which my experience and knowledge and judgment induced me to believe would be beneficial and would eliminate most of the causes for complaint.

With the New York statute as a model I prepared a bill to prohibit the shipment in interstate commerce of cold-storage foodstuffs unless the commodity or the original package was marked plainly with the date when the article of food or package had been placed in cold storage, and to prohibit the transportation in interstate commerce of such foodstuffs after they had been more than six months in such storage. The object was to prevent the withholding from the markets for purely speculative purposes of great quantities of foodstuffs, as had been done repeatedly.

To afford opportunities to bring expeditiously and cheaply the products of the farm to the city markets, I introduced a bill abolishing the zones of the Parcel Post System in so far as they affected farm products and manufactured food products, increasing the weight of such packages to 150 pounds and materially reducing the rate.

I also suggested two food-embargo measures, one an absolute embargo and the other giving to the President discretionary power to place an embargo on foodstuffs. These suggestions were met with ridicule and contempt from innumerable self-appointed guardians of the producers of the country. Ignorant of world conditions, they boldly proclaimed that no legislation could be enacted that would affect the profits of any class, even though such legislation was essential to prevent the great masses of the people from suffering starvation.

I was met with the further objection that to stop the exportation of foods necessary for our own people would probably be taken as an offense by some powerful nation now engaged in a deadly war. Mr. Chairman, I have never gotten over my indignation at the Congress of the United States for changing the Panama Canal tolls upon the plea that our previous action had been displeasing to a great power which incidentally happened to be our keenest commercial competitor. [Applause.] It was a shameful confession that we could not regulate the affairs of the American people unless our action happened to coincide

with what was for the best interests of Great Britain and her people.

And now we are told, when the people are starving, when industrious and thrifty men, and decent and frugal women, are crying for food for their hungry children, that we must not conserve our own foodstuffs for the starving children, lest we may offend a mighty power that dominates one group of the nations now engaged in conflict. We can not put an embargo on foodstuffs lest it may offend some power. But Great Britain, by her Orders in Council, can inhibit the importation into Great Britain of such of our commodities as she does not desire her people to have. Only yesterday she indicated the particular commodities, many of them products of the United States, that she would not permit to be imported into her domain.

The list includes agricultural machinery, boots and shoes of leather, raw fruits, except lemons and oranges, hides, leather, gloves, glass manufactures, linen and yarns and manufactures thereof, canned lobsters and salmon, manufactured silk and skins, cotton hosiery and cotton lace, furs, and many other articles. Such markets as Great Britain has heretofore furnished our manufacturers are closed, while our foodstuffs continue to flow there in an unceasing stream. Controlling the bulk of the cargo ships in the overseas trade, she dictates what will and what will not cross the ocean to her shores. She graciously permits us to send the food that our starving people need; and we dare not say that we shall retain it for ourselves. [Applause.] Is it possible, Mr. Speaker, that our great Nation has come to such a pass that the welfare of some other nation must be the dominant and controlling force that shall regulate our commerce, determine our interests, and limit our actions?

Mr. DIES. Mr. Chairman, I would like to ask the gentleman whether he has been advocating an embargo upon munitions from which his people have been reaping such rich rewards?

Mr. FITZGERALD. No, I have not; but information which has just come to me to-day from a reliable source may make me change my attitude upon that question. [Applause.]

My attitude in this matter has not been determined by the question of profits for any group or class, or by reason of any bias for, or prejudice against, any of the belligerent nations. I am interested in the vital, overwhelming question of conserving our food supplies for the American people. That is my chief, my sole purpose. So keen is my interest in this matter that I have stated that my position on the shipment of munitions may speedily change.

I have obtained information to-day from an absolutely reliable source that justifies the inquiry whether the food problem may not be seriously involved in the question of shipping munitions abroad. Prior to the war the American-Hawaiian Steamship Co. had a fleet of 26 ships operating from the port of New York to the west coast, touching at San Diego, Los Angeles, and San Francisco. The Luchenbachs, another Brooklyn concern, had a fleet of 15 ships operating from the port of New York to the west coast, as far north as Seattle. Do you gentlemen know why our railroads are so congested and unable to handle the great mass of freight that has been thrown upon them? One very important reason is that all of the cargo ships recently upon the Pacific coast under the American flag, including those fleets of the Luchenbachs and the American-Hawaiian Steamship Co., are no longer engaged in the coastwise trade furnishing a medium to transfer vast quantities of freight from coast to coast by way of the Panama Canal, but they have been diverted to the oversea trade. They are now engaged in transporting from the United States to the allies munitions or such other commodities as the British consuls general at the ports on our Atlantic coast permit them to carry, and a great mass of freight which formerly came from the West to the East through the Panama Canal has been thrown upon the carriers by rail. Their capacity was only sufficient for what they were transporting under normal conditions. Then there came the burden arising from the unusual conditions resulting from the war, and now there has been thrown upon them this enormous quantity of freight formerly carried by water. I understand the important reasons for not prohibiting the export of munitions. I have never advocated such restriction, but if it be necessary to prohibit the export of munitions of war to put food within the reach of the great suffering masses of this country, I am ready to advocate such action, and, if necessary, even to prohibit the exportation of all commodities and products of the United States. [Applause.] We should be for Americans first. We should not affront them with cheap suggestions. We should stop those preposterous officials who have met the complaint that people can not pay the price demanded for beef, with the statement that they should eat fish.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. DIES. Our export trade last year was between five and six billions of dollars. Does the gentleman think that the complete curtailment of that export trade of five or six billions of dollars might not have a deleterious effect upon our domestic affairs?

Mr. FITZGERALD. It probably would. I have not suggested, however, a complete embargo upon all exports, and I have proposed a limited embargo upon foodstuffs. In return for our commodities we are getting gold. In the Subtreasury and assay office in New York City there is more foreign gold than ever before in our history. Since January 1, 1914, we have received every month more foreign gold than in any one year prior to that time. But we can not eat the gold. It is valuable only to exchange for the things we need. Yet, with that gold heaping and piling up and enriching a certain select and favored group in the country, great masses of the people are suffering from starvation. Is there no remedy? What is our remedy? What is proposed as a solution now, when the people are rioting and struggling for food?

For two years the mayor of the city of New York has had a committee, known as the mayor's committee, investigating the food question. Last year the Legislature of the State of New York appointed what is known as the Wicks committee to investigate the dairy situation. The governor of the State of New York recently appointed what was known as the Perkins committee to ascertain the causes of the existing evils and to propose remedies. When I suggested last November that there should be an embargo on foodstuffs or that the President should be given power, if in his discretion a situation arose which necessitated it, to proclaim an embargo, there was country-wide approval of the proposal. The President immediately directed the Attorney General to conduct an investigation through the Department of Justice into the situation. The United States district attorney at Boston was put in control of the inquiry. Within a few weeks that investigation was concluded. A report has been made that there is no evidence that the laws have been violated. There will be no effective prosecutions that will serve to deter the food speculators and the manipulators of prices. When the people are compelled to struggle and to fight and become disorderly in their quest for food it is proposed that we spend $400,000 and take eight months in order to ascertain the trouble and why they are hungry! Can there be any greater indictment of the incapacity of a Government than that when the people are crying for food we should give them an investigation? When food is needed now—now—when the little children are crying to have hunger's pangs allayed—we announce that at the end of eight months we will be able to tell why the prices of food are so high! Mr. Chairman, it is a horrible indictment of our system of government if that be the best that we can do. I believe that the Government is not so powerless. The power exists. We have but to exercise it to bring relief. I am opposed to the pending amendment. Its adoption will be taken as an admission of our helplessness and used as an excuse to defer action upon some practical method of relief. No relief is possible from this amendment. It will not even be effective for the purposes announced by its sponsors.

The Federal Trade Commission submitted an estimate for $400,000 to make a most comprehensive investigation in eight months. I called attention to the fact that in a letter to the Judiciary Committee dated within a few weeks, they had stated that the investigation of the meat-packing industry alone was so difficult and complicated that it would take at least 18 months and cost $142,000. The commission insists that with $140,000 they intend to complete practically the same investigation in eight months. The work that they have outlined can not be done by any group of men in the civilized world within that time, and it can not be done for $400,000. I am opposed to any legislation at this time which will not afford relief, and which is designed—though not intended, but the result of which will be to mislead the people. I saw a statement by Mr. Davies of the Federal Trade Commission the other night that if this money were not voted great distress would result, that already there were food riots in New York and in other cities, and that the commission would insist upon this appropriation. Did he imagine, does anyone assert, that the adoption of this amendment, that the furnishing of this money to the Federal Trade Commission will create a different situation? If the Federal Trade Commission, or any of its members, believe that the mere authorization of an investigation will have any effect whatever upon present prices, that belief in itself demonstrates the incapacity of such men for the proposed task. It can not affect the present situation.

Mr. Chairman, there is an effective remedy. If we will not apply it for our people, mayhap an appeal on behalf of helpless

animals will be effective. The scarcity of foodstuffs for cattle in New England is so great that an appeal has been made within a week to certain New England Senators for help in the situation. The President of the Society for the Prevention of Cruelty to Animals in Massachusetts is engaged——

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HELVERING. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FITZGERALD. The President of the Society for the Prevention of Cruelty to Animals in Massachusetts is engaged in an effort to procure food for animals in distress from lack of food. Yet while the agitation was at its height, while appeals were being made to the Washington officials for relief, 385,000 bushels of oats were shipped from Boston to foreign countries, leaving but 86,000 bushels in elevators there for use in New England. The shortage in New England has not been confined to food for animals. Under date of November 25, 1916, the mayor of Boston informed me that an investigation by the Boston Health Department, then just completed, disclosed that the meat supply in that city was 50 per cent less than a year previously, and that the supply then on hand, representing the amount stored in 11 public warehouses was but ten and one half million pounds, every ounce of which was contracted for abroad and was merely awaiting shipment. The first announcement that Germany intended to prosecute her submarine warfare caused an immediate drop of $1 a barrel in flour.

Mr. HAMILTON of Michigan. May I ask the gentleman a question there? Is it his claim that oats are too scarce or too high; what is the difficulty? Is it claimed oats are too high or that there is a scarcity of oats in their relationship to cow feed; what is the difficulty?

Mr. FITZGERALD. The difficulty is, Mr. Chairman, in my opinion, that there is a world's shortage of foodstuffs. Such shortage, with our excessive exports, congested transportation, and some manipulation, produces the situation unparalled in this country. I have not the time to discuss the facts relative to the world's supply of foodstuffs. It is notorious that we require about 6 bushels of wheat per capita per year for food and for seeding purposes. We raised last year a little over 600,000,000 bushels; our population is about 100,000,000, and we have exported, my recollection is, in the neighborhood of 300,000,000 bushels. Under such conditions can we avoid a shortage? Last November for the first time in our history a shipload of wheat was landed at Galveston from the Argentine Republic. Next year, instead of a crop of 25,000,000 bushels of wheat, the Argentine will produce but 13,000,000 bushels. Other figures could be produced to show similar shortages the world over.

During a debate in the House of Commons last August considerable light was thrown upon the available supply of foodstuffs. Mr. Prettyman, speaking for the board of trade, stated that a soldier eats one-half as much again, whether at home or at the front, as he does in civil life. Calculating the untold millions of men in all countries engaged in this great war who are serving under their respective flags he asserted that the consumption of food among them is anything from half as much again up to twice as much as in normal civilian life. Considering that many of these untold millions consuming so much in excess of the normal supply had been withdrawn from production, two factors of tremendous importance added greatly to the difficulties of the food problem.

Every nation but our own is alive to the seriousness of the question. All of them are conserving their food for their own people. Germany, Austria-Hungary, Belgium, Bulgaria, Denmark, Spain, France and French possessions, Great Britain and Ireland, Greece, Italy, Malta, Norway, the Netherlands, Portugal, Roumania, Russia, Sweden, and Switzerland have all placed embargoes upon the export of foodstuffs. I shall place in the RECORD a comprehensive statement from the International Crop Report and Agricultural Statistics for December, 1916, showing how extensive these embargoes are.

It is not alone by embargoes that the food is being conserved. France has two meatless days, Great Britain one, Sweden two, Russia is said to have four. The quantity of food served in public places in France and Great Britain is regulated by the government. Yet we ignore this world condition, and shutting our eyes to the present and ignoring the possibilities of the immediate future, ship, or contract to ship, enormous quantities of needed foodstuffs to alien lands and for alien peoples.

Even if an embargo upon foodstuffs deprived the producers of some anticipated profits it would be justifiable at this time. It will not hurt the producers, however, it will not hurt the farmers, it will not affect the prices they get, but it will compel the speculator, it will compel the manipulator, it will compel that class of men who have been preying upon the public, who have been gathering together and monopolizing and controlling the foodstuffs of the country, to let them go upon the market in the interest of the masses.

Mr. HAMILTON of Michigan. If the gentleman will yield for another question. I am in sympathy with a good deal of what the gentleman says. Is it not possible, is it not probable, that a certain class of middlemen are preying upon the necessities of the people? I think it is true there is a large quantity, for instance, of oats in the West. The price of oats is only about $1.15 a bushel, or in that vicinity——

Mr. FITZGERALD. That is not a question.

Mr. HAMILTON of Michigan. But it bears on what the gentleman is saying. Oats are cheap, why should they not go to the New England cows?

Mr. LONGWORTH. Will the gentleman yield?

Mr. FITZGERALD. I will.

Mr. LONGWORTH. I am asking the gentleman merely for information. The gentleman intimates there is a necessity, as he suggests, of an embargo on food. Have we, as a matter of fact, been exporting most of those articles of food in which the increase of price has been the most startling lately? For instance, eggs, butter, potatoes, and things of that kind?

Mr. FITZGERALD. All of those commodities are related. The egg situation is due to the cold-storage conditions. The bill which I mentioned in the beginning of my remarks covers that problem, and men who are familiar with it say that such legislation would be effective. It requires all the eggs put in cold storage to be marked with the date when they enter cold storage and prohibits their transportation in interstate commerce more than six months after they have been put in cold storage. We are buying perfectly fresh eggs in the city of New York more than eight months old at about 70 cents a dozen, and we ought to stop it.

Mr. LONGWORTH. But are we, in fact, exporting them?

Mr. FITZGERALD. And we are exporting our other foodstuffs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HULBERT. Mr. Chairman, I ask unanimous consent that the time of the gentleman be extended for five minutes. The gentleman promised to yield to me for a question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York that the time of the gentleman from New York [Mr. FITZGERALD] be extended five minutes? [After a pause.] The Chair hears none.

Mr. HULBERT. Will the gentleman yield now?

Mr. FITZGERALD. Yes.

Mr. HULBERT. Upon the question of investigation by the Federal Trade Commission of the food situation my recollection is that the Federal Trade Commission began an investigation of the high cost of coal at the beginning of the winter. Can the gentleman tell me what has been done with regard to that, and whether or not such investigation as is proposed by the gentleman from Missouri would be interfered with by the noncompletion of the Coal Trust investigation?

Mr. FITZGERALD. Well, these investigations are not completed.

Mr. HOWARD. Will the gentleman yield for one question? Does not the gentleman think, then, the trouble is that the American monopolists of foodstuffs are predicating the prices that they are charging American people upon prices they are receiving in Europe? Is not that about what the trouble is?

Mr. FITZGERALD. If the foreign market is cut off, they will be forced to release those foodstuffs.

Mr. HOWARD. I agree with the gentleman about that.

Mr. FITZGERALD. I have here a letter from the Whatcom Fish Products Co., under date of December 11, 1916, in which they call attention to the fact that, although they need 150,000 cases, each containing four dozen empty cans, for next season to pack their salmon, they can not get them because all the can manufacturers or tinplate concerns are shipping their products to Europe. I have a number of letters here which I will put in the RECORD, sent to me by a wholesale grocer from Rochester, Minn. When I first announced my intention to introduce a bill to place an embargo on foodstuffs these letters were sent to me to prove that there would be a serious shortage if shipments to Europe were not stopped:

TEMPORARY EMBARGO ON NEW ORDERS FOR CAMPBELL'S SOUPS EFFECTIVE OCTOBER 26, 1916.

CAMDEN, N. J., *October 26, 1916.*

TO OUR CUSTOMERS:

Orders for Campbell's soups have recently become so heavy in number and volume that we are compelled to temporarily stop accepting new

orders so that we may for a necessary time give our entire attention to the orders in hand.

We believe that this plan will best serve all of our customers, for it will relieve the congestion in our shipping department and more quickly permit us to resume normal shipping service throughout the country.

Orders mailed on or before October 26 will be filled in their turn, but after that date we respectfully request that you withhold orders until you receive further notification from this office or from our sales representatives, which should be not later than November 20. During the interim we shall be unable to accept any orders whatsoever.

Yours, respectfully,

JOSEPH CAMPBELL CO.,
C. C. AUSTIN, *Sales Manager.*

—

ST. PAUL, MINN., *October 23 1916.*

REITER-STOLP CO.,
Rochester, Minn.

GENTLEMEN: Effective immediately, and until further advised, please be advised that our price on Carnation Milk, in all sizes, is herewith temporarily withdrawn.

Yours, very truly,

CARNATION MILK PRODUCTS CO.,
Per R. H. NETTERBERG.

—

THOMAS CANNING CO.,
Grand Rapids, Mich., November 7, 1916.

REITER-STOLP CO.,
Rochester, Minn.

GENTLEMEN: We acknowledge yours; thanks for your very kind letter of the 6th.

Although we are packing 120,000 cans of pork and beans, red kidney beans, soaked lima beans, and red beans per day, our entire output for November and December is sold. We will, however, in the near future enter the market again, naming prices for January, February, and March shipment, and will be most happy to quote you at that time.

Yours, very truly,

A. R. HURST, *Sales Manager.*

Mr. FITZGERALD: Are these men packing for exports only? We can not buy any of their products, although they can 120,000 cans per day.

ERNST H. REITER.

—

MINNEAPOLIS, MINN., *October 27, 1916.*

To WHOLESALE GROCERS.

GENTLEMEN: Our production is sold out for the next 60 or 90 days.

Owing to this fact we are withdrawing quotations on all goods in our line, effective immediately.

All orders from this date and orders in the mail will be subject to delay and to Van Camp official prices and terms prevailing at the time such orders are shipped.

Yours, truly,

VAN CAMP PRODUCE CO.,
DOLPH D. BEZOIER,
Division Sales Manager.

—

CHICAGO, *December 1, 1916.*

REITER-STOLP CO.,
Rochester, Minn.

GENTLEMEN: We have your letter of the 29th ultimo, wherein you request us to forward you 50 cases of sirup. We are very sorry we can not comply, but we have sold ourselves up for 90 days to come, and have withdrawn offers in all directions. The demand for corn sirup seems to be abnormal, and as a consequence we have not been able to take care of anywhere near the quantity of business which has been offered us.

Yours, very truly,

D. B. SCULLY SYRUP CO.
F. A. WHEELER.

—

HERSHEY, PA., *November 1, 1916.*

REITER-STOLP CO.,
Rochester, Minn.

GENTLEMEN: We are in receipt of your requisition of October 26 for one case of No. 105 and two cases 5-cent almond bars, which we respectfully decline, as we are so far oversold it will take our production to the first of the year, if not longer, to fill the contracts and standing orders we have on file. Perhaps you can pick up a few boxes from one of the other jobbers in Rochester or Twin Cities who may be fortunate in having stock or goods in transit and can be persuaded to accommodate you.

Very truly, yours,

HERSHEY CHOCOLATE CO.
(*Sales Department*).

I have not attempted to discuss comprehensively the statistics. We do not need an investigation to know them. Anyone who will read the available information can get all the facts that he needs. It is a notorious and undeniable fact that our people, at a time when the country is teeming with prosperity, are suffering from the want of food. If there be sufficient food in the country, they can not get it. We ought to propose some effective remedy. We ought to do something to bring relief. We ought not to tell them that the only thing we can do is to propose an investigation to continue over a period of eight months. I would sooner appropriate money from the public funds to buy food and give it to the poor than to indulge in any such preposterous performance. Moreover it is unnecessary. We have not reached the conditions prevailing in Rome, when it was necessary for the Government to distribute corn to the people in order to keep them quiet. If we be compelled to distribute food it will be necessary later to furnish amusement at the public expense, and it will mark, Mr. Chairman, the beginning of the decay of the American Republic. If we are so incompetent, if we are so incapable, if 100,000,000 people, with more wealth, more energy, more intelligence, and a greater variety of resources than have ever been marshaled together in a civilized nation, are unable to meet this situation, then we may as well confess that we can not meet the problems of the day. Such a government does not deserve to survive. It can not do so. A more efficient one should take its place. We can only justify our existence, we will only demonstrate our capacity, by enacting legislation of a practical character that will bring relief to the suffering masses of the people. [Applause.]

I insert the following memorandum relative to food embargoes in other countries:

RESTRICTIONS ON EXPORTS OF CEREALS, FLOUR, FODDER, ETC.

[From International Crop Report and Agricultural Statistics, December, 1916, pp. 859–866.]

GERMANY.

By imperial orders, dated July 31, 1914, the export of wheat, wheat flour, rye, barley, oats, maize, rice, and cotton since July 31, and of linseed since August 19, 1914, has been prohibited. Exceptions may be granted.

AUSTRIA-HUNGARY.

By ministerial order, dated August 1, 1914, the export of wheat, wheat flour (except fine wheat flour or flour, from wheat of type No. 1 or finer), rye, barley weighing less than 65 kilogram per hectoliter (fodder barley), oats, maize, rice, and raw cotton has been prohibited since the above date. By ministerial order, dated August 6, 1914, the export of all kinds of wheat flour (including those excepted in the order of August 1) has been prohibited since August 7. By ministerial order, dated September 11, 1914, the export of all kinds of barley (including that excepted in the order of August 1) has been prohibited since September 12. By ministerial order, dated October 2, 1914, the export of linseed has been prohibited since October 4.

BELGIUM.

By royal decree, dated August 2, 1914, the export of cereals and of all kinds of foodstuffs has been prohibited since August 3.

BULGARIA.

By governmental decree the export of maize was prohibited from January 19, 1915, but permitted for the 1914 crop from July 14, 1915, and again entirely prohibited on November 16, 1915.

The export of rye was prohibited from November 6, 1914, but permitted for the 1914 crop from August 30, 1915, then completely permitted until on October 20, 1915, it was again entirely prohibited.

The export of barley was prohibited from November 6, 1914, but permitted for the 1914 crop from August 3, 1915, for the 1914 crop, and again entirely prohibited from September 20, 1915, in respect to every description of barley.

By governmental decree of November 16, 1914, the export of wheat, rice, oats, and spelt was definitely prohibited.

DENMARK.

By law dated August 6, 1914, the export of cereals, flour, and fodder has been prohibited since that date. By ministerial order dated October 29, 1914, the export of cotton has been prohibited since the latter date. By ministerial order of December 11, 1914, the export of linseed has been prohibited from that date.

As regards goods in transit and transshipment goods, all such, if of a kind prohibited to be exported from Denmark, are covered by the prohibition unless they are on a through bill of lading to a port in a foreign (non-Danish) country. The prohibition is therefore applicable in cases where the goods are either shipped to a Danish port, "to order," or where the goods are redestined to another port than that originally mentioned in the bill of lading.

The ministry of justice grants licenses to export certain goods, as above, but such licenses are valid only for one month from date.

SPAIN.

By royal decree dated August 3, 1914, the export of wheat, rye, barley, maize, rice, and other cereals and all kinds of flour has been prohibited. By royal decree dated October 20, 1914, the export of rice to the amount of 30,000 tons has been authorized. By royal decree dated December 16, 1914, the prohibition on export was maintained only for wheat and wheat flour. A royal decree of December 19, 1914, fixed an export duty for barley, oats, and rice. In virtue of royal orders dated April 20, 1910, the export duties on barley and oats have been raised from 2 pesetas 50 centimos to 12 pesetas per quintal, as from April 25, 1916.

The export of maize and linseed was prohibited by royal decree of March 13, 1915, but barley may be exported without restrictions under a decree of May 20, 1915. The export of raw cotton has been prohibited since May 31, 1915, by a decree of that date.

By royal decree of January 2, 1916, the prohibition on the export of wheat and flour was removed and an export duty put on these products.

By royal order dated April 24, 1915, no merchandise of which the export is prohibited is allowed to be reexported abroad as transit or transshipment goods, if such merchandise has arrived in a Spanish port accompanied by bill of lading indicating an original destination in Spain, or if no definitive destination is indicated.

Therefore goods accompanied by documents "to order" or without a direct indication of consignment from the original port of shipment to a final destination abroad, and with bill of lading to "bearer" will be considered as having a Spanish destination.

By Royal order, dated November 25, 1916, the export of wheat, barley, oats, rice, and all kinds of flour is again prohibited.

FRANCE, FRENCH COLONIES, AND POSSESSIONS.

By presidential decree, dated July 31, 1914, the export of all kinds of farinaceous foodstuffs and fodder has been prohibited since the day when the decree was communicated to the prefects. By presidential decree, dated October 18, 1914, the export of cotton and cotton waste has been prohibited since October 19. Exceptions to these orders may, however, be granted.

By an order of August 22, 1915, raw cotton was declared contraband of war. The export of oleaginous fruits and seeds has been prohibited to all countries except the United Kingdom, British Dominions, colonies, and protectorates (including Egypt), the uninvaded territory of Belgium, Japan, Russia, and American countries.

The ministry of finance is empowered to grant permission for export of certain articles to the Netherlands, provided that they are consigned to the Netherlands Overseas Trust. Permission may also be granted for export to Switzerland in respect of a considerable number of articles, such as wheat, maize, oats, barley, rye, rice, flour, cotton, fodder, etc. Consignment must be made to the Société Suisse de Surveillance Economique.

GREAT BRITAIN AND IRELAND.

By Royal proclamation, dated August 5, 1914, the export of everything that may serve as food for men or for live stock has been prohibited. By proclamation, dated August 10, 1914, a detailed list of merchandise forbidden to be exported is given, including the following: Corn, grain, rice, all kinds of meal and flour. By Royal proclamation, dated August 20, 1914, the above specification has been replaced by the following: Wheat, wheat flour, barley, and oats. By order in council, dated August 28, 1914, the export of these products has been permitted if destined for British posessions. Exceptions to these orders may be granted.

As regards exports to the Netherlands permission may be granted if the consignment is made to the Netherlands Government, to a member of the diplomatic or consular services of Great Britain, the allies, or neutral countries, to the Netherlands Ovearseas Trust, or to a person specially named in the license as consignee.

By an order in council of May 20, 1915, the export of rice and rice flour has been prohibited for all foreign ports in Europe, on the Mediterranean and Black Seas, other than those of France, Russia (not including Baltic ports), Spain, and Portugal.

By notification, dated July 28, 1915, the export of wheat, wheat flour, oats, and maize has been prohibited to all destinations; the export of rye and rye flour, rice and rice flour, and raw cotton has been prohibited to all foreign countries in Europe and ports on the Mediterranean and Black Seas, other than France, Russia (except through Baltic ports), Italy, Spain, and Portugal. The same limitations have been established for the export of maize meal by order of August 12, 1915, which permitted the export of maize to the British possessions and protectorates. The export of linseed has been prohibited to all destinations other than British possessions and protectorates.

By proclamation of August 20, 1915, raw cotton was declared contraband of war, and it was officially notified in April, 1916, that foodstuffs, forage, and oleaginous seeds are also treated as contraband.

GREECE.

By royal and ministerial orders the export of cereals, flour, fodder of all kinds, rice, and cotton has been prohibited. Exceptions are allowed in special cases.

ITALY.

By royal decree dated August 1, 1914, the export of wheat, rye, barley, oats, maize, rice, and flour has been prohibited since that date. Exceptions may, however, be granted to this order. By royal decree dated August 6, 1914, the export of the above-mentioned products to Italian colonies has been permitted since August 8.

A decree of November 13, 1914, provided that merchandise the exportation of which is prohibited can not be reexported to foreign countries in process of transit or transhipment if it has arrived in an Italian port with bills of lading indicating Italy as the original destination, or if there is no clear indication of destination. For this purpose consignments provided with bills of lading to order not having inscribed in the body of the document the name of a non-Italian destination and those provided only with bills of lading to bearer will be considered as destined for consumption in Italy.

By decree of June 10, 1915, the export of all foodstuffs was prohibited.

By decree of September 2, 1915, raw cotton was declared contraband of war.

The decree of September 15, 1915, introduced an export tax for rice and other cereals in special cases where the export is permitted (by the decree of Aug. 1, 1914).

MALTA.

In virtue of notices issued by the Colonial Government and dated April 10 and 19 and May 15, 1916, the export of wheat, barley, oats, and their products, also maize, to all destinations other than the United Kingdom and British possessions and protectorates is prohibited.

The export of maize meal, of rice and rye with their products, to all foreign ports in Europe and the Mediterranean and Black Sea is prohibited, except with the permission of the collector of customs, and the export of linseed is also prohibited to all countries other than the United Kingdom, British possessions and protectorates, and France, Italy, and Russia (except through Baltic ports).

NORWAY.

By royal decree of August 2, 1914, the export of cereals and flour has been prohibited, and that of raw cotton since May 23, 1915.

As regards goods in transit, articles destined for a foreign (non-Norwegian) port may be reexported without special permission even if on the list of prohibited exports. The Norwegian Government reserves the right to grant permission to export any of the prohibited articles in exceptional cases.

NETHERLANDS.

The export of cereals and flour has been prohibited since August 3, 1914, of cotton since August 7, and of linseed since September 24, 1914. The decree of January 26, 1915, suspending provisionally the prohibition on the export of raw cotton has been annulled by a royal decree of June 2, 1915.

By order of the minister of agriculture, dated November 25, 1915, permits may be granted for the export of restricted amounts of linseed of Dutch origin.

The Government reserves the right to grant exceptions in certain cases from these prohibitions of export, and a law of March 11, 1916, enacts that a charge is to be made to cover the cost of issue of any licenses for this purpose.

Export licenses are only issued for definitely described quantities and for a period not exceeding one month. The maximum charge is 50 cents per quintal, or one-eighth per cent ad valorem.

PORTUGAL AND ADJACENT ISLANDS.

The export of cereals and foodstuffs of all descriptions, linseed, and raw cotton is prohibited, and the reexportation, transit, and transhipment of such articles is also prohibited when the consignments on arrival in Portugal or adjacent islands are unaccompanied by a clear indication of the final destination, duly provided at the port of departure.

ROUMANIA.

The export of wheat since October 3, 1914, of wheat flour since September 30, 1914, of oats since August 7, and of rice since August 1, 1914, has been prohibited. By a decree of March 15 the export of barley and rye has been prohibited.

By royal decree of July 30, 1915, the prohibition of the export of wheat, rye, barley, oats, maize, and linseed was removed, and an export duty levied at the rate of 6 francs per quintal on wheat, rye, and flour; 5 francs per quintal on barley, oats, and meal; 4 francs per quintal on maize; and 10 francs per quintal on linseed.

RUSSIA.

The export of cereals, flour, and linseed, except to allied countries, has been prohibited since August 8, 1914. Exceptions may be authorized for exports to neutral countries. By imperial ukase of March 10, 1915, the export of foodstuffs and of fodder has been prohibited except under special permit from the Government in each case. By a decree dated May 17, 1915, the export of maize is permitted if destined for allied countries.

An official announcement of November 7, 1916, prohibits the exportation of linseed even to the allied countries.

SWEDEN.

By royal decree, dated August 1, 1914, the export of cereals, milled and not milled, and of rice has been prohibited since August 2.

SWITZERLAND.

By decree of the federal council, dated July 31, 1914, the export of cereals, of flour, and of oats was prohibited under date of August 2, 1914, the prohibition of export was extended to all other foodstuffs and fodder.

By decree of the federal council, dated September 18, 1914, the export of raw cotton was prohibited. Exceptions may be granted.

The importation of cereals and their products including all descriptions of fodder, is reserved exclusively to the confederation. The reexport of such imported articles is absolutely prohibited by a Federal degree of 7th January, 1915.

BARBADOS (ALSO BRITISH GUIANA, GOLD COAST, AND MAURITIUS).

In virtue of various proclamations, the export of foodstuffs and fodder including wheat, wheat flour, maize, barley, oats, and oatmeal is prohibited to all destinations other than the United Kingdom, British possessions, and protectorates, while the export of raw cotton, maize meal, rice, and rye with their products is also prohibited to all destinations in Europe other than the United Kingdom, France, Italy, Russia (except through Baltic ports), Spain, and Portugal; and that of oleaginous seeds to all destinations except the United Kingdom, British possessions and protectorates, France, Italy, and Russia (except through Baltic ports). The export of flour from British Guiana is also prohibited by proclamation dated 31st January, 1916, while the consolidated proclamation of this Government is dated 12th May, 1916; those of the Barbados Government are of 28th March, 20th April, and 11th May, 1916; that issued on the Gold Coast is of 5th April, 1916; and proclamation of the Mauritius Government, now in force, are dated 18th December, 1915, 8th and 29th January, 10th February, 14th March, 13th and 14th April, 1916.

CANADA.

By Order in Council, dated 29th October, 1914, the export of foodstuffs and fodder destined to foreign ports in Europe, on the Mediterranean and on the Black Seas, other than those of France, Russia (not including Baltic ports), Spain, and Portugal has been prohibited. By a decree dated 27th April, 1915, the export of wheat, flour, barley, oats, maize, and linseed has been prohibited, except to destinations in Great Britain, British possessions and protectorates, France, Russia (except through Baltic ports), Japan, and the United States.

Export to the United States is permitted only on condition that the quantities exported are destined for consumption in the country itself, or that they are in transit with the authority of the Canadian Government.

By an order of 5th June, 1915, the export of the same products authorized to be exported to France, Russia, and Japan, has been permitted in the case of Italy.

The limitations on the export of cereals and linseed, contained in the decree of 27th April, 1915, were applied also to the export of raw cotton by an order of 12th August which came into force on the 16th of that month.

By the order dated 12th August, 1915, which came into force on 16th August, the export of rice, rice flour, rye, and rye flour has been prohibited to all ports in Europe, on the Mediterranean and Black Seas, other than those of France, Russia (except through Baltic ports), Belgium, Spain, Italy, and Portugal.

The export of wheat, wheat flour, barley, and rye to the Netherlands, Greece, Denmark, and Norway is subjected to regulations of the minister of customs, dated 20th September, 1915.

BRITISH GUIANA (SEE BARBADOS).

JAMAICA (ALSO TRINIDAD AND TOBAGO, CEYLON, NIGERIA).

In virtue of various proclamations the export of barley, maize, and oatmeal is prohibited to all destinations other than the United Kingdom, British possessions and protectorates, while the export of raw cotton, maize meal, rice, and rice flour is also prohibited to all destinations in Europe, other than the United Kingdom, France, Italy, Russia (except through Baltic ports), Spain, and Portugal, and the export of rye and rye flour is included among the last named prohibitions, except in the case of Nigeria.

The export of all oleaginous seeds is also prohibited to all destinations other than the United Kingdom, British possessions and protectorates, France, Italy, and Russia.

The restrictions in their present form are dated 10th and 18th February, 3d and 27th March, 19th April, and 14th May, 1916, in Ceylon; 2d June, 1916, in Jamaica, 20th April, 1916, in Nigeria; 16th March, 10th April, and 16th May, 1916, in the colony of Trinidad and Tobago.

NEWFOUNDLAND.

The export of wheat and oats is prohibited to all destinations; that of maize, linseed, barley, and oatmeal to all destinations other than the United Kingdom and British possessions and protectorates.

The export of raw cotton, maize meal, rice, and rye, with their products, to all foreign countries in Europe and on the Mediterranean and Black Seas, other than France, Russia (except through Baltic ports), Italy, Spain, and Portugal, is also prohibited.

The proclamations now in force are dated 6th September, 5th October, 9th and 23d November, and 14th December, 1916, 4th January, 12th February, 14th and 27th March, and 4th April, 1916.

TRINIDAD AND TOBAGO (SEE JAMAICA).

ARGENTINA.

By law dated 14th August, 1914, the export of wheat and wheat flour was prohibited until the new harvest. Exceptions were authorized. By a decision of the 24th December, 1914, the prohibition on exportation was removed.

CEYLON (SEE JAMAICA).

CYPRUS.

In virtue of proclamations dated 20th March, 3d April, and 12th May, 1916, the export of wheat and barley, with their products, is prohibited to all destinations, the exports of maize, oats, and oatmeal to all destinations other than the United Kingdom, British possessions and protectorates is also prohibited. The export of maize meal, rice, and rye, with their products, to all foreign countries in Europe and on the Mediterranean and Black Seas, other than France, Russia (except through Baltic ports), Italy, Spain, and Portugal, and that of linseed, with the further exception of Spain and Portugal, is prohibited.

BRITISH INDIA.

The export of wheat was prohibited from 1st April, 1915, till 31st March, 1916, except under authority of the Crown.

On the 30th April, 1916, the Government of India announced that the normal conditions of private export of wheat may for the present be restored, subject to a maximum restriction on the quantity which may be exported.

A consolidated list of the articles, the exportation of which from British India is either prohibited or restricted, is given in a statement dated June 20, 1916, which is issued by the India office.

The export of wheat and wheat flour remains under prohibition unless covered by a permit from the chief customs officer of the port of export.

The export of maize (original order dated Nov. 13, 1915) and of fodder is prohibited to all countries in Europe and on the Mediterranean and Black Seas other than the United Kingdom, Russia (except through Baltic ports), France, Italy, Spain, Portugal, and Belgium. The export of raw cotton is prohibited by order of May 8, 1915, to all countries in Europe and on the Mediterranean and Black Seas other than the United Kingdom, Russia (except through Baltic ports), France, Italy, Spain, and Portugal.

The export of linseed is prohibited to all destinations other than the United Kingdom, British possessions and protectorates, France, Italy, and Russia (except through Baltic ports) under orders dated March 13, 1915, and March 20, 1916.

The export of rice is prohibited to Dutch colonies, and to all countries in Europe and on the Mediterranean and Black Seas other than the United Kingdom, France, Italy, Russia (except through Baltic ports), Portugal, and Egypt.

BELGIAN CONGO.

By decree of February 17, 1916, the export of oilseeds was prohibited except to French and British ports. The decree provides that these seeds may be exported to other destinations with special authorization.

HONGKONG.

Proclamations dated September 17, October 1 and 29, December 10, 17, 24, and 31, 1915; January 21, March 17 and 24, 1916, have been issued by the Hongkong Government, prohibiting export of raw cotton, maize or maize meal, oats or oatmeal, rice or rice flour, rye or rye flour, and wheat or wheat flour, to all ports in Europe and on the Mediterranean and Black Seas other than the United Kingdom, France, Russia (except through Baltic ports), Italy, Spain, and Portugal, and of linseed to all destinations other than the United Kingdom, British possessions and protectorates, Italy, France, and Russia (except through Baltic ports).

STRAITS SETTLEMENTS.

Proclamations dated November 1 and 12, December 4, 16, and 24, 1915; January 12 and 29, February 8 and 24, March 17 and 23, 1916, have been issued by the Government of the Straits Settlements prohibiting the export of maize and maize meal, barley and barley meal, oatmeal, and rice flour to all destinations other than the United Kingdom, British possessions and protectorates, and of linseed with these exceptions and those of France, Italy, and Russia (except through Baltic ports). The export of maize meal, rice, rye and rye flour is also prohibited to all ports in Europe and on the Mediterranean and Black Seas other than the United Kingdom, France, Russia (except the Baltic ports), Italy, Spain, and Portugal.

FEDERATED MALAY STATES.

By order of March 27, 1916, the exports of maize and its products—of rice flour, barley and meal, and of oatmeal—is prohibited to all destinations other than the United Kingdom, British possessions and protectorates; also of linseed with these exceptions and those of France, Italy, and Russia (except through Baltic ports). The export of maize meal, of rice and rice flour, and of rye and rye flour is prohibited to all ports in Europe and on the Mediterranean and Black Seas, other than those in France, Russia (except Baltic ports), Italy, Spain, and Portugal.

EGYPT.

By decision of the president of the council of ministers dated August 2, 1914, the export of foodstuffs and products (except for necessary supplies to outward-bound ships) has been prohibited since August 3. By similar decision dated October 18, 1914: (1) Dealers in rice have been authorized to export all their 1913 stock of Baladi rice; (2) if rice is imported, export from the stock existing in Egypt is authorized up to 50 per cent of the amount imported, to take effect from September 25, 1914. By ministerial decision of the 25th of October the export of 280,000 quintals of maize has been authorized. By a ministerial decision of April 20, 1915, the export of maize has been permitted without restriction and the same for wheat by ministerial decision of June 1.

The export of raw cotton is prohibited to all ports in Europe and on the Mediterranean and Black Seas, other than those of Great Britain and Ireland, France, Russia (except Baltic ports), Spain, and Portugal. The export of cotton to Switzerland and to Greece is permitted until further orders. All cotton so exported must be consigned for Switzerland to the Société Suisse de Surveillance Economique, and under recommendation from the British minister at Athens if for Greece. The export of rice is now prohibited to all destinations.

By decision of the council of ministers of September 12, 1916, the authorizations for exports of wheat and maize without restriction were canceled. Consequently these articles again come under the general prohibition imposed by the decision of August 2, 1914.

GOLD COAST. (See BARBADOS.)

MOROCCO.

By orders dated April 1, 1916, quantities of maize which have not been requisitioned for the requirements of the "Service de l'Intendance" may be exported, under license to be issued by the director of the service, to French, allied, or neutral ports, as from the 5th of April, 1916, under the conditions laid down by article 5 of the decree of the 18th of October, 1915.

MAURITIUS. (See BARBADOS.)

NIGERIA. (See JAMAICA.)

TUNIS.

By decree dated August 1, 1914, the export of cereals and their by-products and of all other flour foodstuffs and grain of every kind has been prohibited since August 2. Exceptions may be authorized. By a decree of the 17th of November, 1914, the export of cotton and cotton waste has been prohibited.

The export of wheat to France has been authorized without restriction, for oats up to 250,000 quintals, and for barley up to 500,000 quintals. The export of barley has also been permitted to Great Britain and Ireland in quantity not exceeding 250,000 quintals.

UNION OF SOUTH AMERICA.

By proclamation dated 5th August, 1914, the export of foodstuffs, except by special permit, has been prohibited. In a communication of 14th August, 1914, it is specified that: (1) the export of cereal foodstuffs to overseas countries (except to ports in Great Britain) is absolutely prohibited; (2) the export of cereals for Great Britain is authorized by special permission; (3) the export of all kinds of foodstuffs for consumption in Basutoland, Swaziland, Bechuanaland Protectorate, Rhodesia, Mozambique Province, and the Congo is permitted.

By orders dated 2d October, 15th and 29th December, 1915, 1st February, 8th March, and 5th April, 1916, the export of foodstuffs, fodder, and all oleaginous seeds is prohibited, except with the permission of the minister of railways and harbors. The export of raw cotton is also prohibited, except with the permission of the commissioner of customs and excise. These restrictions apply to all destinations.

AUSTRALIA.

By proclamation dated 7th and 8th September, 1914, the export of wheat and wheat flour to all countries except the United Kingdom has been prohibited. Exceptions may be authorized. By proclamation of 12th November the export of foodstuffs and fodder destined to foreign ports in Europe, on the Mediterranean and on the Black Sea, other than those of France, Russia (excluding Baltic ports), Spain, and Portugal has been prohibited since the above date.

By an order of 7th July, 1915, the export of maize and oats was prohibited, except under written authorization from the minister of commerce and customs. By an order of June 28, 1916, the export of oleaginous seeds, including linseed, was prohibited, except under the authorization of the minister of state for defense.

NEW ZEALAND.

The export of wheat, barley, oats, flour, meal, linseed, and cotton is prohibited to any other destination than the United Kingdom and British possessions and protectorates, except with the consent of the minister of customs. The export of foodstuffs and fodder is also prohibited to foreign ports in Europe or the Mediterranean and Black Seas, other than those of France, Italy, Russia (except through Baltic ports), Belgium, Spain, and Portugal.

Prohibition of export is also in force as regards all goods which for the time being are contraband of war (either absolute or conditional) under any proclamation or order in council of the British Government.

United States.

EXPORTATION OF FOODSTUFFS BY PRINCIPAL COMMODITIES.

[Comparative statement for fiscal years 1912-13 to 1915-16.]

Article.	1912-13		1913-14		1914-15		1915-16	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Cattle	24,714	$1,177,199	18,376	$647,288	5,484	$702,847	21,666	$2,383,765
Hogs	15,332	151,747	10,122	133,751	7,799	93,067	22,048	238,718
Sheep	187,132	605,725	152,600	534,543	47,213	182,278	52,278	231,535
Animals—all others (including fowls)		451,554		408,284		202,817		331,337
Barley (bushels)	17,536,703	11,411,819	6,644,747	4,253,129	26,754,522	18,184,079	27,473,160	20,663,533
Bread and biscuit (pounds)	12,532,480	720,067	12,645,551	728,447	11,687,452	702,509	11,433,410	787,567
Buckwheat (bushels)	1,347	1,503	580	695	413,643	396,987	515,304	481,014
Corn (bushels)	49,064,967	28,800,544	9,380,855	7,008,028	48,786,291	39,339,064	38,217,012	30,780,887
Cornmeal (barrels)	428,794	1,444,539	336,241	1,165,891	470,503	1,923,214	419,979	1,601,258
Oatmeal (pounds)	48,533,350	1,514,848	15,998,286	509,204	68,394,979	2,416,068	54,748,747	1,885,622
Oats (bushels)	33,759,177	13,206,247	1,859,949	757,527	96,809,551	57,469,964	95,921,620	47,993,096
Oats (preparations of, for table food)		2,358,864		2,323,412		4,306,899		5,074,983
Rice (pounds)	24,801,280	765,447	18,223,264	721,046	75,448,635	3,158,335	120,695,213	4,942,373
Rye (bushels)	1,822,962	1,260,384	2,222,934	1,555,012	12,544,888	14,733,409	14,532,437	15,374,499
Rye flour (barrels)	5,296	21,311	8,293	31,119	80,315	416,182	119,619	646,941

United States—Continued.

EXPORTATION OF FOODSTUFFS BY PRINCIPAL COMMODITIES—continued.

Article.	1912-13		1913-14		1914-15		1915-16	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Wheat (bushels)	91,602,974	$89,036,428	92,393,775	$87,953,456	259,642,535	$333,552,226	173,274,015	$215,532,681
Wheat flour (barrels)	11,394,805	53,171,537	11,821,461	54,454,175	16,182,765	94,869,343	15,520,669	87,347,805
Cocoa and chocolate (prepared or manufactured)		376,336		336,940		1,934,166		1,668,657
Coffee, green or raw (pounds)	50,723,958	8,679,422	52,649,233	8,550,642	49,177,146	6,841,575	35,421,530	5,369,753
Coffee, roasted or prepared (pounds)	1,469,043	331,370	1,815,835	427,009	2,421,664	461,030	1,851,100	378,268
Confectionery		1,282,196		1,329,147		1,222,794		1,904,101
Eggs (dozens)	20,409,390	4,391,653	16,148,849	3,734,087	20,784,424	5,003,764	26,396,206	6,134,441
Fish (fresh, except salmon) (pounds)	5,517,248	291,332	6,534,460	366,871	7,159,598	358,214	8,139,309	413,886
Fish (dried, smoked or cured) (pounds)	25,704,888	727,371	20,687,656	814,729	13,398,443	713,562	25,927,811	1,629,873
Fish (pickled) (barrels)	21,956	143,612	35,887	234,771	20,726	146,511	16,033	112,711
Fish (canned salmon) (pounds)	55,290,966	5,103,340	87,750,920	7,999,293	83,446,116	9,072,083	152,951,962	15,032,497
Fish (all other salmon)		2,122,566		2,195,309		1,424,859		790,198
Fish (canned, except salmon and shellfish)		199,260		118,836		246,274		675,903
Fish (oysters)		633,332		666,432		411,346		508,549
Fish (all other shellfish)		467,835		323,428		365,207		499,415
Fish (all other fish and fish products)		103,284		122,504		132,734		320,513
Fruits (dried) (pounds)	229,192,307	15,025,075	142,260,275	10,675,886	149,142,472	11,339,276	186,335,886	13,749,234
Fruits (apples, green or ripe) (barrels)	2,150,132	7,898,634	1,506,569	6,089,701	2,351,501	8,087,466	1,466,321	5,518,772
Fruits (berries)		574,449		717,079		535,479		639,501
Fruits (oranges and lemons) (boxes)	1,145,182	3,375,929	1,628,996	4,133,596	1,882,319	4,223,794	1,650,112	4,184,099
Fruits (green or ripe pears)		796,913		1,402,924		992,497		691,732
Fruits (all other, green, ripe, or dried)		2,893,395		2,922,740		2,717,449		3,261,109
Fruits (prepared or preserved or canned)		5,781,122		5,088,787		6,333,945		8,028,604
Glucose and grape sugar (pounds)	200,149,246	4,652,396	199,530,874	4,565,919	158,462,508	3,885,233	186,386,182	4,734,961
Nuts (peanuts) (pounds)	7,301,381	366,016	8,054,817	421,367	5,875,076	325,725	8,669,430	450,765
Nuts (all other)		367,569		398,312		377,486		441,512
Meat (beef) (canned, fresh, pickled, and cured) (pounds)	40,059,655	4,249,940	33,125,111	3,540,210	277,558,938	37,087,833	319,692,447	42,273,760
Meat products (oleo oil and oleomargarine) (pounds)	95,817,339	11,177,738	99,549,886	10,420,118	85,734,129	9,958,223	108,072,135	13,159,595
Meat (hog products) (pounds)	420,883,634	53,863,302	411,131,451	55,395,080	603,627,525	82,507,096	998,094,366	135,509,983
Meat products (lard and neutral lard and substitutes) (pounds)	613,259,908	69,232,994	569,085,142	63,162,286	570,543,576	61,508,206	514,281,239	56,832,207
Meat (mutton) (pounds)	5,266,019	591,969	4,685,496	523,023	3,877,413	448,221	5,552,918	696,882
Meat (poultry and game)		1,303,379		913,732		1,187,771		1,561,398
Meat (sausage) (canned and all other) (pounds)	8,011,318	1,085,745	6,009,565	957,914	7,005,483	1,153,387	15,313,321	3,002,097
Meat products (all other canned)		1,086,463		1,350,218		2,192,464		2,835,005
Dairy products (butter) (pounds)	3,585,600	872,804	3,393,597	877,453	9,850,704	2,332,480	13,503,279	3,592,415
Dairy products (cheese) (pounds)	2,599,058	441,186	2,427,577	414,124	55,362,917	8,463,174	44,394,251	7,430,089
Dairy products (condensed milk) (pounds)	16,525,918	1,432,848	16,209,082	1,341,140	37,235,627	3,066,642	155,734,322	12,404,384
Dairy products (milk and cream)		474,055		333,217		343,583		835,106
Oils (vegetable), cottonseed (pounds)	315,232,892	20,736,972	192,963,079	13,843,179	318,366,525	21,872,948	266,529,960	22,659,804
Salt (pounds)	128,035,915	441,673	149,123,465	542,783	165,619,386	616,132	165,627,891	600,648
Molasses and sirup (gallons)	16,454,642	2,193,621	12,632,969	1,667,137	12,587,874	1,798,769	14,419,062	2,631,929
Sugar, refined (pounds)	43,994,761	1,681,302	50,895,726	1,839,983	549,007,411	25,615,016	1,630,150,863	79,390,147
Vegetables (onions) (bushels)	574,074	397,516	386,322	435,953	727,983	602,585	563,739	578,792
Vegetables (beans and dried peas) (bushels)	400,868	1,080,066	314,655	875,493	1,214,281	3,638,526	1,760,383	5,914,198
Vegetables (pickles and sauces)		837,571		928,611		959,016		1,166,811
Vegetables (potatoes) (bushels)	2,028,261	1,646,176	1,794,073	1,463,514	3,135,474	2,345,731	4,017,760	3,485,740
Vegetables (canned)		1,819,281		1,520,879		1,898,840		2,529,694
Vegetables (all other)		1,572,927		1,711,950		1,368,453		2,277,177

Source: Fiscal years ending June 30, 1913-1915, from "Commerce and Navigation of the United States," 1915. Table No. 5, pp. 349-751. Fiscal year ending June 30, 1916, from "Monthly Summary of Foreign Commerce of the United States," June, 1916, pp. 25-46.

NOTE.—Figures for like products of the same denomination have been combined; i. e., different kinds of dried, smoked, or cured fish, or hog products, such as bacon, ham, and pork in all its forms.

Imports of principal foodstuffs into Great Britain from United States, 1913-1916.

[From Accounts Relating to Trade and Navigation of the United Kingdom, October, 1915, and October 1916, pp. 28-56.]

	10 months ending Oct 31.							
	Quantity.				Value.			
	1913	1914	1915	1916	1913	1914	1915	1916
Wheat ..... hundredweight	27,417,768	27,302,005	29,945,200	57,390,900	£11,353,427	£11,368,961	£19,311,211	£39,927,465
Wheat meal and flour ..... do	5,084,239	4,150,772	5,907,510	4,547,242	2,676,874	2,258,739	4,650,697	3,759,754
Barley ..... do	4,059,500	3,270,400	4,642,485	8,590,600	1,688,536	1,171,011	2,202,939	5,488,288
Oats ..... do	1,464,600	1,434,715	6,606,800	5,170,000	474,024	537,485	3,817,868	2,763,265
Maize or Indian corn ..... do	6,880,800	229,925	1,460,200	5,820,200	1,923,087	72,362	626,985	3,116,734
Cattle[1] ..... number	9,893				208,625			
Sheep and lambs ..... do		1,707				3,000		
Beef, chilled ..... hundredweight		2,079	546,942	331,292		5,825	1,857,116	1,333,274
Beef, frozen ..... do	1,372	4,335	370,210	476,853	2,891	9,401	1,100,449	1,713,951
Pork, frozen ..... do	8,634	3,550	27,845	177,773	24,651	10,496	87,616	675,913
Bacon ..... do	1,533,686	1,233,303	2,966,608	3,397,813	5,191,052	4,298,949	10,490,119	13,987,496
Hams ..... do	641,450	662,727	1,216,916	1,215,586	2,292,815	2,389,012	4,251,454	5,205,624
Pork, salted (not bacon or hams) ..... do	38,024	34,214	52,085	37,863	90,843	84,737	131,006	121,603
Meat (unenumerated, frozen) ..... do	54,155	43,790	109,680	105,580	117,533	105,370	266,052	324,575
Meat (unenumerated, salted) ..... do	12,559	14,768	14,259	21,362	38,835	51,015	48,267	86,003
Poultry, dead ..... do	54,303	35,895	57,349	50,284	211,956	140,083	252,095	243,919
Butter ..... do	51	7,347	58,206	82,367	286	36,433	384,203	724,725
Cheese ..... do	15,948	18,599	449,277	239,744	47,132	59,045	1,851,311	1,113,301
Canned salmon ..... do	186,595	435,712	494,531	687,611	507,995	1,177,422	1,596,659	2,159,648
Hops ..... do	66,978	48,945	103,567	107,495	397,374	311,508	435,398	570,702
Lard ..... do	1,555,461	1,434,291	1,867,685	1,698,225	4,313,171	3,843,546	4,875,393	6,021,738
Sugar, refined, sugar candy ..... do	410	1,350,761	2,083,551	5,369,294	560	1,782,222	2,865,686	7,887,046

[1] The figures for 1913 and 1914 include some animals imported for breeding purposes, the number and value of which are not ascertainable. From 1915 such animals are included in "Other articles," Class IV.

DEPARTMENT OF COMMERCE, BUREAU OF FOREIGN AND DOMESTIC COMMERCE, WASHINGTON.

Exports of ammunition and firearms from the United States during each month from Aug. 1, 1914, to the latest date for which statistics are available.

Month of—	Cartridges.	Gunpowder.		Other explosives.	Firearms.
1914.	*Value.*	*Pounds.*	*Value.*	*Value.*	*Value.*
August	$154,080	30,948	$16,821	$26,336	$208,644
September	421,982	193,037	65,465	187,510	201,556
October	1,452,740	90,982	24,395	56,305	692,146
November	1,231,235	63,064	23,027	78,062	1,194,510
December	1,098,875	55,352	27,989	980,665	1,093,158
1915.					
January	1,381,970	372,085	129,617	1,059,961	2,156,757
February	1,900,774	73,015	34,884	1,020,904	584,694
March	1,616,626	181,043	65,481	1,081,860	545,716
April	2,648,667	645,690	417,919	2,863,014	464,913
May	3,028,083	1,591,136	1,048,607	4,439,777	1,101,751
June	2,467,378	4,376,677	3,234,549	5,911,186	914,118
July	2,427,761	5,504,772	4,567,929	9,329,303	1,948,717
August	2,284,540	6,653,841	5,296,118	6,967,046	693,413
September	1,412,144	11,183,468	8,026,411	8,743,149	1,047,792
October	2,241,729	9,679,904	7,169,728	16,851,970	556,740
November	1,737,673	20,892,232	16,730,384	13,495,527	1,197,768
December	2,260,734	23,204,516	20,201,180	23,366,260	954,102
1916.					
January	3,343,497	12,910,701	10,098,175	12,569,635	1,513,087
February	3,616,702	13,483,939	12,043,610	32,665,681	1,902,020
March	4,174,827	20,063,043	16,868,622	29,159,515	1,568,379
April	3,963,133	26,997,792	22,245,946	29,351,236	1,933,953
May	5,390,715	27,487,570	21,300,333	41,384,610	2,576,447
June	4,230,033	34,759,298	29,187,338	28,484,459	2,173,067
July	4,134,765	35,108,319	28,050,026	38,681,413	3,139,379
August	4,287,617	32,518,535	26,299,669	42,293,211	4,301,042
September	5,788,653	40,173,559	34,886,942	34,515,989	9,259,253
October	6,448,881	20,211,272	15,735,102	27,519,820	4,622,202
November	5,174,062	38,124,884	34,718,981	37,705,275	2,476,759
December	4,551,019	15,215,262	12,349,157	37,845,860	6,659,581
Total, 29 months	84,870,895	401,845,936	330,865,005	488,635,539	57,681,664

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that I may proceed for 15 minutes.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that he may proceed for 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Chairman, I am in favor of the amendment offered by the gentleman from Missouri [Mr. BORLAND] for an appropriation of $400,000 to conduct an investigation into the causes of high-food prices. I think it can be said without exaggeration that never in the history of the world has so deplorable and unfortunate a condition existed in time of peace in a land of fertility, touching the cost of living as compared with the average income as exists to-day in this the fairest, the most fertile land in all the world. With our enormous areas of fertile land, our boundless opportunities for production, our enormous volume of production, our magnificent system of distribution, the finest in all the world, we find prices advancing steadily and continuously through a period of years, until in the last few months they have advanced by leaps and bounds, and many of the absolutely necessary and essential foodstuffs have, in the last six months, advanced 100 and 150 per cent in price.

There is no question now before the American people, in my opinion, so important as the question as to why foodstuffs are high and as to the methods that may be adopted for remedying that situation. You can not cure an unfortunate situation without knowing its cause. The first thing to be done in attempting to reduce the unfortunate and unprecedented high cost of living is to find out what causes it. I think we can well afford to expend a small sum of money for that purpose. Of course, it may be asked by some that so far as our friends on the Democratic side are concerned, Why an inquiry into the high cost of living? They know or should know why prices are high. The oracle has spoken, or did speak, four years ago in the Democratic national platform and declared the cause of high prices. If it were true—and I suppose you Democrats will say it must have been true—then it must be true now. It is worth while to consider what was then said:

> We charge that excessive prices result in a large measure from the high-tariff laws enacted and maintained by the Republican Party.

High prices do flow from high-tariff laws. That is their source, according to this fount of Democratic wisdom. It is true the high-tariff schedules have been reduced, that tariff has been adjusted along Democratic lines, and, that being true, and assuming that the Democratic platform is sound in its declaration, we can reach but one conclusion, and that is that the present condition of high prices is psychological and imaginary, that high prices can not exist because the tariff has been reduced.

Mr. GORDON. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GORDON. Do you think that taking the tariff off of foodstuffs increased the price of them?

Mr. MONDELL. I am very sure it did not reduce the price of them, and the gentleman does not have to take my opinion for it. The facts speak for themselves.

Mr. GORDON. What do you want the tariff on for, then, if it does not raise the price?

Mr. MONDELL. I am not talking about the tariff now. I am talking about Democratic declarations relative to the tariff. The Democratic oracle went on to say that while high prices come in a large measure as the result of high-tariff laws they result also—

> From trusts and commercial conspiracies fostered and encouraged by such laws.

We assert—

They said—

> that no substantial relief can be secured for the people until import duties on the necessaries of life are materially reduced and these criminal conspiracies broken up.

We have had three years of Democratic administration.

Mr. HAMILTON of Michigan. Four years.

Mr. MONDELL. It seems longer than that to me, and it may seem longer to the people. Tariffs have been reduced and prices have gone up. How about the prosecution of the criminal trusts. Recently the Democratic Attorney General set himself about to make an inquiry and start in motion, we were told, those forces that would, by the punishment of criminal conspiracies, relieve us from the high cost of living. After having investigated hither and yon, high and low, far and near, he reported, according to a statement made in the press of this city a few days ago, that having searched the country over with the fine-tooth comb of his investigating machinery, he had been utterly unable to discovery any conspiracy in violation of the antitrust laws. Where were these criminal conspiracies that my friend from Missouri [Mr. BORLAND] sees all about us, when the Attorney General was seeking for them, with the purpose of punishing them in order to relieve the people? The gentleman from Missouri [Mr. BORLAND], as a Member of Congress, knows these conspiracies exist.

Mr. DIES. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. In just a moment. He tells us in moving words of their nefarious practices and their wicked conspiracies, and we can all see without having anyone tell us about it, when we buy the family groceries, how the prices have gone up. But a Democratic Attorney General can not find these combinations that are so plain and patent to the gentleman from Missouri. Now I will yield to the gentleman.

Mr. DIES. I would like to ask the gentleman from Wyoming a question. Is he speaking of the protective tariff or embargo on imports or of this modern embargo on exports? Which does he want—the embargo on imports or the modern embargo on exports?

Mr. MONDELL. I will say to the gentleman, as I said to the gentleman from Ohio [Mr. GORDON], who interrupted me a moment ago, that I am not discussing the protective tariff now. [Laughter.] I am talking about the Democratic oratory touching the protective tariff. [Renewed laughter.]

Mr. GORDON. Mr. Chairman, then I make the point of order that the gentleman is not in order. He is not discussing the question before the House. [Renewed laughter.]

Mr. HAMILTON of Michigan. Maybe the gentleman from Ohio can explain it himself.

Mr. MANN. Nobody can talk about the Democratic Party in an orderly way. That is impossible. [Laughter.]

The CHAIRMAN. Gentlemen will proceed in order.

Mr. MONDELL. There are those of us who do not believe that protective tariffs are or ever have been responsible for the high prices. So far as those of us are concerned who do not find conspiracies in restraint of trade behind every bush every time there is a rise in prices, we realize that a situation such as that which now confronts us is worthy of investigation and worthy of consideration. The President of the United States, on his authority and responsibility——

Mr. HAMILTON of Michigan. Mr. Chairman, will the gentleman permit a very serious question?

Mr. MONDELL. Yes.

Mr. HAMILTON of Michigan. Does the gentleman know why this investigation has not been commenced heretofore? Here is a situation crying out for investigation and remedy. Why was it not commenced long ago?

Mr. MONDELL. Well, would the gentleman expect a Democratic administration to begin an investigation when it ought to be undertaken? I will not. I will be glad to aid them even in a belated attempt to find out what the trouble is. Some of us believe that the main causes of the high prices of foodstuffs can be traced to the European war. Sherman once said war was hell. He might well have said it was all kinds of hell. It not only brings suffering and death and distress in every horrid form; it not only leaves widows and orphans to suffer years after the war is over; it not only leaves an enormous burden of debt upon the people for generations; but during the period of war conditions are created under which a few amass enormous fortunes and under which the common people have levied upon them, in addition to all the other burdens of war, the burdens of prices advanced by reason of the special and peculiar demands of war for certain classes of products. In a war like this, involving the greater part of the civilized world, the demands on us for certain classes of foodstuffs have been so great that in supplying that demand we have shortened the home supply.

Aye, more than that. By reason of that demand we have made possible manipulations that would not have been undertaken and could not have been carried out in time of peace; manipulations under which, between the producer and the consumer, enormous fortunes are rolled up by middlemen.

War and war demands have caused the major portion of these advances. I am not ready as yet to join the gentleman from New York [Mr. FITZGERALD] in an embargo in order to cure the situation in that way, although if conditions continue to grow worse, as they have been, I may in time conclude that his remedy may, after all, have some virtue, though I believe it a dangerous remedy, one to be invoked as a last resort. In the meantime we can make inquiry as to the causes of these high prices, other than those of war. We may discover, although the Attorney General never has discovered up to this time, that there are illegal practices and unfortunate conditions that can be cured, prevented, or punished. We can not excuse ourselves, whatever else it may be wise to do, whatever else we should do to remedy the condition immediately and forthwith, when the President himself has ordered such an investigation as we propose and a great organization of the Government is already beginning to make the investigation, unless we appropriate for such an investigation. I am not one of those who hope for any immediate benefit from this inquiry. I do not expect that the investigation will at any time have a very great effect in reducing prices, but I do think the situation is so serious and critical that we can not afford to refuse to at least get all the light we can on the subject.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. GILLETT. Mr. Chairman, I agree with very much that the gentleman from Wyoming [Mr. MONDELL] has said, but I differ entirely from his conclusion. We, all of us, I think, in the last few years have discussed and claimed to know the cause of the high cost of living. I venture to say that nearly every man on that side of the House in the campaign four years ago asserted that the protective tariff was the cause of the high cost of living, and most of us on this side of the House last fall claimed that the Democratic program had contributed to the high cost of living. But the cost of living is getting higher just the same, and to-day we face a crisis. We all know substantially the fundamental reasons which create our present prices, and we all know that an investigation is the last thing that is going to alleviate or tell us how to meet the situation.

The crisis is not going to be met by a report that is coming in eight months or a year from now. By that time very likely the greater part of the present causes will have disappeared. We certainly should hope so. What is this commission going to do? They told us they expected to send out an army of economists all over the country and investigate every kind of production and distribution. They said it would take them at least eight months; that is the best they could offer; that it would cost them at least $400,000; and they made the impression on my mind that the chances are that their report would not come in until long after eight months, and that the expense would be very much more than $400,000.

Mr. FARR. Mr. Chairman, will the gentleman yield?

Mr. GILLETT. Yes.

Mr. FARR. Can this exhaustive investigation to which the gentleman refers be made under this resolution?

Mr. GILLETT. I expect it could; a portion of it. I do not think the whole of it could.

Now, an investigation has been going on along these lines for a year or two by the Department of Agriculture. That department has funds for it. They are now investigating it. But just because we are now facing a tremendous crisis, just because there is widespread popular discontent, is that any reason why we should be frightened and why we should throw out such a ridiculous palliative as to spend $400,000 by a commission? Why, this investigation by commissions has long been the execuse which every party has brought out to meet a difficulty when it did not know what else to do; but never was the appointment of a commission such a ridiculous remedy as it is to-day. The people are asking immediate relief and we are trying to square ourselves with them and make them think we have done something helpful by spending half a million dollars to employ a lot of economists to investigate for a year. They ask for bread, and I believe they will think such a commission is no better than a stone.

Mr. HAMILTON of Michigan. How long would it take to conduct an investigation, to arrive at some degree of truth?

Mr. GILLETT. I do not know. The least time suggested is eight months.

Mr. HAMILTON of Michigan. By that time the crisis would be past.

Mr. GILLETT. We certainly believe and hope it would.

Mr. HAMILTON of Michigan. People would starve to death meanwhile, unless they were given some relief.

Mr. GILLETT. They probably would. They can not feed on this commission. Some of them might on the money it would cost.

Mr. KELLEY. Has it not been pretty well established that the trouble is one of transportation?

Mr. GILLETT. Undoubtedly that is one of the largest problems, and if there was time I would like to discuss that; but, of course, if you go into the real causes of that, they are so widespread and there are such differences of opinion in regard to them that it would take almost as long as this commission time. We all know facts which create that trouble. We may have different opinions upon them, but we do not need the expenditure of $400,000 to throw some light upon that; and there are enough factors which we all agree upon to greatly reduce the evil. It seems to me, Mr. Chairman, this is an endeavor by Congress to shift responsibility. The country is calling upon us for relief, and the only thing we can think of is to appoint a commission to investigate and report; and they can not investigate and they can not report until long after the crisis is past which we are asked to relieve. This is not an emergency which can be met by any commission. It is a crisis that has got to be met by the American people, and I have some idea as to how the American people will probably meet it. But it seems to me the last thing in the present juncture is to resort to that stale and leisurely remedy, investigation by commissions. It is a confession of weakness and incapacity; it is a confession that we do not know at all what to do; and I have had some suspicion that it is an endeavor to give employment to an enormous army of political economists, who will furnish a fine assortment of agreeable patronage to the party in power. I think it is a proposition to practically throw away not only $400,000, but very likely twice that; that it will not even propitiate the public favor, which is its aim; and that the result will be ridiculously disproportionate to the expense.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. RAINEY having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had agreed 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. 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.

SUNDRY CIVIL APPROPRIATION BILL.

The committee resumed its session.

Mr. STEPHENS of Nebraska. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent that he may be allowed to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. STEPHENS of Nebraska. Mr. Chairman and gentlemen, the contention of the gentleman from New York [Mr. FITZGERALD] that an embargo would remove the conditions that exist to-day is in my judgment fallacious. An embargo would temporarily reduce the price of products, but in the long run would increase their price, because production would be decreased thereby. In my judgment the trouble with the situation in these great cities to-day is due to the lack of cars. It is a car shortage and not a shortage of food.

Mr. SMITH of Michigan. Will the gentleman yield just there?

Mr. STEPHENS of Nebraska. I will ask the gentleman to wait a moment until I make a preliminary statement. The car shortage to-day, as has been developed before the Interstate Commerce Commission, is such that it is practically impossible to get food into these cities in sufficient quantities. Thousands of cars are loaded with coal standing on sidetracks in great centers awaiting an opportunity to be unloaded. The congestion is due largely no doubt to the lack of export facilities. The congestion at the seaboard is very great. Now, the railroads could remove that condition merely by embargoing shipments of products to seaboard ports where there are no facilities for transporting these products across the sea. If we could once remove the car shortage, there would probably be no food riots in cities. The gentleman from New York [Mr. FITZGERALD] has referred to the shipment of oats. Why, I would like to remind him that we have hardly been able to market a bushel of our grain in my State for months, because the elevators are filled to bursting, and we can not get cars to move it. I am a farmer indirectly myself, and my grain has lain outdoors all winter awaiting an opportunity to be marketed, with the elevators full and no cars available to ship it. No wonder there are riots in cities. They are due wholly, in my judgment, to the lack of transportation facilities.

Mr. REAVIS. The gentleman made the statement that there were ample food supplies, the difficulty being the inability to get the food to those who consume it.

Mr. STEPHENS of Nebraska. I think that is true.

Mr. REAVIS. Does not the gentleman know that we are several million cattle shorter to-day than we were 10 years ago?

Mr. STEPHENS of Nebraska. Yes; I am coming to that very point, and I want to cover it in just a moment.

Mr. SHERLEY. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I yield to the gentleman from Kentucky.

Mr. SHERLEY. How does the gentleman think that an investigation by the Federal Trade Commission is going to help the car shortage?

Mr. STEPHENS of Nebraska. Oh, I think the gentleman knows it can not help the car shortage. The Interstate Commerce Commission is already making a thorough investigation of the car shortage, and before the Interstate Commerce Committee in this House we have been considering this matter for months. We are trying to solve the car-shortage problem now, and it may be that an embargo of some sort, of a temporary character, by railroads against the shipment of products to the seaboard, where ocean shipping for moving it is not available, would greatly relieve the situation.

Mr. GOOD. The gentleman comes from a large corn-producing section?

Mr. STEPHENS of Nebraska. Yes.

Mr. GOOD. Will not the gentleman admit that corn is selling for 85 cents a bushel?

Mr. STEPHENS of Nebraska. Yes.

Mr. GOOD. And normally corn sells for about 40 cents. So it is not the car shortage.

Mr. STEPHENS of Nebraska. Oh, no; corn has not been selling as low as that. Before the war broke out corn sold on my farm in Nebraska for 75 cents a bushel, and it is only 10 or 12 cents more to-day.

Mr. GOOD. That was because you had a partial failure the year before.

Mr. STEPHENS of Nebraska. Oh, no; it was not because we had a failure. It was a natural condition.

Mr. SMITH of Minnesota. Will the gentleman yield?

Mr. PADGETT. Will the gentleman yield for a question?

Mr. STEPHENS of Nebraska. I should like to yield, but I have only 10 minutes.

Mr. SMITH of Minnesota. Do I understand that the gentleman from Nebraska has the impression that the car shortage is the cause of the present food shortage in the cities?

Mr. STEPHENS of Nebraska. I think it is one of the main causes of it, in the cities where the riots are taking place.

Mr. SMITH of Minnesota. The city of Minneapolis is within 20 miles of the greatest potato-producing section of the United States, and to-day potatoes are selling in Minneapolis for a dollar a peck.

Mr. STEPHENS of Nebraska. Yes.

Mr. SMITH of Minnesota. And they do not have to go into a car at all to reach our people.

Mr. STEPHENS of Nebraska. Very likely there is a shortage of potatoes, and there are also combinations that are controlling the prices, and the object of this amendment to this bill is to find out what it is that is adding an artificial price to these products. I believe, ff we can get this investigation made, we will be able to solve that problem. Now, the meat problem, for instance——

Mr. HAMILTON of Michigan. I would like to ask the gentleman a question.

Mr. PADGETT. Will the gentleman yield for a question?

Mr. STEPHENS of Nebraska. Mr. Chairman, I shall be glad to yield to these gentlemen if I can get the time to do so.

Mr. PADGETT. I want to ask the gentleman a question. Many of the products have relative values—sort of a seesaw. We have the largest circulation, the largest volume of money in this country that this country has ever known—$43 per capita against $14 or $15 in 1896. In Europe, in England, France, and Germany there has been a tremendous volume of paper money issued, and in addition there are something like 20,000,000 soldiers in the fighting countries, and something like 20,000,000 more taken out of the ordinary channels of production and put into the production of munitions, increasing the consumption demand and reducing the production.

Mr. STEPHENS of Nebraska. Yes.

Mr. PADGETT. What does the gentleman think of the money situation, of the increase of the volume of money? Cheap money makes high prices of products and high-priced money makes cheap products.

Mr. STEPHENS of Nebraska. I think the gentleman is right. There is no doubt that the quantity of money in this country has been enormously increased. The quantitive theory of money has been vindicated over and over in the last few months. It has proved just what we contended in 1896—that the quantity of money affected the price of production.

Mr. HAMILTON. Will the gentleman yield?

Mr. STEPHENS of Nebraska. I can not yield.

Mr. HAMILTON of Michigan. Just one question.

Mr. STEPHENS of Nebraska. Well, make it short.

Mr. HAMILTON of Michigan. Did we not discover back in 1896 that it must be money in use and in circulation, and when the Democratic Party was in power money did not circulate freely?

Mr. STEPHENS of Nebraska. Oh, the gentleman is always wanting to drag politics into the discussion of serious problems. I regret that this discussion has drifted into political channels once or twice this afternoon. I believe, gentlemen, that this is the most important and far-reaching piece of legislation that we have considered at this Congress. The present conditions are not temporary, but they have been developing for the past 15 or 20 years. I purpose to discuss the meat situation in this country in order to prove that this is no temporary matter. There are nearly 20,000,000 fewer meat animals in this country than there were in 1900. Why is this so? Here we have the most wonderful cattle-producing country in the world. We produce more corn than any other country in the world; we produce more grain and forage, that go to make fat, than any other country, and yet in spite of these conditions the meat supply has decreased 35 per cent. We have only 65 per cent as much meat per capita in this country as compared with the supply in 1900.

There is only one reason for it, and that is that conditions have not encouraged production. We have two branches of production of meat in this country. We have first the cattle producer, the man who raises the animal on the range, the man who produces this thin stuff to be turned into meat products. He produces it under conditions unfavorable for the producing of fat, and so he ships it at maturity to market centers to be sold to the farmers, who have corn for making fat. They are the meat producers, and the conditions under which the meat producers have labored have been such as to strangle that great industry and decrease the supply of meat of this country.

Now, these farmers are not going to take the trouble and risk to produce meat when they know that four great packing concerns own the market and control absolutely the price of meat animals The grower comes in from the range with cattle—millions of them—and they are dumped into the stockyards, and these cattle are sold to the farmers who are competing by the hundreds and the thousands for the purchase of this thin stock. What is the result? The cattle producer gets a fair price, but the man who takes them to his farm and feeds them, with his high-priced corn, is confronted with the situation that when he sends them back to the market again, these four great packing corporations, acting absolutely as a unit, buy his fat stuff at their own price. They have no competition, practically speaking. The law of supply and demand has been set in abeyance.

Mr. GORDON. Why does not he sell them to somebody else?

Mr. STEPHENS of Nebraska. There is nobody else to sell them to. The great packing concerns control all the fat-cattle markets in the United States. There is no one else to buy them except these packers.

Mr. REAVIS. Will the gentleman yield?

Mr. STEPHENS of Nebraska. Yes.

Mr. REAVIS. Is not it a fact that within the last five years practically every independent buyer has been driven from the market?

Mr. STEPHENS of Nebraska. Absolutely; these packers own the stock yards; they own the terminals; they own the stock journals; they own the banks that lend the money to the feeders, and everything connected with the marketing of cattle. The producer of that meat has no more show than would a rabbit of getting a reasonable price for his product, based on the cost of production.

Mr. QUIN. Have not we the antitrust laws?

Mr. STEPHENS of Nebraska. Yes; we have the antitrust laws, but they have not broken up this combination.

Mr. QUIN. What is the office of the Attorney General doing?

Mr. STEPHENS of Nebraska. The Attorney General's department is not in a position to make this investigation. They do not know the technical side of this business. The hope I have in this investigation lies in the fact that it will be made by the Federal Trade Commission, a commission that is endowed with business qualifications, with a knowledge of the conditions so that they can understand what the situation is when they look into it. It is not a job for lawyers entirely.

Mr. BOOHER. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS of Nebraska. Yes.

Mr. BOOHER. Does the gentleman state that the producers of meat cattle and hogs are complaining at the prices they have been receiving?

Mr. STEPHENS of Nebraska. No; not now; but I want to call the gentleman's attention to the fact that when we sold fat cattle at $6.50 a hundred, 15 or 20 years ago, fourteen hundred pound animals, we made more money on them than we are making to-day at 10 and 11 cents a pound. It is not how much you get, but who controls the market, that is the vital thing in this controversy. The packers are not fools. They are the shrewdest and ablest men in the country, and they are not going to pay a cent more for this product than they can get it for, and since they control the markets they can get it at their own price. In my State hundreds of feed yards are going into decay with not an animal in them. Farmers refuse to buy cattle and feed them and take the risk of selling in a market where there is no competition for their stuff.

Mr. BOOHER. According to the gentleman's argument, then, it is the producer refusing to feed hogs and cattle that causes the shortage.

Mr. STEPHENS of Nebraska. He refuses to feed them in quantities, because he can not depend upon the market. The packers, who control the market, find it to their advantage to cause great fluctuation in prices, which contributes to the ruin of the feeder when he buys stockers at 8 cents and feeds them $40 worth of corn each and finds when he gets to the market with his fat stuff the market is down one or two cents he is ruined. He can not depend upon the market. I know of five feeders in 1915 living in my neighborhood who lost $30,000 on their cattle-feeding operations and were nearly bankrupted. Not a one of the five has fed a steer since. That condition prevails everywhere in the corn belt, with the result that we have a great meat shortage in this country.

Mr. BOOHER. Is not a great deal of the fault to be laid with the price of stock cattle?

Mr. STEPHENS of Nebraska. I have just explained that there are thousands of men competing for stock cattle, but there are only four representing the packers competing for fat cattle. This gives the grower a fair market, especially if he owns cheap cattle pastures; but down in the gentleman's State and in my State, with $150-an-acre land, a man can not keep a cow a year to raise a calf, and then raise that calf until it is 2 years old for $50. Stock cattle are not yet sufficiently high to raise on $150-an-acre land.

Mr. BOOHER. There are two things that cause the high price in this country. One is the high price of stock cattle, and the other is the high price of corn that goes into them.

Mr. STEPHENS of Nebraska. I know all of that, but that is not the trouble at all. This trouble existed before the war, it existed 10 years ago, it existed so far back that the supply of cattle and hogs and sheep have diminished 20,000,000 head since 1900, and why should our live stock diminish in this country if the market conditions are right, with all of this splendid facility for producing this stock?

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. REAVIS. Mr. Chairman, I ask unanimous consent that the time of the gentleman may be extended for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. REAVIS. The gentleman made the statement that there were only four companies competing for fat cattle.

Mr. STEPHENS of Nebraska. Practically so.

Mr. REAVIS. I would like now to make the statement that there is nobody competing for fat cattle.

Mr. STEPHENS of Nebraska. I think the gentleman is absolutely right about that.

Mr. REAVIS. I sold fat cattle on the market that is in the district of the gentleman from Missouri [Mr. BOOHER] to Armour & Co., with no competing bids, and when I got the account of sale I found they were divided up between Armour & Co., Swift, and Cudahy. There was no competition. One man bought them, and then they divided them up among the other three.

Mr. BOOHER. The fact is there is no competition, and you may just as well take the first offer a commission man makes.

Mr. REAVIS. Yes.

Mr. STEPHENS of Nebraska. And we want this investigation for the purpose of breaking up that combination and of restoring again competition, of taking the stockyards out of the hands of the packers and letting them be controlled by and belong to the people.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GOOD. Mr. Chairman, I believe all of the Members of the House agree that a very deplorable condition exists in many of our large cities, a condition of positive suffering among the laboring classes and their families. Food prices are altogether too high. That condition ought to be improved. The gentleman from New York [Mr. FITZGERALD] made a wonderful speech, I think one of the greatest speeches I have heard since I have been a Member of this House. He tells you that the difficulties, so far as many of the necessities of life are concerned, lies with the middleman, with unlawful combinations of middlemen. The gentleman from Nebraska [Mr. STEPHENS] who has just taken his seat says that so far as the meat products of the country are concerned the difficulty lies with the packers. Then, why in the name of common sense should we appropriate $400,000 to send out an army of economists over the country to look into the question of production in this country when we already know where the difficulty lies? That is the question that is before us, and mind you, it is intended to empower the Federal Trade Commission with facilities and a large fund to do this work.

Over a year ago, according to a newspaper clipping I have, the Federal Trade Commission, empowered by Congress to investigate the question of the price of gasoline, announced to the country they were ready to submit their report. That statement was published in every newspaper, that they were ready then, a year ago, to render their decision on the question of gasoline. Immediately the independent oil producers from every section of the country came to Washington. The Standard Oil Co. sent representatives to Washington a year ago and they have been here off and on ever since, yet to this day that commission has not made its report.

Mr. HAMILTON of Michigan. Why, not, if the gentleman pleases?

Mr. GOOD. Oh, I do not know why they have not made it, I only know they have not made it.

Mr. QUIN. Have they put the price of gasoline down?

Mr. GOOD. No; gasoline is about the same price it was before.

Mr. QUIN. And never will.

Mr. GOOD. And they will give no relief in the emergency. But, gentlemen of the House, we have a great arm of this Government organized and empowered to reach out and strangle every trust, every unlawful combination, in this country, and in 1912 you Democrats said in your platform you would do it. Within the last two weeks at least a half dozen Members of this House have asked me who was the Attorney General of the United States. Nobody seems to know. While all this violation has gone on he seems to be asleep. Where is there a violation of law that he has attempted to punish? Where are the great criminals that your Attorney General has put in jail? Name them. Why, the large interests of the country, these unlawful conspirators, have given him a hypodermic and have put him to sleep. He does not bring suit; he does not put anybody in jail; he does not break up unlawful combina-

tions; and he does not enforce the law against the packers and against the great grain elevators and the other trusts and organizations of this country. That is the truth of it. Why, you give him in this bill almost $1,000,000—$973,000—to enforce the Sherman antitrust law and other antitrust laws, but he does not enforce them; $1,000,000 to reach out and cure that very thing of which you are complaining. Why does not he do it? Is he too proud to fight, or too cowardly to fight, or too much in sympathy with the trusts to fight? Write into this bill a direction for him to act and relieve this suffering; and if he does not do it, if he violates our direction and obeys only Col. House, then let the administration answer to the country.

Let him say so in so many words, that he will not enforce the law, but do not give him an excuse to continue his policy. But, gentlemen of the House, we are not getting any enforcement of law through the Department of Justice, the only department that is really clothed with authority to reach out and strangle these concerns that have produced this condition in our great cities that is causing widespread suffering and untold misery. If we want relief, let us demand that the Department of Justice enforce the laws of the United States, a thing that has not been done here during the past four years.

Mr. MONDELL rose.

Mr. GORDON. Will the gentleman yield right there?

Mr. GOOD. I yield to the gentleman from Wyoming.

Mr. MONDELL. The administration has failed and failed utterly to perform its duty in the prosecution of violations of the antitrust law and will probably continue so to do, but does the gentleman think that fact justifies us withholding appropriations for an investigation that will attempt to cure all these things and which, if done, may do considerable good and may bring out some facts that will lead to the punishment of those guilty?

Mr. GOOD. It will take eight months to bring out the facts we now possess. How about the thousands who are suffering now? What the condition will be eight months from now no one can tell.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GORDON. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for one minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none.

Mr. GORDON. Why, if the gentleman knows all these things he has recited here so vehemently, does not the gentleman impeach the Attorney General?

Mr. GOOD. I am not in that business.

Mr. GORDON. Why not; you are here, you are authorized——

Mr. GOOD. Will the gentleman tell me where is one criminal that his party talked about in 1912 whom his Attorney General has put in jail?

Mr. GORDON. I do not recall any, but I do not know as much about this as the gentleman does. If I knew it and I made the claim to know as much, I would impeach him right here now. [Laughter.]

Mr. LONDON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. MILLER of Minnesota. Mr. Chairman, reserving the right to object, I understand there are a large number of gentlemen who desire to speak, and I really wanted five minutes myself to discuss the present shortage of bread and flour in the East in consequence of the shortage of transportation of flour from Minnesota concerning which I have some facts I wanted to give the House. I have been here an hour or so, but I have no objection to the gentleman having 10 minutes more——

Mr. LONDON. I have not started yet.

Mr. MILLER of Minnesota. If I may have five minutes when he is through.

The CHAIRMAN. The gentleman asks unanimous consent to proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. LONDON. Mr. Chairman, the gentleman from New York [Mr. FITZGERALD] has made a telling speech. I am in entire accord with him in his conclusion that the present food emergency indicates distressing incapacity on the part of the administration. I take it that he intended to include in the word "administration" not only the executive branch of the Government, but the legislative branch, and particularly Congress. I certainly agree with him that both Democrats and Republicans are entirely at a loss when confronted with a serious economic problem. I have no immediate hope for a Socialist Congress. If I had a dozen Socialists here, though, I could get some effective action to meet the situation.

Mr. HAMILTON of Michigan. Would 12 be enough?

Mr. LONDON. It would be enough to compel you to think, for I have had a dreadfully hard job being all alone. [Applause and laughter.]

All sorts of reasons are being assigned in explanation of the present emergency. These reasons are mutually conflicting and mutually destructive. Some claim that there is a shortage of foods; others that there is an abundance of food, but a shortage of transportation facilities. Some claim that an embargo would cure the situation; others that an embargo would aggravate it. All, however, admit that they do not know what to do. I am not a bit surprised that Congress, which has been legislating for so many decades in the interests of certain economic groups, finds itself unable to take a national outlook upon things and to legislate for the great industrial and agricultural masses. I find that what is really lacking is an ordinary knowledge of economic law and a lack of social conscience.

Mr. GORDON. Will the gentleman yield?

Mr. LONDON. If I can get a little more time.

Mr. GORDON. Your remedy is just to take those foodstuffs from those that have them and give them to those who have not got them?

Mr. LONDON. I have credited the gentleman from Ohio with more wisdom than that. I wonder whether it is his advice to take from those that have not and give it to those that have. Your old political platforms, with their numerous planks, offer no hint of a solution. Nothing illustrates more convincingly the complete economic and moral bankruptcy of the present system of individualistic or capitalistic ownership than the shortage of food in our richest cities and in the most prosperous period in the history of the country. The individual ownership of the socially necessary means of existence reaches its climax in the bread riots during the richest period in the history of the country. Rich as never before—and bread riots! Surfeited with gold—and bread riots! A creditor of all the nations of the world—and bread riots! Such is capitalism. Such is the rule of private capital over human society.

If the people are short of food now while the country is at peace, what can we expect if we should be unfortunate enough to become a participant in the European war?

What has become of the riches of the country? Where is all its prosperity? Where are the returns for the millions of tons of foodstuffs, munitions, and other commerce sent abroad? Have we, like Midas of old, turned everything into gold, and gold only?

The tendency to upward prices has been strong in the last 10 or 15 years throughout the world. The expression "the high cost of living" has been on the lips of every thinking man for the last decade, and many a bitter strike has been waged in a desperate effort to contend with the high cost of living. Translated into simple words it means that it is becoming more and more difficult to obtain the means necessary for existence. We are confronted with a new kind of a crisis. We have had financial crises and industrial crises. We have now a prosperity crisis. It is the legitimate outcome of individualism run mad. Every 15 or 20 years there is one of these cyclonic disturbances of industry and finance, and no sooner do the waves of one crisis recede another one casts its ominous shadow ahead. We have had a crisis in 1819, 1837, 1857, 1873, 1893, 1907, and now we witness what appears to the men unfamiliar with economic evolution the most inexplicable of all crises—a prosperity crisis.

The climax of industrial anarchy has been reached now. We are face to face with the results of unregulated and uncontrolled individualism which enables a minority of the community to control the means necessary for the sustenance of the many. There is no permanent remedy short of democratic control of the means of existence. As long as a small group of the community control the food supply and other means of existence necessary for the people, the people are helpless.

The gentleman who preceded me has told us that four packing concerns now control the packing industry in spite of the so-called antitrust law. That fool antitrust law is powerless. You can not compel four packing concerns to compete when they choose not to compete. The people have only one alternative, and that is either to submit to the dictation of the four packing concerns or to take control of the packing industry for the people and run it on behalf of the people.

Mr. HAMILTON of Michigan. May I ask the gentleman a question? What is the gentleman's remedy?

Mr. LONDON. Coming down to the immediate situation, I refuse to admit that there is no possibility of immediate

relief. The mere fact that the problem is a difficult one does not mean that we should abandon all efforts of solving it. We certainly can not afford to let the people starve, nor can we afford to have them become the recipients of charity. Of course anything I may suggest may appear to be unusual, contrary to established precedents, not in line with accepted theories, but that is no matter. We are dealing with an unusual situation. Without going into any far-fetched theories in order to relieve the situation to-day, to-morrow, the 25th of February, 1917, let us immediately appropriate $5,000,000 and authorize a commission to purchase food, establish food-distribution centers, and to sell food at reasonable prices directly to the consumer or to State or municipal governments in line with the suggestion contained in the bill which I introduced a few days ago. That is my concrete proposition to meet a present need. I am sure that is not a theory from cloudland.

Mr. MONDELL. Will the gentleman yield?

Mr. LONDON. I will.

Mr. MONDELL. Who would the commission buy from and how would the gentleman provide the commission should buy at reasonable prices?

Mr. LONDON. I assume that the commission will purchase food at the cheapest possible prices and sell it at reasonable prices, but if the commission should be unable to obtain food at reasonable prices then we will have to take the next step, and that is to take possession of the foodstuffs and pay the owners a price which the Government will determine under condemnation proceedings. That is exactly what New South Wales has been compelled to do. New South Wales had been generously pouring out her blood and her money to aid her mother country, but when food speculators at home began to take advantage of the enormous exports so as to inflate prices the New South Wales Government found it necessary to seize foodstuffs and proclaim the price at which it would be sold to the people. I intend in my extension of remarks to incorporate an article on how they kept food cheap in Australia, which appears in Pearson's Magazine for this month. While we are not at war we are suffering from all the evil effects of war.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHACKLEFORD. Mr. Chairman, I ask unanimous consent that the gentleman have five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. LONDON. I shall also extend my remarks by incorporating an article on Government control of food supplies in European countries, which will appear in the Monthly Review of the Bureau of Labor Statistics for the month of March, and which has been prepared by the Bureau of Labor Statistics.

Mr. SHALLENBERGER. Now, will the gentleman yield?

Mr. LONDON. Yes.

Mr. SHALLENBERGER. No doubt the gentleman knows that in New York City, in conformity with his idea, Mr. George W. Perkins has announced in the press that they have already purchased 4,000,000 pounds of rice and that they are going to sell it at 2 cents a pound?

Mr. LONDON. That is a fact. If the rulers of the Old World have enough intelligence to protect the people from exploitation in times of war, there should be enough will and enough intelligence in this Republic to protect the people in times of peace. Now, Mr. Chairman, a word as to this amendment to appropriate $400,000 for an investigation by the Federal commission.

This investigation will take, it is estimated, about eight months. It can be of no immediate benefit. Still, I favor the amendment. The more light you throw upon all these economic problems, the more you investigate, the more you search, the more you scrutinize, the more you examine, the more knowledge you accumulate, the more intelligent will be the action in the next Congress.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Minnesota?

Mr. LONDON. I do.

Mr. SMITH of Minnesota. Seven years ago this Congress turned over to the Interstate Commerce Commission the question of investigating to what extent the refrigerator exclusive car contract existed, and its effect. That commission has never reported. It has never written an article on that line.

Mr. LONDON. Whose fault was it? The fault of Members of Congress who permit themselves to be the distributors of garden seed, who permit themselves to be made agents for private claims, and who do not apply themselves to great national problems which confront this great Republic. [Applause.] It is your fault, if nothing has been done. Of course, I do not mean the gentleman individually.

Mr. SMITH of Minnesota. Oh, I know, my friend, it is not my fault. Repeatedly have I called upon the commission for a report; repeatedly have I written to the commission on this proposition, and each time the commission has said that the report would soon be coming; but it has not come until to-day.

Mr. HAMILTON of Michigan. Has it come to-day?

Mr. SMITH of Minnesota. And now, another thing. Have not gentlemen complained about existing conditions and refused to study the conditions of which they complain, and in the meantime those conditions have been remedied?

Mr. LONDON. I know that a great deal of information that has been collected on these subjects is buried in libraries; but it is the fault of the men who refuse to study and to take advantage of the accumulated data.

Let me say in closing, gentlemen, if you have a better or a more immediate remedy for the present emergency than the one I have suggested, please announce it. Let us know. Stop indulging in generalities. Stop talking of investigations. Stop recriminations and accusations. What remedy have you to offer for the lack of food to-day in the city of New York and in the city of Philadelphia and other large cities?

Mr. KELLEY. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. KELLEY. I understand that in the elevators in Chicago there are 60,000,000 bushels of wheat. That is enough to last the city of New York two years.

Mr. LONDON. Who owns that wheat; who has control of those 60,000,000 bushels of wheat? And where would those 60,000,000 bushels of wheat go if there were no submarine warfare? They would go abroad. They would not go to New York or Philadelphia.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. LONDON. Mr. Chairman, I ask leave to extend my remarks by inserting the documents indicated.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks by inserting the documents indicated. Is there objection?

There was no objection.

Mr. LONDON. I submit the two articles referred to in my remarks, as follows:

HOW THEY KEEP FOOD CHEAP IN AUSTRALIA—A LABOR GOVERNMENT'S EXPERIMENT IN PRICE FIXING.

[By Julian Pierce.]

The method by which the New South Wales labor government has handled the food crisis during the last two years is suggestive as to what the United States Government might do to meet the food crisis that now exists here.

The New South Wales manufacturers and dealers in the necessaries of life gave their interpretation of their social function immediately upon the outbreak of the war. The wheat speculators boosted the price of wheat 30 cents a bushel. The flour manufacturers boosted the price of flour $3, $6, $9, and $12 a ton. Grocers' associations boosted the prices of food products, especially food for children, to unheard-of levels. They raised the price of sago and tapioca 20 per cent, oatmeal 10 per cent, pearl barley 7 per cent. Tinned fish jumped 48 cents a dozen cans wholesale. And the butchers, to cap the climax, raised the price of beef 4 cents a pound.

The wage earners protested vigorously against the price boosting. With wages largely fixed by law, through arbitration courts and awards by Government wage boards, the action of the food capitalists in boosting prices was equivalent to wholesale wage reductions.

On August 18 the labor government met the situation by instructing Attorney General Hall to introduce a bill called the necessary commodities control act. It passed the house and senate with but little delay and became a law on August 25. It is this law, enacted to meet a "special crisis," that has developed into a permanent policy of the New South Wales labor government.

The necessary commodities control act limits its jurisdiction to "necessary commodities," and defines them as follows: (1) Coal, firewood, coke, or other fuel; (2) gas for lighting, cooking, or industrial purposes; (3) any article of food or drink for man or for any domesticated animal; (4) any article which enters into or is used in the composition or preparation of the foregoing; (5) any article which, after a report of the commission, has by resolution of both houses of Parliament been declared to be a necessary commodity.

The necessary commodities control commission to administer the act consists of three persons appointed by the governor of the State.

The powers of the commission are as broad as the interests of the consuming public. It is authorized to inquire and report to the governor of New South Wales as to what should be the highest selling price for the State of any necessary commodity.

In the price-fixing field the commission has the power to specify different selling prices for the same kind of commodities, according to quality, quantity, terms, and conditions, and locality. That is to say, the commission is clothed with the discretionary power to fix different prices for different grades of the necessary commodity butter, different prices for butter sold wholesale and retail, different prices for butter sold over the counter or delivered, and finally, different prices for butter in different localities.

Having reached a conclusion as to what the highest selling price for any necessary commodity should be, the law instructs the commission to report its findings to the governor of New South Wales. Thereupon the governor, by notice in a daily official Government publication, declares the "maximum price at which any necessary commodity may be sold for consumption in New South Wales."

The labor government realized that the predatory manufacturers and merchants might do either of two things. They might be bold enough to sell the commodity at a higher price than that fixed by the Government, or they might refuse to sell the commodity at the declared price.

On dealers who sell commodities for a higher price than the proclaimed price the law imposes a fine of not more than $487 for each offense, or a jail sentence of not more than one year in jail, or both fine and jail sentence.

With regard to persons who refuse to sell at the declared price, the law permits them to withhold from sale the family requirements for six months. If quantities in excess of the six months' requirements are withheld, the same penalties may be imposed as in cases where the goods are sold at prices higher than the proclaimed prices.

In case its inquiries arouse the suspicion that dealers are withholding more than the permitted quantities the commission is clothed with power to make forcible entry into any premises in search of the goods in question. If excess quantities of the necessary commodities are found, the Government is authorized to seize and sell the same at the declared price, paying the costs of seizure and sale out of the proceeds and remitting the balance to the owners.

On September 15, 1914, Gov. Strickland published the first price-fixing proclamation. This proclamation declared the maximum price at which wheat, flour, and bread might be sold for consumption in New South Wales. The prices were as follows: Wheat, $1 a bushel within the State of New South Wales; flour, $46.37 a ton within the counties of Cumberland and Northumberland; bread, 7 cents for each 2-pound loaf within the counties of Cumberland and Northumberland.

The day before the labor government issued this first price-fixing proclamation the market price of wheat was $1.26 a bushel. The labor government reduced the price 26 cents a bushel. The market price of flour was $56.01 per ton. The labor government reduced the price $9.64 per ton. The price of bread was 7 cents per 2-pound loaf, with the Master Bakers' Association threatening to boost it to 9 cents. The labor government prevented the 2-cent raise.

The cities of Sydney and Newcastle, with their combined city and suburban population approaching the 800,000 mark, are in Cumberland County and Northumberland County, respectively. The population of these districts is made up largely of wage earners. It was here that the foodstuffs crisis had reached its highest point. It was to these districts, therefore, that the commission limited its first recommendation relative to maximum prices for flour and bread. Later it was found necessary to extend the maximum bread and flour prices to the entire State.

The bread price was the thing that touched the consumer. On August 1 the bakers sold a 2-pound loaf for 7 cents, with flour at $42.83 a ton. But bread is made of flour. And the flour manufacturers boosted the price of flour from $42.83 to $56.01 per ton. Whereupon the Master Bakers' Association declared that if flour remained at such an abnormal level they would have to boost the price of bread to 9 cents a loaf, and perhaps to 10.

So the necessary commodities control commission, in order to protect the consumers from the inordinate increase in the price of bread, threatened by the bread capitalists, found itself compelled to "regulate" both the flour capitalists and the wheat capitalists. In other words, to "stabilize" the price of bread they had to stabilize the price of flour. To stabilize the price of flour they had to stabilize the price of wheat. And to stabilize the price of wheat the commission had to grapple with the millionaire wheat cornerers of New South Wales.

Its ability to meet the wheat situation was the test of the labor government in its undertaking to protect the consumers from the greed of the wheat monopolists. And the way the labor government did meet the wheat situation reads like a romance.

On September 15 it was estimated that there were about 3,500,000 bushels of wheat in New South Wales. It was largely owned by the wheat speculators. They had boosted the price from 96 cents a bushel on August 1 to $1.26 a bushel in September. Moreover, they were storing it, waiting for transportation to ship it to London, the London buyers having "bulled" the market. At this point the labor government arbitrarily reduced the price to $1 by law, and prohibited the wheat speculators under penalty of fine and imprisonment from selling the wheat in New South Wales for more than the proclaimed price.

If the speculators sold their holdings at the proclaimed price, they would lose 26 cents a bushel on every bushel that left their possession. Would they throw up their hands before the labor government, acknowledge defeat in their price-conspiracy campaign, and assist the Government in its policy of feeding the people of New South Wales rather than feeding the European war?

The next two days told the story of the struggle. And they told it with a revolutionary vigor that makes it one of the most remarkable stories in recent times of a fight between the people and the food lords.

The wheat combine had nearly 400,000 bushels of wheat stored in the Government railway sheds on the water front at Darling Island, Sydney. The combine was chartering ships to sell the wheat away from New South Wales. Unless the Labor government could bring the wheat combine to sell the Darling Island holdings to the flour manufacturers at the proclaimed price the law would be nullified at the start, and 9 or 10 cent bread would be a fact rather than a threat.

On September 16 the Labor government instructed George Boss, the manager of the State bakery at Sydney, to buy a few thousand bushels of wheat. Mr. Boss approached wheat speculator after wheat speculator and offered the Government-fixed price of $1 a bushel for 3,000 bushels of wheat. Every one of them refused to sell a bushel, much less 3,000 bushels. Wheat was worth $1.26 net in London, and the wheat would go to London unless the New South Wales Government paid that figure.

Mr. Boss made his report to the attorney general's office.

The flour manufacturers also tested the intentions of the wheat combine. One miller offered the declared price of $1 for 15,000 bushels. The wheat combine refused to sell. Other millers reported similar experiences. The flour manufacturers thereupon informed Attorney General Hall that they had flour but none to sell at the Government price of $46.37 a ton. Their present supply was already sold under contracts. If Attorney General Hall would get them wheat for $1 they would sell flour for $46.37. But with wheat at the prevailing price fixed by the wheat combine, $46.37 flour would mean a loss on every ton manufactured.

Attorney General Hall dismissed the flour manufacturers with the declaration that he would get them the wheat.

September 17 closed with a deadlock between the wheat combine and the Labor government. Not a bushel of wheat nor a ton of flour had been sold at the Government price. The rival forces were trimming for the final test of power. The wheat speculators owned the wheat. In spite of the law they refused to sell it at the price proclaimed by the Labor government. The Labor government on its side controlled the machinery for enforcing the law. It simmered down to a contest between the wheat millionaires owning the wheat and the Labor government controlling the law-enforcing machinery.

Early on September 17 John Darling & Son, the wheat millionaires of Australia, docked the British troop transport steamer *Port Lincoln* at the water front at Darling Island and requested the railway department to get the loading gear in readiness to load 750 tons of Darling's wheat into the transport. The *Port Lincoln* was bound for London. The gear could have been prepared in an hour. But it wasn't prepared. The railway department was in communication with the attorney general's department. The agents of John Darling & Son waited hour after hour throughout the day to load the transport. It wasn't loaded. Finally, at half past 4 o'clock, Darling's agents received a letter from the railway department regretting that it could not fix the gear that day.

The wheat speculators had then 400,000 bushels of wheat stored on the water front. At half past 5 o'clock the State government seized every bushel of it.

The seizure was executed by the inspector general of police of New South Wales, who acted under the authority of the following order prepared in the attorney general's office:

NOTICE UNDER SECTION 11 OF THE NECESSARY-COMMODITIES CONTROL ACT, 1914.

Whereas the commission appointed under the above-mentioned act has reported to me that a certain necessary commodity, to wit, wheat, which in the opinion of the said commission should be distributed for public use, is being stored or withheld from sale at Darling Island, Sydney, and at the railway stations throughout the State by Messrs. John Darling & Son, Dalgetty & Co. (Ltd.), James Bell & Co., Louis Dreyfus & Co., Lindley, Walker & Co., J. J. Donnelly & Co., R. J. Mulholland & Co.; now, therefore, I, Sir Gerald Strickland, governor of the State of New South Wales, in pursuance of section 11 of the necessary-commodities control act, 1914, do hereby authorize the seizure and distribution of such necessary commodity aforementioned; and I do hereby appoint the inspector general of police of New South Wales, or any other officer of police of the said State, as the person who shall execute this authority.

GERALD STRICKLAND, *Governor.*

By His Excellency's command,

DAVID R. HALL,
Attorney General and Minister of Justice.

The following day Sydney flour manufacturers alone applied to the Government for 390,000 bushels of the seized wheat.

In arranging for the distribution of the wheat the Labor government announced that none of it would be sold to flour manufacturers to be used to fill outstanding contracts for flour at a higher price than the Government price of $46.37 per ton.

Within a few days the Government sold the entire lot of wheat at the proclaimed price, $1 a bushel. The costs of the seizure and sale were taken out of the proceeds. The balance was distributed among the seven wheat-speculating concerns who had refused to obey the price-regulating laws enacted by the New South Wales Labor government for the protection of the consumers.

The influence of the Sydney seizure and sale was widespread. The wheat owners with wheat stored at the various railway stations saw that the Labor government was determined to enforce the law. Wheat immediately dropped to $1 a bushel throughout New South Wales.

With $1 wheat available the flour manufacturers became tractable. Flour dropped from $56.01 per ton to $46.37, the price proclaimed by the Labor government—a drop of $9.64.

The Master Bakers' Association, able to buy flour at the price fixed, had no valid reason for raising the price of bread higher than the declared price of 7 cents for a 2-pound loaf.

The wheat seizure and sale closed the first period of the price-fixing contest between the Labor government of New South Wales and the organized capitalists of the State.

It was a fight of the workers against the capitalists, with the capitalists owning the means of production and distribution and the workers controlling the Government.

Through its control of the Government the New South Wales Labor Party whipped the wheat and flour speculators to a finish. They were whipped so thoroughly that they never even took the seizure and sale into the courts to test its legality.

With the validity and virility of the law thus emphatically affirmed, the next step in the Labor government's price-fixing program was to apply the principles of the law to the manufacture and sale of some 37 other necessary commodities without which the life of the community could not be sustained.

GOVERNMENT CONTROL OF FOOD SUPPLIES IN EUROPEAN COUNTRIES.

INTRODUCTION.

An important upward movement of the price level of commodities in a given country invariably gives rise to much disturbance in the body politic—disturbance commonly taking the form in the first instance of protestations and recriminations on the part of those classes or groups in the community whose own incomes or earnings respond least readily and rapidly to the causes to which the price advance is attributable. Until the process of general adjustment is nearly or quite completed these groups or classes suffer real hardships from the insufficiency of their incomes to meet the added expense of living in the manner to which they have become accustomed. Their plight is rendered all the less easy to bear because they see all about them evidences of the unusual prosperity of other classes or groups, whose economic position is such that increasing prices for commodities are transmuted for them into abnormal business profits and hence abnormally large incomes.

It is, of course, in connection with the high cost of food that an enhancement of prices is most acutely felt. Except perhaps for shelter from the elements, here is the first and, in the case of the great majority, the heaviest and at the same time the least escapable charge upon income. And there is this peculiarity about food that its obvious absolute necessity for existence breeds in average human beings a kind of subconscious belief that they have a natural right to it, and upon terms that are comfortable to themselves. When food prices rise sharply, therefore, the average man, who is himself severely pinched to make both ends meet, but who observes his neighbor abundingly prosperous by reason of the very phenomena that are correlated with his own trouble, jumps easily to the conclusion that an unfair advantage is somehow being taken of him by that neighbor; that he is a victim of injustice at his neighbor's hands, and steps ought to be taken by those in authority to set the injustice right. ("Government expedients

for controlling the high cost of food," by Arthur Richmond Marsh. Economic World, New York, Dec. 9, 1916, p. 747.)

In ordinary times the authorities have as a rule been loath to take measures for the control of food supplies and have abstained from interfering with the established machinery of food distribution. During war times the attitude of the authorities is necessarily entirely different. With Army and Navy on a war footing the Government must feed a much larger number of men and animals than in peace times. By assuming control of all food supplies and their distribution and fixing maximum prices for them the Government not only insures a sufficient supply for the troops, but by preventing corners in foodstuffs and consequent excessive enhancement of prices also saves millions to the Treasury. To conduct a war successfully a government must, moreover, have the full support of the great masses of its people, which can only be secured and maintained if these masses are enabled to procure the prime necessities of life in sufficient quantity and at reasonable prices. Besides, in case of actual scarcity of food, caused either by blockade or difficulties of transportation, the Government is the only agency which can insure proper distribution of the scant supplies.

For all these reasons and for many lesser not enumerated here we find that during the present world war the Governments of all the belligerent and neutral countries in Europe have taken far-reaching measures for the control of food supplies, and some of these measures in reality involve no less than the setting aside of the established order of things and the reconstruction of the very fabric of the community and of the State.

To compile a collection or even a digest of the enormous number of laws, decrees, and orders of central, local, and military authorities relating to control of food supplies, which were promulgated in the last two and one-half years in the various countries at war and in neutral countries, would result in a work filling volumes (such a compilation is being published by the Italian ministry of industry, commerce, and labor (Direzione Generale del Credito e della Previdenza) "Provedimenti in materia di economia e finanza emanati in * * * in sequito alla guerra europea." (Annuali del credito e della previdenza. Series II, vols. 10 (3 pts.), 11, 12, 13, 14, and 16). The volumes so far published relate to Italy, France, Great Britain, Austria, Germany, and Switzerland, and include only measures enacted up to the end of 1915) and can not be attempted within the space allotted to the present article. A large number of the laws and decrees have, moreover, been many times amended since their enactment. For the above reasons the present article has been restricted to a very brief summary of measures relating to food control recently enacted and in force to-day. For measures enacted at the beginning of the war, reference should be had to Bulletin No. 170 (Foreign Food Prices as Affected by the War) of this bureau.

By way of preface it should be remarked that for nearly a year hardly any official publications have been received in Washington from the central powers, and that official publications from other European countries have been received irregularly and greatly delayed. In the preparation of this article recourse was had therefore to consular reports, correspondence of the daily press, and articles in foreign and American magazines.

Great Britain.

UNREASONABLE WITHHOLDING OF FOOD SUPPLIES ACT.

During the first months of the present war an abundance of food supplies from British colonies and foreign countries permitted the British Government to concentrate all its activities on the enlargement, outfitting, and training of its military and naval establishments and gave but scant attention to regulation of the food supply for the civilian population. To protect, however, the population from corners in foodstuffs a very broad law was enacted on August 14, 1914, under the title "Unreasonable withholding of food supplies act, 1914." This act provides that "if the board of trade are of the opinion that any foodstuff is being unreasonably withheld from the market, they may, if so authorized by His Majesty's proclamation (made generally or as respects any particular kind of foodstuff) and in manner provided by the proclamation, take possession of any supplies of foodstuff to which the proclamation relates, paying to the owners of the supplies such price as may in default of agreement be decided to be reasonable, having regard to all circumstances of the case, by the arbitration of a judge of the high court, selected by the lord chief justice of England." No proclamation was ever made under this power.

ROYAL COMMISSION ON SUGAR SUPPLIES.

Sugar is the only foodstuff of the supply of which the Government took charge during the early stages of the war, and this for the reason that for the supply of this article the United Kingdom is largely dependent on importation. On September 11, 1914, the London Gazette announced the appointment of a royal commission to inquire into the supply of sugar in the United Kingdom, to purchase, sell, and control the delivery of sugar, and generally to take such steps as may seem desirable for maintaining the supply.

DEPARTMENTAL COMMITTEES ON THE HOME PRODUCTION OF FOOD.

With the exception of various orders prohibiting the export of specified foodstuffs, no further measures relating to the food supply were taken by the Government until June 17, 1915. On this date the president of the board of agriculture and fisheries appointed a departmental committee "to consider and report what steps should be taken, by legislation or otherwise, for the sole purpose of maintaining and, if possible, increasing the present production of food in England and Wales, on the assumption that the war may be prolonged beyond the harvest of 1916." On June 23 the secretary for Scotland appointed a committee to consider the same question in its application to Scotland, and on June 28 the vice president of the department of agriculture and technical instruction for Ireland committed an identical reference to a committee for Ireland. ("The report of the departmental committee on the home production of food." Economic Journal, vol. 26, No. 101. London, Mar., 1916, pp. 105 ff.)

The English committee was presided over by Viscount Milner, and included representatives of the three political parties, together with men whose familiarity with the present condition of agricultural affairs is beyond question. It did not consider itself called upon by the terms of its reference to inquire into the nature and extent of any possible shortage of imported food supplies, for it felt that the Government alone was competent to judge of this, but it confined itself to the consideration of the steps which could be taken, assuming that an emergency might exist after the harvest of 1916. Recognizing that quick action was necessary, the committee met frequently and presented an interim report (Cd. 8048) on July 17, 1915.

In this report it was laid down that the main problem was how to increase the area under wheat, 95 per cent of the home supply of which is produced in England and Wales. The committee concluded that this could only be solved by extending largely the area of land under tillage. This would enable more of the existing arable area to be put down in wheat, leaving the newly broken-up land for the other necessary crops, thus displaced, such as oats and potatoes. The committee recognized that in advocating this course they were inviting farmers, and to a lesser extent landlords also, to adopt a policy of management bolder than many of them might think warranted by the conditions. To induce farmers and landlords to throw over their present methods, with their comparative security of profits, and to undertake the responsibility of increased arable area in the face of certain shortage of labor and a possible fall in grain prices at the conclusion of the war, the committee proposed the guaranteeing of a minimum price of 45 shillings a quarter ($0.00 a bushel) for all marketable home-grown wheat for a period of four years. This very remarkable recommendation becomes the more noteworthy when the composition of the committee making it is borne in mind, for here are representatives of the liberal and labor parties advocating what amounts to a bounty on home-grown wheat.

The committee recognized that a guaranteed price for wheat should entail upon the farmer the obligation to pay a fair rate of wages to his laborers; in fact, some members were evidently in favor of accompanying the minimum price with a minimum wage. They contented themselves, however, with recommending that an inquiry into wages and earnings should be instituted at once. An appendix to the report describes the procedure recommended for securing a breaking up of land and the cropping of it to the maximum advantage.

After consideration of the interim report, the Government decided not to adopt the recommendation of a guaranteed minimum price for wheat. On October 15, 1915, the committee presented their final report (Cd. 8095), and notwithstanding the refusal of the Government to adopt the recommendation of the interim report the committee again took the opportunity of stating their firm conviction that the conversion of arable land into grass, which has taken place to the extent of nearly 4,000,000 acres during the last 40 years and is still going on, was bound to result in a diminution of the food produced, and that much of this land would carry more stock under the plow, whilst at the same time producing corn for human consumption. The remainder of the final report dealt with the provision of fertilizers and feed, increased to pig breeding, labor, labor-saving machinery, and the employment of women. Attention was also called to the use of waste land in towns and villages for the production of vegetables. The committee was not able to recommend the establishment of a reserve of wheat. Two members of the committee refrained from signing the final report and presented a minority report to the effect that they regarded the recommendations put forward by their colleagues as applying to conditions after the war, which were outside the terms of the reference.

The report of the Scotch committee (which bears no date) was signed by all the members, and in it the suggestions for the maintenance or increase of the food supplies of the country are grouped under three heads: (1) Increased production, (2) avoidance of waste, and (3) using sources of supply not at present available. Dealing with the first of these, the Scotch committee avoided the controversial questions of the English committee. The advisability of resorting to artificial means to stimulate the production of wheat was considered by the committee, and some of the witnesses gave evidence in favor of a guaranteed minimum price, but they did not see their way to overcome the practical difficulties likely to arise. The committee also considered the question of the compulsory conversion of grass land, but doubted the practicability of setting up the necessary administration for scheduling the land to be broken up.

All the recommendations as to the increase are of a practical nature. They relate to such matters as the more general use of artificial manures, and the restriction of their export; the advantages derived from frequent changes of seed; lower freight rates for agricultural seeds and live stock for breeding purposes, etc. On the question of labor as related to increased production, the committee recommended that representations should be made to the military authorities that any attempt to increase or even to maintain food production would be made impossible by a further withdrawal of experienced workers from agriculture. The recommendations as to the avoidance of waste deal mainly with the conflicting interests of the game preserver and the food producer. As to the utilization of sources of supply not at present available it was suggested that local committees should be established for the stimulation of production in every possible direction, and the constitution of these committees was outlined.

The Irish committee presented its report on August 19, 1915, signed with certain reservations by all the members except two, and one of these, Sir Horace Plunkett, presented a minority report. The committee were impressed with the necessity of increasing the area under corn, just as the English committee had been, and they recommended that the Government should guarantee a minimum price for oats and wheat for one year, recording their opinion that having regard to the risk of loss run by the farmer in breaking up grass, there would be no departure from sound economic policy in agreeing to a minimum price to secure him. No actual figures were suggested for the guaranty. In the second place, the committee recognized the difficulty which confronts all communities of small landholders, namely, how to obtain the advantages of labor-saving implements and machinery. The committee indorsed the action already taken in certain parts of the country in the establishment of cooperative implement societies with the aid of loans from the department of agriculture and technical instruction, and recommended the extension of the scheme. A system of loans for the provision of boats and gear for the capture of fish was also recommended.

CONTROL OF SUPPLIES OF "ARTICLES OF COMMERCE" BY THE BOARD OF TRADE.

In the latter part of the year 1916 it had become practically certain that in the event of the war becoming very protracted, the food problem would sooner or later require drastic handling, for, while Great Britain is in the position of having in one sense the world's supplies at its command, with the progress of the war, great and increasing difficulties have to be overcome before commodities, which may be near or far, can be brought to the markets of the United Kingdom and distributed for the advantage of the population. Canada, Australia, India, the United States, and other neutral countries may have supplies greatly in excess of their own requirements, but if transport and man power for their movement and handling are not available the existence of large quantities of foodstuffs can not be of benefit to the British population.

The mercantile marine in its entirety is no longer at the disposition of the individual. A great part of it is in the service of the nation,

and on top of the extensive diversion of merchant ships for purposes of war has been the heavy toll taken by the submarine craft of the enemy, and this at a time when the shipbuilding yards of the country, owing to the lack of skilled labor and the paramount needs of the navy, have been compelled to reduce their output considerably.

Cognizant of this situation, the Government in the fall of 1916 took steps which close observers had for some time regarded as inevitable for the more effective organization and control of Great Britain's food supplies and which the authorities had been frequently criticized for delaying. On October 10, 1916, Mr. Runciman, president of the board of trade, made the following statement in the House of Commons ("Great Britain's control of food." The Northwestern Miller, Minneapolis, Nov. 8, 1916, pp. 377–378):

"Since the outbreak of the war the Government has taken measures, which have progressively become more comprehensive, to insure that the stocks of wheat in the country are sufficiently maintained to guard against any temporary interference with over-sea supplies. In 1914 the grain supplies committee was formed to undertake the purchase of wheat as a reserve against the risk of a temporary interruption of supplies, but the regular trade was left in private hands.

"Early in 1915 the Indian wheat committee was formed to secure, in cooperation with the Indian government, that the surplus of the Indian wheat crop was brought to the United Kingdom at a time when by reason of the delay of the harvest in North America imported supplies were somewhat short.

"At the end of that year the Government suggested to the French and Italian Governments that cooperation was better than competition between the allies in the wheat markets, and as a result a joint committee was formed comprising representatives of the United Kingdom, France, and Italy, which has since met daily in London, and made such purchases of wheat, flour, and corn as were requisite for the three countries.

"The possibility of large quantities of wheat, which are at present locked up in some grain-exporting countries, being freed as the result of military operations has led to the disinclination on the part of the trade to hold more stocks than an absolute minimum, and it has become clear that the supplies during the coming year can not safely be left to private enterprise.

"The Government has accordingly indorsed a conclusion arrived at by the cabinet committee on food supplies, that we must now provide for a further development of importation by the State. The King has approved the appointment of a royal commission intrusted with full power to take such steps as it may deem necessary and desirable to insure adequate and regular supplies of wheat and flour for the United Kingdom in cooperation with the committee which since the beginning of the present year has been purchasing wheat and flour for the allies.

"This means that the importation of wheat into the United Kingdom will have to be undertaken largely, if not entirely, under the control of the royal commission, which will in many respects avail itself of the experience of the sugar commission.

"In anticipation of this step the Government has made a very large purchase of Australian wheat. The competition of the world for tonnage last season was greater than the eagerness for wheat, and the Commonwealth government, which had purchased the whole of its crop, found itself with granaries full, but short of facilities for reaching the European markets.

"Steps have now been taken to provide all the tonnage required for the conveyance of the wheat purchased by His Majesty's Government. Tonnage for the carriage of wheat across the Atlantic has been provided for nearly a year, with excellent results, by the requisitioning (carriage of foodstuffs) committee.

"As the import of wheat into this country will in future be in the hands of the State, and the full benefit of reduction in the cost of carriage will accrue to the State, and not to private individuals, the system adopted by the committee will be continued, with the addition that vessels so requisitioned will be required to provide the space necessary for State importations at fixed, and not variable, rates of freight.

"Further details for the guidance of the corn exchanges will be published expeditiously, and arrangements have already been made, in cooperation with the trade, to prevent any interruption in the regular and adequate supply of wheat to the British and Irish mills during the short transition stage."

Having in this manner indicated its plan of action, the Government, under the wide powers conferred upon it by the "defense of the realm consolidation act, 1914," on November 16, 1916, issued an order in council, further amended on December 5 and 22, 1916, which gave to the board of trade full control of "any articles of commerce, the maintenance of which is important as being part of the food supplies of the country, or as being necessary for the wants of the public or for the wants of any section of the public." (The full text of these orders in council is reprinted here in an appendix to the present article.)

Under these orders the board of trade has the power to regulate waste or unnecessary destruction of articles, their use, manner of manufacture, mode of sale and of market operations; to determine maximum prices; to requisition supplies; to obtain information as to stocks, etc.; to hold inquiries and administer oaths for this purpose; to transfer its powers to other Government departments, and to make entry on occupied or unoccupied land and to cultivate it.

In connection with the above orders, special correspondence of the Annalist from London, dated November 16, 1916 ("Averting a food crisis." The Annalist, New York, Dec. 4, 1916, p. 712), intimates that—

"The Government has no immediate intention of actually limiting the supply of bread, sugar, milk, and other commodities per individual, but it is convinced of the necessity of curtailing consumption, if not by one means, then by another and more drastic, and it will really rest with the public whether the authorities are finally compelled to resort to distribution by food tickets."

Up to the present date the board of trade has limited itself to the appointment of a food controller, the regulation of prices of milk, wheat, oats, and potatoes, the regulation of the milling of flour, restrictions on dealings in seed potatoes, and the taking of a few other similar measures. Digests of the orders relating thereto are given below.

FOOD-CONTROL DEPARTMENT.

The British Board of Trade Journal of December 14, 1916, reports that it is officially announced that Lord Davenport, as food controller, will henceforth be responsible for administering the recent defense of the realm regulations for the purpose of regulating supplies and prices of food, and for other action in connection with food control. Any action in regard to the making of orders under the above regulations or otherwise requiring formally to be taken by the board of trade will, pending the making of the necessary arrangements to confer the powers on the food controller, continue to be taken by the board of trade at the request of the food controller.

REGULATION OF THE PRICE OF MILK.

[Board of Trade Journal (Great Britain), Nov. 23, 1916, p. 570, and Dec. 21, 1916, pp, 860, 861.]

The price of milk has been regulated by two orders, the so-called price-of-milk orders Nos. 1 and 2. The latter is dated December 12, 1916, and amends the first, issued some weeks earlier. They fix maximum prices for both the wholesale and retail trade by stipulating that the price may not exceed by more than a specified amount the price in the corresponding month before the war. This amount is 2d. (4 cents) per quart in the case of retail milk. In the wholesale trade 6½d. (13 cents) per imperial gallon may be added to the prewar price if the milk is delivered on the premises of the buyer and these premises are not used as a creamery or factory and the conditions of sale include an obligation to deliver not less than a specified minimum, and 5½d. (11 cents) per imperial gallon in other cases. The maximum price for "accommodation" milk is raised to 1s. 8d. (41 cents) per imperial gallon, inclusive of all charges for transport to the railway station at which delivery is taken by the purchaser. Contracts for the sale of milk made on or before November 15, 1916, will be allowed to remain valid for their full period (up to Apr. 1, 1917), even if the price stipulated exceeds that otherwise permissible.

FLOUR AND BREAD ORDERS.

[Board of Trade Journal (Great Britain), Nov. 23, 1916, pp. 570–571; Dec. 14, 1916, pp. 793, 794; Dec. 21, 1916, p. 860.]

On November 21, 1916, the board of trade issued a milling order which fixes for the United Kingdom the percentages of flour that must be extracted from wheat of various origin and qualities. Two subsequent orders issued by the food controller enlarged the scope of the first order. The principal qualities shown in the schedules are these three orders, together with the percentage of flour to be extracted from them, are the following:

Quality.	Percentage.
English	76
Scotch	75
Irish	76
Choice Bombay	78
Walla Walla	75
No. 2 red western	76
No. 2 red winter	74
No. 2 new hard winter (1916)	76
No. 1 northern Duluth	75
No. 1 northern Manitoba, old crop	76
No. 1, northern Manitoba, new crop	75
No. 2 Chicago spring 1915 crop	72
Blue stem	76
Australian	78
Choice white Karachi	75
Barletta-Russo, 61½ pounds	74

In case the millers are grinding exclusively native wheat (English, Scotch, and Irish) an allowance of 1 per cent will be allowed in the percentage of flour to be extracted, i. e., in milling such wheats they must extract from English or Irish wheat 75 per cent, and from Scotch wheat 74 per cent.

The first milling order provides that, beginning with November 27, 1916, no flour may be milled, except in accordance with the schedules issued. On and after January 1, 1917, only flour milled in accordance with the schedules may be used for making bread or any other article of food. The order states that the percentages shown in the schedules must be regarded as strictly provisional and subject to amendment.

In consideration of the effect of the milling order in regard to the use of flour for sizing purposes, the food controller will grant licenses for milling, otherwise than in accordance with the terms of the order, subject to the following conditions:

(1) That the flour extracted from the wheat so milled, though it may be divided for this special purpose, does not fall below the percentage specified from time to time by order for that class of wheat.

(2) That the miller guarantees that the flour so milled will be delivered to his regular customers for sizing purposes only, and that the amount so delivered to each customer does not exceed the amount of flour ordinarily supplied to him for that purpose.

The Board of Trade Journal (Nov. 23, 1916) states that a subsequent order will be issued, requiring periodical returns of stocks of wheat received and of flour and offalls milled and of all stocks in hand on the date of the milling order coming into operation, i. e., November 27, 1916.

According to an American trade paper (the Weekly Northwestern Miller, Minneapolis, Dec. 20, 1916, p. 819), the net effect of the milling order will be that millers will have to make a long straight grade of flour of about 76 per cent; that is, striking an average of all wheats. This will mean that the United Kingdom will continue to eat white bread, though not quite so white as before the coming in effect of the new order.

A special cable of January 12, 1917, to the Northwestern Miller (Board of Trade Journal (Great Britain), Nov. 30, 1916, p. 655), the contents of which are confirmed by a correspondence from London to the Christian Science Monitor (Board of Trade Journal (Great Britain), Nov. 23, 1916, p. 571), states that new milling regulations have been issued, according to which after January 29 British millers must add to the previously fixed percentages to be extracted from wheat a further percentage, not less than 5 per cent, either by further milling of the wheat or by the addition of flour derived from barley, oats, corn, or rice. This addition, at the option of the miller, may be raised 10 per cent.

PROHIBITION OF USE OF WHEAT IN MANUFACTURE OF BEER, ETC.

[Board of Trade Journal (Great Britain), Dec. 21, 1916, pp. 861–863.]

It having been reported to the board of trade that in consequence of the scarcity and high price of barley purchases of wheat have recently been made by brewers for use in their business, the board of trade issued an order, effective November 27, 1916, prohibiting the use of wheat in the manufacture of beer and similar liquors.

The use of any grain for the production of spirits without the authorization of the ministry of munitions was prohibited by an order dated May 10, 1916.

COMPULSORY RETURNS OF STOCKS OF POTATOES.

[Board of Trade Journal (Great Britain), Nov. 23, 1916, p. 571.]

Under date of November 20, 1916, the board of trade issued an order requiring a return of stocks of potatoes in Great Britain. Under

this order a return of stocks of potatoes and contracts must be made not later than December 7, 1916, by all persons cultivating more than 10 acres of potatoes on any holding in Great Britain. The board of trade has made arrangements with the board of agriculture for England and Wales and the board of agriculture for Scotland to collect and compile the returns on its behalf and to exercise the powers conferred by the defense of the realm regulations on the board of trade for this purpose.

RESTRICTIONS ON DEALINGS IN SEED POTATOES.

[The Weekly Northwestern Miller, Minneapolis, Dec. 20, 1916, p. 819.]

At the request of the food controller, and in consultation with the board of agriculture for England and Wales and the department for agriculture and technical instruction for Ireland the board of trade has issued two orders designed to safeguard the supply of seed potatoes for next year's crop. One of these orders is applicable in Great Britain and the other in Ireland.

The order applicable in Great Britain does not affect existing contracts for potatoes intended solely for seed purposes; the fulfillment, however, of contracts for the sale of potatoes for other purposes may be interfered with by the terms of the order. Briefly summarized, the operative provisions of the order are as follows:

(1) Seed potatoes shall be used for the purposes of seed only; this provision, however, not to affect the use of potatoes in his own household by a grower not being a grower for sale.

(2) The sale of seed potatoes to any person other than an authorized purchaser, and the buying of such potatoes by any person other than an authorized purchaser is prohibited. For the purpose of this provision an authorized purchaser is defined as a person dealing in seed potatoes in the way of his trade or business, or a person who shall, on the occasion of the sale of seed potatoes to him, certify in writing to the vendor thereof that the potatoes comprised in such sale are required and intended to be used for the purposes of seed.

(3) The order does not affect seed potatoes which are diseased or blemished, or which under any order issued under the destructive insects and pests acts, 1877 and 1907, may not be used for seed.

(4) Persons contravening against these provisions are guilty of a summary offense against the defense-of-the-realm regulations.

(5) In order to be considered as seed potatoes, the potatoes must conform to a description or variety and to a specified size, indicated in a schedule appended to the order.

The order became effective December 18, 1916, and is to remain in force until March 15, 1917.

An order applicable to Ireland was drafted on nearly identical lines as the order applicable to Great Britain, and in addition contains a provision limiting the right to export potatoes from Ireland to persons expressly licensed for that purpose by the department of agriculture and technical instruction.

DISTRIBUTION OF SEED POTATOES.

The Board of Trade Journal (issue of Dec. 21, 1916, p. 863) announces that arrangements have been made by the department of agriculture and fisheries with the treasury to finance a scheme for the distribution of seed potatoes. The president has invited the county war agriculture committees to request borough, urban, and parish councils to ascertain what quantity of seed potatoes is required in each village, to collect cash with orders, and to distribute seed. It is proposed that arrangements should be made to deliver potatoes at convenient distributing centers in 1-hundredweight bags. Not more than 5 hundredweight may be supplied to each grower, and the varieties will necessarily be limited.

PRICES FIXED FOR WHEAT, OATS, AND POTATOES.

[Board of Trade Journal (Great Britain), Jan. 11, 1917, p. 96.]

The Board of Trade Journal announces that, after consultation with the agricultural departments of Great Britain and Ireland, the food controller has fixed the following prices to growers for wheat, oats, and potatoes of the 1917 crop:

Wheat	60s. per quarter of 504 pounds.
Oats	38s. per quarter of 336 pounds.
Potatoes in not less than 6-ton lots, f. o. b.	115s. per ton for delivery from September 15 to January 31. 120s. per ton for delivery in February and March. 130s. per ton for the remainder of the season.

The prices in each case are for produce of the first quality, delivered as required, in sound, marketable condition. The Journal states that further announcements will be made respecting seed corn and seed potatoes for use in 1918, and early potatoes of the 1917 crop.

GOVERNMENT CONTROL OF CORN AND RICE SUPPLIES.

[U. S. Dept. of Commerce. Bureau of Foreign and Domestic Commerce. Commerce Reports. Washington, Jan. 9, 1917, No. 7, p. 99, and Jan. 31, 1917, p. 401.]

A cablegram received from the United States consul general in London states that the British Government has taken control of the corn supplies in the United Kingdom. A later cablegram from the same source announces that the commission on wheat supplies is now in control of rice. Prices to be fixed from time to time. All holders of rice to arrive must furnish particulars before February 1.

RECENT ORDERS OF THE FOOD CONTROLLER RELATING TO VARIOUS FOODSTUFFS.

[The Christian Science Monitor, Boston, Feb. 10, 1917, p. 9.]

A London correspondence to the Christian Science Monitor reports the issuance by the food controller of several new orders, covering bread, wheat, the feeding of game, sweets, cakes and pastry, winter milk, Irish oat exports, and potatoes. The use of wheat except for flour or seed was prohibited by one order. The use of any grains suitable for food or feeding stuffs, or any of their products, for feeding game birds was prohibited by another order. As to sugar and chocolates, an order directed against the manufacture of extravagant sweets enforced a maximum retail price of 3d. (6 cents) an ounce for chocolates and 2d. (4 cents) an ounce for other sweets, the price in each case to include the cost of the article in which the goods are sold. In the same connection one of the orders prohibited the use of sugar or chocolate for the external covering of cakes. During 1917, under this order, no maker will be allowed to use for sugar confectionery or chocolate more than half what he used in 1915. The use of winter milk in making chocolate was prohibited. Except under license, the export of oats from Ireland was forbidden.

Finally, in the matter of potatoes, the food controller had to consider the situation created by the fixing of the price for army supplies from the existing crops. The tendency of this was likely to be a considerable increase of price to the consumer for the remainder of the crop, and it was therefore announced simultaneously with the other orders that an order would be issued fixing the price of potatoes at £8 per ton for the first quality for January and February, rising to a maximum of £9 for later months. Best seed potatoes could be sold at a maximum price of £12 per ton.

CONTROL OF SUPPLIES OF "ARTICLES OF COMMERCE" BY THE BOARD OF TRADE.

[Board of Trade Journal (Great Britain), Nov. 23, 1916, pp. 566–570; Dec. 14, 1916, pp. 795–796; and Dec. 28, 1916, p. 945.]

Orders in council, dated November 16, December 5, and December 22, 1916, further amend the regulations (called the "Defense of the Realm (Consolidation) Regulations, 1914") under the defense of the realm consolidation act, 1914, for securing the public safety and the defense of the realm. The orders referred to order the following additions to the regulations:

"POWER TO APPLY THE PROVISIONS APPENDED.

"2F. (1) Where the board of trade are of opinion that it is expedient that special measures should be taken in the interests of the public for maintaining the supply of any article of commerce the maintenance of which is important as being part of the food supplies of the country or as being necessary for the wants of the public or for the wants of any section of the public, the board by order may, with a view to maintaining the supply of the article, apply to that article any of the provisions appended to this regulation.

"(2) Any such order may be made either so as to apply generally or so as to apply to any special locality, or so as to apply to any special supplies of any article, or to any special producer, manufacturer, or dealer; and any such order may direct that all contracts, or any class of contracts, or any special contract affected by any provision applied by the order shall remain in force, notwithstanding anything in the provision as so applied, but subject to any modifications for which provision may be made by the order.

"(3) If any person acts in contravention of or fails to comply with any of the provisions appended to this regulation, he shall be guilty of a summary offense against these regulations."

PROVISIONS WHICH MAY BE APPLIED.

WASTE OR UNNECESSARY DESTRUCTION.

I. A person shall not waste or unnecessarily destroy any article to which this provision is applied; and if the order applying this provision to that article declares that any specified process, action, or other thing done is waste or unnecessary destruction of the article that process, action, or other thing done shall be deemed to be waste or unnecessary destruction for the purpose of this provision.

USE OF ARTICLES.

II. Where the order applying this provision to any article specifies the purposes for which the article is to be used, a person shall not (subject to any conditions contained in the order) use the article except for the purposes so specified; and where the order prescribes any special manner in which the article is to be used, a person shall not (subject to any conditions contained in the order) use the article except in that manner; and where the order prohibits or restricts the use of the article for any special purpose a person shall not (subject to any conditions contained in the order), if the use of the article is restricted, use it except in accordance with the restrictions.

MANNER OF MANUFACTURE, ETC.

III. Where the order applying this provision to any article contains any directions or regulations as to the manufacture or production of the article in such a manner as to secure that the public are supplied with the article in the form most suitable in the circumstances, all persons concerned in the manufacture or production of the article shall comply with those directions or regulations.

MODE OF SALE.

IV. Where the order applying this provision to any article contains any directions or regulations as to the mode of sale or the distribution of the article, or as to the consumption of the article, with a view to securing that the available supply of the article is put to its best use throughout the country or in any locality, all persons concerned in the sale, distribution, or consumption of the article shall comply with those directions or regulations.

MARKET OPERATIONS.

V. Where the order applying this provision to any article contains any directions or regulations as to the market operations in that article, with a view to preventing an unreasonable inflation of the price of the article as the result of market operations, all persons concerned in market operations shall comply with those directions or regulations.

PRICES.

VI. A person shall not (subject to any exceptions contained in the order applying this provision) directly or indirectly sell or offer for sale any article to which this provision is applied at a price exceeding by more than the amount named in the order the corresponding price of the article at a date specified in the order (the corresponding price to be settled, in case of difference, by the board of trade); and where the consideration for any sale or offer consists wholly or partly of any conditions made or offered to be made in connection with the transaction, or is otherwise not of a pecuniary character, the value of the consideration, or such part thereof as is not of a pecuniary character, shall, for the purposes of this provision, be taken into account in determining the price of the article.

REQUISITION OF SUPPLIES.

VII. All persons owning or having power to sell or dispose of any article to which this provision is applied or any stocks thereof shall, if required by the board of trade, place at the disposal of the board the article, or the whole or any part of the stocks thereof as may be required by the board on such terms as the board may direct, and shall deliver to the board or to any person or persons named by them the article or stocks in such quantities and at such times as the board may require.

Such compensation shall be paid for any article or stock so requisitioned as shall, in default of agreement, be determined by the arbitration of a single arbitrator appointed in manner provided by the order applying this provision; but in determining the amount of the compensation the arbitrator shall have regard to the cost of production

of the article and to the allowance of a reasonable profit, without necessarily taking into consideration the market price of the article at the time.

INFORMATION AS TO STOCKS, ETC.

2G (1) If the board of trade are of opinion that information is required with respect to any article of commerce with a view to the exercise of any powers of the board of trade in relation to that article, the board may by order apply the provisions of this regulation to that article; and if the provisions of this regulation are so applied to any article, every person owning or having power to sell or dispose of the article, or concerned in the manufacture or production of the article, shall, subject to any exceptions or limitations contained in the order, make a return to the board giving such information in such form and within such time as may be specified in the order applying those provisions—

(a) As to the stocks of the article held by him or consigned to him or under order to him; and

(b) As to any contracts for the supply to or by him of the article or any contracts for or in connection with the production or manufacture of the article, or the dealing therein; and

(c) As to the prices paid by him or received by him for or in respect of the article; and

(d) As to the cost of production of the article, and the names and addresses of the persons by whom the article has been supplied to him or to whom the article of commerce has been supplied by him; and

(e) As to any other matters specified in the order applying the provisions of this regulation with respect to which the board may desire information for the purpose of any of their powers and duties.

(2) For the purpose of testing the accuracy of any return made to the board under this regulation, or of obtaining information in case of a failure to make a return, any officer of the board authorized in that behalf by the board may enter any premises belonging to or in the occupation of the person making or who has failed to make the return, or on which he has reason to believe that any article to which the provisions of this regulation are applied are kept stored, manufactured, or produced, and may carry out such inspections and examinations (including the inspection and examination of books) on the premises as the officer may consider necessary for testing the accuracy of the return or for obtaining any such information.

(3) If any person—

(a) Refuses or without lawful excuse neglects to make a return as required by this regulation to the best of his knowledge and belief, or makes or causes to be made a false return; or

(b) Obstructs or impedes an officer of the board in the exercise of any of his powers under this regulation; or

(c) Refuses to answer or gives a false answer to any question, or refuses to produce any books or documents required for obtaining the information to be furnished in pursuance of this regulation—

that person shall be guilty of a summary offense against these regulations.

(4) No individual return or part of a return made under this regulation, and no information as to any person or his business obtained under this regulation, shall without lawful authority be published or disclosed except for the purposes of a prosecution under this regulation; and if any person acts in contravention of this provision he shall be guilty of a summary offense against these regulations.

INQUIRIES MAY BE HELD.

2H. (1) If the board of trade, in any special case, are of opinion that before exercising any of their powers under these regulations in relation to any article, it is expedient to hold an inquiry with respect to that article in any locality, the board may appoint such persons as they think fit to hold an inquiry as respects that article and report to the board on such points as the board may direct.

(2) Any persons so appointed shall have power to take evidence on oath and to administer an oath for the purpose.

ARRANGEMENTS WITH OTHER GOVERNMENT DEPARTMENTS.

2J. (1) The board of trade may make arrangements with any other Government department for the exercise by that department on behalf of the board of trade of the powers of the board under the regulations numbered 2F, 2G, and 2H with respect to any particular article of commerce, and in such case the department and the officers thereof shall, as respects that article, have and exercise the same powers as are by those regulations conferred on the board of trade and the officers of that board, and the local government board (or as respects Scotland the secretary for Scotland, and as respects Ireland the local government board for Ireland) may by arrangement with the board of trade confer and impose on any local authorities and their officers any powers and duties in connection with the enforcement of the said regulations numbered 2F and 2G.

(2) Nothing in the regulations numbered 2G and 2H shall prevent the exercise by the board of trade of any of their powers in relation to any article under these regulations or otherwise, without having obtained or endeavored to obtain returns under regulation 2G or having held an inquiry under regulation 2H.

(3) Any order of the board of trade under the said regulations numbered 2F and 2G may be revoked or varied as occasion requires.

2L. (1) Where the board of agriculture and fisheries are of opinion that, with a view to maintaining the food supply of the country, it is expedient that they should exercise the powers given to them under this regulation as respects any land, the board may enter on the land (a) without any consent, if the land is for the time being unoccupied, or was unoccupied on the 29th day of November, 1916, or if the land is common land; and (b) in any other case, with the consent of the occupier and the person in receipt of the rent of the land and cultivate the land, or arrange for its cultivation by any person either under a contract of tenancy or otherwise.

(II) The board may, after entry on any land, do or authorize to be done all things which they consider necessary or desirable for the purpose of the cultivation of the land or for adapting the land to cultivation, including fencing, and may also during their occupation of the land or on the termination thereof remove any such fencing or work of adaptation.

(III) Any person who cultivates land under any such arrangement shall, on the determination, by or on behalf of the board, of the arrangement, if the determination takes effect before the 1st day of January, 1918, receive from the board such compensation as may have been agreed under the terms of the arrangement, or, in default of any such agreement, as the board may consider just and reasonable, and shall not be entitled to any other compensation.

(IV) On the determination of the occupation of any land by the board under this regulation, compensation shall be paid by the board to any person injuriously affected by any deterioration of the land caused by the exercise of the powers under this regulation, the amount of that compensation to be determined, in default of agreement, by a single arbitrator under and in accordance with the provisions of the second schedule to the agricultural holdings act, 1908.

(V) The board may, with respect to any land, authorize any local authority to exercise on behalf of the board any of the powers of the board under this regulation.

(VI) In this regulation the expressions "occupied" and "unoccupied" in this regulation refer to such occupation as involves liability to payment of poor rates, and the expression "common land" includes any land subject to be inclosed under the inclosure acts, 1845 to 1882, and any town or village green and any other land subject to any right of common.

(VII) This regulation (except the last preceding subsection) shall apply to Scotland, with the substitution of the board of agriculture for Scotland for the board of agriculture and fisheries, of arbiter or arbitrator, and of the agricultural holdings (Scotland) act, 1908, for the agricultural holdings act, 1908; and as regards Scotland "unoccupied land" shall mean land in respect of which no person was entered as tenant or occupier in the valuation roll for the year ending on the 15th day of May, 1917.

Mr. STEPHENS of Nebraska. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. FITZGERALD. Mr. Chairman, to accommodate the members of the committee I would like to ascertain, if possible, how much time is desired.

Mr. GORDON. I would like to have five minutes.

A MEMBER. Everybody up! [Laughter.]

Mr. FITZGERALD. Mr. Chairman, this is an important question, and so far as I am concerned I do not want to curtail the opportunity of gentlemen to speak on it. I ask unanimous consent that a vote be taken on this amendment and all amendments thereto at 9 o'clock to-night. I ask unanimous consent that a vote on the pending amendment and all similar amendments——

Mr. KITCHIN. Covering all the paragraph——

Mr. FITZGERALD. This is a new paragraph——

Mr. KITCHIN. All right.

Mr. FITZGERALD. That a vote on all amendments of this character be taken at 9 o'clock to-night.

The CHAIRMAN. The gentleman from New York asks unanimous consent that this amendment and amendments thereto, and all similar amendments, be voted on at 9 o'clock to-night.

Mr. FERRIS. Mr. Chairman, I have no disposition to object, but how are you going to parcel out the time?

Mr. FITZGERALD. It will be in control of the Chair.

Mr. FERRIS. There will be a lot of new recruits by that time.

Mr. FITZGERALD. Mr. Chairman, how many gentlemen have requested time?

The CHAIRMAN. Twenty-six gentlemen have requested time of the Chair.

Mr. BORLAND. I think that proposition is perfectly fair. It will give the Members an opportunity to have their supper and return here in time for a vote.

The CHAIRMAN. The Chair will repeat the request of the gentleman from New York [Mr. FITZGERALD]. The gentleman from New York asks unanimous consent that this amendment and amendments thereto, and all similar amendments, be voted on at 9 o'clock to-night.

Mr. MOORE of Pennsylvania. I would like to know, Mr. Chairman, if the gentleman from New York would consent to a recess for, say, an hour?

Mr. FITZGERALD. Oh, no. I expect, Mr. Chairman, that the committee will continue in session and that all of this time will be devoted to this debate. It is apparent that a great number of Members wish to speak on it. It has many important phases. We have practically had no general debate on the bill. We may be able to finish the discussion of this subject and save time hereafter.

Mr. MOORE of Pennsylvania. There will be no vote until 9 o'clock?

Mr. FITZGERALD. There will be no vote until 9 o'clock, but I hope Members will remain here and obtain the information which my colleague [Mr. LONDON] says is so badly needed. [Laughter.]

Mr. MONDELL. What does the gentleman mean by "similar amendments"; amendments about the high cost of living, and so forth?

Mr. FITZGERALD. I mean this, Mr. Chairman, that if this amendment to authorize this investigation should be voted down and some one wants to offer it in a different form we ought to vote on it without further debate.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the vote be taken on this amendment

and similar amendments at 9 o'clock this evening. Is there objection?

Mr. LENROOT. Reserving the right to object, Mr. Chairman, under the general rules amendments will be in order to this amendment at any time prior to that hour, and Members ought to understand that there may be a vote at any time before that hour on an amendment.

Mr. FITZGERALD. Then I will also ask, Mr. Chairman, that amendments to the pending amendment may be offered and considered as pending, and that a vote may be taken on them all at that time.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the vote be taken on this amendment and amendments thereto at 9 o'clock, and that in the meantime amendments may be sent to the desk and read for information. Is there objection? [After a pause.] The Chair hears none. The gentleman from Kentucky [Mr. SHERLEY] is recognized.

Mr. SHERLEY. Mr. Chairman, the gentleman from New York [Mr. LONDON] closed his speech with the statement that he wanted some one with a better proposal than his to state it, if they were not willing to accept his remedy. In my judgment, therein lies the vice of much of his position and of much of the discussion that is had—the supposition that every situation in the world must be and can be remedied immediately by legislative enactment, a supposition which has not been borne out by any of the past history of the world.

I was not surprised also when the gentleman very highly eulogized the speech of the gentleman from New York [Mr. FITZGERALD]. It was an able speech, and it was the kind of a speech that would appeal specially to the gentleman from New York [Mr. LONDON], because, in order to be carried into effect logically, we ought to go the whole length of the road that the gentleman from New York [Mr. LONDON] would travel, and attempt to do justice to all the people, as we might see justice, instead of undertaking to do it for a limited number of people, on an immediate emergency, as suggested by the gentleman from New York [Mr. FITZGERALD].

I want this House to think seriously of what is involved in the very easily made suggestion of a remedy for high prices by embargo.

Mr. LONDON. Will the gentleman yield for just one second? I have not advocated an embargo.

Mr. SHERLEY. I know the gentleman has not, and I am not answering at this particular moment his speech. The makers of the Constitution very wisely provided that there should be no duty on exports. Why? In order that no section, no group having temporary control of the Government, might by an export tax work to the detriment of one group for the benefit of another, or of one section for the benefit of another. They provided that the right to sell should be a free right, and the only reason that the embargo has ever been used in America has been as a war measure against an actual or probable enemy nation and not as an economic measure. I submit to this Congress that no more dangerous precedent could be established than that of using the power of embargo, intended as a war measure, for the solution of economic questions here at home.

Let us consider just for a moment where it would lead us. I come from a city. I appreciate somewhat the conditions that confront people in the cities; but because of a temporary condition, or a city condition, I am not prepared to waive what I think to be great fundamental principles that ought to control this Government. If the city people have the right to place an embargo on foodstuffs in order to lessen the price of those foodstuffs by lessening the demand for them, the country people have the right to place an embargo upon manufactured articles of any and every kind and description, in order that by lessening the demand for them they may reduce the price. The high cost of living is not simply a matter that stops at the breakfast or dinner table. It affects everything, and if we are going to undertake to solve it by denying to the grower, producer, or manufacturer the right to a market—and that is what an embargo means—why then we have got to go the whole length of the proposal of the gentleman from New York [Mr. LONDON] and have the Government step in and determine what a man shall receive for that which he creates, what it shall be sold for, in what quantities and to whom. And then you have State socialism.

Mr. LONDON. Will the gentleman yield again?

Mr. SHERLEY. Yes; briefly.

Mr. LONDON. Would not both the producer and consumer be benefited if the middleman were eliminated?

Mr. SHERLEY. Yes, and no.

Mr. LONDON. Oh, no——

Mr. SHERLEY. The gentleman has asked a question, and, of course, I did not expect him to be satisfied with the answer.

Mr. LONDON. No; I am not satisfied.

Mr. SHERLEY. But the gentleman is too experienced a debater to worry about that phase of it. Just a minute. Some of the things that are handled the cheapest to-day, from the ground where they are grown to the consumer, are handled by virtue of the machinery of the middleman. Take all of your produce exchanges, and you will find that the articles dealt in by those exchanges reach the consumer with a less added price over that which the producer receives than articles not so handled through such middlemen.

Mr. LONDON. Who pays the difference?

Mr. SHERLEY. But the fact is that the difference is less than when you have not that kind of machinery. Now, the trouble with the assumption of the gentleman from New York [Mr. LONDON] is that he assumes a wisdom without limit on the part of governmental agencies, and assumes that thereby you can solve these problems. I deny that New South Wales represents such a condition of equality and such a condition of happiness of life as to warrant us in very hastily following her example in the solution of these problems. Now, the conditions which cause the high cost of living are many. Many men will say——

Mr. FITZGERALD. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. FITZGERALD. The gentleman deprecates the idea——

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. SHERLEY. I would like five minutes more.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. FITZGERALD. The gentleman deprecates the idea of the Government being compelled to regulate the price of foodstuffs. But would that be essentially different from regulating the price of transporting the same foodstuffs?

Mr. SHERLEY. Oh, yes; there is a difference. To the gentleman's mind it may be only a difference of degree, but there is quite a difference. The reason why government in America, at least so far, has seen fit to regulate transportation and not all other matters is because transportation has been, by a governmental grant, monopolistic in its very essence, and because it is restricted to limited numbers; and giving a special privilege, the Government claims the right to place upon it the strong hand, to determine the conditions under which it shall be exercised. But heretofore in America the theory of America, and the theory under which it has grown great, has been to leave men free so far as they did not undertake by their action and combinations to interfere with the freedom of other men, and to leave some of the natural laws to apply which will apply, irrespective of legislatures. Germany is to-day going through a regulation of price and of distribution more gigantic than the world has ever seen. Yet it is a bold man who would dare to say that her regulation has meant equity among her people or has produced satisfaction, or that it could have any other justification than the stern necessity of war and of holding all of her reserves and resources for the one primary military purpose. [Applause.]

Mr. FITZGERALD. The gentleman has——

Mr. SHERLEY. I have been trying for some minutes to reach a particular thought, but I will again yield to the gentleman.

Mr. FITZGERALD. The gentleman gave the reason for the regulation of transportation. Now, in the case of grain warehouses or elevators, in Munn *v.* Illinois (94 U. S.), the United States Supreme Court held that a statute of Illinois regulating the rates charged by grain elevators was constitutional——

Mr. SHERLEY. I was not talking about the question of power. I was talking about the question of policy. There may be many instances, and certain it is that to-day the Government touches many things that it did not touch in the old days.

But the burden, to my mind, is on the man who makes the proposal. The proposal of the gentleman, I think, is worse than the evil you seek to remedy. The causes for high prices are many, and many men will see parts of the picture, although I doubt if any are wise enough to see the whole of the picture and to know all the elements that go into it. One was suggested awhile ago, and that is the tremendous increase in money, both metallic and of notes of issue, whereby the value of that money in purchasing power has been very greatly lessened. There is always an increased price when there comes in any great amount of fiat money in the life of a nation or of

the world. To-day we see the greatest issue of fiat money ever known—undreamed of in the past. A great deal of the productive capacity of mankind has been diverted into destructive paths; a great deal of the earth is not being made to yield foodstuffs for the support of life. Of necessity prices had to rise, and of necessity in a society that has grades in it where some men work for one price and some for another, such change in the cost of ordinary articles work great hardships. The laboring man is unable to obtain an adjustment of his wages so as to receive an increase of wage commensurate with the increase in the cost of things that he has to buy. He may be thrifty and industrious and still be put in a position of great hardship. No man with a heart in him wants to minimize the hardships that come.

The whole purpose of my speech, if it has anything to justify it, is to point out that because the evil exists wise men do not undertake governmental activities unless they know the remedy is a real one and one that is not worse than the disease. Some things can and will be done to relieve the situation, chief of which should be the handling of the transportation situation. Drastic action may need to be taken in certain cities and against certain people, but a real reduction in the cost of living will not come until the fundamental causes of reduced production and increased consumption are ended.

But the remedy is not that suggested by the gentleman from New York, and I was not willing to sit quietly by and hear the doctrine of embargo preached. I know the gentleman from New York is sincere in the reasons he urges. But I know how many other men are not sincere in the reasons that they urge, so I thought it was well that the Congress should understand what a great departure it would be from the whole history of America.

We tried it once, and the result was that the people of America speedily repealed those laws. You would find that if to-morrow we put an embargo on the statute books every man who now clamors for it would rise up in indignation and protest against the effect it would have.

Mr. LENROOT. Will the gentleman yield?

Mr. SHERLEY. I will yield to the gentleman.

Mr. LENROOT. I was interested in the gentleman's reply to the gentleman from New York in regard to the regulation of food prices and I agree with the gentleman's general statement, but I would like to have the gentleman's view of this question: In case of a monopoly being found to exist, would the gentleman have the same objection to the regulation of the prices of that monopoly?

Mr. SHERLEY. No. I answer the gentleman frankly in that. If a monopoly is inherent or so economically sound as to justify itself, then the remedy lies in the control of the monopoly. But if the monopoly be unsound economically and not necessary in the nature of the thing, then the duty of the Government is to destroy the monopoly and not make terms with it. [Applause.]

Mr. KENT. Will the gentleman yield?

Mr. SHERLEY. Yes.

Mr. KENT. Does the gentleman believe that competition can be forced on such a monopoly?

Mr. SHERLEY. I do not understand the gentleman.

Mr. KENT. Does the gentleman believe that you can force people to compete?

Mr. SHERLEY. No; but we can force them to go out of business, which is a different proposition. I do not think that you can compel people to compete, but I think that you can in most things create a condition in which the natural desire of men to engage in business profitably will bring competition, and those things that you can not ought to be considered as monopolies and controlled as such.

Mr. LENROOT. Does not the gentleman think that the most effectual way to destroy a monopoly would be the power to regulate the prices of that monopoly?

Mr. SHERLEY. It might be, and yet again you are faced with the problem whether your remedy is not worse than the evil. I am not willing that the Government should undertake to regulate all the prices at which things shall be bought and sold, because I have not sufficient confidence in their wisdom nor in their equity. The gentleman from New York [Mr. LONDON] seems to think that you can create a social conscience in the State, although a social conscience does not exist in any part that goes to make up the State. [Applause.] I do not think the social conscience he talks about is anything other than the class conscience of the dominating group, whether agricultural, labor, urban, or what not, and I would rather leave the competition of men with the natural law operating on all than trust to the social conscience of a socialistic state. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HULBERT. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended two minutes, because the gentleman said he would yield to my colleague, Mr. LONDON.

The CHAIRMAN. The gentleman from New York asks that the time of the gentleman from Kentucky be extended two minutes. Is there objection?

There was no objection.

Mr. LONDON. The gentleman will admit that heretofore Government has more or less represented the law of the dominant group?

Mr. SHERLEY. I am willing to admit that for the sake of argument.

Mr. LONDON. The charge that the Democrats have historically been making against the Republicans is that all of the legislation was in the interest of the group of capitalists who thrived on protection. That was the principal charge in connection with the protective tariff.

Mr. SHERLEY. That was one of the charges.

Mr. LONDON. One of the serious charges. Is it not desirable that we should legislate on behalf of the great masses of the working people—using the term "working people" in the broadest sense.

Mr. SHERLEY. The gentleman has asked his question. I do not care a rap whether a man is what you call a workingman or not, so far as his rights are concerned, and in my judgment equity deals with men as men and not with the fact that they belong to these various groups. [Applause.]

Mr. LONDON. Does the gentleman realize that I have used the word "worker" in the broadest sense of the word?

Mr. SHERLEY. Then it means everybody, and it is of no value.

Mr. LONDON. When the gentleman uses the expression "equity" in relation to others, is not that a social conception?

Mr. SHERLEY. It is social without being socialistic.

Mr. LONDON. The gentleman makes progress in the direction of socialism without knowing it.

Mr. SHERLEY. I thank the gentleman for the intended compliment, but deny it is deserved.

Mr. DIES. Mr. Chairman, to the extent that the question is partisan, I have not the slightest interest in it. I am opposed to appropriating $400,000 to find out why prices are high. I presume by "prices" is meant prices of food products. Why appropriate $400,000 to find out something that the merest tyro already knows all about? When you say prices are high, the prices of products, that is just another way of saying that money is cheap, and that is the precise condition with respect to high prices to-day. In 25 years past the world has produced more gold than was produced in the world for 400 years before that time.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. DIES. No; I will not yield.

Mr. LONDON. Just one second.

Mr. DIES. I can understand neither the gentleman's langauge nor his logic, and I will not yield for the present. The first cause of high prices is found in cheap money. The fact that in two and a half decades, 25 years, the world has produced more gold than in 400 years is significant.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. DIES. Just a moment. Not only that, but an undue and an abnormal part of the world's gold thus produced, and produced and in stock in the years before, has been imported into the United States on account of abnormal conditions. That is No. 1, the first reason for the high prices.

Mr. MONDELL. Will the gentleman yield?

Mr. DIES. In just a little while. No. 2 is the fact that 20,000,000 men in Europe who a little while ago were in the army of producers have laid aside their shovels and hoes and plows and their implements of husbandry and have walked away from the ranks of the producers and have seized the sword and the gun and cannon, and instead of being producers they are consumers—another aggravation to the high cost of living.

Mr. MONDELL. Now will the gentleman yield?

Mr. DIES. Not just yet.

Mr. MONDELL. But my question applies right there.

Mr. DIES. But I do not yield. I want to state my three grounds for the high cost of living and then I shall yield to the gentleman. The third one is this, that the census reports show, without the shadow of contradiction, that for three decades the movement of population has been away from the open country, away from the furrows of the farm, away from the growing fields of grain, to the crowded cities. The farmer and his wife and children, those who formerly lived in the open country and tilled the soil, have succumbed to the lure of the

city, and the drift has been away from the place of production to the city of consumption and demand for consumption.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. DIES. Yes; if the gentleman will make it a question and not a speech.

Mr. MONDELL. When the gentleman was attributing high prices to the increased volume of money, I wanted to ask the gentleman if he believed that accounted for the advance in the price of onions from $3 to $17 a hundred pounds in the last six months?

Mr. DIES. Oh, I told the gentleman, and I told all gentlemen to start with, that I had no part in the miserable partisan feature of this question. I am looking at it with my intellect and not with my political bias. I know, as the gentleman knows, that prices are made by demand and supply, by conditions, and this is a question for statesmen to deal with above and beyond mere petty politics and partisanship. You gentlemen of this Congress can do nothing with the first one of these causes of high prices, cheap gold—more produced in the world in 25 years than in 400 years before. You are getting ten times your normal amount. It is being dumped upon you and you can do nothing about it.

Mr. SMITH of Michigan. Is interest any lower?

Mr. FERRIS. Yes; it is.

Mr. DIES. The other cause, the war in Europe, which takes 20,000,000 men from the ranks of the producers and puts them into the ranks of the consumers, we can do nothing about. There is a way, however, by the slow process of wisdom and time that you can help matters, and that is not to discourage those who till the soil and produce the wealth of the country by placing an embargo upon their products. [Applause.] When you vote this $400,000 to find out something which every honest and intelligent one of you already knows, you vote to lay a tax upon production that itself shall finally effect an increase in the price of the products of the country.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DIES. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DIES. I sympathize with the chairman of the Committee on Appropriations, with his constituents, if he now and then has to have an aberration and demagogue about an embargo. I sympathize with my Socialist friend, who has all those wheels in his head running around and around and around; but I appeal to this great American Congress that if you want to talk about this thing and think about this thing and act about it in an intelligent way, you want to recognize the great basic, fundamental principles that lie beneath it. You are not going to get anywhere, so far as cheapening the price of gold is concerned, by legislation. Dr. Adam Smith, the father of political economy, says when the mines are sterile prices are low and when the mines are fertile prices are high. In other words, there is not a man in this body who thinks who does not believe in the quantitative theory of money. You know the great volume of gold has affected prices in this country. My Republican friends talk about a high tariff affecting prices now. You have got the whole markets of the world for your exports.

Mr. FESS. No; you people did that.

Mr. DIES. In 1896, when money was scarce and wheat was 40 cents a bushel and cotton 5 cents a pound, you whined that the low cost of living was ruining the country. Now, when there is plenty of money and cotton is 20 cents a pound and wheat is $2 a bushel, you whine about the high cost of living ruining the country. You are as much demagogues as we are, and that is about as much as you could well be on this question of money. [Laughter.] I will tell you about the remedy of the high cost of living. Let the constituents of the gentleman from New York [Mr. LONDON] go out of the crowded tenements and go back in God's open sunlight in the open country.

Mr. FARR. Will the gentleman yield?

Mr. DIES. No. You who complain that the farmer is coming into his own, you who complain that the old mammy who nurses the chickens is getting too much for her eggs, you who complain that the cowboy who rides in the rain and sun is getting too much for the beef of the great prairies of the West, should leave your miserable tenement houses and your munition factories and your crowdedand seething cities and go out and produce the things you now try to seek to get by law. [Applause.]

Mr. FARR. Will the gentleman yield for information?

Mr. DIES. No. This is a message I am delivering now to the hundreds and thousands of people who are in the towns to go out in God's open country. Your speckled hen is clucking there bidding you come and take the eggs she has laid. Your old bossy is lowing for you to come and take the milk and make the butter which the gentleman from New York wants to get by law. The swine are grunting on the hillside, waiting for the corn that they may grow into hams, shoulders, and bacon to supply the world with the things which you want to make by law. The Socialists want to make laws to control the price of food, but there are few Socialists who go out and plow old Beck to make the corn to help relieve the situation. My friends, there is a law of compensation in this world that rises higher than your law, and that law is that when you discriminate against the farmers of the country, when you attract men to the cities from the country, you raise the price of the farm products, and God Almighty holds up the purse of high prices for farm products as a lure to have the people of the city take to the country. You know a Socialist can no more live in the open country amidst the growing grain, the lowing herd, and the grunting swine than germs can live in the sunlight. [Applause.]

The CHAIRMAN. The Chair desires to state that he proposes to recognize gentlemen in the order in which they are on a list which he has in order to be impartial to everybody in the House.

Mr. DECKER. On the ground of humanity, I wanted to ask that the gentleman from New York [Mr. LONDON] have one minute to reply right now.

Mr. GOODWIN of Arkansas. Mr. Chairman, the speech just made by the gentleman from Texas [Mr. SUMNERS] meets with the concurrence of my heart. We have both labored somewhat along the same lines since our service here. I believe, gentlemen, that all political economy may be covered by two great fundamental, elementary thoughts—production and distribution. You give me the power to limit, constrict, and restrict distribution and then I can paralyze and destroy forever the producers of this country.

There came a great man back to his native country some two or three years ago whom some people called a dreamer, but he has a great heart, a great conscience, and a rare vision. He brought a message back to his beloved country. He importuned Members of Congress off and on for nearly two years to create a better system of distributing the farm products of the country and thus avert the trouble now upon us. His name is David Lubin, who has done more for the agricultural world than any 25 men, I believe, in the past 100 years. He alone is responsible, I may say, primarily, for the rural-credit law, because he came to Nashville when the Southern Commercial Congress was in session in 1912. You could find but little in the Library of Congress about rural credits, because nobody in this country knew anything about it. But then this commission went abroad to study that great subject, and Lubin went with them. He has done many things. He has importuned Members of Congress to enact a law that will distribute the farm products of this country from the producers to the consumers. He has advocated State agencies or commissions and county agencies or commissions and Federal agencies to reach from the township to the county and from the county to the State and from the State to the Nation. In Germany there are no trusts in control of food products. The prosperous people in Germany are to be found among the agricultural people, and the city men and the bankers denounce and hurl epithets at the farmers.

Mr. Chairman, the great philosophers and statesmen in Germany many years ago announced that if Germany was to achieve and maintain mastership and leadership among the nations of the earth she must make prosperous the great masses of the people, the farmers of that country. The agricultural people of Germany have made it impossible to form a food trust in Germany. They take the meat and the eggs and other agricultural products away from the trusts by making it possible for the producers of agricultural products to send their products from their farms to the consumers in the towns and cities, thereby eliminating many middlemen, who are wont to feast upon the bounty of the man who toils and produces.

When a dozen men can meet daily, Mr. Chairman, and control the markets of the world, with no limit except their greed and no conscience save their might; when the cotton of the world is cornered, as has been the case, the spindles stopped, and the poor shiver and die from cold, then, sir, to those unfortunates the motto, "Equal rights to all, and special privileges to none," is a sham, and justice but a name. Yet this is a government of and for and by the people.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. GOODWIN of Arkansas. Mr. Chairman, may I have five minutes more?

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. GOODWIN of Arkansas. Not just now, please. One man, a few years ago, in the city of Chicago cornered the wheat of the country. Flour advanced $5 a barrel, while the poor of the land cried aloud for bread. When his greed was gratified he lifted the floodgates of his monopoly and pocketed $5,000,000 as profits. Why, sir, the Czar of all the Russias would not attempt such as this. Yet this man's act went unchallenged. The gentleman from Texas [Mr. SUMNERS] says it is a sham and a travesty upon this Republic of free men and legislators that conditions exist as they do exist to-day.

Mr. FESS. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Arkansas yield to the gentleman from Ohio?

Mr. GOODWIN of Arkansas. I do.

Mr. FESS. I appreciate that feature of the middleman that the gentleman is making in his speech.

Mr. GOODWIN of Arkansas. I will say that the middleman is but a small factor in this situation.

Mr. FESS. I once traced the number of the middlemen who would handle meat as between the grower and the consumer in New York.

Mr. GOODWIN of Arkansas. I hope the gentleman will make his question as brief as possible.

Mr. FESS. The number is rather unusual and surprising. How are you going to eliminate the middleman?

Mr. FARR. How are you going to do without the middleman?

Mr. GOODWIN of Arkansas. The middleman for whom I have a tomahawk out is not the man from whom you are accustomed to buy your meat and your vegetables and your apples on the street corners, for those will always be here. They have them in Germany. But it is the great big middlemen, the packers who control the arteries of commerce and trade, backed up by the big bankers of the country, the big elevator and warehouse monopolists who control the meat and breadstuffs of the country. The railroad charges are fairly reasonable, as a general thing, as compared with these other agencies; they are not excessive as compared with the immense profits of the men who reap where they have not sown, who garner where they have not strewn.

Mr. FARR. It is stated that the freight rates of this country are the lowest in the world. Is that true?

Mr. GOODWIN of Arkansas. I am not an expert on freight rates to that extent. I do not know the transportation rates the world over. They may be cheaper in this country than they are elsewhere. They may be possibly too high, and I think they are, as a general thing. You can not argue this question in 10 minutes. But here is your transportation trust, you may say, here is your ice trust, and here is your refrigerator-car trust, and all these other agencies and activities that stifle and strangle legitimate trade. If you can get the things that the farmer grows as directly as possible to the consumer, then you do eliminate many of these middlemen.

Nobody is raising his voice against the legitimate middleman. We must always have him. He is a necessity.

Gentlemen, there is a coal trust. There is a leather trust, so to speak; a monopoly. They have squeezed out before this day former competitors. They are largely without rivalry and competition. There are so many elements and agencies that enter into a discussion like this that it is impossible to cover them in a brief speech.

I do not stand for an embargo on food exportation. The moment the man who has tilled the soil and by his labor has created the wealth of the world hears his pockets jingle with the coin of the realm and sees his pockets stand out and get somewhat plethoric, then some gentlemen say we must have an embargo on the things that grow on the farm. The gentleman from New York [Mr. FITZGERALD] says the embargo will have no appreciable effect upon agricultural products.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. GOODWIN of Arkansas. May I have two minutes more?

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for two minutes more. Is there objection?

There was no objection.

Mr. GOODWIN of Arkansas. At the outbreak of this war cotton was selling for 13 cents a pound. At once an embargo was put upon the exportation of cotton for the reason that ships and insurance could not be had. Cotton then and there dropped from 13 cents a pound to 5 and 6 cents a pound. There were a good many of us who were called theorists and academicians and doctrinaires and moonbeam chasers who wanted Uncle Sam to do a little something, you know, possibly to lend money to certain institutions or to the cotton growers with ample security, in order that the farmer might hold his cotton for a little while, because cotton did go up; and when the embargo was lifted cotton jumped from 5 cents a pound to 12 cents a pound and this last year's crop sold for about 20 cents a pound. We got no help. The lumber people wanted some help, and the coal people. Possibly we could not have given them all help. But, Mr. Chairman, the very moment that the producers of this country profit by an emergency, by abnormal times and conditions, you seek to put an embargo upon the exportation of the products of the farm. Why, the gentleman from New York [Mr. FITZGERALD] comes from a community where a comparatively few men have within the last two years sent several billions of dollars' worth of war munitions abroad. He clamors here to-day for an embargo on the farmers' crops. Some gentlemen anathematize the farmer and say he is robbing the public by his high prices. I am not in favor of anybody being robbed, but I am happy that the tillers of the soil are at last getting their heads above the deep waters of adversity. But these same gentlemen have not a word to say about an embargo on munitions and cotton, woolen, and leather goods, and millions of manufactures generally being exported from their sections; or of the hundreds of millions of money loaned abroad by the bankers of Wall Street. Nobody is to have an embargo on the things made by himself, but the farmer and his exports are to be cut off and his cotton, grain, and meats are to be cut in two. I am opposed to all such discrimination.

Why, all things which are the output of the factories have advanced, as well as agricultural products. Take leather, take shoes, take steel, take the output of the mills of the country along all lines, and almost everything has had a phenomenal rise, as well as the product of the man who grows the corn and grain.

The gentleman from Texas [Mr. DIES] was in a measure right, but not entirely so. I think monopoly has had a great deal to do with this. Congestion of freight cars has had much to do with it. The fact that we produced year before last 1,100,000,000 bushels of wheat and last year only 650,000,000 bushels of wheat has also been a factor in the high cost of bread. Then there has been the car shortage. Why, yesterday morning I read that on the Atlantic seaboard there are 29,300 cars congested in Boston, New York, and Philadelphia alone, and to-day there are about 160,000 cars that are filled with goods, the products of the farm, that can not reach the market. There has been an embargo upon the lumber of my part of the country. You can not ship lumber east. Therefore these abnormal times are upon us. The great, unheard-of, and unprecedented outpouring of gold, as the gentleman from Texas [Mr. DIES] says, has also been a considerable factor in this case.

Mr. FARR. If these abnormal times continue, will not this question of food become more acute?

Mr. GOODWIN of Arkansas. I think so.

Mr. FARR. What is the gentleman's remedy for that?

Mr. GOODWIN of Arkansas. While these abnormal times are on prices will remain abnormally high in most things, and during these abnormal times the remedy can only be a partial remedy, but the key that will unlock the door wherein the secret lies is the key of distribution. That is the remedy, I will say to my friend from Pennsylvania. Bring the producers of farm products and the consumers of these products in closer contact by a system of proper exchange and the problem is solved. Germany is the most efficient nation on earth, and no three elements of her greatness have given her the general prosperity she has enjoyed for the past 50 years as much as her system of agriculture, coupled with the distribution of her agriculture products, and this has given her the unparalleled strength that she has displayed in these three years of the greatest war of all time.

Smaller in size than the State of Texas and with 65,000,000 people, although shut off largely from the outside world, she is self-sustaining, and this has been made possible by her system of distribution of farm products and cooperation more than by any other one thing.

It is from her system of distributing agriculture products that I would fashion the American system of marketing, and this would give prosperity to those who till the soil, destroy the food monopolists, all the while permitting the consumers to buy these products as cheaply as possible.

Furthermore, I will say to the gentleman from Pennsylvania, that I have had bills pending in this and in the last Congress patterned somewhat after the German idea, and these bills have been indorsed by the great farm organizations throughout the

country, by the agriculture press, and by millions of people generally, but I have been unable to get action on this bill, and I will furthermore say, Mr. Chairman, that no substitute for my measure has been offered that has met with the approval of the committee to which my bill was referred. A bill similar to my bill, Mr. Speaker, word for word, was also introduced by Senator SHEPPARD, and I incorporate in my remarks a letter written by David Lubin with reference to this bill. The letter is as follows:

THE MOBILIZATION OF AGRICULTURE AS EMBODIED IN SENATE BILL 5793, SIXTY-FOURTH CONGRESS, FIRST SESSION.

SOME ARGUMENTS IN FAVOR OF THE REINTRODUCTION AND PASSAGE OF THIS MEASURE.

Until recently the Old World and the New kept the even tenor of their ways, seeming to travel along the pathway of peace, when, with the suddenness of a cyclone, the whirlwind of war enveloped the Old World in its deadly sweep.

Billions of rifle bullets, millions of cannon shells continuously fly on their deadly errand, bringing in their train grievous sorrow, which, like the onrush of a mighty flood, overwhelms all in its path.

The sinewy laborer, harnessed to his daily task, is bound, pledged to years of serfdom, toiling to ransom bonds and their interest.

As a hungry cat greedily laps up milk, so the consuming flames of war are lapping up the wealth of nations, undermining the structure of our passing civilization.

In times gone by it was said, "The king is dead! Long live the king!" Presently there may be cause to say, "Civilization is dead! Long live civilization!"

And so we live in a time of crisis, not merely a crisis of death but a crisis of birth, the death of the old civilization and the birth of the new.

But what manner of civilization shall that be?

Shall it not be a civilization which shall hurl down the old, decrepit, fox-like and parasitic political idols shrined in the niches of the social structure? Shall not these be replaced by the simple and the truthful? Shall it not be a civilization in which chauvinistic national advantage shall shrink and shrivel before the penetrating rays of God's most intimate servant, Justice?

But what of the quality of the reconstructive power? Aye, that's it, and the manner of its direction? Its clearness of head, its steadiness of hand, its nobility of heart; upon these rests the case.

And where are we to find these qualities? Among the combatants? Behold them! Like infuriated bulls with locked horns they are tightly braced, blinded by hate and drunk with destruction.

But beyond the great sea, peacefully and powerfully majestic, stands the mighty American Republic. Is it not there that we should find the clear head, the steady hand, the noble heart?

Is not the American Republic elect for this very purpose? Then let her press on in the work of reconstruction, reconstruction that shall evolve for the world the newer, grander democracy, the democracy which shall rest upon the principle that individual welfare is best served by promoting the general welfare, that the welfare of the individual nation is best served by promoting the welfare of all the nations.

But is the impelling force of the Republic properly charged, properly directed for the accomplishment of this task? How can it be so long as the capital and the labor of the cities alone are the motive powers which actuate this force? Each of these, as we know, is swayed politically by preconceived notions, radically insistent in shaping things theirward.

But these should by no means be the "all" of the political driving force; there is another element, the agricultural element which must be brought into play, an element potentially great as a political factor, but now dormant. The simpler, worthier ideals of this element, when politically alive, serve as a driven wedge, riving asunder the egotistic political materialism of the capital and the labor of the cities.

The world conflict now going on will not have been in vain for America if it serve to remind us of Rome's ancient cry: "See that the Republic receive no harm!"

And the first thing for us to "see" is the contrast between the political strength of the cities and the political impotency of the country; the defenseless feebleness of the country and the armored strength and craft of the cities, the craft that can sway legislation by a wave of the hand, the craft that can transmute the landowning farmers into renters, the craft that can corral, lasso, and gobble up the products of the farm and then gingerly deal them out to the consumers as if they were costly drugs.

If the political driving force is to remain thus one sided, would it not be mere mummery to say that the Republic can supply "the clear head, the steady hand, and the noble heart" for the solemn service of reconstruction?

But need this driving force remain one sided? No; for by adopting the Landwirtschaftsrat system, as embodied in Senate bill 5973 (this measure for a national chamber of agriculture, originally known as Senate bill 5687, was taken up in detail at a convention of the State commissioners of agriculture which met in Washington in May, 1916, for that purpose. The bill as amended by the commissioners was submitted by them to the President at a conference on May 5. The President commented upon several of its leading points. These comments resulted in some final amendments, when the bill was indorsed by the commissioners. It was then reintroduced on May 12, 1916, as Senate bill 5973, but too late for passage that session. It should now be again reintroduced and acted upon during the present session of Congress), the agricultural industry can be so effectively organized as to achieve solidarity, a solidarity free in its constituent parts yet politically and economically effective as a whole.

It is largely the system here proposed that has rendered the agricultural industry the most effective political and economic institution in Germany. It is largely this effectiveness which has proven to be the power behind the throne in the German Empire—a power which has rendered Germany almost invincible. This is the secret of the strength, the "long hair" of the modern Sampson.

An organization in the United States on these lines would—

First. Mobilize the agricultural industry, rendering it an efficient and an essential factor in strengthening the Nation;

Second. It would weld the agricultural industry into a homogeneous solidarity, a solidarity free in its individual constituents, yet politically and economically effective as a whole;

Third. It would be effective as a means of insuring the equitable distribution of farm products, thus proving of inestimable benefit to the consumers as well as to the producers; and

Fourth. It would, above all, be the means which would give the American farmer his "place in the sun" as a political entity, thus completing the essential elements in the political force of the Nation.

This, and this alone, will make possible "the clear head, the steady hand, and the noble heart" required if the Republic is to perform her part in the work of world reconstruction, reconstruction which "shall evolve for the world the newer, grander democracy, the democracy which shall rest upon the principle that individual welfare is best served by promoting the general welfare, that the welfare of the individual nation is best served by promoting the welfare of all the nations."

DAVID LUBIN,
Delegate of the United States
International Institute of Agriculture.

ROME, ITALY, *January 2, 1917.*

Mr. LINDBERGH. Mr. Chairman and gentlemen, I do not intend to travel over the same road that the other speakers have already traveled. The speeches made have been instructive and interesting and upon the subject involved. The gentleman from Texas [Mr. DIES] referred to the production of gold, and he is right in his conclusion as to the general effect of the increased product of gold. But you can not charge to that increased product the extraordinarily high prices that have been charged within the last few months, because the difference between the quantity of gold now and the quantity immediately prior is not sufficient to cause the extraordinary sudden increase in prices.

I have run down an investigation of 40 different items that are the principal articles of export from this country to see to what extent prices have been affected by export and manipulation. I wish to call your attention to this fact, that since the war began we have exported practically $8,000,000,000 in value of American products, and we have increased the price to the American consumer on like products in this country approximately $16,000,000,000. The people in general have gotten comparatively little of the advantage of the $8,000,000,000 in value of American products exported. The principal advantage that has been derived, if I am permitted to call it "advantage," has been to a few parties who have had a monopoly of the situation. Take petroleum, for instance, as an example. In the 12 months of the year 1916 we consumed in this country 211,000,000 barrels of petroleum, and we exported during that same period 55,000,000 barrels. The cost immediately before the exportation began was 75 cents a barrel for the western product and $1.54 a barrel for the eastern product. The eastern product was about one-fifth of the consumption and the western product the other four-fifths. When they began to raise the price because of the excuse that was made on account of the extraordinary foreign export, it went from 75 cents to $1.55 for the western product and from $1.54 to $2.60 for the eastern product. Now, the difference between the cost before the export started and immediately afterwards amounted to about $180,000,000 in these United States, and the total amount realized from the foreign export did not begin to equal that $180,000,000. So of what benefit was it to the people of the United States to export, and thereby reduce the natural resources of the petroleum supply of the country, at the same time increasing the price so immensely to the American consumers that they paid far more above what the price was before than the total amount collected from the export?

Take copper as an other instance. The price of copper during the same 12 months to which I refer, just prior to the war, was 12¾ cents per pound. It rose immediately to 29½ and 30 cents a pound, and is still higher now. The quantity of copper consumed in America exceeds that which was exported. Can anybody see the benefit to American consumers, to increase the price from 12¾ to 29½ and 30 cents, simply for the privilege of exporting the copper?

It was not really the export that caused such an enormous increase in the prices as it was manipulation. Upon the 40 items which I ran down and investigated with reference to the prices before the export started and after, on all but 3 the increased price to the American consumer exceeded the total amount realized from the foreign export. Yet we find that at this time we are talking about arming merchant vessels in this country and convoying them to carry away the products of this country, to still further increase the prices of the commodities to American consumers and reduce the natural supply. Now, it is not the export that is the cause of this enormously increased price but the war and the export is made the excuse for the manipulation of prices during the period of the war. That, I say, is given as the excuse, in order to divert the people's attention from the manipulation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LINDBERGH. I ask unanimous consent to extend my remarks, and I have two letters upon this subject which I ask to include in my extension.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. LINDBERGH. Then, Mr. Chairman, I do now extend my remarks along with this discussion upon the cause for the increasing cost of living as germane to the amendment offered. I do not believe the investigation proposed will add to the information that we already have, but it may be the means of informing the people more extensively of the existing system of robbery, and they may take steps to act in their own defense more than they have in the past.

WEALTH AND ADVANTAGES.

Mr. Chairman, who would not jump at a chance to double his income and increase his advantages? Do many of us realize that it is easy to do? Not many, I dare say, or most of us would do it. I never knew anyone who would not grab for an honest dollar and eagerly reach for an advantage. Every industrious toiler who depends upon his toil to provide the means that make life worth while may even quadruple his advantages.

The isolated individual "self-centered interest" which has hitherto dominated the world in favor of a few prevails because the masses have been kept in ignorance of certain false practices and therefore could not act in support of their "own interests." "Self-interests" nevertheless suggests the "key" to liberate the world from the shackles of industrial slavery. Ninety-odd per cent of the people are thus shackled, but they possess the power to liberate themselves, and it is not conceivable that when the main facts that concern them become known by the people that they will tolerate them to continue in opposition to the "collective self-interest" of the people themselves, which collective interest after all, when understood, results in securing the "self-interest" which means the "best interest" of the greater number of people.

SPECIAL PRIVILEGE.

No law names specific persons who may have "special privilege." No true American would stand for such laws. But what they could not do directly they have done indirectly. The laws and the practices that we follow enable some persons to secure special privileges by forcing burdens upon the rest of us. The law does not prohibit any person getting special privilege if he can, and the very fact that some can makes it certain that the masses can not even secure all that actually belongs to them. Our system is so framed that it robs the masses of the advantages of their most material rights—natural as well as social. Our objection should be to the system that makes special privilege possible, and not to the persons who are the beneficiaries of it, for it makes little difference to us who they individually are. Therefore, when I refer to individuals, as I do occasionally, it is not to create any prejudice against them, for they or others occupying like relations are the inevitable result of the existing system.

"Special privilege" controls three most important levers in trade: (a) finance; (b) transportation; (c) telegraph and telephone. To these we may add "publicity" for it controls the agencies for the dispatching of news and owns and controls the most extensive publications which to some considerable extent mold opinion in conflict with truth. The "special interests" are in error and in deadly conflict with the truth. Truth is on the side of the masses, but the latter have not known the facts. The public is not only deceived but is charged with the cost of maintaining a system to do the deceiving.

HIGH COST OF LIVING.

To speak the truth about "the high cost of living" invites vicious attack. Each of 10 years during my service in Congress, I have placed in the RECORD some of the causes for the increasing cost of living and have mapped out a remedy. I have introduced resolutions and bills to secure action. The "interests" that are benefited by the existing system have "lambasted" me for that of course, and have had the influence to prevent Congress acting. To those who will take the time from their other diversions nothing will be more "eye opening" to them than to read the book A Prophet in His Own Country, by Henry Clifford Stuart, 2619 Woodley Place, Washington, D. C. It gives the proper viewpoint without putting you to sleep. If you happen to be asleep, it will wake you up for the rest of your life without giving you insomnia.

Present prices are higher than usual—higher than they would be if the war was not raging—higher on most things than they will be immediately after the war; but so far as America is concerned, the war is not the natural cause for the increase on most things. It is made the excuse to raise the prices above what they otherwise could have been raised so suddenly. My discussion of high costs must not be confused with war prices alone. These are both violently and artificially juggled, while in ordinary times they are juggled without violence.

Farmers and wageworkers, who occupy the most important places in the fields of production, can not fix the prices upon what they have to sell. In nearly every other field of activity the seller fixes the price that the buyer must pay. Consequently the farmer and the wageworker must generally accept what the buyers offer and pay for what they buy what the seller demands. Everybody except the farmer and the wageworker and small business man who has goods or services to sell sets the price. It is the people who fix the price on neither what they buy nor what they sell, that the increasing cost of living affects disastrously.

Everybody is trying to dodge "high costs," either by increasing his own income or by decreasing the other fellow's—often both. Some say to increase the wages enough to meet the costs. Suppose we do that; the increase is added to what the wage earner produces plus the capitalists' profit on the additional investment. If the farmer gets more for his wheat or for what he offers to the market, the extra price and the capitalists' additional profit upon this are added to the bill of fare at the table. Then, again, the wageworker must have better wages to pay what has been added to his bill of fare; that, too, together with a still further profit for the capitalist, must be added to the cost of the product of labor, and so it comes back to be bought by the farmer with the extra cost added. Thus the endless chain runs, taking in all the industries and schemes of mankind from "a" to "z," the "devil running us around the stump," never to quit the chase, presenting us with:

Truth No. 1. To increase wages also increases the cost of the product, and as every commercial necessity must be a product of either wageworkers or of other producers for market and without intervening employers, the process of raising prices, leaving out capital toll, would properly one offset the other, but as efficiency increased the advantages of all the toilers would equally increase.

Truth No. 1 demands reciprocal relations between all toilers occupied in useful industry. Their interests are common. Aside from inequality in a proper employment of time and of income for their work, there would be no conflict. The more they intelligently worked, the richer all would be. When they adjusted the relative value of their services, universal prosperity would be the natural order. The toilers have never attempted to adjust the relative value of services. Each field of workers has fought to increase its income, wages or other, without considering its effect upon toilers in the other fields. They have not realized that the increase is added to their co-toilers' cost of living and reacts upon themselves as already explained. The raising of wages, though necessary under the existing business ways, is not a remedy for the "high cost" of living, for the raise is usually added to the product plus a profit to the capitalist.

Three primary elements concern us in a study of the increasing cost of living. They are, first, the products of labor. Since we can not each economically produce all that we individually need, a second element enters; it is "exchange." Exchange presents a complex problem, for it involves on the part of the worker in addition to the production the need to find a buyer for the product; also to learn where he can buy what he wants for himself—all of which in turn involves the carrying of the products to the places of consumption. This second element, "exchange," has never been worked out economically between the producers and the consumers. They have scarcely tried it. On the contrary, before the producers and consumers ever dreamed of what would ultimately happen, the third element in the high cost of living crept in. It consists of the "privilege of private capital" to "exact a toll," and therein enters the whole extravagance of our system, evolving as it does the concomitant retinue of speculators and gamblers in human affairs. The conflict in the social order of mankind practically begins with the injection of capital as a means of getting extra profit for its possessors without giving anything for it. It matters not whether this profit consists of capital or other special favor, if it is based upon a favor to capital the principle is the same, and presents:

Truth No. 2. The privilege of capital to exact a toll, which toll also becomes new capital and is vested with the same privilege, constantly increases the capital. Consequently the toll becomes heavier, thus giving to a mere material substance the privilege of exacting an increasing proportion of the products of toil. Interest, dividend, rent, and profit is the "wage" capital gets, but unlike labor it returns nothing.

Business, however, is governed on the basis of Truth No. 2, which automatically makes the few successful and the masses unsuccessful, and therefore the older the system grows the worse

it gets. Truth No. 1 should govern business between producers and consumers in order to secure the general welfare. No. 2 in abstract terms gives the reason for the increasing cost of living. No. 1 gives in abstract terms the remedy. Abstract terms, however, will not satisfy most persons. Concrete facts are demanded.

Under business practice, values are measured in dollars—not in labor. Labor creates the value but dollars control it. We are a Nation with 100,000,000 people; 40,000,000 of us we will say, are occupied and producing useful things. The others are children, incapacitated adults, and those who are idle or making a living by useless work or manipulation. The 40,000,000 bear all the burdens. They are on the farm, in the shop, factory, store, study, home, and the many other places of industry necessary to civilization. The initial cost to maintain bare existence must be met for everybody. The 40,000,000 by their toil supply that for themselves and also for the other 60,000,000.

"Special Privilege" attempts to justify existing practices by stating that the masses consume the bulk of products and therefore should not complain of the overwealth of the few. Let us examine the idea. Suppose it costs a farmer over a series of years an average of 79 cents a bushel to raise wheat and he is forced to sell it at an average of 80 cents; suppose at the same time the market manipulators net a profit of 20 cents per bushel off this wheat. The farmer did all the work, furnished the land and the seed, and the manipulator did the speculating. It would be as fair to say that the farmer should be satisfied with 1 cent profit because he got the most of the price, while the speculator got 20 cents profit, as it is to say that the people should not complain since they get and consume the bulk of the products. It takes the bulk of all products to supply the vast population with the necessities to a bare existence. We should starve in less than three months if the masses failed to work to keep up the supply. The masses get the bulk of products when we consider the aggregate consumption, but when what they get is divided between them, the average for the individual is ridiculous as compared with what "special privilege" favorites get. Why should the masses be satisfied as long as they do not enjoy the advantages they earn and that of right belong to them? It is not a question of comparison with what we have heretofore had, with what we get now. The question is, are we getting what we are entitled to?

Let us take another step before analyzing business details. I shall use approximate figures to illustrate this important point. We will say that the total receipts for everybody for 1916 were $30,000,000,000, which represents, first, pay for products of those producers who manage for themselves without intervening employers and for wages and salaries of producers under employers; second, the receipt of speculators and others who are unnecessary to a well-regulated social order. Divide this into three sums of $10,000,000,000 each and place one to the credit of the farmers, one to the wage and salary workers, and the other to the speculators and other supernumeraries. The first two work for their living and include all except a small per cent of the adult population, say 98 per cent. I have stated that the "dollar" controls the value, though the labor of the 98 per cent produces the value. It all resolves itself into this proposition:

The 2 per cent consists of the "special privileged." They produce nothing, but, on the contrary, are consumers alone—extravagant ones at that. They exact one-third of all the incomes and it is measured against the two-thirds income of the 98 per cent, depriving the latter of a portion of their toils product, thus increasing the cost of living in this respect alone 33⅓ per cent. If, however, instead of being extravagantly and lavishly wasteful, as most of them are, the 2 per cent were producing, there would be still more of the needed products to reduce the cost of living. This brings to notice another fundamental truth.

Truth No. 3. Employment should be in the line of necessity—not merely to be occupied and be paid for time, for unless necessity determines the occupation the time is wasted and those who do properly employ their time are charged a toll for the maintenance of the others, an extravagant maintenance at that.

Necessities include all things required for a well-ordered civilization—not merely the bare necessities for the maintenance of health, vigor, etc., but also for moral, intellectual, and all proper enjoyment.

If employment was governed by Truths No. 1 and No. 3, there would be vastly more of material useful things and more time without drudgery being dragged in with it at the disposal of everyone. All of us would be better informed and would experience a true and better life. One of the strange things in human experience is that it should be opposed to a just and natural plan of economic action, because even the most favored of the present system would still be able to enjoy as much, and I confidently predict more, of the things of real value in life than they do now. Opposition to a good and scientific practical system is accountable only on the basis of ignorance or because of a selfish desire to be exclusive.

Leslie's Weekly is running weekly articles entitled "The Builders of America." It seeks to make the public believe that these "special-interest" men, one of whom has his picture in and is described and eulogized in each weekly issue of that magazine, have done a great service to the public. Anyone who understands the economy of things could appropriately paraphrase the title to embody the idea of the true meaning of the text of these articles but use the same personal cuts and call the title "The Cancers in American Business," and show by the text, conforming it to the true facts, that the subjects of the sketches are the "destroyers of America's independence." That fact notwithstanding, we must not condemn these men but instead change the system that makes them and their like certain to exist.

The specially favored state that each of us have an opportunity to succeed and be prosperous, and as pretended proof of it they cite Rockefeller, now with more than $20,000,000 annual profit upon his nearly billion capital; the late J. P. Morgan, with nearly as much wealth; and other wealth grabbers, who began as poor boys. The evidence they offer is not proof that there is opportunity for us all, as they state it, but is positive proof to the contrary. This wealth grabbing prevents the success of the masses. The wealth grabbers did not produce what they have, for it is impossible for any one person to earn so much, but they grabbed it from the toilers. The toilers secured that much less for their work. Rockefeller's income alone is said to equal the income of over 40,000 plain toilers.

Some wealthy persons, by invention or by use of better plans for economic results, are entitled to credit for whatever advantage they give to humanity. Edison, Ford, and several others come under this designation. It is not against the man or the plan, when the plan is good, that we object, but we object to predatory wealth. No one that gives it study doubts that Rockefeller's manipulations deprive hundreds of thousands of toilers of much of the fruits of their toil, and, incidentally, in running his business he is forced to employ others to aid him in his schemes. Many of these have also become immensely wealthy preying upon the country's business. What is true of these men is true of most great fortune grabbers. Existing laws and the business practices give some of us a remote chance to acquire great wealth. A few are slick enough speculators to get it or secure it by accident, but these laws and the practice under them absolutely destroy the opportunity of the masses. They can not secure the value of the product of their own toil as long as the existing laws and practices prevail.

There is a form of pretended justification for the special favored class. It is that with their fortunes they found colleges, churches, eleemosynary institutions and charitable works of different kinds. The work of these I will consider later, but supposing they did satisfactory work, still I ask the toilers in every field of enterprise, are they willing that any man or set of men, however good and liberal, shall by force of circumstances and practice, be able to take from the products of their toil as these special few men see fit, to use it for any purpose whatever? I assume that those who earn should be in a position to dispose of their own earnings and not forced to watch others do that for them.

Right now most of us are kicking because of the extreme "high cost" of living. Think of a United States special assistant attorney general given charge of a probe into its cause, telling the people through the press to start a "country-wide boycott," that there is nothing else to do except to abstain and live upon cheap foods until the other foods come down. That is an admission of imbecility and not of progress. Think of Senators and Representatives who have been in Congress a score of years or more with power and authority to act—backed by the best people the world can produce—doing nothing, not even attempting to relieve the people of needless burdens, but instead cringing under the influence of patronage "pork," wasting the time and making expense, sometimes pretending to be progressive, but all the time legislating special favors and making fake investigations to make believe that sometime there will be remedial legislation. Is that progressive? Think of a President pointing to some of the so-called "progressive laws," sponsored by his administration as the "embodiment of progress," yet himself indicting the claim by admitting that it costs more to live than ever, and that too in the face of the fact that more per capita is produced than ever. Is that the result of a progressive administration? I do not challenge to compare this administration unfavorably with any other for the last 50 years, for none has been progressive enough to deal with fundamental economic problems in a commonsense natural way. They have not dared to. They have been scared by "special privilege." Everyone has been backed off

the board of duty to the public by the influence of predatory wealth in implied exchange for support or to head off opposition in political campaigns.

I have outlined some of the elements in the high cost of living, but to comprehend the enormity of it and the terrible treachery that has taken place in bringing it about and the method of procedure required to stop it, involves the consideration of several related subjects, the main one of which is the "invisible government." When that has been explained the methods of remedy naturally must follow in order to give value to the exposure.

THE MONEY TRUST.

I shall deal briefly with the Money Trust—merely showing its power and how it uses it. I do this because the Money Trust has created the invisible government. A valuable treatise on this subject, by Mr. T. Cushing Daniels, is published by the Monetary Educational Bureau, Washington, D. C., and should be read by all people.

An investigation committee was appointed in 1912 to whitewash the Money Trust as near as it would dare. The members of that committee were mostly disciples of the Money Trust, but they were forced to make some showing to meet what they termed "public clamor." About $100,000 of the people's tax money was expended to make the proceedings so voluminous and mixed that no one with much work to do would ever have time to read the evidence and but few the report. It stopped just when they got to the point where the system would have been exposed in all its hideousness if the investigation had gone further. The big financiers came to Washington, got down on their knees, begging high officials to put on the lid lest these money sharks would be landed in prison. The Money Trust committee however, must be given a little credit for getting a little spurred at this time and having their eyes opened by the "public clamor" as they called it, for they were forced to go further than they first intended. In September, 1912, they asked the Comptroller of Currency to supply certain data concerning the business and practices of the larger national banks. They were about to reach the "lion in his den" but a mighty roar came forth. The Comptroller of the Currency referred the request to the President for instructions, in compliance with an Executive order issued by President Roosevelt and reissued by President Taft, which prohibited any head of departments from furnishing information without the permission of the President. The "lion in his den" was now lashing his tail, roaring most furiously, so from September until December the matter was held in abeyance and at this most critical period when the point was reached where the country could be given the most startling facts possible and a foundation laid to remedy the evil, President Taft rendered his decision declining to allow the Comptroller of the Currency to furnish the information. This notwithstanding any intelligent unprejudiced person with sufficient experience would have made a more useful report of the facts that concern the public most, if allowed $10,000 for his time and expenses. The National Monetary Commission had been previously created, which falsely informed the people in order for the Money Trust to lay a foundation to pass the Federal reserve act. That committee went on a junketing trip to Europe. Ordinarily that is about the value of every investigating congressional committee. They are "fixed up"—a part of the "pork" for the "faithful" to "special privilege."

The backbone of the Money Trust is the banking system. The banks do not voluntarily occupy that place. On the contrary, with the exception of a few in the large cities, perhaps not to exceed 125 in the United States, the banks are opposed to the Money Trust. Before the Federal reserve act was passed, it was possible, though not easy, for a national bank to keep from directly feeding the Money Trust. Now it is impossible. Law has made every bank that joins the system a part of the Money Trust. The law compels national banks to join.

On January 1, 1917, there were 7,596 national banks. They directly control nearly one-half of all the banking resources and indirectly control very many of the State banks and most of the trust companies. In order to secure a direct control of all, the Money Trust which engineered the organization of the Federal Reserve System, is using every leverage possible to force the State banks to come in. The Federal reserve act contains a provision for the purpose. So far the Money Trust has not been successful in forcing the State banks because bankers as a rule do not voluntarily become Money Trust feeders.

National and State banks, trust companies, and some old-line life insurance companies, deal mostly with other peoples' money. They are organized on purpose to get possession of it. They do not organize simply to use their own. There are approximately 28,000 of these, including some private banks. New ones are constantly being organized. Eventually the Federal reserve act, if kept in its present form, will squeeze out many of the smaller banks. The number is now nearing the high mark.

When any of us have money that we do not expect to use immediately, or prefer to draw checks instead of using cash, we dump it into the banks. The banks are the arteries through which the money and credit flows and they supply the Money Trust with a sufficient amount of the very same money that the depositors place in the banks to make the Money Trust the greatest power on earth—a power for evil only. The banks have never at any one time had in their possession as much as $2,000,000,000 of actual money, but the "special privilege" granted by the Government enables them to manipulate a credit system equal to many times the actual money in their possession, so that now in 1917, depositors have to their credit approximately $25,000,000,000. More than $20,000,000,000 is loaned at from 6 to 10 per cent and sometimes at even higher rates. The banks pay on deposits an average of less than 2 per cent. They pay no interest upon commercial accounts as a rule, and many of the deposits that nominally draw interest are drawn upon by the depositor before he can collect interest. The borrower, however, is not relieved from paying interest when he pays a note before it is due—does not expect to be. The difference between what the banks pay on deposits and what they collect on their loans aggregate upon this item alone about $1,000,000,000 per annum—yearly becoming greater.

The farmer owning a farm and the urban dweller a modest home are often heard to complain because taxes upon these are too high, and generally the complaint is well founded when the result of the expenditure is considered. That is a direct tax. They go directly into their pocketbooks and pay it. The banks, however, impose an indirect toll upon, in addition to a direct toll upon, the borrowers, which is more than the average taxes paid upon the farms and urban homes. But no kick is heard about the bank collections. It is not paid directly, but is added to the price of the things we must buy. We kick about the price of these, but we do not give it consideration enough to connect it with the banks' charges. The existing system of finances, however, for which the banks are principally responsible, is the cause of the whole trouble. It is not the item of $1,000,000,000 bank profits to which I refer that play the principal mischief, but it is the high-finance borrowers of the funds that, concentrated in the reserve cities where the speculators are, adds several additional billions to the high cost of living. Every time a billion dollars of profits is scalped from operating the business of the country you add an average of $10 per capita to the cost of living for every man, woman, and child. In the end practically all this falls upon the toilers. Therefore the importance of exposing the system and discussing means for a remedy.

Our memory is fresh with advertisements carried by the railways in 1916 in the public press, at great expense, with a view to teaching the public that if the hours of toil for the men who run the trains were lessened, that this difference in the cost of operating the roads would be charged to the passenger and freight service and the public made to pay for it. So far as I have been able to ascertain, these advertisements were the first expressions that ever came directly to the public from "special privilege" that in its own admission indicted its own system, and if studied and followed out by the public to its legitimate conclusion would reveal the fallacy of private ownership of any of the public utilities.

It must not be overlooked that the Money Trust fixes the rates of interest that the railways must pay for their financing; they own the banks that finance them; they own the factories that make the materials that go into their construction; they own the telegraphs and telephones that they use; "special privilege" holds the directorates and offices; upon all these they fix their own prices and salaries; through political "pull" they have secured a majority of the members to be appointed on the Interstate Commerce Commission, who have been educated and taught to believe in the existing system of economics, and therefore, conveniently to "special privilege," the Interstate Commerce Commission adds all the costs of the trust-controlled materials and exorbitant salaries of special-privilege officials irrespective of the value of the material and services, to the freight and passenger traffic for the public to pay.

THE MASTER STROKE OF THE MONEY TRUST.

After spending $287,259 of the people's tax money for the expenses of the National Monetary Commission, the membership of which was mostly made up of Money Trust disciples, and in addition the expenditure by "special privilege" of about $2,500,000 for the organization of the so-called "Citizens' League" and affiliated subordinate leagues, and the advertising

of the whole thing through those leagues, and by other special-privilege affiliated concerns, the foundation was laid for the passage of the Federal reserve act, the greatest special-privilege legislation the world has in all time thus far witnessed.

I shall not take space to show what finesse was used to secure the Federal reserve law in the final stages of enactment. It is sufficient to show briefly what it is. It consists of 12 so-called Federal reserve banks, named "Federal reserve" for the purpose of making the credulous believe that they are Government banks. Stating it in simple language, the name is a lie. Whose banks are they? By the very terms of the act the public is not permitted to own a dollar of the stock in these banks, neither is the Government. It is all owned by the member banks. It is governed by the banks, subject to the rules of a Federal reserve board and the law, and both were made to suit the banks and not the public. Every now and then flashlights reveal the true facts about the Federal reserve act. Leslie's Weekly, a stanch supporter of special privilege, in an article written by B. C. Forbes, a very capable and careful writer and vice chairman of the Railway Investors' League, in the October 19, 1916, number of that magazine, opens the article with the following:

Picture a party of the Nation's greatest bankers stealing out of New York on a private railroad car, under cover of darkness, stealthily hying hundreds of miles south, embarking on a mysterious launch, sneaking onto an island deserted by all but a few servants, living there a full week under such rigid secrecy that the name of not one of them was once mentioned lest the servitors learn their identity and disclose to the world this strangest, most secret episode in the history of American finance. I am not romancing. I give the world for the first time the real story of how the famous Aldrich Currency Report, the foundation of the new currency system, was written.

Then the article goes on to describe how this band of exploiters worked to slip their greatest of all schemes over onto the people, and names the following among that secret band:

Nelson A. Aldrich, then a United States Senator, who for nearly 20 years was the boss of the Senate; A. Piatt Andrew, Assistant Secretary of the United States Treasury; Henry P. Davison, a leading member in the firm of J. P. Morgan & Co.; Frank A. Vanderlip, President of the National City Bank of New York, one of the largest Money Trust banks; and Paul M. Warburg, of the firm of Kuhn, Loeb & Co., now the leading member on the Federal reserve board that governs the system that was incubated by "special privilege."

Mr. Forbes, in his article, claims that he gave this information to the world for the first time. I presume he means by that a publication for the first time, for it was known to many people long before this article was published.

It was designed to make the public believe that the members of the Federal Reserve Board are Government officials. Legally they are; but what do they do and who pays their salaries? Their salaries, though paid to them by the Government, comes out of the earnings of the Federal reserve banks. The government they exercise over these banks and the rulings they make plainly and unmistakably indicate that they have not the public so much in consideration as the private interest of the owners of the big banks—that is, the Money Trust combination. The individual members of the Federal Reserve Board were special-privilege men before they were appointed and therefore educated in the interest of "special privilege." The leading member, Paul M. Warburg, was secured from the firm of Kuhn, Loeb & Co., the second greatest unincorporated banking house in the world, and shown by the Money-Trust investigation to be one of the five principal houses that conspired to create the Money Trust. Mr. Warburg's membership of that firm and his relations to the "high finance" was shown by his own admissions to the Senate committee when the question of his confirmation to membership on the Federal Reserve Board by the Senate was under consideration. The report on the hearings was printed, and it showed so plainly that Mr. Warburg's connections were such that he ought not to be a member of the Federal Reserve Board, but still would be, that they suppressed the report to prevent the public learning its contents. I secured a copy of it before it was suppressed, but it is a book in itself and can not be reproduced here. I placed several important parts of it in the CONGRESSIONAL RECORD on January 20, 1915. Special privilege is careful not to advertise unfavorably its friends, but this world is so large that everybody sometimes makes mistakes even from their own viewpoint. The Washington Herald, for instance, seldom comments unfavorably upon a supporter of "special privilege," but on January 8, 1917, in an editorial commented on Mr. Warburg as follows:

The Outlook prints an article in which there is a very plain reference to Mr. Paul M. Warburg, the most influential member of the Federal Reserve Board, as furnishing one reason why the entente allies regard President Wilson's peace note as pro-German.

Briefly it is said that Mr. Paul Warburg is a scion of Germany, a former member of the great and long-established house of M. M. Warburg & Co., of Hamburg, a brother of Mr. Max M. Warburg, the active head of the house of Warburg, a holder of the Order of the Prussian Red Eagle, which was conferred on him in 1912, one year after he had become a citizen of the United States, and an ardent advocate of the German idea of peace for Germany's sake.

It is thus shown that Mr. Paul Warburg is the active man in Federal finances and his brother is credited with being an equally active man in German imperial finances.

Now the point is that Mr. Paul Warburg, in his capacity of member of the Federal Reserve Board, of which he was once chairman, is believed in France to have inspired an attack by the board on the credit of the allied countries in having the Federal Reserve Board issue a warning to the American bankers against investing in the treasury notes of Great Britain and France.

The inference, and, indeed, the logical argument, to be drawn from this article is that Mr. Paul Warburg, in case he really inspired the warning of the Federal Reserve Board, was serving the cause of German peace at the expense of the greatest customers the United States has and overstepping the grounds of propriety, neutrality, and patriotism. But Mr. Paul Warburg is not the entire Federal Reserve Board.

So far as the Herald has been able to observe the conduct of Mr. Warburg has been very circumspect. He resigned from the firm, Kuhn, Loeb & Co. when he was appointed to his present Federal office and he also severed his connection with the firm of M. M. Warburg & Co. in Germany. This is very commendable and while it is perhaps thoughtlessness on the part of Mr. Warburg, it will impress many persons as a mistake that when he was divesting himself of all connection with the firms with which he was connected he should also have divested himself of the Order of the Prussian Red Eagle.

No American leader of public opinion, no American active in national affairs, no American of influence in financial circles, no American officials above all others should ever hold a decoration from a foreign power which is nonrepublican and monarchial in its government.

That is the only serious mistake which Mr. Warburg has committed.

Thus, we see what a publication, even friendly to "special privilege," states of Mr. Warburg.

It is enough to have stated the connection with "special privilege" of a leading member of the Federal Reserve Board—his affiliations well known when appointed by the President and confirmed by the Senate—for I do not intend to discuss individuals except as they deal with economics. The connection of other members of the board, as well as Mr. Warburg, with "special privilege" was shown in my remarks in the RECORD January 20, 1915. What I then predicted of their acts whenever there is a conflict between "special privilege" and the public weal has proven true. Whether members of the board would or would not intentionally do injustice to the public is not involved in a fundamental economic problem. If only questions of honesty and dishonesty were in issue, it would be a moral and not an economic problem to solve. I discuss neither good nor bad intentions, but the hopelesssness of the plain people ever securing justice in the existing political and economic practices and the changes necessary to be made to secure justice.

Human nature is known to be selfish. History for 6,000 years verifies that condition, so we may presume it continues and give it weight—assume that men will do those things that give them individual advantages when they know how. Human nature, however, is all that we have to deal with. It is ourselves—it is our battle and our life—all that there is for us to follow through to the end. That is why I discuss and in the discussion hold out the promise that if we can reach the masses with the facts, success awaits everybody. It is the future success of the masses that furnishes the motive for collective consistency and cooperation, for the plain people can have no hope of securing their right in the world as now governed. In view of the "self-interest" which has always dominated the world, it is not possible that the masses, if advised of the conditions, will exchange the sure means that they can adopt to secure success to all for the existing gambler's chance—luck—that can come only now and then to one of them under the existing practices.

Having shown that there are 12 Federal reserve banks and a Federal Reserve Board that makes the general rules for their government, it is important also to note that there is an "advisory council," one member from each Federal reserve district. These, too, are "special-privilege" men; for instance, the one from New York is J. P. Morgan, a son of the late J. P. Morgan and head of the firm of J. P. Morgan & Co., one of the five firms found by the Money Trust investigating committee to have conspired to create the Money Trust. The other members of the "advisory council" were likewise educated in the atmosphere of "special privilege" and all work to complete the control of "special privilege," which is already practically secured through the Federal reserve act.

These two boards, the Federal Reserve Board and the advisory council, are at the head of the Federal reserve system, and none of the lesser officials, even if they wished, would dare to cross swords with them.

Of course, a scheme so systematically arranged for fleecing the public could not be put through without almost infinite care to secure able assistance and a means provided to pay off the obligations of the original conspirators and main beneficiaries of the act to their subordinate lieutenants who aided in pushing the scheme through. This was partly taken care of by the creation of the 12 Federal reserve banks, each of which has sev-

eral lucrative offices. The campaign to educate the public to accept of such a monstrous evil was, of course, secretly arranged by "special privilege." To disguise the scheme, a parent organization, named the "Citizens' League," was established in Chicago, and from there State organizations and campaigns were directed. In my own State they selected a prominent, intelligent, able, and respected man for president. He and an equally intelligent man who was selected for secretary managed the campaign, and of course were taken care of when the Federal reserve act took effect, the president, by placing him as one of the heads in the Federal reserve bank at Minneapolis, acting for the ninth district. Any scheme that supports such lucrative places as the Federal reserve act provides for, when considered from a purely selfish personal standpoint, is well worth working for by those who would get the offices. The same plan was carried on in each of the 11 other districts.

Next we have the banks in the system—the little fellows which include all except a few Money Trust banks. Including a few State banks that joined the system, there are over 7,600 and more coming in all the time. It is these little banks and the State banks scattered into all sections of the Nation that gather in the money and credit of the people and control it, and the banks in turn are controlled by the Money Trust, not designedly so, so far as the small bank owners are concerned, but inevitably forced to be by the system. It is not because the banks scalp directly from the people over a $1,000,000,000 annually for the managers and owners that they are most objectionable, for we all know about that, and if we are so foolish as to permit it, let us not complain of the fact. The colossal wrong consists in turning over to the banks the unrestricted control of the entire finances of the country, thus enabling the insiders to use the funds and credits to fleece the people annually out of several additional billions of dollars in gambling and speculation on the side.

The existing financial machine may be summarized in its make-up as follows:

First. National banks, arranged into three classes—(a) the country banks, the small banks in the cities, and a few large city banks; (b) the larger banks in the "reserve cities"; (c) the largest banks in the "central-reserve cities";

Second. Government postal savings banks, the deposits in which are most of them turned over to the banks to exploit people with;

Third. The new Federal Reserve System;

Fourth. State banks and trust companies;

Fifth. The new Federal farm loan act; and

Sixth. The old-line life insurance companies and unincorporated private banking.

These are the collecting agencies for the Money Trust, not that bankers would as a rule choose to have it that way, but because they have gradually been drawn into it and now are unable to cut loose. Congress has the power to prevent it, but it too has been "drawn into" the support of "special privilege," a matter that I will later consider as related to the subject of political miscarriage in dealing with the money and other problems.

These banks and the other agencies named are distributed into every locality where people can come to dump their money and so on. The 12 Federal reserve banks, however, are exclusive. Only the member banks which own them and the Government is allowed to do business with them. Every other body is prohibited. The Money Trust believed that it would force the State banks to join the Federal reserve scheme, but not many of them have, so of late a new scheme was fixed up to get them in if possible. It is to give them the privilege of having their checks cleared without even becoming members, provided they carry deposits in the Federal reserve banks. The Money Trust intends to get the State banks into the Federal Reserve System at any cost. If the new scheme fails other schemes will be devised for the same purpose. They can get along very well, however, without the State banks. Their main purpose in trying to get them is to solidify power and influence. They know that once the people understand that the game is simply to exploit the public there will be an explosion and the Money Trust blown up.

Now we come to a most important point in the use of the system. The banks hold to the credit of depositors about $25,000,000,000, of which less than $2,000,000,000 is actual money. The rest is checks, notes, and bookkeeping. The funds are obtained from the depositors and belong to them. The banking plan is designed to do that very thing, not merely to favor the depositors, nor for any intrinsic excessive love to accommodate the borrowers; neither for good fellowship. Then what is it for? To rake in profit, of course. Therefore it is important to know:

WHAT DO THE BANKS DO WITH DEPOSITS?

To get at that will be cracking the nut to find its contents. When we see the rich treasure, naturally we will want to know more about how in the name of "thunder" and "more Americanism" (?) did they ever get that scheme approved by the "grand old men" originating from several of the States, "statesmen" (?) that the subsidized press extoll and eulogize, christening them with the names quoted, and by the younger "statesmen" (?) following in the tracks of their more than "holy" seniors, upon whom the same press also stamps its editorial approval. That will seem interesting once we understand that we are deprived of 75 per cent of the results of our efficiency through the legislation these "grand old men" and these young "statesmen" have put upon the statute books and their failure to legislate in a way to meet the demands of an enlightened civilization.

Yes, what do the banks do with the depositors' funds? That is now the question. The country banks and the smaller banks in the cities gather in most of the funds that are deposited by the plain people—toilers, principally. The big fellows, the rich, do not keep on deposit many funds, because they use their funds to exploit the plain people and are borrowing from the big banks and even from the smaller ones the very funds that the plain people deposit, and with these added to their own invested funds multiply their exploits and build larger and larger fortunes at the plain people's expense. That is why the subsidized press, in the interest of special privilege most adroitly attempts to make the plain people believe that they are rich, because in the aggregate they own most of the deposits.

The big banks get part of the deposits out of the little banks and loan them to speculators, who exploit the plain people—among which are fully 99 out of every 100 depositors. The banking system has been built up with that very purpose in view. Of course special privilege knows the necessity of keeping the plain people, a large majority of whom own no deposit, at work most of the time, or there would be no "fleece" for the speculators to "shear" from the "goats," so the banks must loan to the plain borrowers who are able to work enough of the funds on deposit to enable the "goats" to do the work and to supply them at times with the bare necessities of life, and upon such loans the highest rates of interest are charged.

A part of the bank deposits, I repeat, are loaned to small business, to farmers, and wageworkers, who have credit or security in sufficient quantity to keep themselves at work, but they are forced to pay from 6 per cent all the way up to the most exorbitant rates, the rate depending on how difficult it is for the borrower to get money—the borrower may have the blessings of God in the gift of good health, physical and mental activity to strengthen his credit, or the weight of physical and mental misfortune may bear it down—in both cases he will carry the banker upon his back, and the poorer he is the more he must pay. To those whom this system has forced into bankruptcy, the bank doors are absolutely closed. We can not blame the banker for closing the door on the bankrupt. He must do that or he would have to close it on the depositor. It is the banking system that creates so many bankrupts that is to blame and not the banker.

The banks do not do all their loaning in the respective communities from which they receive their deposits and which support the banks. They do not loan nearly as much as they reasonably could and should, and what loans they make there they charge more interest on, as a rule, than they get anywhere else. They prefer to loan at much lower rates away from home and to speculators than to lower the rate on loans at home. The result of the practice is, that after they have loaned at home all they can at the highest possible rates of interest, they will not reduce the rates of interest to home borrowers, who would borrow if they could secure it at lower rates. The remaining deposits, not required to be kept in their tills and with the Federal reserve bank as reserve, they use to buy notes from loan brokers in the cities drawing a lower rate of interest, and redeposit the balance they have to spare in the big city banks and receive 2 per cent interest.

No reports are made anywhere from which it can be learned how much the banks loan away from home. They ought to be required to state the amount, for it is important that the public should know. We do know how much of their deposits are redeposited in "reserve banks." On December 27, 1916, there was released by the Comptroller of the Currency a statement from which I quote extracts as follows:

The growth and development which has taken place in the national banks of this country, as expressed by their increase in resources since the inauguration of our Federal reserve system two years ago, has been three times as great as has ever before been shown in any two-year period in the history of our national banks.

The compilation just completed in the returns of all national banks for the last call, November 17, 1916, discloses a condition of strength, of progress, and of growth beyond all precedent.

On November 17, 1916, the resources of our national banks aggregated $15,520,000,000, an increase of $4,028,000,000, or over 35 per cent, in just 2 years and 17 days.

The prodigious growth and development of the national banking system may be better appreciated when we realize that the resources of the national banks throughout the country have doubled since the spring of 1906, 10 years ago.

From October, 1914, to November, 1916, the increase was $4,028,000,000, or over 35 per cent, an average for these two years of about 18 per cent, or, say, three times as much as the yearly average for the preceding 10 years.

Capital stock: 1,071 millions, an increase as compared with September 2, 1916, of three millions.

Surplus and undivided profits: 1,071 millions, an increase as compared with September 12, 1916, of 23 millions.

It will be noticed by the tenor in which the statement is couched that it is a source of pride to the comptroller. There is no doubt that he is in good faith about it when he says:

The compilation just completed discloses a condition of strength, of progress, and of growth beyond all precedent.

But the comptroller did not go beneath the surface to see what he could have seen if he had, to wit, that the growth which he shows and praises is in fact the growth of a "cancer" in our economic system—the faster it grows the more rapidly destruction awaits us. On top of that growth is also to be counted the growth of the State banks and trust companies. But we will analyze the $4,028,000,000 growth in the national banks alone and you can add the other growth at your convenience to see how it all eats the vitals out of our social system.

In two years alone, since the Federal Reserve System was inaugurated, the national banks alone have gathered in $4,028,000,000 additional debts over what they had before, with which the people are further exploited. Upon this the banks pay less than 2 per cent and collect more than 6, but for calculating purposes we will figure at 6, making the difference in what they pay and what they receive 4 per cent. That is what it costs the public for the banks' profit in the plan on this inflation alone. Figuring 4 per cent upon $4,028,000,000 it is $161,120,000 additional annual charge upon the people.

That is the first "progress" and "growth," "beyond all precedent"—using the comptroller's words—of this cancer in gnawing at the vitals of human existence. We must not confuse this $161,120,000 by thinking that that is all the banks get out of us, but understand that the sum is added to the billion they were previously collecting, which included all banks, trust companies, and gathering-in agencies in the nature of banks. Neither will we be confused by a statement that interest is lower on the dollar now than at some other time, for it matters not so much what the interest on a dollar is when we are accounting for the increasing cost of living, as what the grand total of interest paid by all the people amounts to, for that is what boosts the price, not for the benefit of the producers but for the speculators. It is a fact that the aggregate of interest that all the people now pay is far in excess of any earlier time. The gross earnings of the national banks for the last six months in 1916 was at the rate of $628,000,000. The State banks aggregate even more, so it now costs the people more to run the banks than it does to run the Government of the United States.

This expansion is the inflation that has been made under the Federal reserve act for the benefit of Wall Street gamblers and speculators. The second and far the greatest growth of the cancer gnawing at the vitals of humanity is the profits that these gamblers who have had the benefit of the inflation have reaped from speculation; it is many billions of dollars. For every billion dollars that you add to the profits of speculators, you fleece the toilers an average of approximately $30 each, assuming that one-third of us are toilers. Will any one pretend that schemes of this kind, and the kindred schemes that are the growth from it, are not the basis for the increasing cost of living? Certainly no one with judgment will.

When the European war broke loose Wall Street saw an opportunity for reaping a harvest of profits such as never had been witnessed before, and it went to it with the vim characteristic of Wall Streeters. Posthaste they closed the stock exchange, for now with this new colossal condition more credit was required to manipulate the awful outburst of speculation that would result from this most extraordinary event of the world's history. Down to Washington they came with the threat to the President and to Congress that unless "immediate provision" was made for emergency currency in unlimited amount and placed in the banks where they would control it they would forthwith precipitate a panic upon the country that would drag it to ruin. Instantly Congress and the Executive obeyed the command, and not only forthwith passed the required legislation but even in the anticipation of it caused to be shipped on the first fast express to the subtreasury in New York emergency currency where the Wall Street bankers could get it when the bill would be signed by the President. They actually took $369,558,040 of this currency, but they kept the stock exchange closed and manipulated stocks and the produce markets for months in order to make billions of profits.

THE FEDERAL RESERVE ACT WAS A FURTHER SURRENDER OF PUBLIC CREDIT INTO THE HANDS OF PRIVATE MONOPOLY.

This Nation is dominated by a private control of finances. Some of the time wittingly and at other times unwittingly, but always and all of the time Congress serves "special privilege." It frequently acts directly in its interests, as it did when it passed the Federal reserve act, but its greatest and most appreciated service by special privilege beneficiaries consists in the failure of Congress to do its duty to the public. Special privilege needs no action by Congress in order to continue its exploit of the people, but the people require acts of Congress to prevent their being exploited, and Congress fails in this respect.

In my remarks here January 20, 1915, before cited, I explained somewhat in detail how Wall Street engineered the passage of the Federal reserve act for its own special benefit. Since then everything done by the Federal reserve banks have verified my statements. No verification, however, was necessary, for it is self-evident to anyone who will examine the act and has any experience with human nature and particularly the speculators, that it was conceived by the Money Trust and passed expressly for its benefit, and not in the interest of an honest commerce nor of an honest finance system. Of course the act was adroitly drafted so that the scheme would not upon its face glare with "special favor," but, as expressed by Mr. Warburg when he was examined by the Senate committee, inquiring upon his eligibility to serve on the Federal Reserve Board, many things Mr. Warburg then said could be accomplished "in its administration." His statement to that effect has become a living fact, for "in the administration," "special privilege" has already reaped billions of dollars profit from it, and these billions have been a part of what the people are paying in the high cost of living. It is not improbable that at that "most secret episode" pulled off at the clandestine meeting on a secret island—referred to by Mr. Forbes in his article—the plans were also laid to secure Mr. Warburg's appointment as a leading member of the Federal Reserve Board in order that he might "administer" the Federal reserve act. If it is a mere coincident that he should have been one of the "big boys" on the secret island, and the leading member on the Federal Reserve Board to administer the Federal reserve act they planned, it is an odd coincident indeed.

As a member of the Banking and Currency Committee, when the Federal reserve act was "viewed" by that committee, I filed a minority report against its passage, one paragraph of which I quote as follows:

The last paragraph of section 15 should be amended so as to prevent instead of permit Federal reserve banks opening accounts or establishing agencies in foreign countries. Since it is proposed by this bill to turn over to the Federal reserve banks the Nation's funds, we should not entangle these funds further by permitting the Federal reserve banks to establish agencies in foreign countries for speculation.

It is desirable that our relations with foreign countries should be such that whatever exchanges we require will be easy of accomplishment, but it is obnoxious to place them in the control of greed as this act does. At the time I wrote into my minority report the paragraph regarding "foreign agencies" the war had not begun, but it was plainly evident that it would come sooner or later, and the very fact that greedy American speculators engaged in the war trade for speculative profit has several times come near drawing our Navy and Army into the war. In every other respect we have been a party to the war, even to the extent of taxing our people for its maintenance by indirect method so they shall not know how it comes about. The Federal Government has abdicated in favor of the "invisible government," especially so in all matters of finance, for upon this most vital business the Government only acts when constitutionally constituted authority becomes absolutely necessary, and only then to supply the "invisible government" with additional privilege.

A short time since the Nation was ablaze with a demand for "conservation," conservation of timber, conservation of minerals, conservation of all the natural resources. When the war in Europe broke loose conservation was thrown to the four winds. The American press began to boast of an enormous "balance of trade" which it termed "favorable" to the United States. That is, the press claimed that if Europe and the foreign world bought more goods from us than we from them, that the balance of the trade was "favorable." I wish to show by a concrete example what the export trade does in this respect, and I cite petroleum as an example.

For a given 12 months in 1915 and 1916 American consumers used 211,933,000 barrels, and the Oil Trust, in addition to supplying that, exported in the same period 55,466,088 barrels.

Prior to the export demand the American price was 75 cents a barrel for the western product and $1.54 for the eastern product, but the export demand was made the excuse by the Oil Trust to increase the price on the western product to $1.55 and the eastern product to $2.60, an increase of 80 cents and $1.06, respectively. About one-fifth of the American consumption was of the eastern product and the rest of the western. The increase in price of petroleum to the American consumers was $180,000,000 over what they had to pay before the export began, a sum far in excess of what was realized for the 55,466,088 barrels exported. In every export commodity controlled by the trusts the price of the like product to the American consumers was increased far in excess of the total realized from the export. Copper increased to nearly three times its former cost, and our home consumption is greater than our export. Maybe it is a good thing for our people to pay $180,000,000 in a single 12 months more for petroleum than we otherwise would have gotten it for, and pay excess in the same proportion for other products, and at the same time that the additional burden is put upon us to know that the export reduces the resources of the commodities that we shall ultimately need. I say, maybe that is a good plan, but I am not able to take that view, for it is evident that we forever increase the cost to American consumers when we reduce the supply. I believe in conservation of our resources. It seems to me that we have been silly asses for selling so much of our product and raising the price to American consumers more than twice as much as was realized from the export. It is not alone the $180,000,000 excess charged for the petroleum for a single 12 months, but petroleum will always be higher for the American consumer than it would be if we had conserved the supply, and the same is true of all our natural resources which we are pouring out to Europe for destruction.

American consumers, by reason of the enormous export that has taken place since the war began and causing a rise in price, have undoubtedly paid over the former cost for an equal amount of like commodities from 11 to 16 billion dollars, in excess of our so-called favorable balance of trade, which is more than twice the amount realized from all our exports. To promote that kind of trade, the Federal Reserve Board recently selected and appointed, through the Federal Reserve Bank of New York, the so-called Bank of England as its agent, thus putting the credit of the United States back of this foreign corporation organized for private gain, which is no longer able to make payment in gold and fails to give a statement of its true condition. The Federal Reserve Board willfully contemplates further alliances with foreign banking institutions, with the object in view of exploiting both the American and the foreign peoples.

In the same way that the group of Wall Street speculators jack up the prices to American consumers by turning the so-called "favorable balance of trade" to us, they also keep up the interest rates on American borrowers. They have loaned credit supported by our Government to foreign countries already approaching three billion dollars, and this enables them to keep the interest up on loans to American borrowers, forcing the latter to pay in excess of what they otherwise would far more than the total interest that will be realized upon the foreign loans. In connection with this statement, I call attention to the National City Bank, New York, the "biggest" money-trust bank yet. Its management knows that the banks have more power over the welfare of the people than even the Government has under existing laws; the National City Bank has the "gall" to assert the power of the banks to fine the people and flaunt it in their faces. It publishes a monthly review. In its February number, after first reviewing the fact that at this time there is a plethora of money and credit available, it comments on the same in the following language:

> Under the circumstances, money promises to be in abundant supply, but if the banks have a proper regard for their responsibilities it will not be correspondingly cheap. Compensatory rates for money and ample reserve should be consistently maintained.

My God! Can a Member of Congress who fought for the Federal reserve act and the spurious, cumbersome Federal farm-loan act look at such a statement as the above and not blush with shame? Any American who knows what the existing banking system does to the people can have mighty little respect for the Senate and House that passed those acts. Why pick the banks to give special favors to? Why did not the farm-loan act give equivalent advantages to the farmers? The farmers get no money till it is filtered through the banks. The quoted statement of the National City Bank is not the only statement of the kind. The Federal Reserve Board made an order in regard to regulating the inflow and outflow of gold that is equivalent to the same thing. Most unfortunately for the people these acts are based upon a power that the banks were granted by Congress. Whenever the "horde of little speculators" get too "ramp-ant" to suit the "big fellows" the latter impose a fine on the people by increasing the rates of interest. It is a common practice of the banks to establish "compensatory rates"—that is, fine the people in order to regulate finances to suit the banks, a power most monstrous to be lodged in individuals organized solely for profit making.

The worst may yet come. I predicted more than a year ago and placed the prediction in the CONGRESSIONAL RECORD in hopes that the people might read that we were in grave danger of being drawn into the war from the selfish acts of speculators. The following language is a part of what I then said:

> The Federal Reserve System has already connected us with the conditions of warring nations. These will grow worse as long the war lasts and from the confusion that will follow. The intermingling of our finances with those nations in the way that it is being done is not unlikely to be the one "element," the selfish underlying one, which to save itself from holding securities of bankrupt countries, the Money Trust would seek to enter the United States in war. The method of securing the result would, of course, be screened behind remote incidents in an attempt to prevent the people from suspecting the underlying influence of the Money Trust. That section of the press which is subsidized by the special interests would be depended upon to adroitly fan the flames of passion that arise out of incidents that are sure to occur from time to time in every great war.
>
> The people should fortify themselves against further risks resulting from the war. The nations engaged in war will be bankrupt—a result of their own follies, and we should not make their burdens ours.

As a matter of fact—but the press conceals the real facts in regard to many war occurrences—it is the action of the greedy speculators that has brought us to the very verge of war, which may come any day. They have done the things that have brought about the incidents of the war that are now alleged to be the cause for our entering it, if we do. We have rights which have been grossly violated and we should not waive them, but there is a better way to enforce them than by war. There are a hundred million of Americans, good, true, and patriotic, every one of them who are willing to sacrifice their lives, if that is necessary, for the cause of America. These, however, have contributed no part to bringing about the conditions of war which we now face. It is the speculators and the "thrill seekers" who have brought about the incidents that form the excuse, but back if it all are the greedy speculators—rascals, who for sordid personal gain have angered some of the belligerents, and as a result they have added more to the wreck of human reason. We should pity crazy Europe, not hate it, and bring about peace as soon as it can be done, instead of seeking to drive the world to the limit of human destruction.

Let us not for the sake of vainglory plunge this Nation into the maelstrom of hell. If we do we shall because of needless sacrifice come out with less power than we enter and destroy for a time our ability to conquer the world by the establishment of an economic system that will appeal to all humanity and be accepted for its justness. Everybody must admit that the existing civilization has proven an absolute failure. The battered continent of Europe supplies the gruesome evidence of it. Who with any sense would seek to follow precedents established heretofore by nations that have come to such a state as those now at war? Are we, too, crazy? Surely we have a better opportunity than to plunge to destruction and death and left to be resurrected in the toil and drudgery of more than a hundred million of innocent people. Let us instead now establish the economic system that will make war unnatural. The existing economic practices make war natural. Do we choose the old broken-down civic hulk or will we create a new civic body? To choose the first is cowardly.

Superficially some will answer that times are good and why complain? Times are not good, except in the comparison with poorer times. Under any system of economic consistency times would be better than they ever have been. Take away all special privilege; put commerce on a natural basis; provide so that every worthy person can secure the credit to which he is entitled without putting between him and its use a monopoly with the privilege of charging its own price for loaning it; do all this and the country would burst into a prosperity beyond all precedent.

No sane person who takes the time to reason can believe that the toilers can be employed to produce materials for war and destruction and still have better times than we would have if they were employed in producing materials for the use of the toilers themselves.

The main trouble now is that monopolies create unnatural conditions and prevent people producing the things needed to supply the demand and facilitate the necessary exchanges.

The people have never known what they could do for themselves because the very agencies and instrumentalities with which they must work have been monopolized by greedy speculators. Credit is the most important one of them. Surely the war in Europe is a living example and proves one thing above all others, and that is, that when the people of the nations can

produce for such enormous destruction, even with their most able-bodied men taken out of the industrial fields, they can also produce enormous wealth for the people generally in time of peace—many times greater than when at war.

No one who can think rightly and takes the time to do so, believes that the welfare of the people is supported by supplying nations at war with financial and material aid to destroy each other. All our interests are opposed to such action. It matters not whether international laws permit it or not. It can not be required. Precedent, even if it exists, has no force at this time. If the Nation's welfare required us to take part in the war, it should be through the properly constituted authority and not by the cupidity of private parties.

Unfortunately, the people's bank deposits have been gathered into places where the speculators have used them to finance the warring nations for war purposes. The big speculators followed their old practices, and this time were practically unlimited in their venture because they believed that the Federal reserve act gave them assurance that they might take all the risk they pleased, for if they should miscalculate they had the Federal reserve banks ready to render aid if they should strain the finances. Wall Street speculators borrow bank credits at 1 and 2 per cent. Others borrowing for legitimate business are forced to pay high rates of interest. Whether we examine the press files for the last year or for many years, we find practically the same old, old story in contrast—of interest rates paid by Wall Street speculators and what the borrowers for legitimate business must pay. A single transaction illustrates the practice, for it goes on practically the same at all times. Take the press reports of January 23, 1917, as an example. It ran:

NEW YORK MONEY.

NEW YORK, January 23.—Call money, steady; high, 2 per cent; low, 1½ per cent; closing bid, 1½ per cent. Mercantile paper, 3½ and 3¾ per cent.

The above figures are more significant than a mere perusal of them at first suggests, for they are the key to certain situations. For instance, at the same time that money was loaning at those figures in New York, the Federal reserve discount rates to member banks were as follows:

Boston, New York, Cleveland, Atlanta, Chicago, Minneapolis, and Kansas City, the discount rates for agriculture and live-stock paper over 90 days 5 per cent; in Philadelphia, Richmond, St. Louis, and Dallas the same kind of paper was 4½ per cent; in San Francisco 5½ per cent; other discount rates for 16 to 90 days, inclusive, were from 4 to 4½ per cent.

Mr. Chairman, the two sets of discounts—New York money and Federal reserve bank money—the contrast in the rates between the two furnishes a part of the evidence showing that the Federal reserve banks are not only controlled by Wall Street but that they are "administered" for the benefit of Wall Street speculators.

What member banks of a Federal reserve bank in order to improve the business of their respective localities would rediscount with the latter when they can rediscount with their correspondent banks in reserve or central reserve cities at from 1 to 1½ per cent less, and that, too, with much less red tape? None would, of course. What happens from that condition is this: Banks desiring to rediscount, instead of going to a Federal reserve bank and there paying the higher rate of interest, will rediscount with a correspondent bank at a lower rate. The keeping of the Federal reserve discount rate above the reserve city bank rates causes the reserve money to pile up in the Federal reserve banks. That is exactly what the Wall Street speculators demand, for while that reserve piles up in the Federal reserve banks they can go on fearlessly with their speculation, for if they should be caught in a trap their reserve and central reserve banks would immediately raise the rate of interest to compel bankers who might be rediscounting to pay their loans, which they could do by going to the Federal reserve banks and paying the high rates, which, of course, would react upon the legitimate borrowers. The Federal reserve banks are now administered in a way to form an insurance to the speculators, backed by the Government.

All this talk about not being able to use the Federal reserve banks for rediscounting speculative paper amounts to nothing, for, as was said by a leading member of the Federal Reserve Board, many things can be done by "administration" not directly provided by the law, and he could have added with truth that many things would be done, for they have been, but not in the interest of the people.

The war conditions are the result of uneconomic laws that govern trade and commerce, the privilege that has been given to a few to make industrial slaves of the rest of us. With a single proper act of Congress the world could be changed, conquered by force of the collective demand of all mankind, when the way was pointed out that would make it sure that the industrious and intelligent in all the fields of useful work can command success by their own industry. That would result in a peace-loving people rising up everywhere. Let one nation act wisely, really wisely, in the conduct of its economic relations, the rest would follow in quick succession, more so than the unwise act of war was followed by one nation after the other. There need be no war to establish our rights on the high seas. If we adopt the economic law for our own Government we shall conquer the world, not by drenching it in blood, not by vainglory that would be looked upon by succeeding generations as the last colossal act of American barbarism—no; not in the blood nor in the bravo will we conquer insanity, but in the common sense of a new nation-wide intelligence, applied to adjust business to secure the conveniences and the necessities of life instead of for speculation, can we conquer the world or even ourselves.

The first act in the great drama that will set the stage for the new, true, and sane world will be the repeal of all laws that make special privilege supreme and adopt instead a financial system in control of the Government. That is the first step necessary for a world's permanent peace. Every other economic reform will automatically follow.

On March 10, 1916, I extended remarks dealing with the Chamber of Commerce of the United States, which corporation is knocking at the doors of Congress for a national charter. I maintain that it is an offspring from the Money Trust, the same as the so-called "Citizens' League" was. Both were the pioneer representatives of a new system of lobbying for "special privilege." It is "special privilege" that manipulates and boosts the cost of living, and the said chamber of commerce is its official lobbyist. Mr. H. L. Day, of Minneapolis, who is thoroughly informed upon the subject, made an exhaustive and careful research for the facts and wrote me a letter a year ago accompanying it with diagrams, which I extended into the RECORD March 10. I verified by my own research much of his work. Mr. Day is conservative and does not overstate things. He has been good enough to prepare a new statement embodying in it a letter tracing the "footprints" of the said chamber of commerce down to date, and they always lead from "special privilege" to Congress, seeking to influence Congress to legislate in favor of "special privilege." I shall insert Mr. Day's new letter in my remarks, as it is exceedingly important in connection with the discussion I have made on the rising cost of living. First, however, I will quote from a recent letter of the said chamber of commerce, as follows:

PROPOSED TAX ON EXCESS PROFITS.

[Action taken by Chamber of Commerce of the United States of America in annual meeting, Feb 2, 1917.]

Resolved, That the Chamber of Commerce of the United States of America reaffirms its devotion to the program of preparedness which it has approved by vote of its constituent members through referendum No. 15 and through resolutions adopted in annual meeting, and further pledges the support of this body to any just and reasonable measures of taxation which the Government may see fit to adopt under such a program; but while reaffirming its devotion to this policy, it feels compelled to protest against the inequitable and discriminatory methods of taxation proposed in the bill known as H. R. 20573, providing for a tax on excess profits of corporations and copartnerships.

Mr. Chairman, the letter was sent to all Members of Congress, and in addition to what I have quoted it had war propaganda in it, but it opposes taxing the excess earnings of the parties who profit by the war propaganda.

The following is the second letter of Mr. Day, describing the said chamber of commerce and the purpose of its coming into being:

MINNEAPOLIS, MINN., *February 8, 1917.*

Hon. C. A. LINDBERGH, *Washington, D. C.*

MY DEAR MR. LINDBERGH: In a former letter dated November 29, 1915 (inserted in CONGRESSIONAL RECORD Mar. 10, 1916), I called attention to the fact that privilege (the Money Trust and allied interests) had organized so-called commercial associations in many cities of the country, including the Minneapolis Civic and Commerce Association and the St. Paul Association of Commerce, as local associations, and the Chamber of Commerce of the United States, Washington, D. C., as the national association, and that privilege, pretending to represent the general business interests of the country through these associations, has the power to control these associations in behalf of the interests of privilege.

I now want to call attention to the fact that privilege is now using these associations in behalf of the railroad interests of the country.

In showing this to be a fact I will submit evidence to prove that the "inner group of the Money Trust," as shown by the congressional Money Trust investigation to consist of the three banking institutions of New York City, namely, J. P. Morgan & Co., First National Bank, and the National City Bank (J. P. Morgan & Co. are "the recognized leaders" and interlock in stock ownership and the directorate of both the other banks; in the three banks, combined, was the combined influence of the Morgan, Rockefeller, George F. Baker, and James J. Hill interests), have organized through various instrumentalities, mainly by officers and directors of affiliated banking institutions, this system of commercial associations, and that as this "inner group of the Money Trust" controls or dominates the control of all the railroad systems of the country, they are using this system of commercial associations,

centered in the Chamber of Commerce of the United States, in behalf of the railroads.

The evidence I herewith submit will be to show—

First. That the banks in Wall Street, comprising the "inner group of the Money Trust," as shown by the Money Trust investigation, organized these associations.

Second. That this "inner group of the Money Trust" controls the railroads of the Northwest.

Third. That the Minneapolis Civic and Commerce Association is using its influence locally in behalf of the railroads.

Fourth. That the Chamber of Commerce of the United States, Washington, D. C., is using its influence, in the controversy between the railroads and the four railroad brotherhoods, in behalf of the railroads.

Fifth. That the referendum of the Chamber of Commerce of the United States in relation to this controversy is biased and not entitled to confidence or respect.

Sixth. That the results of the referenda taken in many cases by the Chamber of Commerce of the United States would indicate that as a rule these referenda are in behalf of privilege.

Seventh. That Congress should not grant a charter of incorporation to the Chamber of Commerce of the United States of America.

Eighth. That a thorough congressional investigation should be made of the influences back of and the real purpose of the Chamber of Commerce of the United States of America and the local organizations allied with it.

ASSERTION NO. 1.

That the banks in Wall Street, comprising the "inner group of the Money Trust," as shown by the Money Trust investigation, organized these associations.

The local associations in Minneapolis and St. Paul came into existence in the latter part of 1911, and the national association came into existence in April, 1912.

The Money Trust investigation by Congress took place during the year 1912 and the latter part of 1913, immediately after the period of organizing the said associations.

For my present purpose I will not enter into the findings of the Money Trust investigation, except to trace the interrelations of this inner group of banks with certain banks and trust companies in Chicago, St. Paul, and Minneapolis and to show to some extent, by quotations, the power of control this inner group of banks has over financial, commercial, industrial, and public-service corporations of the whole country.

The Money Trust investigation found a "Money Trust" in existence and that—I quote from that report—"the inner group consists of J. P. Morgan & Co., the recognized leaders, and George F. Baker and James Stillman in their individual capacities and in their joint administration and control of the First National, the National City Bank." I again quote: "Further, the members of this group, through stock holdings, voting trusts, interlocking directorates, and other relations, have become in some cases the absolute dominant factor, in others the most important single factor, in the control of the following banks and trust companies in the city of New York: Bankers' Trust Co., Guarantee Trust Co., Astor Trust Co., National Bank of Commerce, Liberty National Bank, Chase National Bank, Farmers' Loan & Trust Co."

The First Security Co. is a stockholding adjunct of the First National Bank, and the National City Co. has the same relation to the National City Bank.

The investigation showed affiliation between the said inner group of banks and the First National Bank, the Continental & Commercial National Bank, and the Illinois Trust & Savings Bank in Chicago.

This same inner group, individually or otherwise, are affiliated by interlocking directorate, stock ownership, or otherwise with the Northwestern National Bank, the First & Security National Bank, and their adjunct trust companies in Minneapolis and with the larger banks and trust companies in St. Paul.

One line of interlocking relations through these institutions is exemplified in the late James J. Hill, the recognized dominant spirit of the Great Northern, Northern Pacific, and Chicago, Burlington & Quincy Railroads.

He was a stockholder and director in the First National Bank and Chase National Bank, in New York; the First National Bank and Illinois Trust & Savings Bank, in Chicago; and affiliated as stockholder, director, or otherwise with the Northwestern National Bank, First & Security National Bank, and their adjunct trust companies, in Minneapolis.

THE LOCAL COMMERCIAL ASSOCIATIONS WERE ORGANIZED BY MEN WHO WERE OFFICERS AND DIRECTORS OF THESE LOCAL BANKING INSTITUTIONS.

IN MINNEAPOLIS.

In organizing the Minneapolis Civic and Commerce Association there were 52 incorporators, of whom 26 were officers and directors of the Northwestern National Bank, the First National Bank, and the Security National Bank, and 35 were officers and directors of banks or transportation companies, including Edmund Pennington, president of the "Soo"; George H. Partridge, a director of the same road; C. C. Goodrich, president of the Twin City Rapid Transit Co.; the late W. H. Dunwoody, a large stockholder, and soon after elected director of the Great Northern Railroad; and Erle D. Luce, president of the "Luce Electric Line."

COMMITTEE.

The committee sent east "to make a study of the work of similar organizations in other cities" consisted of A. R. Rogers and E. P. Wells, both directors of the Northwestern National Bank.

IN ST. PAUL.

In the organization of the St. Paul Association of Commerce there were three incorporators, all of whom were officers and directors of banks and trust companies in St. Paul.

COMMITTEE.

Mr. Louis W. Hill, president of the Great Northern Railroad, and son of the late James J. Hill, in a talk to the members of the St. Paul Association of Commerce, is reported as saying:

"When the Association of Commerce was first formed I was greatly interested in it. We visited other cities and patterned our association after their models." (St. Paul Pioneer Press, Jan. 13, 1916.)

You will see, then, that officers and directors of transportation companies and officers and directors of local banks in St. Paul and Minneapolis, interlocked or otherwise affiliated with the banks comprising the "inner group of the Money Trust," organized these two local associations.

Like associations were being organized at this same period of time in many cities of the country on similar lines and by like methods, and, since this "inner group of the Money Trust" banks have like affiliations in all parts of the country, and since these local associations, by means of delegates, organized the Chamber of Commerce of the United States, it is only reasonable to conclude that the "inner group of the Money Trust" devised the system and organized these associations, local and national.

ASSERTION NO. 2.

That this "inner group of the Money Trust" controls the railroads of the Northwest.

The Money Trust investigation shows the control by this "inner group" of Wall Street banks of the following railroads of the Northwest, namely, Chicago, Milwaukee & St. Paul Railway, Chicago, Burlington & Quincy Railway, Chicago & Great Western Railway, Chicago & North Western Railway, Chicago, Rock Island & Pacific Railway, Great Northern Railway, Northern Pacific Railway, and Illinois Central Railway.

And further shows "that firm members or directors of this inner group together hold 105 directorships in 32 transportation systems, having a total capitalization of $11,784,000,000," over half of the total rail capitalization of the country (p. 89).

That "through their power and domination over so many financial institutions, which, as buyers, underwriters, distributers, or investors, constitute the principal first outlets for security issues, the inner group and its allies have drawn to themselves the bulk of the business of marketing the issues of the greater railroad, producing and trading, and public-utility corporations, which, in consequence, have no open market to which to appeal; and from this position of vantage, fortified by the control exerted by them through voting trusts, representation in directorates, stock holdings, fiscal agencies, and other relations, they have been able in turn to direct the deposits and other patronage of such corporations to these same financial institutions, thereby strengthening the instruments through which they work" (p. 133).

"It is impossible that there should be competition with all the facilities for raising money or selling large issues of bonds in the hands of these few bankers and their partners and allies, who together dominate the financial policies of most of the existing systems" (p. 160).

"Mr. Morgan was unable to name an instance in the past 10 years in which there had been any railroad building in competition with any of the existing systems." (P. 160.)

"From what we have learned of existing conditions in finance and of the vast ramifications of this group throughout the country and in foreign countries, we are satisfied that their influence is sufficiently potent to prevent the financing of any enterprise in any part of the country requiring $10,000,000 or over, of which, for reasons satisfactory to themselves, they do not approve. Therein lies the peril of this money power to our progress, far greater than the combined danger of all existing combinations." (Money-Trust Investigation, p. 160.)

ASSERTION NO. 3.

That the Minneapolis Civic and Commerce Association is using its influence locally in behalf of the railroads.

This association, organized by the local banking interests, centralized in the Wall Street "inner group of the Money Trust," which is the controlling railroad factor in our country, has in its membership several of the railroad companies, officers, and agents and many corporate interests in sympathy with railroad interests, including financial, public utility, commercial, and manufacturing institutions, to the extent that these memberships of the association give to it the larger part of the financial income of the association; or, in brief, they finance the association and consequently control financially as well as officially.

This association, pretending to represent the community, does some things in the community's interest in order to retain local support and the better to obscure the real purpose of the association's existence, namely, to work in behalf of privilege.

As an illustration, I will give only two instances, one an instance of action, the other an instance of nonaction in behalf of the railroads.

UNION STATION.

The instance of action is the effort made by this association to provide the building of a union station by the city of Minneapolis as a "municipal union station" for the use of the railroads entering the city.

It was by the efforts of this association that "the union-station act" was passed by the State legislature to authorize the city to build such a station.

The "inner circle," or controlling factor of this association (as you may know by the way it was organized and is controlled), consists of men who are opposed to real municipal ownership, yet they have attempted by law to do the following:

First. Provide a union station (a Federal utility, because a terminal of interstate railroads and not a municipal utility) for the use of the railroads and use the city's credit for that purpose.

Second. To raise the money necessary to provide for this union station at an estimated cost of from $17,000,000 to possibly $25,000,000, or more, by a direct levy of taxes if necessary.

I quote from the "union-station act": "The council shall have power to raise money by a levy of taxes upon the taxable property of the city or by a loan upon the notes or bonds of the city * * * for the payment of expenses, and for the payment of the awards, and for constructing buildings and improving the property for the purposes of this act.

"All moneys raised by taxation or loan or by the operation of the property or otherwise under this act shall be put into the city treasury under a separate fund, known as the 'union-station fund.'"

An opinion that is held by many interested citizens is that the real purpose of this union-station project is twofold, first, to use the city's credit to provide a passenger terminal for the railroads, and, second, to get the credit of the city involved to such a large extent in this project that it would be unable to finance itself in the establishing or acquiring real municipal utilities, like the street railway (whose franchise will expire in 1923) or other utilities, to serve the citizens of Minneapolis.

When the real import of this union-station project became apparent to a large number of the citizens of the city, an opposition was made manifest to an extent that the project as a municipally owned proposition is more or less doubtful.

The legislative enactment authorizing this Union Station did not provide for a referendum to the vote of the city.

DEPRESSION OF THE TRACKS OF THE CHICAGO, MILWAUKEE & ST. PAUL RAILWAY.

The instance of nonaction by this association relates to the efforts for several years made by the city of Minneapolis to compel the Chicago, Milwaukee & St. Paul Railway to depress its main tracks which enter the very heart of the city on grade.

The railroad company agrees to elevate, the city insists on depression, and has carried the case into the courts.

Some few manufacturers interested, members of the Civic and Commerce Association, have joined with the railroad and against the city.

It is considered essential to the best interests of the city that these tracks be depressed, and although this effort of the city has continued several years, yet the Civic and Commerce Association has given its support to the railroad by nonaction and has failed to support the city by action.

ASSERTION NO. 4.

That the Chamber of Commerce of the United States, Washington, D. C., is using its influence in the controversy between the railroads and the four railroad brotherhoods, in behalf of the railroads.

ASSERTION NO. 5.

That the referendum of the Chamber of Commerce of the United States in relation to this controversy is biased and not entitled to confidence or respect.

The integrity of the Chamber of Commerce of the United States must stand or fall with the integrity of their referendum.

This is the most vital fact that faces this national association.

THE REFERENDUM.

The Nation's Business is the official publication of the Chamber of Commerce of the United States.

In the issue of August, 1916, Mr. R. G. Rhett, president of the association, is reported as saying:

"Before we submit a referendum to the business and professional men of the Nation, the subject to be voted on is thoroughly investigated by a competent committee, with the assistance of our own experts. It happens naturally that there are two reports—one by a majority of the committee and another by a minority. The subject, therefore, as you can see, is carefully considered from all directions. The facts and arguments are sent to the country in printed form.

"Each chamber of commerce or trade organization, after its own investigation, takes a vote. The result of the vote is forwarded to the national body in Washington.

"It is Mr. Rhett's duty to direct the work of making known the judgment of business men, when obtained, to the President and his Cabinet and to the Senators and Representatives in Congress, whether they are Democrats or Republicans or a commingling of both." (The Nation's Business, August, 1916.)

The board of directors of the Chamber of Commerce of the United States, in their annual report, February, 1916, say:

"The referendum system as applied to the work of the national chamber contains many unique features and was frankly experimental. To-day it is recognized both inside and outside of the membership as the strongest feature of the chamber's work, carrying with it great weight and influence."

WHAT MAY WE EXPECT?

In my former letter I explained how this national association was organized by privilege by means of the constituent local associations, also organized by privilege, and I said in regard to the—

"Referendum: The national questions which are considered by this organization, such as changes in tariff, revision of currency and banking laws, development of ocean transportation, inland waterways, railway, and other means of transportation and communication, are all questions vitally affecting privilege, and when this organization comes to consider any legislation pertaining to any of these questions and takes a referendum vote upon such questions, what can we expect as a result?

"The legislation under consideration will be submitted to either a standing or special committee having in hand that particular department. For example, legislation affecting the merchant marine would be submitted to a standing or special committee on merchant marine. That committee may be made up of a membership interested, or whose interests are closely affiliated with, the merchant marine. This committee is supposed to make a report presenting in an unbiased way both sides of this question, and said report is sent out as a basis for such referendum to the memberhip of this chamber of commerce. Is it logical to suppose that such a report would be unbiased, and that a referendum made upon that report would be an intelligent vote?"

"COMMITTEE ON THE RAILROAD SITUATION."

The Chamber of Commerce of the United States took up the consideration of the controversy between the railroads and the four brotherhoods.

Harry A. Wheeler was made chairman of "committee on railroad situation."

The following press quotations will tell us something of Mr. Wheeler and his activities in connection with the work of this association, etc.:

"WASHINGTON, *March 19, 1916.*

"The Chamber of Commerce of the United States has elected Harry A. Wheeler, of Chicago, chairman of a special committee of business men to assist and advise with the new Federal Trade Commission on plans to help business."

The Minneapolis Tribune, June 1, 1916, has the following:

"Harry A. Wheeler, one of the 'godfathers' of the Minneapolis Civic and Commerce Association, will be the speaker at a noon meeting of that organization to-day at the West Hotel. Mr. Wheeler at present is vice president of the Union Trust Co., Chicago. He served two terms as president of the Chicago Association of Commerce and was president of the Chamber of Commerce of the United States. His counsel was sought when the civic and commerce association was in progress of organization, and to-day it represents many of his ideas of what the modern commercial and civic body should be."

WAS THIS COMMITTEE REPORT UNBIASED?

I submit the following letter, which needs no explanation from me:

[Transportation Brotherhoods' Publicity Bureau—Brotherhood of Locomotive Engineers, Brotherhood of Locomotive Firemen and Enginemen, Order of Railway Conductors, and Brotherhood of Railroad Trainmen—1311 American Trust Building.]

CLEVELAND OHIO, *August 17, 1916.*

Mr. H. L. DAY,
Minneapolis, Minn.

DEAR SIR: Replying to your letter of August 16, will say that we are inclosing herewith pamphlet issued by this bureau, as you request.

In regard to the action of the Chamber of Commerce of the United States in the present eight-hour-day controversy, I wish to say that they have a committee entitled "Committee on the Railway Situation," of which Harry A. Wheeler, a banker of Chicago, is chairman.

This committee claims to have investigated the merits of this movement and decided that a referendum vote of the organizations, comprising the United States Chamber of Commerce, should be taken. Of course it was a foregone conclusion that the referendum vote would be entirely against the wage earners' interests. This committee reached their conclusions without hearing from the employees' side of the question.

Fortunately, however, the scheme of the United States Chamber of Commerce to delay this movement and refer it to the Interstate Commerce Commission was not successful, as the resolution which was introduced by Senator Newlands, at the behest of the United States Chamber of Commerce, was tabled in the committee.

Thanking you for your interest, we are,

Respectfully,

TRANSPORTATION BROTHERHOODS' PUBLICITY BUREAU.
EDWARD HOOKER, *Manager.*

I call especial attention to that part of this letter which says, "This committee reached their conclusions without hearing from the employees' side of the question."

WAS THE RESULTING REFERENDUM VOTE AN INTELLIGENT VOTE?

1. The vote could not be intelligent when based on a biased committee report.

2. At the time of the crisis, when a strike of the brotherhoods was imminent and President Wilson was working to secure an agreement between the parties to the controversy, Mr. E. J. Couper, then president of the Minneapolis Civic and Commerce Association, is reported as saying (I quote from the Daily News, Aug. 24, 1916):

"There is nothing inconsistent in the position of the civic and commerce association favoring arbitration, nor in the indorsement of this position by our commercial men and citizens.

"We do not know the merits of the controversy and are not interested in them."

This was less than four months after this Minneapolis association, of which Mr. Couper was president, had taken a referendum vote on this same controversy between the railroads and brotherhoods, and the said vote was favorable to the railroads.

Yet, R. G. Rhett, president of the Chamber of Commerce of the United States, is reported in the Nation's Business, August, 1916, as saying:

"When a question is sent to them it is decided, I am sure, conscientiously and intelligently and in the highest every-day wisdom of the American people."

THE REFERENDUM AS SUBMITTED TO THE MINNEAPOLIS CIVIC AND COMMERCE ASSOCIATION.

The committee on railroad situation made its report.

This report was submitted for referendum to the affiliated associations by the Chamber of Commerce of the United States.

Mr. Rhett, the president, is reported as saying:

"The facts and arguments are sent to the country in printed form." (The Nation's Business, August, 1916.)

The Minneapolis Civic and Commerce Association, when taking this referendum, submitted in pamphlet form extracts from the report to its members and a blank ballot for voting.

The leaflet contained the information that "a complete copy of the committee's report, to which members may refer, is on file at the office of the Civic and Commerce Association," and also, "Your vote to be counted must be received in the office of the association on or before May 12."

The nature and form of this leaflet would indicate that the Chamber of Commerce of the United States published it to send to all the constituent members and associations for the referendum.

I have like leaflets relating to a number of their past referenda, and they are all of the same nature—"extracts" from the committee report, with the same requirement to study the full report.

Think of 3,500 members of this association (the membership claimed), mostly busy men, being required to go to the office of the association to study the report of a committee on a question of national importance upon which they are asked to vote!

Will they do it? Since the general membership of the association will want to vote intelligently, if they vote, and since the requirement for intelligent voting is as stated in the leaflet, they will probably not vote at all. You see, then, as a result they are practically disfranchised.

WHAT IS THE RESULT?

I have not the result of the vote taken by the Minneapolis Civic and Commerce Association on this "railroad situation," but I have the press notice of the result of the vote of this association on "preparedness," which should be a fair criterion by which to judge the average referendum result.

I quote from the Daily News, May 22, 1916:

"PREPAREDNESS WINS BY 20-TO-1 VOTE.

"By a vote of 20 to 1, the Minneapolis Civic and Commerce Association to-day went on record for preparedness.

"At the request of the Chamber of Commerce of the United States 10 questions on military and naval matters were submitted to all association men in the United States.

"The first question asked was: 'Do you recommend that for the preservation of the peace and honor of the United States the national-defense forces both on sea and land should be so increased and the industrial resources so coordinated as to make fully available the military, industrial, and financial strength of the Nation?'

"Ballots marked 'Yes' totaled 414; only 19 votes opposed it.

"By 386 to 34 the members favored a council of national defense.

"By 409 to 22 they advocated raising the Navy to second place in world power.

"Universal military training carried, 359 to 51.

"The organization of private industries for war instead of Government-owned plants carried, 374 to 42."

You will see the largest vote cast is 433 out of a membership of 3,500.

I am sure this vote on "preparedness" did not represent the sentiment of the entire membership of the Minneapolis Civic and Commerce Association, for Minneapolis is one of the cities in which the advocates of preparedness did not attempt to "pull off" a parade when they were making such demonstrations in various cities of the country.

ALWAYS ON RAILROAD SIDE OF CONTROVERSY.

The Chamber of Commerce of the United States during this controversy has advocated the railroad's side at all time.

First they wanted the issue submitted to the Interstate Commerce Commission. (The railroads urged the same.)

The railroad brotherhoods said—I quote from a pamphlet issued by the brotherhoods, A Square Deal for Train Crews.

"The Interstate Commerce Commission has no authority under the law.

"These questions have been raised by the railroads, and by the roads through the United States Chamber of Commerce, solely to confuse and perplex the public mind in an endeavor to prevent the American people from securing a clear perspective of the social and economic significance of the establishment of a shorter workday." (A Square Deal for Train Crews.)

When the controversy reached the crisis the Chamber of Commerce of the United States was for arbitration—so were the railroads.

The railroad brotherhoods replied, "The principal objection, however, of the employees to arbitrate would be on the ground of the inability to secure impartial arbiters who were sufficiently acquainted with the technicalities of a problem of this kind. In a previous arbitration between the employees and the companies the man who was acting as neutral arbiter was a corporation lawyer, representing large vested interests, owners of railroad securities, and who has appeared in numerous cases as attorney of record for the Standard Oil Co." A square deal for train crews.

PRESIDENT WILSON'S TELEGRAM.

In a telegram to President George Pope, of the National Association of Manufacturers, President Wilson said:

"Allow me to acknowledge the receipt of your telegram of August 18, and to say in reply that I hold to the principle of arbitration with as clear a conviction and as firm a purpose as anyone, but unfortunately there is no means now in existence by which arbitration can be secured. The existing means have been tried and failed. This situation must never be allowed to arise again, but it has arisen. Some means must be found to prevent its recurrence, but no means can be found offhand or in a hurry or in season to meet the present national emergency. What I am proposing does not weaken or discredit the principle of arbitration. It strengthens it rather. It proposes that nothing can be conceded except the eight-hour day, to which the whole economic movement of the time seems to point, and the immediate creation of an agency for determining of all the arbitrable elements in this case in the light, not of prediction or forecasts, but of established and ascertained facts. This is the first stage of the direct road to the discovery of the best permanent basis for arbitration when other means than those now available are supplied."

AN EFFORT TO "STAMPEDE" THE PRESIDENT.

In spite of the fact, the brotherhoods refused to arbitrate, and there was no means to force arbitration, yet the railroads would not make the concession asked by President Wilson and insisted on arbitration.

The Chamber of Commerce of the United States, through its official representatives and through the commercial associations affiliated with it, brought pressure to bear to flood the President with telegrams in behalf of arbitration—some of the railroads were pursuing the same tactics.

As early as August 3, there was a press report intimating that this would be done.

"WASHINGTON, *August 3.*

"The declaration of Harry A. Wheeler, of Chicago, representing the Chamber of Commerce of the United States of America, has set the situation in a new light. Mr. Wheeler is convinced that the railroads and the employees alike will refuse to give way, and that neither side will concede enough to permit arbitration.

"Unofficially it is stated that if the President refuses to take immediate action a general alarm will be sent throughout the country to the 700 commercial bodies in the chamber's membership and a concerted demand from the great trade interests of the country will result."

Upon the arrival of the railroad presidents in Washington, a preliminary indication of the coming "flood" was manifest, as the following press notice will show:

"WASHINGTON, *August 21.*

"Arrival of the western railroad presidents, including Louis W. Hill, of the Great Northern, and receipt of hundreds of telegrams from commercial and industrial concerns all over the country were the features of the first day of the second week of the President's intervention between the warring railroads and brotherhoods."

The following press report would indicate that the railroad presidents anticipated the coming "flood":

"WASHINGTON, *August 23.*

"Although some of the 60 or more presidents are showing a disposition to prolong the negotiation in the hope that the sentiment of business men of the country will be shown to be opposed to the idea of an eight-hour day, there was a general feeling last night that a definite answer to President Wilson's demand can not be much longer postponed.

"The railroad executives, who are counting upon winning the President to their position in the negotiations, say that the case, after all, is to be decided by public opinion and that this will be found to support arbitration and condemn the eight-hour day.

"They made public last night several telegrams from commercial organizations throughout the country upholding arbitration for the settlement of labor disputes and opposing an eight-hour day such as the employees desire."

By August 24 and 25 the "flood" was high and the "stampede was on," as the following press reports show:

"WASHINGTON, *August 24.*

"The Chamber of Commerce of the United States last night made public a letter to President Wilson, signed by R. Goodwyn Rhett, its president, supporting the railroads in their contention for arbitration of disputed questions, including the eight-hour day."

Minneapolis papers made the following reports:

"BUSINESS MEN SEND TELEGRAMS BY SCORE.

"Hundreds of telegrams voicing the sentiments of Minneapolis commercial and industrial leaders in favor of arbitration were sent to President Wilson to-day upon solicitation of President E. J. Couper, of the Civic and Commerce Association.

"The association, taking the lead, sent its message to President Wilson Monday, but no announcement was made until to-day, when it was regarded as likely that President Wilson had time to consider the message."

"Hundreds of telegrams are being sent by Minneapolis and Northwest business men." (Daily News, Aug. 24, 1916.)

"INSIST ON ARBITRATION, NORTHWEST MEN WIRE.

"Hundreds of telegrams urging President Wilson to insist upon arbitration in the threatened Nation-wide railroad strike were sent from Minneapolis, St. Paul, and many other points in the Northwest yesterday. Many similar messages will be sent to-day.

"The telegrams will be sent from every part of the United States by business men and members of the United States Chamber of Commerce.

"One of the strongest telegrams sent from St. Paul was that of the Association of Commerce. The message was sent upon the recommendation of the executive committee of the Association of Commerce." (Minneapolis Tribune, Aug. 24, 1916.)

"BUSINESS ORGANIZATIONS OF MANY CITIES APPEAL TO WASHINGTON FOR SETTLEMENT.

"Northwestern farmers and business men to-day were sending messages to Washington urging arbitration. Minneapolis and St. Paul firms and commercial organizations also were wiring the President.

"The Minneapolis Civic and Commerce Association sent a message on behalf of 3,500 members."

"Messages were sent by many St. Paul firms and by the St. Paul Association of Commerce." (Minneapolis Journal, Aug. 24, 1916.)

"Telegrams signed by groups of farmers were sent yesterday or to-day from Eagle Bend, Minn.; Barnesville, Minn.; Glasston, N. Dak.; New Rockford, N. Dak.; Ada, Minn.; Cando, N. Dak.; Marshall, Minn.; Neche, N. Dak.; Fergus Falls, Minn.; York, N. Dak.; Granville, N. Dak.; Sauk Center, Minn.; Crookston and Albany, Minn.; Williston, N. Dak.; Rollette, N. Dak.; and Devils Lake, N. Dak." (Minneapolis Journal, Aug. 24, 1916.)

[By Robert J. Bender, staff correspondent, United Press.]

"WASHINGTON, *August 24.*

"The brotherhood men charged to-day that the big lines 'are lobbying the Nation' to make it appear that public sentiment is with capital on the strike situation. Station agents and others are the means, they say, whereby this alleged lobby operates. These men, the employees say, have urged the public to flood President Wilson with messages favoring arbitration."

"Stacks of messages seeming to disclose this activity are in the hands of the brotherhoods. * * * A sample message from Superior, Wis., said to-day a Great Northern agent was endeavoring to have the public to send Wilson arbitration messages." (Daily News, Aug. 24, 1916.)

"WASHINGTON, *August 25.*

"The brotherhood men placed before the President the charge that a nation-wide lobby is being conducted to influence sentiment in favor of the railroads. They presented telegrams to show that the Northern Pacific is paying for messages forwarded to Washington.

"The following message, the brotherhoods said, was sent by Supt. J. L. Derorce, of the Northern Pacific, to all agents of his road:

"'It is highly important to get trainmen question discussed by farmers, stock raisers, dairymen, and merchantmen. Please get as many of these classes as possible in your town and vicinity to send telegrams, rush, to President Wilson, at Washington, urgently requesting him to settle the controversy by arbitration. Telegrams should show business of sender. These telegrams are to be paid for from station funds and statement sent me for voucher, your credit. I want you to send copies of these telegrams to me by wire as soon as transmitted to the President, using our own wires for this. Might be well to have some of the most prominent signers send messages to their Congressmen and Senators in Washington, in addition to those sent to President Wilson. This is very important, and must be given preference over normal business to-day.'" (Daily News, Aug. 25, 1916.)

ASSERTION NO. 6.

That the results of the referendum taken in many cases by the Chamber of Commerce of the United States would indicate that, as a rule, these referenda are in behalf of privilege.

A DEVISED SCHEME OF PRIVILEGE.

In my former letter, referring to the Chamber of Commerce of the United States, I asked, "Have they abandoned the lobby?" and said, "Finding their old methods discredited, and believing they have a new method that promises to be more effective, they have abandoned the old."

The Chamber of Commerce of the United States seeks to influence the President, Congress, Federal commissions, and departments of the Federal Government in matters of national importance, most of which affect privilege.

The "referendum" is their weapon.

I have shown that this organization is a creation of privilege.

I have shown that the committee, upon whose report the referendum is based, can be biased.

I have shown that the vote of a local association was not an intelligent vote.

I will now explain more clearly how the vote of the Minneapolis Civic and Commerce Association can be controlled in the referenda in favor of privilege.

PROPERTY RIGHTS VERSUS CITIZEN'S RIGHTS.

Privilege always places property rights above human rights, and they have injected this principle into the control of the Minneapolis Civic and Commerce Association.

The membership includes copartnership and corporation members, and these memberships carry a special privilege, namely:

If they pay annual dues of from $50 to $500, they have 3 votes; if from $500 to $5,000 or more, they have 5 votes.

This class of members includes several of the railroads entering Minneapolis, I believe, all of the public-service corporations, most of the larger corporations of the city; and the number of representative votes of the banking fraternity in the year 1915 was 104.

There are two resulting facts: First, a large proportion of the membership represents copartnerships and corporations; second, much the larger part of the total annual dues comes from this source.

In my former letter, referring to this association, I said:

"Many individual members are officers or employees of privilege, and many other individual members are in sympathy with privilege.

"Special-privilege members are organized—they know what they want—and the general members are unorganized and unaware of the scheme.

You see, then, this described class of membership, or "inner circle," can be depended on to vote for privilege on the question referred. The large general unorganized membership, because they do not receive the committee report but have to go to the association office to be informed, thus being practically disfranchised, do not vote.

You will remember the highest total vote on preparedness was only 433 out of a total membership of 3,500.

TWO STRIKING CHARACTERISTICS.

There are two characteristics of the results of the referenda taken by the Chamber of Commerce of the United States.

First. The vote is as a rule overwhelmingly for or against the question or proposition submitted.

Second. It is, as a rule, favorable to privilege.

These two facts seem to be recognized by Mr. R. G. Rhett, the president.

He would seem to endeavor to explain the first by the following quotation: "The Nation's Business, August, 1916, reports him as saying:

"Only subjects national in character are sent to chambers of commerce and trade organizations for debate and decision. Our referenda show that the leading men in all American communities think alike, as a whole, in matters of Nation-wide importance."

And the second he would appear to explain when he says:

"The Nation's Business, August, 1916: They are men of action, experience, observation, and reflection.

"We give them a free means by which to express themselves, away from politics and all other relations to which they are bound by sentiment or long association; consequently they speak clearly and independently."

A MORE REASONABLE EXPLANATION.

Is not the more reasonable and logical explanation to be found in the following facts:

THE REFERENDUM.

First. Submitted by a controlled national organization.

Second. Submitting a controlled committee report for referendum.

Third. To a controlled constituent member organization, having a controlled or partially disfranchised membership.

Fourth. Resulting in a referendum vote favorable to the interests that control—privilege.

We get back to my former statement, namely:

"The integrity of the Chamber of Commerce of the United States must stand or fall with the integrity of their referendum."

"This is the most vital fact that faces the national association."

ASSERTION NO. 7.

That Congress should not grant a charter of incorporation to the Chamber of Commerce of the United States of America.

The annual report of the board of directors of the Chamber of Commerce of the United States, February, 1916, contains the following:

"CHARTER.

"The board has not abandoned the hope of securing from Congress a charter of incorporation appropriate to its national and international functions, and believes that in course of time Congress will recognize its fitness. In view of the delay, however, incident to congressional action the board has felt that as a business matter the growth of the chamber and its handling of large funds compelled incorporation, and a charter had been secured under the laws of the District of Columbia."

The Chamber of Commerce of the United States of America is a national organization that pretends to represent the general business interests of the United States, small and large, in a national way. It has associated with it local commercial associations in the various cities of the country that pretend to represent both local business interests, small and large, and civic interests in each locality.

I have shown in my former letter and in this one that these associations, both national and local, have been organized by privilege and are being operated in behalf of privilege. Their pretense as to representing the general business interests, including the competitive and smaller interests, or the civic interests, is a subterfuge of privilege.

I believe this conclusion is justified by the analysis of these associations presented in my former letter and this one and the evidence submitted.

If this conclusion is correct, then this Chamber of Commerce of the United States of America, as an instrument of privilege, is not only detrimental to the general business interests of the country but a menace to the welfare of every citizen.

ASSERTION NO. 8.

That a thorough congressional investigation should be made of the influence back of and the real purpose of the Chamber of Commerce of the United States and the local organizations allied with it.

TO WHAT EXTENT ARE THE ROCKEFELLER INTERESTS (ASIDE FROM THE NATIONAL CITY BANK) IMPLICATED IN THIS SCHEME?

[By Associated Press.]

KANSAS CITY, MO., *April 24*.

Information contained in letters and telegrams passing between John D. Rockefeller, jr., and the officers of the Colorado Fuel & Iron Co., made public here last night by Frank P. Walsh, chairman of the Federal Industrial Relations Commission, caused Mr. Walsh to announce that the hearing concerning the coal miners' strike in Colorado would be reopened and Mr. Rockefeller recalled to the witness stand.

Referring to correspondence between Mr. Rockefeller and Ivy Lee, his publicity agent, Mr. Walsh said:

"The correspondence further discloses the fact that Mr. Rockefeller had a plan for publishing a string of daily newspapers and financing the official organ of the National Chamber of Commerce."

The "centralized control" of the railroads would appear to use the railroads as their own private utility, as the following news item from the Minneapolis Tribune, February 8, 1916, would indicate:

"SHIPPERS TRACE CAR SHORTAGE HERE TO WAR-ORDER INTERESTS.

"Evidence that the car-shortage situation which is crippling the business of the country is a manufactured condition has been uncovered in Minneapolis.

"The new phase of the situation here, prominent shippers say, proves conclusively what has been thought all along—that the railroads are operating at the beck and call of large eastern interests in control of purchasing here for the allies.

"Coupled with the discovery of this abuse of the car-supply power has come also the uncovering of the plan of the same eastern interests to tie up the huge business organizations of the country so that the car shortage and congestion troubles can be placed back on the public.

"The most unfortunate part of the deplorable car situation is the power exercised by one New York financial institution, which power is being exerted very largely in the interest of shippers engaged in the filling of war contracts."

When will our business men, manufacturers, and shippers realize the fact that they and their local banks are being used by this "inner group of the money trust" as the cat's-paw to pull the chestnuts out of the fire in behalf of this "inner group," and that an accompanying result is that it is discrediting these same men and institutions in their own community?

J. P. MORGAN & CO.

The following extracts are taken from a news article in the New York World of November 18, 1916:

"HUGE COMBINE WILL OPPOSE EIGHT HOURS.

"J. P. Morgan is the man behind the secretly organized national industrial conference board which, with its claim to a membership of 15,000 captains of industry, having $8,000,000,000 of capital and 6,000,000 workers on their pay rolls, has begun a vast organized warfare on the eight-hour day for railway trainmen."

"Morgan is the chief owner of the General Electric Co., one of the largest employers of labor in the industry, and it was this corporation which, through one of its officials, Magnus W. Alexander, it was learned yesterday, began early this year the formation of the Industrial Conference.

"AFFILIATIONS WITH GENERAL ELECTRIC CO.

"Morgan & Co. was one of the organizers of this company and had two representatives, J. P. Morgan and Charles H. Coster, on its first board of directors. Mr. Morgan and Mr. Steele are now directors. The firm is a stockholder and a depositary of the company and markets its security issues." (Money Trust Investigation.)

Morgan & Co. "They are subject to no investigation; their resources and liabilities are unknown. They are required to keep no reserves and may invest their depositors' money as they see fit." (Money Trust Investigation.)

THE MONEY TRUST, THE CHAMBER OF COMMERCE OF THE UNITED STATES, AND ALLIED COMMERCIAL ASSOCIATIONS VERSUS THE PEOPLE.

The Money Trust is the heart of privilege and the center of all the large trusts in this country.

"The acts of this 'inner group' as here described have nevertheless been more destructive of competition than anything accomplished by the trusts, for they strike at the very vitals of potential competition in every industry that is under their protection." (Money Trust Investigation.)

This same investigation shows that they dominate the control of the larger financial, commercial, industrial, and other public utility interests of the whole country.

The political, social, and economic ideals and conceptions of the men and institutions comprising this "inner group" are largely unsound in theory and in practice.

Their power of control over banking institutions in various cities of the country is tending to divert the exercise of the functions of these institutions (which should be directed primarily to building up and strengthening local interests) to the selfish purposes of this "inner group" of banks and their allies, and thus destroying the integrity of these local banking institutions.

They have devised this system of commercial associations, and are thereby using the prestige of the general business interests (said business interests, in the main, not knowing the purposes for which they are being used) in behalf of their own selfish purposes.

The use of these commercial associations in behalf of the railroads is only one illustration of the many ways they are using, and have the power to use, these associations in the interests of privilege.

This is the influence back of the Chamber of Commerce of the United States of America and is using this association in behalf of privilege and against the welfare of every other interest in the land.

Very truly, yours,

H. L. DAY.

Mr. Chairman, we read about patriotism these days. "Paid for patriotism" is treason. Much of the present pretended "patriotism" is false and treasonable, because it does not represent true patriotism, such as everywhere rests in the hearts of the plain citizens of this grand country of ours. True patriotism is backed by good reason and common sense, and would lead to a constantly better and better civilization. No true patriot would fail to give all within his power for his country, but the "paid for patriots" try to stir up excitement for selfish reason, and for the pay they get they are willing to give up the earnings and even the lives and freedom of all except themselves. That kind of "patriotism" we read in the paid-for articles in certain newspapers; we see it in moving pictures costing hundreds of thousands of dollars to get up; we hear it in lectures, sometimes even in the pulpit; we see it on posters; we find it in advertisements and numerous other paid-for ways, too often convincing the innocent and securing their active support. All that which is paid for takes not into account "Long live the Nation," but counts the dollars, and would have the many sacrifice for the privileges of the few. Paid for "patriotism" leads to a constantly more complicated and dangerous civilization. This is a time for reason and common sense. The Nation that maintains it will be most likely to lead the world.

In dealing with these fundamental and practical problems I receive letters from everywhere, even from foreign countries, showing that people are waking up. In a resolution that I have introduced the text is as follows:

House resolution 524.

Whereas large sums of money collected from the taxpayers have been spent by the Government in investigations following out lines of inquiry claimed to be for the discovery of the cause of the high cost of food and other necessaries of life, and thus far without material benefit; and

Whereas the President is urging Congress to appropriate $400,000 to make another investigation of the same subject; and
Whereas the price of the necessaries of life have become intolerable, causing bread riots and starvation in this country of almost boundless resources; and
Whereas the loaning of "bank credits" furnishes the means of holding the goods in storage, thus absolutely destroying the operation of the law of supply and demand which should regulate prices; and
Whereas it appears by the report of the Comptroller of the Currency that the profits of the banks for the last year is the largest in the history of the Nation: Now, therefore be it

Resolved, That the Comptroller of the Currency immediately furnish to Congress the amounts loaned by the reporting banks at this time on food and other necessities of life held in warehouses, cold-storage plants, elevators, and freight cars in the United States, including loans on warehouse receipts, bills of lading, and commercial paper eligible for rediscount with the Federal Reserve and other banks, upon which loans have been made for the purposes hereinbefore named.

The following letter is typical of the interest as well as the understanding of those who take the time to examine:

FEDERAL RESERVE ACT VERSUS HIGH COST OF LIVING.

NEW YORK, *February 23, 1917.*

Hon. CHARLES A. LINDBERGH,
House of Representatives, Washington, D. C.

SIR: Noticing some remarks by you a short while ago concerning the Federal-reserve act, I take the liberty of writing you.

The fundamental cause of the present high prices is due to the academic finance of leaders of the Democratic Party, both in administration circles and in Congress.

By the enactment of the Federal-reserve law they deliberately abolished the "restrictive" credit theory, and substituted "elastic" credit in place thereof.

The practical result has been to place huge amounts of bank credits at low rates of interest at the disposal of food "speculators," who have thus been enabled to borrow, and with their bank loans buy up and hoard great quantities of the necessities of life.

In the New York Times of this morning, second column, foot of page 3, is an estimate of quantities of food stored in New York and vicinity on February 1, 1917, and similar period 1916:

	1917	1916
Frozen and cured meats, held by 132 firms.....pounds..	165,062,736	132,000,000
Eggs, held by 38 firms.....cases..	44,727	159,523
Butter, held by 50 firms.....pounds..	8,733,441	7,159,848
Cheese, held by 45 firms.....do....	4,467,965	8,122,057

Estimate by New York City commissioner of weights and measures.

Is it any worse to hoard gold or money, as in 1907, than to store food, as in 1917?

If the loans of the banks on foodstuffs can be subjected to pressure, much of the high cost of living will be done away with. The Comptroller of the Currency could secure a report from the national banks as to amount of loans on foodstuffs in storage, etc.

In enacting the Federal reserve bank laws much attention was given to providing an "elastic" credit system, and doing away with what the President termed the "senseless restrictions" of our banking and currency system. The reserve requirements of the national banks were lowered, and, speaking without the bill before me, storage receipts, i. e., warehouse receipts, were acceptable as basis for currency.

The great failure of those forming the bill was not to realize the force of the depreciation in the purchasing power of gold that was taking place throughout the world, and had been since 1890. There was no provision in the act to guard against inflation of prices due to credits built on the excessive supplies of gold.

In 1890 the amount of gold in existence in the world was $4,000,000,000; to-day it is $8,000,000,000. The annual production in 1890 was $200,000,000; to-day over $400,000,000.

Two years ago the stock of gold in the United States was about $1,750,000,000, to which we have added by way of imports, net, during the calendar years 1915 and 1916, $914,000,000, and have produced in addition $200,000,000. During the last two months, January and February, 1917, the inflow has continued. We received $275,000,000. (This importation will continue for some time.)

It is not the direct effect of the gold alone that we must deal with, but the multifold effect of the bank credits based upon it. The United States Treasury estimated—I think in 1908—that the expansion of credit was six credit to one of gold.

The loaning ability of the national banks to-day is double that of May 1, 1915. It has not been exercised, but the power is there, and the speculators know they can obtain funds when needed, and at low rates.

The men who drew up the Federal reserve law, Warburg, of Kuhn, Loeb & Co.; Davidson, of Morgan & Co., etc., went to Germany and brought back with them a currency and banking system modeled on the German theory of "elastic" credit issued on a low rate of interest—6 per cent—and did away with the restrictive system of 8 per cent to 10 per cent interest rates. The bankers liked it, because the bill gave them greater earning power, an opportunity to issue large volume of credits, and it protected them against the risks (the natural risks) of their business—bad banking and runs on banks resulting therefrom. The merchants liked it, because they could carry their stocks at cheap rates and hold their goods longer, and so unload on the public at higher prices. It protected them against bad merchandising.

That the public must suffer from higher prices, and assume the risks which rightfully belonged to the merchant and to the banker, was not considered by the last two. As long as the "buck" was passed they did not care who received it.

That the Federal reserve banks have stored up as much gold as possible, and have issued their bank notes against a high percentage of gold, does not relieve them from the charge of failure to protect the country against the high prices resulting from excessive gold supplies.

The speculators know that these credit supplies may be had from the banks, and that the caution of the Federal Reserve Board to the banks to guard against the evils of inflation is, as far as the actual effect goes, "words, words," as Hamlet says.

The substitution of "elastic" currency in place of United States Government bond-secured currency costs the country 1 per cent more in interest rates, or $15,000,000 per annum, and in addition will cause a higher rate to be paid by the people (for the United States Government is such) when their new bonds are issued. The right to issue currency based on bonds was taken away because the charge was made that banks speculated in the bonds and issued their notes according to the dictates of speculation in place of the needs of trade. There was very little of this, and it was far better than the gamble in foodstuffs that succeeded it. The charge that the currency supplies were decreased by the banks in order to sell bonds was false, and Congress was buncoed into believing it. Actually there was no decrease.

The proper financial basis for the country was the "restrictive theory," so that when an inflation or period of higher prices commenced the increasing demand for currency would cause higher interest rates and the speculators run up against 8 per cent to 10 per cent money. This would be provided by a currency based dollar to dollar on gold, and an "emergency" currency issuable under a higher rate of interest, such as was deliberately done away with.

Instead the evil genii of inflation has been allowed to escape from the casket, and the administration is frightened at the result. It hopes the Federal Trade Commission in investigating the causes of the high prices will stir up enough dust so the administration may escape.

Trusting the foregoing may be of interest, and assuring you that I am at your service if I may be, I am,

Yours, respectfully,

A. N. JORDAN,
124 Front Street, New York, N. Y.

Mr. Chairman, I do not know who the above party is. I have received thousands of letters of the same character from others and they come from every State. It is plain to see that these writers know what they write about. No one who takes the time to investigate will disagree with me, whether they admit it or not, in the statement that I made when the Federal reserve act was passed, and is a matter of record, to wit, that the Federal reserve act was the greatest special privilege ever granted in the history of the world to a few individuals to exploit the people. It has already cost the people billions of dollars in the increased cost of living, and unless materially amended that act furnishes the seeds of destruction for the Nation. The danger is that the people do not know what the cause of their trouble is. They have been stabbed in the back in the dark, and now the sponsors of that act seek to make the people believe that the war makes all the trouble. We have had no war. To cover up the false acts of the past the betrayers that have forced upon America a false administration of finances now, and over the years that have past, are seeking to get us into war. If war comes, every true American will stand by his flag, the "Star-Spangled Banner," whether the thing that truly causes the war is right or wrong. We, as Americans, must stand together as one mighty Nation, and if war comes we must not quarrel among ourselves, but that does not mean that we shall be fools enough to shut our eyes and remain ignorant of the cause. When the sky clears we want to be possessed of the knowledge that will make us able to remedy the fundamental economic wrongs, whether they are our own wrongs or have been imposed upon us.

WHAT IS A DEMOCRAT?

Mr. LEWIS. Mr. Chairman, the question is sometimes asked you, "What is a Democrat?" Byron, the poet, said, "Democracy—the devil was the first Democrat," while enthusiastic devotees have declared that the first Democrat was the Carpenter of Nazareth. Now, we Democrats belong somewhere between these extremes. Where is it?

Herbert Spencer declared democracy to be the "ultimate social truth." The truth is, my friends, democracy is difficult to define, because it is not a dogma nor a doctrine susceptible of formal statement. It may be better described as that great movement in history which has had for its object the elevation of the common man. It is not a ritualistic profession, but a cardinal sympathy, a world aspiration whose formulas change from age to age. Its ruling thought, its unvarying purpose is, I say, the elevation of the common man. It seeks the temporal salvation of the plain people as religion seeks our spiritual salvation. And let me say that a Democrat, indeed, may belong to any party, may belong to any age; his cardinal characteristic is a sympathy with the common man, and if he strives to advance the movement, active throughout the ages, for the elevation of the plain man, then he is a Democrat, however he may disguise himself by party phrases.

"THE LEAST GOVERNMENT IS THE BEST GOVERNMENT."

Gentlemen, I say the formulas of democracy change from age to age and are adapted to human circumstances like the maxims of a court of equity. The crying evils of the eighteenth century sprang from private and artificial monopolies. By royal grants and prerogatives certain persons favored by the king were given a monopoly in the manufacture or sale of some of the very necessaries of life. The holders of these monopolies used them to raise the prices on the people, and so incurred the ill will and the challenge of democracy. It fought these great monopolies, and its war cry was the formula, "The least government is the best government." With it democracy overthrew the private monopolies of that age and stripped the kings of Europe of their power to establish private monopolies. For the eighteenth-century democrat the "least government" meant no

monopolies, no lettres de cachet. It was an age of the misuse of the functions of government for private ends. But, Mr. Chairman, nineteenth-century democracy had different problems to meet, and it formed its formulas accordingly, and the following is still vital:

EQUAL RIGHTS TO ALL—SPECIAL PRIVILEGES TO NONE.

Mr. Chairman, in the courts of democracy "equal rights" mean something more than rights which exist only on paper, rights which the masses have not the facilities to enjoy. They mean realized rights; and democracy knows they must be realized before they can be justly called "equal." But the program "equal rights to all"—how is it to be realized? My answer is that its realization calls for the constructive element in democracy. This movement in history for the elevation of the common man designs not merely to prevent unjust attacks upon him or what he has, but through constructive measures to enable him to enjoy, along with the superman, the common advantages and agencies of civilization.

"CONSTRUCTIVE DEMOCRACY."

Your superman can happily take care of himself; but where human selfishness is involved, unfortunately, he can not always be trusted to take care of others outside the circle of his blood or friendship. It is democracy's mission to protect the rights of the common man. How? Well, on the negative side by abolishing special privileges; on the constructive side by providing the common man with the opportunities necessary to realize his rights. Let us see what this means in practice. The common man can not build roads for himself like the lord of the manor. Well, sir, democracy takes possession of all the roads and builds a road to every man's house, over which travel your superman and your common man upon conditions of equal opportunity, and so of equal rights. Again, the priceless advantage of education, giving access to the knowledge of the world. For this the equal right was granted and then denied by the want of educational opportunity for the masses. Democracy provided the opportunity.

In the name of society it established the common school, where all the children of men may have their vision opened to the science of our time. And, again, man has need to communicate with his fellows beyond the reach of look or voice. The fortunate man could afford his own courier—which the common man could not—or pay the price exacted by private persons for such service. Democracy again supplied the opportunity. It establishes a Postal Service actually reaching to the ends of the earth, over which the communication of the common man moves with the same celerity as his more fortunate brother's and at rates which all can pay. Democracy esteems and applauds the superman, but it loves the plain people; yet while it is striving to elevate them to the great dignity of their species it does nothing to pull down the genius or the man of achievement. The common road has not hindered his travel; it has smoothed and extended it. The common school has not lessened his horizon; it has brightened it. And the postal courier has not obstructed his messenger, but has multiplied his feet a million times.

"AGENCIES OF CIVILIZATION."

Gentlemen, what is the lesson we learn from history of the mission of democracy? It is that the grant of equal rights to the citizen imposes the duty of providing, when reasonably practicable, for the actual enjoyment of such rights; otherwise they are merely lawyers' quibbles, nothing more. Democracy is wedded to no ism when the question of method is to be solved. It is not a one-fingered philosophy, not a one-geared machine. It adopts such methods, to achieve its great purpose, as reason and experience approve. And, gentlemen, this means the condemnation of agencies which may be found insufficient for its purpose. Democracy pronounced this sentence on the private road, it pronounced it on the private school, and on the private carrier of the written communication. They were weighed by democracy and found wanting in capacity to sufficiently serve the human family. And democracy has recently pronounced the same sentence on the private express carrier. And in all the great countries of the world, our own alone excepted, it has pronounced this sentence on private monopoly in the field of electrical communication. Now, sir, of all these great agencies of democracy—the common road, the common school, and the post office—only the postal agency has been neglected by the Government. It was a half century tardy on the parcel post, and still has taken no effective action to postalize the electrical communication.

Mr. Chairman, are the American people yet to be allowed to use their Postal System like other peoples? Is our Postal System to be finally accorded its full rights, its complete functions; and may it be allowed to use all the fingers of the postal hand, like other postal systems?

SCENE I.

Mr. Chairman, I take you to an average town on the Continent of Europe and introduce you to the postmaster. You go into his office. It is the express office, the telegraph office, the telephone office, all in one. He shows you his wire system. It converges to one line of poles in the street, carrying the telegraph-telephone wires. The toll telephone wire is also the telegraph wire, and he uses it for both purposes at the same moment. The European postmaster uses all the five fingers of the postal hand, the express package up to 110 pounds, the savings bank, the letter, the telegraphic and the telephonic agencies of communication. Unity, efficiency, economy, and an annual surplus of $124,000,000 is the result.

The above picture is true of Germany, of all leading countries, Austria, Belgium, Denmark, France, Great Britain, Hungary, Italy, Japan, Norway, Netherlands, Russia, Sweden, Switzerland, and New Zealand; and in 1910 the gross profits from their postal—that is, their mail, express, telegraph, and telephone activities—amounted to $124,335,217, or 20 per cent of their gross receipts. (1.)

SCENE II.

And now, sir, I take you to my own home town and we meet the American postmaster. It would be a misnomer to call him a postmaster in other countries, for his functions have been divided among strangers. Looking from the post-office window he shows you the fragments. You see on one corner the office of Wells-Fargo, on another the Adams, farther down street the American and the National express offices. And even in the field of communication, sacred to the Postal System under the Constitution, what do you see? Well, all still in sight, you see the separate offices of the Western Union and the presumptuously named "Postal" Telegraph companies, all vying with each other and the express companies in a prodigious waste of the postal resources. When Alexander G. Bell found he could talk over a wire the news was cabled to Europe, and the Postal Telegraph engineers soon found they could use the telegraph wires for telephoning and telegraphing at the same moment, and so in Europe you see only one line of poles for both. (Note 1a.) But on the Maryland roads, the glory of the Union, you see three lines of poles—the Western Union, the Postal Telegraph (neither rendering any public telephone service), and the pole lines of the Bell system, a better telegraph structure than either telegraph company's, yet it is rendering no public telegraph service whatever. Three pole lines! yes; even a fourth, for sometimes the pole line of a "competing" telephone company stalks into the phantasmagoria. And in the cities—well, in Washington—the three pole lines do not discontinue; they simply metamorphose into three underground conduits, each independently established and maintained. Waste, waste, a perfect carnival of waste, of overhead, of men, of material, and capital.

Now, some one is paying this egregrious bill of waste. Who? Your constituents and mine, of course. Let us see how the bill is collected. Through their rates, of course. Let us take first the telegraph rates.

Telegraph rates. (2.)

	Distance.			
	150 miles.	250 miles.	700 miles.	3,000 miles.
Europe, average	$0.12	$0.12	$0.12	[1] $0.24
United States	.25	.30	.50	1.00

[1] Australia and Russia.

Before the parcel post we had the highest parcel rates. We still have the highest telegraph rates; they run, as you see, from two to four times as high as with postal systems for the same distance. The effect of these rates is that they choke off about four-fifths of our natural telegraphic correspondence. New Zealand, with our wage and price levels, and with a 12-cent rate, shows nine telegrams per capita, the United States but (1.25) one per capita. And yet with the same letter rates we send 101 letters per capita, and the New Zealander, our closest rival, sends 93. But we rank thirteenth, not first, among the telegraph users of the world. (3.)

Low rates high utilization, high rates low utilization. Low utilization, high cost per unit of production, high utilization low cost per unit of production. It is only common sense.

Gentlemen, now look at the telephone, the toll or long-distance rates. They run from three to seven times as high as the postal telephone rates of other countries. (4) Here is a statement of the average rates for nine countries on the Continent of Europe:

	Distance.				
	100 miles	300 miles.	400 miles.	500 miles.	700 miles.
Continental rate	$0.20	$0.37	$0.39	$0.46	$0.53
Bell rate	.60	1.80	2.40	3.00	4.20

That is, for 100 miles we pay three times, for 300 miles five times, for 400 miles six times, and for 700 miles eight times the rate on the Continent of Europe for a three-minute conversation.

Mr. Chairman, I am obliged to make a seemingly sensational statement about these long-distance rates. It costs the American as much to ship his long-distance conversation over the wires, mile for mile, as it costs him to ship a ton of freight over the rails. The railroads get, on the average, 7 mills a mile for moving the ton of freight. The telephone system charges 6 mills a mile for carrying the three-minute conversation. Gentlemen can realize how weighty their conversations sometimes are. They weigh about a ton on the long-distance wires.

SOCIAL RESULTS.

Mr. Chairman, what is the consequence of these abnormal rates? Well, sir, it is to reduce the traffic to a point as abnormally low as they are high. Combining the telegrams and long-distance messages we find that other countries use the wire for such purposes from two to four times as often as we. While Denmark shows 17 such messages per capita and New Zealand 12, we show less than 5. While we rank first in the use of the letter—101 per capita—we stand but fifth in the combined use of telegrams and long-distance messages—the highest rates and the lowest service rendered among the nations. This is the penalty our Nation pays for permitting a half dozen private monopolies to occupy the postal domain.

Mr. Chairman, the high cost of waste facilities explains our grotesque toll and telegraph rates and consequent nonutilization. But in the field of the local telephone message there is a nonutilization due to grotesquely high rates as well. In Washington, Baltimore, New York, and other American cities the message rates tend to run with the street car fare—going there—and often as much as "coming back." What is the result? Low utilization. The average use of the telephone per annum in other countries is 2,312 local calls, and the rate about 1 cent per call; while the average use of the phone in the United States is about 2,000 local calls. Now look at the following table. The local rates in some of the cities are so high as to lock up the phone against half of its natural use, even when it is fully paid for:

Table showing results of operations of certain telephone exchanges.

City.	Telephone rate per 100 local calls.[1]	Annual calls per phone.[1]	Expense per 100 calls.[2]	Profit per 100 calls.[3]	Investment per phone.	Profit per phone.[4]	Expense per phone.[5]
New York, Manhattan[6]	$4.45	962	$1.58	$2.00	$109.00	$22.88	$17.78
Brooklyn[6]	4.21	875	1.71	1.44	145.00	17.80	21.17
Washington[6]	4.21	823	1.51	1.45	116.00	15.20	13.27
Baltimore[6]	3.53	993	1.56	1.16	132.00	11.50	15.02
Philadelphia[7]	2.20	1,445	1.00	.97	347.00	14.38	14.86
Pittsburgh[6]	1.52	1,998	.90	.32	450.00	6.52	18.90
Cleveland[6]	1.48	2,000	.79	.44	127.00	9.13	16.26
Indianapolis[7]	1.15	2,238	.63	.42	188.00	9.40	14.16
Spokane[7]	1.08	2,155	.63	.29	136.00	6.42	14.03
Kansas City[7]	1.05	3,366	.47	.48	173.00	16.23	16.09
Rochester[7]	1.04	2,940	.59	.33	146.00	9.92	17.73
Plattsburg	.94	2,090	.70	.18	155.00	3.98	15.63
Buffalo[7]	.77	2,710	.48	.31	180.00	8.53	13.44
Louisville[7]	.69	4,027	.30	.29	183.00	11.96	12.07

[1] Not counting toll calls.
[2] Toll calls included and rated as equal to 4 local calls.
[3] Not allowing for taxes.
[4] Allowing for depreciation, but not for taxes.
[5] Not including taxes or depreciation.
[6] Bell system.
[7] Independent.

Mr. Chairman, an inspection of this table shows that the low utilization is due to the high rates. And it shows, too, that the high rates are not due to high investment or operating cost; although the high rates do spell high operating cost per message, the unit of service to the public. The message rate here is, indeed, correctly devised for producing the largest net revenue; but it does it only at the cost of killing about half the natural traffic. I am referring, of course, to the first four or five cities on the list. The call, the talk, is the unit of service, and the amount of the service rendered the subscriber is measured by the number of calls per dollar paid. Low rates give high service—that is, per dollar paid, and generally per employee engaged, and per dollar invested in the plant. While otherwise high rates force high expense, high profits per message, with only the lowest yield of product per employee or per dollar of invested capital. In the field of electrical communication the law of increasing returns, of the political economist, operates at its very maximum of efficiency, provided it be granted the stimulus of the postal motive. I shall insert as an appendix the experience of some 79 telephone exchanges, of which the following table gives a summary in part:

Exchanges.	Operating expenses per phone.	Number of phones per employee.	Operating expenses per employee.
Averaging from 400 to 935 phones:			
Manual	$13.75	49.3	$648.40
Automatic	10.50	75.2	790.00
Averaging from 1,026 to 1,490 phones:			
Manual	12.40	56.6	705.60
Automatic	10.87	77.5	638.90
Averaging from 1,500 to 1,987 phones:			
Manual	8.18	73.2	594.42
Automatic	7.91	87.2	710.00
Averaging from 2,010 to 2,949 phones:			
Manual	9.54	58.6	577.00
Automatic	8.60	85.5	778.80
Averaging from 3,117 to 3,628 phones:			
Manual	10.31	61.0	632.00
Automatic	7.55	86.4	653.00
Averaging from 4,901 to 8,313 phones:			
Manual	16.31	49.0	658.00
Automatic	9.07	71.0	631.00
Averaging from 10,408 to 23,333 phones:			
Manual	14.73	44.0	700.00
Automatic	10.22	71.4	766.00
Averaging from 34,556 to 451,829 phones:			
Manual	16.12	40.3	633.00
Automatic	11.07	65.0	651.00

THE WASHINGTON TELEPHONE.

Mr. Chairman, there are from seventy to eighty thousand independent homes in the District of Columbia. Only 20,000 of these have telephones. And yet communication is the most primary requirement of the human being. This was the reason, sir, the Constitution assigned the function of organized communication to the Post Office Department. It alone can have the motive to make that communication so cheap as to be susceptible of common and universal use, a use as wide as the needs of man. There is a road to every man's house; there ought to be a phone, along with the water pipe and the sewer, on the inside. In the United States this communicating ideal can be easily realized through the Postal Department.

While other nations, the older ones, may be slow to realize this ideal, we have twice the social wealth (over $2,000 per capita), and its current popular distribution is probably the best in the world. Still, three out of four homes are disinherited of this great necessity in communication. Why? Because of prohibitive telephone tariffs, just as with the telegram now, and formerly with the parcel. (Note 2a.)

Mr. Chairman, and still speaking of Washington as our example, a responsible telephone manufacturing and construction company has reported to Judge MOON, chairman of the Post Office Committee of the House, that the Postal System can conduct the telephone plant here at a cost of $20.51 per phone yearly, which includes also depreciation and interest at 3 per cent on the cost of acquisition. They suggest at first a rate of $12 a year, 600 calls free, and 2 cents each for additional calls, but that with the development under such a tariff to some 75,000 phones or more the cost will drop to $19.20, when the rate can be made equal to 1 cent per call.

POSTAL TELEPHONE AND TELEGRAPH RATES.

Mr. Chairman, the Postal System so organizes its service, so formulates its rates, that the poorest self-sustaining human being can use them whenever he needs to. For the price of a poor cigar it will carry his letter all over the globe, and for 10 cents it will carry a 6-pound parcel 150 miles and deliver it, with a profit of about 2 cents over all expenses. The Postal

System has a genius for doing small things cheaply and well. Now, let us see whether it could handle the telephone and telegraph correspondence of the country so cheaply as to place them within the reach of every American citizen. This is a question of financing, not of private financing, but of postal financing, which when applied to really postal subjects, makes the greatest of difference. Now, the electrical communication is as postal in its characteristics as the letter itself.

Mr. Chairman, what would the postal communication by telephone and telegraph cost? Obviously the necessary expenditures for interest, depreciation, material, and wages constitute this cost. According to the census of 1912, including depreciation but excluding interest, and taxes—$12,411,516—the cost of operating the 7,326,748 telephones, with their 671,686 miles of pole line, and 19,020,817 miles single wire, was $171,279,433. This covered the local and the long-distance lines as well. The operators, 96,322, received $32,474,093, about a dollar a day. About 75 per cent of these, who serve about four years on the average, would be eliminated by the automatic telephone now being generally introduced by postal systems. This would mean a saving of $24,355,570, and would leave a balance for operating expenses of $146,923,863. Some 52,000 private branch exchanges would be similarly affected by the automatic. The introduction of the automatic where desirable would cost, it is estimated, $146,534,960, which, added to the net capitalization of $942,396,476 given for the telephone system and the $143,910,631 cost of construction of the telegraphs, would make a total investment of $1,232,842,067 as of the year 1912. (Note 3a.) If we add interest on this sum at 3 per cent for the Government bonds to the ascertained cost of operation and depreciation, and allow, too, say, 20 per cent advance on the $71,684,971 of wages to the employees, the following budget of expenses results:

STATEMENT OF EXPENDITURES.

Interest on investment	$36,985,262
Operating expenses (including depreciation)	146,923,863
To 20 per cent increase on wage fund	14,336,994
Telegraph operators, messengers, and stationery for 400,000,000 messages	28,000,000
Total expenditures	226,246,119

Thus it appears that throwing the telegraph traffic on the toll telephone lines the total telegraph and telephone operating expenses, including interest and depreciation, would be between 225 and 230 millions per annum.

Now, sir, how should this sum be raised? Three sources are obviously open—the telegraph, the long-distance or toll, and the local telephone charges. In 1912, $307,418,445 was raised from these sources, of which $52,337,211 came from the telegraphs. There were 103 million telegrams and 340 million toll talks, together about 4½ such communications per capita. New Zealand shows 11, Germany 7½, and West Australia 7. It is not to be doubted, I think, that their postal telephone and telegraph rates would more than double the traffic here, as parcel-post rates did the parcel traffic.

Communications per capita.

Country.	Telegrams per 100 persons.	Interurban messages per 100 persons.[1]	Total per 100 persons.	Rank.
Denmark	97	1,600	1,697	1
New Zealand	896	261	1,157	2
Luxemburg	100	891	991	3
Germany	94	651	745	4
West Australia	616	73	689	5
South Australia	361	112	473	6
Switzerland	135	336	471	7
Queensland	363	100	463	8
United States	115	340	455	9
Sweden	69	328	397	10
Norway	158	233	391	11
New South Wales	273	93	366	12
Victoria	230	83	313	13
Great Britain	202	80	280	14
France	164	100	264	15
Netherlands	109	108	217	16

[1] Includes interurban messages, but not local calls.

PROPOSED TELEPHONE AND TELEGRAPH TARIFFS.

Mr. Chairman, the closest and widest study of the experience warrants me in proposing in a tentative way the following tariffs for the electrical communication under postal auspices.

For telegrams: 10 cents for 10 words up to 300 miles; 15 cents up to 1,000 miles; 20 cents up to 2,000 miles; 25 cents up to 3,000 miles; extra words, one-half cent each up to 1,000 miles and 1 cent each beyond 1,000 miles; signature and address not counted.

For toll: Ordinary rate, 1 cent for each 10 miles of distance, plus 2 cents initial; urgent calls, three times ordinary rate; special night, monthly, and "idle hour" rates.

For local telephone: Two-party line, $12 per annum, 600 free calls; one-party line, $24 per annum, 1,200 free calls; all additional calls 1 cent each.

Would these rates produce sufficient revenue? I confidently submit that experience here and abroad justifies that conclusion. Let us see what that experience is. First as to telegrams: An average receipt of 20 cents is predicated for the telegram. The 12-cent rate in Germany produced an average receipt from the domestic telegram of 18 cents; the 10-cent rate in France 13.3 cents; the 10-cent rate in Norway 19 cents; the 12-cent rate in New Zealand 15.7 cents, and the 12, 18, and 24 cent rates of Australia produced 25.9 cents per telegram. With such rates few men would send serious business letters from coast to coast, or beyond the reach of a two-day train. It now costs $1 from coast to coast, and 7 cents each for extra words. Toll rates: The average Bell toll-rate receipt was approximately 20 cents in 1912, and the A. T. and T. Co.'s average receipt in 1915 from the "long-distance" lines proper was 94 cents. The toll rates, graduated high for peaks and low for idle periods, with night rates, monthly rates, farm-to-kitchen food rates, and urgent rates, designed for the maximum utilization of the wires would more likely result in a billion than half that number of messages. And it is thought that an average receipt of 10 cents per toll talk could be expected as the result of the aggregate of these rates. The local phone: It yielded an average revenue of $33.25 in 1912, of which about $7.60 generally (and $9.21 for the Bell system) was derived from the toll traffic, leaving $25.65 for the average 1,828 yearly talks on the local exchange. If the local tariffs proposed resulted in a utilization of only 1,200 calls (say half-residence and half-business phones), the average revenue per phone would reach $21 per annum. If, similarly, the utilization reached 1,800 calls, as now, the average revenue would equal $27 per telephone. The proposed rate of $1 per month would carry the phone into every man's home, and a cent-a-call rate for extra calls would but rarely restrict its use. While in the cities the present minimum tariffs relegate the phone to the homes of the more or less fortunate, the message rates exacted even there lock it up against half its natural use.

Mr. Chairman, with this only too sparing statement of the supportive experience, let us see what the financial results would likely have been under postal handling of the telegraph and telephone communication simultaneously on the same wires, as postal systems do.

Statement of postal telephone and telegraph revenue.

Credit:	
400,000,000 telegrams, averaging 20 cents	$80,000,000
500,000,000 toll talks, averaging 10 cents	50,000,000
7,326,748 telephones, yielding average revenue of $21 (1,200 calls yearly)	153,861,708
Same, yielding $27 if calls equal 1,800 a year, as now	197,822,196
Total receipts (if 1,200 calls per phone)	283,861,708
Total receipts (if 1,800 calls per phone)	327,822,196

Sir, the one prospect, and that the lowest, gives us a margin of nearly $60,000,000, with the phone averaging but 1,200 local calls per year, and about $100,000,000 if the local phone should be used 1,800 times a year as now.

"What? More net revenue, more product per dollar expended from a Government agency than from a private agency?" I hear the critic say. Yes; it is even so—inevitably and inexorably so—in these postal subjects. And the reason is worth detailing at some length.

Mr. Chairman, if I were to say that putting the flag over the railroads would permit of doubling the number of passengers and tons of freight without increasing the employees or money expended, I should be making a gross misstatement; but when I make that statement, when I say that postalizing the telephone, telegraph wires will double their service to the public without additional cost, I am making an understatement of the facts. It would do more—substantially more—and in a general way this is explained by the following big operating and financial leaks, broadly referred to as the telegraph-telephone waste:

(a) The three pole-lines maintenance, offices, and so forth, instead of one.

(b) The 6 per cent or 7 per cent required by private investments, compared with 3 per cent for postal capital.

(c) The commercial expense and accounting burdens of telegraph and telephone companies contrasted with postage-stamp methods.

(d) The uneconomical and inefficient manual telephone, replaced elsewhere by the automatic or "girlless" phone—cheaper, quicker, secret, and with an ear that never mistakes the number you give it.

(e) Nonutilization, idle plant that is capable of carrying the potential traffic now being killed by high rates, 75 per cent in the telegraphic, 50 per cent in the long distance, and 50 per cent of the local in the large cities, as formerly 50 per cent of the parcel traffic.

In the nonpostal or competitive industries the wasteful or uneconomical agencies are constantly weeded out by failure, but these de facto postal monopolies do not "fail." They simply pass the waste into the price to the public. Our telegraph agencies are reeking with inefficiency, besides. They put the telegraph through some 74 tag and accounting processes (21), 50 of which are eliminated by the postage telegraph stamp. It is costing the express company, for the same reason, much more to handle its parcel than it does the post. (Note 4a.) It is certainly costing both telephone and telegraph companies to handle the communication twice what it would cost the post under postal rates permitting full plant utilization; and it is beyond doubt that any competitive business would "scrap" the costly manual telephone for the automatic, as the postal systems are doing, eliminating one-half the employees and the terrible cost of switchboard obsolescence. The private exploitation of postal functions has never yet failed to spell high rates, high operative cost per unit of service rendered, and with the resulting low patronage, a minimum instead of a maximum service to society. It would be a crime against humanity to wantonly restrict the amount of sunlight, the amount of fresh air, or of pure water within its reach. How near, then, is it to a crime to needlessly deny the common human being that adequate opportunity of communication which is a primary requirement of life and social order? (Note 5a.)

DO POSTAL TELEPHONES PAY THEIR WAY?

The American post office does 26 per cent of its work without pay in carrying the Government mails and second-class matter. Prior to the parcel post this caused recurring deficits, of course. So it would be with the railways if they were obliged to run their passenger trains (about 26 per cent of their traffic) for nothing. These former factitious deficits are made use of by the interests opposed to the American postal system functioning like other postal systems to create doubt as to whether these postal telephone and telegraph systems "pay their way." They do pay their way in nearly all cases, just as private telephone and telegraph companies do. There are exceptions for both private and postal systems. But this is not because they are privately or because they are postally conducted. It is because of some mistake or peculiarity of policy belonging to the particular case, which explains it. There is no generic tendency in postal establishments to financial shortcoming; in fact, inspection will show that a smaller percentage of them would disappoint the investor than of any business institutions. Germany, Austria, Hungary, Norway, and others, while paying handsomely, do not segregate the telephone and telegraph expenses from the mail, while the private telephone companies, except in Norway, Denmark, and the Bell system here, do not report their statistics. Comparisons can not be made between private and postal institutions on this account. Senate Document No. 399, Sixty-third Congress, does, however, give the following:

Telephone finances.

Country.	Cost of construction.	Receipts.	Expenses.
	Francs.	*Francs.*	*Francs.*
Belgium, state	61,131,562	11,558,048	8,811,989
Bulgaria, state	1,830,000	414,859	128,000
Denmark, private	43,587,261	10,034,416	4,529,560
Denmark, municipal	511,796	48,544	28,228
Italy, state		11,585,558	7,341,993
Luxemburg, state	3,531,146	342,570	175,541
Norway, private	6,330,700	1,780,736	1,709,322
Netherlands, state	18,557,647	3,515,947	2,302,993
Russia, state	17,388,075	9,952,576	5,948,189
Switzerland, state	55,168,468	12,107,641	[1] 12,107,641
New Zealand, state		4,029,332	3,545,828
Sweden, state [2]	85,000,000	23,981,952	15,038,936

[1] Includes interest on capital, and 17 per cent for depreciation and amortization.
[2] Includes telegraphs and telephones, 1912.

PUBLIC-SERVICE MOTIVE.

Mr. Chairman, it is, of course, not a matter of criticism that our private telephone and telegraph monopolies are lacking in the great postal faculty—the public-service motive. From privately financed organizations, such a motive is not to be reasonably asked. And yet there is, as the economists say, "a possible beneficent principle in the form of a monopoly," provided it is placed under the appropriate rules of financiering. I quote Dr. Adams (20):

Private financiering: The relations here set forth will present themselves more clearly to our minds if we throw into comparison the rule of public and the rule of private financiering. A private business is managed to secure a profit; and, other things being equal, the higher the price secured for any service rendered, the higher will be the profit. The rule of private financiering therefore is to maintain the price of goods or services at the highest price which has no tendency to curtail profitable business.

Public financiering: The rule of public financiering, on the other hand, conforms to an altogether different principle. It is the purpose of government to render services at the lowest price consistent with efficient service. Price equals cost.

These rules are well illustrated in recent characteristic applications by private and postal functionaries. The Chicago & Milwaukee Telephone Co., doing business between those cities for many years, charged a rate, first, of 10 cents, then of 15 cents, for 10 words, and 1 cent per additional word. After the American Telephone & Telegraph Co. secured control of the company, it raised its rates to 25 cents and 2 cents per word. Under the 15-cent rate in 1909 the service rendered amounted to 103,248 telegrams. In 1912, with the 25-cent rate, the number of telegrams fell to 57,689. The salaries of two operators and two messengers were saved, but the productive cost per telegram went up from about 14 cents in 1909 to 24 cents each in 1912.

What the Bell Co. did in that case was according to the first rules of private financiering. Under postal control, and the public-service motive, the 15-cent rate, while it paid expenses—and it did—would have remained to insure the high social service.

Per contra, now, let me illustrate the action of a postal financier. It was my privilege to demonstrate to Postmaster General Burleson that the parcel rates on the 50 and 150 mile zones were some four times the cost of the service. After the fullest consideration he reduced them from 3 and 4 cents to 1 cent a pound. The traffic, from 1 pound and up in these zones since then has increased by 200 per cent, and from 5 pounds and up by 500 per cent; and yet he is making a good profit at these rates.

OBJECTIONS—ECONOMY.

Mr. Chairman, I shall deal with these as presented and in the very words of those presenting them:

"Mr. VAIL (president of the Western Union Telegraph Co. and of the Bell System). Government administration is more or less a game of politics and, while with Government operation it may sometimes be possible to have efficiency, it will always be impossible to have economy."

Mr. LEWIS. And now read what he says about the excuseless waste of the wire facilities of the country, which I quote in answer:

"Mr. VAIL. The greatest economy and advantage would come from the 'compositing' or simultaneous use of one system of circuits for the two services (that is, the telegraph and toll-telephone service), eliminating entirely one of the wire systems." * * * (Two, including the Postal.)

"The two wires which are necessary for one telephone circuit can, by multiplying, be made into four, six, or eight telegraph circuits, and can be used for both telegraph and telephone transmission at the same time.

"If the public insist upon a duplication of plant for each kind of service, then the cost of these plants must be borne by the service and the public must pay the cost. If you hire two carriages to carry two loads that one would carry as well, the two carriages must be paid for."

Mr. LEWIS. You are right, sir, and no postal system maintains two superfluous pole lines, and none charges as much per mile to carry the conversation as our railways charge to carry a ton of freight. But what becomes of your argument about economy?

REGULATION.

"Mr. VAIL. Government regulation can effectually curb 'monopoly' and 'selfish exploitation' and make them useful without destroying them by subordinating them to the public for the public advantage."

Mr. LEWIS. But the object is not to curb "monopoly," nor yet to prevent "selfish exploitation." The postal object is not to remedy abuses, but to secure for the American citizen, rich or poor, the fullest communication practicable. What shall it profit the people if the "regulating" commission sits daily in the president's office of the Bell System, the Western Union, the Postal Telegraph Cos. if the three pole lines have still to be maintained and if double postal interest must be paid? Let it be admitted that "regulation," when the citizen makes his fight and wins, may eliminate "abuses," may eliminate obvious excesses, yet how can it eliminate the waste of three pole lines with three separate catalogues of systemic expenditures—at

least $40,000,000 for the telegraphs alone, about $30,000,000 interest savings on Government bonds for the telephones, and the substantial and certain saving from the elimination of nearly all the exchange operators by the use of the automatic? The advocates of regulation ought to give a bill of particulars of the rates which "regulation" would give, as an alternative proposition. Will it give us a $1 a month phone, will it give us a 10-cent telegram, will it give us a toll rate as low as postal systems? Regulation has its place with quasi public industries, but it is not a substitute for postal institutions, and can not accomplish the universal service of the postal institution.

The post office efficient but not economical? It is both in the highest degree. I know there are men who think private corporations could operate it at less cost—but would they? They see how they could pay the employees less and work them longer hours, and they would, doubtless; I do not say this sneeringly—it is natural. But is this all they would do? By no means. They would have higher postage rates for domestic, for foreign service, and plead "the higher wages paid in America." But the effect, the economic effect? The traffic would be correspondingly reduced, the product per employee be reduced nearly as greatly, and so the operating cost per mail piece would tend to be as great or greater than now. And the rural delivery at 50 millions—would that have been established? Hardly. The 50 millions would have been needed to pay dividends. On what? Well, is there not outstanding 200 millions express-company capitalization? The evolution of the express, the telephone, and telegraph companies tells us what happens with the postal function in private hands. There would have grown up many managements, under conditions of mongrel monopoly and competition, no one of which would complete the letter journey in many cases. Confusing zones, different rates for different parts of the country, intercompany accounting and tagging of the letter, denial of service to unprofitable points would result, just as with the telegraph and express companies which render, can render, no service to the countryside. This is what the history of the private de facto postal agencies show. Would they do a 2-cent errand for you to the ice fields of Alaska, to the islands of the far Pacific? By their fruits shall ye know them. A suggestion of private business management in the postal field to obtain economy? It is absurd. And this implies no reflection on the principles of private finance. In their true fields they, too, are efficient and economical. But the private financier lacks the universality of action to adopt the most direct and simple methods in the postal field, and the result is a mass of complexity which renders institutional economy impossible.

TELEPHONE DEVELOPMENT.

"Mr. VAIL. In the United States there are 9.7 stations (telephones) to each 100 population—more than double that of any other country, nearly six times that of Great Britain, over thirteen times that of France, more than four times that of Switzerland. There are nearly 2,500,000 telephones in rural habitations in the United States—nearly one to every two strictly rural habitations."

Mr. LEWIS. But the same statement is true of the automobile, and the disproportion is probably even greater in favor of the United States, although automobile development is a matter of private finance in all countries. The degree of telephone development, like the extent of automobile ownership, is a question of social wealth. This fact was naïvely demonstrated by Mr. Bethel, president of the New York Telephone Co., when making the same argument, about the Washington situation, presented by Mr. Vail. He stated that among 2,500 families in Washington, paying a monthly house rent of $20 and less, 250 phones were found; that is 10 per cent; among 15,000 families paying a rent of between $20 and $35 there were 3,500 phones, or 23 per cent; and for 17,000 families paying $35 and above, 14,000 phones, or 82 per cent. That is, under present telephone rates:

ONE HUNDRED FAMILIES, ABLE TO PAY A HOUSE RENT—

Up to $20, can have 10 phones—10 per cent.
Up to $35, can have 23 phones—23 per cent.
Above $35, can have 82 phones—82 per cent.

There are 200 phones in the nearest hotel, probably more than in the residences of the nearest 10 blocks—a telephone in each room, at $6 per annum, with 10 cents for calls, a plethora for wealth; almost complete denial for the average population. And this circumstance directs attention to an important fact: The density figures given by Mr. Vail can not be accepted, for purposes of comparison, at their face value. It is admitted that 39 per cent in Washington and 40 per cent in New York of the telephones are private branch exchanges, just such as these in the hotels—$6 extension phones of low average use. To throw them into comparison with countries that do not present this hotel and apartment telephone condition is only to sophisticate the argument from a social-service standpoint. Two hundred phones in a hotel are far from signifying the social service of 200 family phones. That social wealth, and not private organization, determines the density of telephone development is shown by the experience of Manitoba. In 1908 the Province took over the Bell system there; it then had 14,042 phones. In 1916 this number had increased to 45,040—that is, more than 200 per cent. That 400,000 out of a million telephones in New York State are extension phones, at rentals of $6 per annum, shows clearly enough that the number of telephones per capita is a question of low initial tariffs, too, as well as of social wealth.

What is desired is to make the telephone facility, like other postal facilities, available to every home, and if a minimum rate of $1 per month does not accomplish this, other postal methods finally will. It is a task at last only the postal rate maker can master. (Note 6a.)

ADMINISTRATIVE INITIATIVE.

Other objections are that the current extension of the telephone system would have to wait on the committees of Congress for specific appropriations and that the employees of the Bell system for whom pensions await their old age might suffer in the transition. These are provisional objections, and the bill—H. R. 21098—meets them with adequate provisions. For improvements and extensions, bonds to the extent of 10 per cent of the total telephone investment may be issued annually on the recommendation of the board of directors of the Post Office Department, provided in the bill, and the Postmaster General, approved by the President. This, plus the depreciation reserves, would certainly be ample. It gives the most complete initiative as to rates, salaries, extension, improvements, and development to the board of directors and the Postmaster General, without preliminary application to Congress, and their powers over the subject would not be less sufficient for these objects than the present managers. The bill also provides for the retention and extension of the employee's pension system.

POSTAL EFFICIENCY.

But, Mr. Chairman, it will be urged, and the conviction is common, that men will not work as earnestly for the public as when supervised by the self-interest of a private employer. Doubtless this is a weakness in some kinds of employment. But there is a fundamental exception to it. It consists particularly of those postal monopolies where the quantity of the work can be measured out in advance and a fixed task be assigned to the employee as a daily duty. Such is the work of the city carrier whose route and deliveries are scheduled. Such, too, are the tasks of the telephone and telegraph operators and messengers, for as the flow of traffic, the number of calls and telegrams becomes known a fair task for each worker can be adjusted. The effective demand for the product of a postal monopoly is determined by the price charged for that product and the plant utilization, and so the cost per unit of production will be high or low accordingly. Let us take a familiar illustration: The work of the American postal employee consists of handling an average of 60,000 mail pieces per annum, the greatest individual output among postal systems (16).

If the postal rates were to be doubled the traffic would likely fall to one-half. But the 60,000 post offices would still have to be conducted with but a small reduction of employees possible. The average employee might then average no more than 40,000 pieces of mail per annum, as the effect of doubled postal rates. This principle is aptly illustrated again in the telephone field. The service unit in telephony is the call. The average rate per call in Norway is 5 mills; the utilization per phone, 2,322 calls; and the number of calls handled per telephone employee in 1912 was 118,500. The average rate per call of the Bell system in Washington is 4 cents, the calls per phone less than 1,000, and the average number of calls handled per employee was but 44,215 per annum. Among 12 countries permitting comparison, the Bell system ranked but ninth in number of calls per employee, while 5 postal and 3 private systems outranked it (17). In the cities where the rates were twice normal the utilization per phone was less than 1,000 calls per year, while the average for the country is 2,000. But the operating cost per phone was as great in these cities as where the utilization was high. The same principle is exemplified in the telegraph field. The postal-telegraph employee gives a greater product per year than the private American monopoly. In New Zealand the telegraph employee handled 3,980 telegrams per year, the American only 2,933, and yet the American office had a daily supply of 41 telegrams per office maintained on which to work and the New Zealand only 12½ (19). The American telegram cost for handling 48 cents, the highest to be found, and but 27 cents in Australia and 21 cents in Great Britain (18). If the post office copied the red tape of the express companies (22) its parcel rates would be doubled, and if it handled the letter as the telegraph com-

panies do the telegram we would have 8 or 10 cent letter rates to pay.

Mr. Chairman, I rest my case upon the truth of the statement that these private functionaries are incapable of adequately discharging the postal function of communication; that their proper motives in financiering spell high rates, low plant utilization, and processes too wasteful to allow of its full discharge. That, in short, they are closing the mouth of communication quite as often as it opens, to the incalculable injury of many millions of our citizens.

RELIEF—POSTAL TELEPHONES.

What should we do about it? Well, Mr. Chairman, just what other countries have done. Do what we did with the parcel—give the post office its institutional rights. Sir, last year the parcel post carried about 400,000,000 parcels of a pound and up. Not more than 50,000,000 of these were taken from the express companies, which carried about the same number; that is to say, 350,000,000 parcels—about half the potential traffic—were moved by post that would have been "killed" by the prohibitive minima express rates. (Note 7a.) What does this mean? Simply that half the country's parcel traffic for generations has been killed by a private monopoly with methods so uneconomical that it could not make rates low enough to move it. That is what is now wrong with the electrical communication. The homes of the masses are denied this facility, the only postal facility now denied them in the United States. Manifestly the rules of private finance improperly applied to these postal functions prevent the proper cheapening of the rates of service, and thus restrict the agency to doing not a whole but half a man's work.

What said the great Teacher of Mankind to the steward who brought back the talent safe but without increase? What said He to that other steward who returned his talent multiplied manyfold? Even so, should this function of communication be taken from the private functionary so plainly delinquent and given to the postal department that on the mail piece, and recently with the parcel, gives the maximum of service to the public?

THE POSTAL OBJECT.

Mr. Chairman, the opportunity to communicate ought to be made as nearly universal as science and sound business consideration will permit. Mr. Vail, president of the Bell system, has said:

There is a road to every man's door; there should be a telephone to every man's house.

The parallel is indisputable, but its complementary fact should also be noted. It was society, and not any privately financed monopoly, that built these roads. And only the Postal System can qualify for this universal task.

Now, the postal object is not merely to confer equal privileges in form. It so organizes its service and formulates its rates as to make these rights actually equal in practice; it removes any economic barriers to their use. The poor man can actually purchase any form of the Postal Service. Its rates are adapted to his means.

A FARM-TO-KITCHEN RATE.

Besides keeping the phone out of the homes of the masses, the high rates prohibit its use for some of the most important purposes. I take time to refer to one, of fundamental importance, a kitchen-to-farm service, by which the consumer might connect with the farm. The farmer could telephone his list of products and prices to "Postal Information" and the housewife be directed thus to the farmer actually having, and desiring to sell, the supplies in demand. The mail will not do; a conversation is needed for these retail transactions, and with the telephone available the parcel post would do the rest. Why should not the city consumer be given the use of this obvious public facility to secure the necessaries of life at their first cost, and with their first smell? Need we wonder that the great economic organizations—the American Federation of Labor, the National Grange, the Farmers' Union, the Society of Equity, and the Farmers' Congress—are asking Congress to take this step in the interest of the masses they represent?

THE POSTAL PROGRAM.

Mr. Chairman, our program is to give the American people their simple postal rights. The existing rates for the electrical communication average—

The telegraph rate from two to four times.

The toll-telephone rates from three to seven times.

The local telephone tariffs two to three times.

The tariffs for such services which the postal systems give. If the American post office be but allowed its constitutional right to function in the whole field of communication it can give, as we have seen—

(a) A 10-cent telegram for shorter distances; and

(b) A 25-cent telegram for the longer distances.

(c) A toll-telephone rate of a cent per 10 miles, plus a 2-cent initial charge, for ordinary service.

(d) A phone in every home, at a tariff of $1 per month, with 600 calls free and extras a cent each.

Sir, a nation's system of telephones and telegraph is its nervous organization, discharging the same function of interorganic communication for the body politic, as do the nerves for the body physiological. Alien control is hardly less absurd, hardly less wasteful in one case than the other, and this is the fundamental reason the other nations have postalized all organized communication. It is certain to come here. It is only a question of dates. That all important countries have taken the step does not testify to political accident, but to social, to abiding social, necessity and common sense.

Mr. Chairman, 17 different times have committees of Congress recommended the course now advised. It is a rational, a safe, and practicable program. The experience and examples of all the great postal establishments proclaim it to be so—as much so as the parcel post. (Names of 31 countries omitted.) All these testify that the telegraph and telephone communication belong with the letter to the postal establishment. Is our postal system less worthy than theirs? Are our people less worthy than the subjects of foreign princes? What has our postal system done that it should be disinherited of well-established universal rights?

The plain people of the United States have an abiding confidence in the service value of the American post office; and this is not because of patriotism, but of appreciation of what it does for them. It is the one great transportation institution whose single purpose is "servamus"; and this purpose it does accomplish in a truly wonderful way. Taking a postal card half around the planet for a penny. How this strikes the imagination! But does it pay? Perhaps not. But what other institution will render such a service to the beggar, and for a beggar's mite? Where others fall it mounts. Where private initiative and private capital, acting on the instinct of self-preservation, refuse to go, it harnesses the dog and the reindeer, and there it goes, carrying the mother's missive and bringing back the filial succor of the explorer's new-found gold. In individuals this would be but ephemeral heroism, and bring certain failure. But the postal system grows with it and thrives.

All this is, of course, not a mere product of patriotism; but it is the joint product of unification of function and a motive to render the utmost service. Aptly indeed has it been characterized by President Wilson:

Enlarger of the common life.
Carrier of news and knowledge.
Instrument of trade and industry.
Messenger of sympathy and love.
Servant of parted friends.
Consoler of the lonely.
Bond of the scattered family.

APPENDIX I.

GENERAL NOTE.

The following numeral notes refer to Hearing on the Postalization of the Telephone, January, 1915, before the House Committee on Post Offices, testimony of Hon. DAVID J. LEWIS: (1) p. 90; (2) p. 11; (3) p. 12; (4) pp. 15, 16; (5) p. 85; (6) p. 12; (7) p. 25; (8) p. 13; (9) p. 36; (10) p. 38; (11) p. 23.

(Note 1a.)

President Vail, of the Western Union and Bell systems, refers to this fact in his report for 1912. He says:

The two wires which are necessary for one telephone circuit can, by multiplying, be made into four, six, or eight telegraph circuits, and can be used for both telegraph and telephone transmission at the same time.

If the public insist upon a duplication of plant (meaning the Bell toll lines and the Western Union) for each kind of service, then the cost of these plants must be borne by the service, and the public must pay the cost. If you hire two carriages to carry two loads that one would carry as well, the two carriages must be paid for.

He courteously left out the Postal Telegraph system, a rival line. The total cost of the two telegraph systems in 1912 was $56,293,469. All of this except the wages of operators and messengers would be saved through the joint use of the toll telephone wires by the postal system, the postage stamp keeping the financial accounts. I place the saving on this account in 1917 at not less than $50,000,000, enough to pay 3 per cent interest on the cost of purchasing the telegraph and telephone systems.

(Note 2a.)

It costs the business man in Washington $156 for 5,400 calls, about 15 per day. He can get an unlimited service in Berlin and Paris both together for $120, and the London, Stockholm, and Auckland (New Zealand) unlimited rates combined are but $141.32. (11) In 1914 the average cost of the local call in Washington was 4½ cents, or $4.21 per 100. In Buffalo it was four-fifths of a cent, or 79 cents per 100. The Washington rate held down the use of the phone to an average of 823 calls per annum, while in Buffalo the low rate gave a utilization of 2,709

calls. The system of measured-service rates in use in Washington locked up the phone and condemned it to about one-third of its natural use. Indeed, 32,442 subscribers, having limited service, used their phones an average of only 586 calls that year.

(Note 3a.)

These are census figures and include only companies reporting annual revenue of $5,000 or more. That is 1,402,844 phones with 1,228,935 miles of wire, embracing the small companies, and farmers' lines are not included. With these included the total phones would be 8,729,592, and the wire 20,248,326 miles. Since 1912 the increase may be placed at, roughly, 20 per cent in phones.

(Note 4a.)

COST OF HANDLING THE POSTAL PARCEL AND EXPRESS PARCEL.

The most expensive postal parcel is the one weighing from 3 pounds and up, average 5½. It requires vehicle delivery, which, including carrier's salary, costs now only $2.70 per 100, having been brought down from $3.90, the first year's cost. The clerical hire comes to 50 cents, and the railway clerical hire to 50 cents per 100, making the present ascertained cost altogether $3.70 per 100. The total cost of handling the average mail piece before parcel post was $1.31 per 100, including railway pay. Adding this as covering the miscellaneous expenses of the parcel, we should have $5.01 per 100, or 5 cents per parcel, excluding railway pay. The railway pay is at the rate of 1 cent per pound for each 300 miles. The express parcel averages 24 cents for handling and pays a like amount to the railway. The companies give the "pick-up" and "collect" services, not yet granted by post; but, allowing for these, and a somewhat increased expense for a postal parcel as great in weight as the express, the Post Office could handle the express parcel at 12 cents against their 24 cents. About 20 per cent of the present parcel-post revenue is profit, which accounts for the disappearance of the postal deficit, while postal wages have been substantially increased. A deficit of $10,000,000 would unquestionably follow the repeal of the parcel post, saying nothing of at least $60,000,000 a year saved its patrons as compared with express rates.

(Note 5a.)

The truth is that no attempt is made to justify these rates on the grounds of popular efficiency. This is frankly declared by the managers of the Western Union and Bell telephone systems. I quote from the report of the Bell system for 1911:

> Instantaneous and immediate transmission of communications is as yet a convenience or luxury, although under modern methods of business and commerce it is an economical alternative to the cheaper mail service in business operations. The use of the telegraph may be a popular convenience, but it is not a necessity and is still confined to the comparatively few, and for that reason should be at the cost of the few that find benefit and profit in that use.

(Note 6a.)

THE POSTAL-RATE MAKER.

From the joint revenues of the telegram and toll talk $130,000,000 revenue is predicated. This would leave about $100,000,000 to raise from the 7,326,748 local phones, or $14 each. If the postal-rate maker were sure, very sure, that these phones would be used on the average 1,400 times a year, at a cent a call, the phone could be set in every home and office without requiring any fixed payment. The communicator would pay for his call, by the penny in the slot principle, like he pays for his letters and for his gas as the service is used. But, probable as the fact may be, the rate maker does not know, under these conditions, just what the utilization will be. He knows that 2,000 calls is the average now; that where flat rates only prevail the average rises to 3,000; but that in cities where very high message rates obtain the average falls below 1,000. But how high the utilization, if everybody had a phone, or if the charges were a simple cent a call, he does not actually know, and only experience, for that matter only postal experience, will make sure. It is probable that the experience, when had, will justify that method. If it does the phone in every home would be a self-sustaining program and become a fact at once. The phone would go in with his gas and electricity to be paid for as used, not by depositing actual pennies but, more likely, with postal substitutes canceling themselves as used like postage stamps and thus eliminating all accounting and collection.

But suppose it were found that instead of 1,400 calls an average of 1,000 only resulted? The rate maker would be $4 per phone short, but he would have found a minimum base rate. The tariff would then be $4 down per annum plus a cent a call, those calling less than the average be given 2, 3, or 4 party lines, and in the United States these rates would be within the reach of every self-sustaining human being. In this way, in this postal way only, lies the great achievement of universal communication.

What would such an ultimate program cost? With a phone to each family, and 5,000,000 business phones, the postal network would number about 25,000,000 of phones—there are near 11,000,000 now. The main ganglia having been developed, the toll, long distance, and local exchanges at a cost of $——, the additional plans should not exceed $75 each, or about $1,000,000,000. But, if such a program were realized, as it will be at length, the Nation would have a nervous system as complete and nearly as wonderful as that of the human body.

(Note 7a.)

These parcels averaged 4.06 pounds, traveled 400 miles, and paid 14 cents each, saving the patrons not less than $60,000,000 that year at express rates.

The propensity of high rates for killing the potential traffic is here well illustrated. Before the parcel post, in 1912, the express companies carried 318,000,000 parcels, about 3 per capita only, while the number in Switzerland is 10 per capita. Well, in 1915 the companies carried 288,000,000 pieces, and the parcel post carried 400,000,000 pieces, counting only those of a pound and up.

The data below are taken from the reports of the companies to the Interstate Commerce Commission for 1915; Buffalo, Brooklyn, Washington, Baltimore, from reports to local commissions.

APPENDIX II.

Table showing certain financial and operating results for 79 telephone exchanges in the places named, and with reference to the size of the exchange, and whether manual or automatic.

[m. (column 1) means manual telephone; a. (column 1) means automatic telephone; a. m. (column 1) means auto-manual telephone; b. (column 1) means Bell system; i. (column 1) means Independent system.]

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Number of phones.	Rate per 100 local calls.	Local calls per phone.	Rate per 100 toll calls.	Toll calls per phone.	Operating expenses per phone.[3]	Exchange revenue per phone.[4]	Toll message revenue per phone.	Investment cost per phone.	Profit per phone.[2]	Number employees.	Number phones per employee.	Number calls per employee, local.	Number calls per employee, toll.	Total number calls per employee.	Operating expense per employee.	Expense per 100 messages.[1, 3]	Profit per 100 messages.[1, 2]
GROUP I.																		
Manistique, Mich. (m.)..	400	$2.96	750	$21.30	14.4	$18.47	$22.25	$3.68	$43.00	$4.46	9	44.4	33,300	639	33,939	$800.00	$2.29	$0.55
Cherryvale, Kans. (m.)..	595	.....	.....	16.90	30.7	17.69	18.90	5.18	81.00	4.43	16	37.2	.....	1,141	.....	657.60	.....	.....
Rockhill, S. C.....	612	1.06	2,128	13.95	27.4	18.16	22.68	3.83	65.00	5.77	14	47.3	93,000	1,200	94,200	793.60	.81	.25
Henderson, Ky. (m.)....	763	.55	3,046	7.20	5.3	10.85	16.60	.38	70.00	2.98	15	50.0	155,000	272	155,272	552.70	.35	.10
Frankfort, Ky. (m.).....	852	.69	2,982	6.27	28.2	12.08	20.55	1.76	81.00	5.94	18	47.3	141,200	1,333	142,533	571.70	.40	.19
Rhinelander, Wis. (m.)..	889	.68	2,340	2.30	29.0	8.77	15.86	.67	40.00	4.38	13	68.4	160,200	1,994	162,194	601.40	.36	.11
Martinsville, Ind. (a.)...	903	.46	3,322	7.19	30.8	10.50	15.28	2.21	85.00	3.18	12	75.2	250,000	2,317	252,317	790.00	.30	.09
Maryville, Mo. (m.)	935	.81	2,479	7.78	23.4	10.22	20.07	1.82	75.00	5.58	17	55.0	136,400	1,287	137,687	561.80	.40	.21
Average:																		
Manual.....	.....	.....	.....	.....	.....	13.75	.....	.....	.....	.....	.....	49.3	.....	.....	.....	648.40	.....	.....
Automatic....	.....	.....	.....	.....	.....	10.50	.....	.....	.....	.....	.....	75.2	.....	.....	.....	790.00	.....	.....

[1] (Columns 18–19.) The toll message is rated as equal to four local messages in the computations of these columns.
[2] (Column 11.) Allowing for depreciation but not allowing for taxes.
[3] (Columns 7–18.) Expenses do not include depreciation or taxes.
[4] Does not include toll revenue.

Table showing certain financial and operating results for 79 telephone exchanges in the places named, etc.—Continued.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Number of phones.	Rate per 100 local calls.	Local calls per phone.	Rate per 100 toll calls.	Toll calls per phone.	Operating expenses per phone.	Exchange revenue per phone.	Toll message revenue per phone.	Investment cost per phone.	Profit per phone.	Number employees.	Number phones per employee.	Number calls per employee, local.	Number calls per employee, toll.	Total number calls per employee.	Operating expense per employee.	Expense per 100 messages.	Profit per 100 messages.
GROUP II.																		
Lexington, Mo. (m.)	1,026	$0.58	2,954	$5.57	20.9	$14.41	$17.03	$1.16	$52.00	$0.64	18	57.0	168,400	1,192	169,592	$820.00	$0.47	.....
Sumter, S. C. (m.)	1,034	.64	3,826	13.79	22.2	13.47	24.56	3.05	70.00	9.04	26	39.8	152,100	882	152,982	534.60	.37	$0.23
Tipton, Ind. (m.)	1,056	.93	1,581	5.28	34.0	8.83	14.68	1.80	90.00	3.65	24	44.0	69,589	1,500	71,080	396.00	.51	.21
Sedalia, Mo. (m.)	1,099	.89	1,949	6.33	23.5	13.57	17.39	1.48	202.00	.75	19	57.8	112,700	1,358	114,058	785.80	.66	.....
Pontiac, Ill. (a. i.)	1,101	.62	2,692	14.18	22.0	8.88	16.58	13.13	.....	5.82	16	68.9	185,300	1,519	186,819	610.90	.31	.21
St. Marys, Ohio (part a.)	1,134	.95	1,687	6.76	26.4	9.13	16.03	1.79	61.00	7.11	15	75.6	127,500	2,000	129,500	689.40	.51	.40
Wapakoneta, Ohio (m.)	1,149	.88	1,723	9.20	33.2	8.20	15.18	3.05	44.00	7.19	19	60.5	104,200	2,008	106,208	495.50	.44	.39
Antigo, Wis. (m.)	1,160	.70	2,800	8.33	46.5	17.23	16.66	3.80	73.00	.23	33	35.1	98,180	1,636	99,816	605.60	.58	.....
Battle Creek, Mich. (a.)	1,165	1.09	1,635	8.62	10.8	12.61	17.93	10.93	.....	12.41	25	46.6	76,240	505	76,745	587.40	.75	.74
Portage, Wis.	1,192	1.21	1,299	13.30	22.6	8.62	15.71	3.01	76.00	4.35	15	79.5	103,200	1,800	105,000	684.70	.62	.31
Miami, Fla.	1,218	1.21	2,435	7.72	25.7	20.81	29.62	1.98	.....	9.56	31	39.3	95,680	1,021	96,692	817.60	.82	.34
Warrensburg, Mo. (m.)	1,245	.95	1,210	6.99	9.7	6.64	11.53	.68	.....	4.08	21	59.3	71,770	587	72,348	393.80	.53	.32
Palestine, Tex. (m.)	1,300	.69	3,197	.....	13.8	15.98	22.22	1.38	91.00	3.62	19	68.4	218,800	947	219,747	1,094.00	.49	.11
Albia, Iowa (m.)	1,438	.75	1,800	8.36	25.4	10.28	13.54	2.12	68.00	.63	21	68.5	123,200	1,742	124,942	703.80	.54	.....
Canton, Ill. (m.)	1,451	.....	.....	31.39	38.7	7.51	15.37	12.16	80.00	15.02	17	85.4	.....	330	.....	641.00	.....	.....
Belvidere, Ill. (m.)	1,484	.....	.....	.....	.....	13.15	18.03	4.13	87.00	6.32	34	43.5	.....	.....	.....	573.50	.....	.....
Connersville, Ind. (m.)	1,490	.74	2,295	11.09	17.6	14.11	16.92	1.94	71.00	2.90	23	64.8	148,700	1,137	149,837	914.80	60	.12
Average:																		
Manual	.....	.....	.....	.....	.....	12.40	.....	.....	.....	.....	.....	56.6	.....	.....	.....	705.60	.....	.....
Automatic	.....	.....	.....	.....	.....	10.87	.....	.....	.....	.....	.....	77.5	.....	.....	.....	633.90	.....	.....
GROUP III.																		
Logan, Ohio (m.)	1,500	.....	.....	.....	.....	6.66	12.20	.90	53.00	3.44	23	65.2	.....	.....	.....	434.80	.....	.....
Lebanon, Ind. (m.)	1,565	.79	2,019	7.86	18.6	7.28	15.98	1.46	102.00	6.68	18	86.9	179,000	1,653	180,653	644.40	.35	.32
Rushville, Ind. (a.)	1,610	.....	.....	15.40	15.0	8.72	16.87	2.32	.....	8.08	17	94.7	.....	1,422	.....	824.60	.....	.....
Durham, N. C. (m.)	1,695	.83	3,186	8.07	13.5	9.96	26.36	1.09	72.00	8.64	25	67.8	216,000	915	216,915	675.60	.30	.27
Van Wirt, Ohio (a. i.)	1,752	1.146	1,438	11.70	24.3	8.46	16.48	2.83	.....	6.28	20	87.6	126,000	2,130	128,130	741.50	.55	.41
Red Wing, Minn. (m.)	1,859	1.02	1,338	9.36	9.1	7.68	13.74	.85	73.00	2.91	19	97.8	130,950	887	131,837	752.10	.56	.21
Bucyrus, Ohio (a.)	1,906	.....	.....	8.79	19.0	7.10	18.06	1.60	.....	10.48	24	79.4	.....	1,500	.....	564.00	.....	.....
Lincoln, Ill. (m.)	1,978	.78	1,948	34.20	17.9	9.29	15.28	6.12	.....	9.96	29	68.2	132,800	1,220	134,020	516.30	.46	.44
Average:																		
Manual	.....	.....	.....	.....	.....	8.18	.....	.....	.....	.....	.....	73.2	.....	.....	.....	594.42	.....	.....
Automatic	.....	.....	.....	.....	.....	7.91	.....	.....	.....	.....	.....	87.2	.....	.....	.....	710.00	.....	.....
GROUP IV.																		
Wausau, Wis. (a. i.)	2,010	.....	.....	.....	.....	7.54	19.09	.95	.....	8.08	19	105.8	.....	.....	.....	798.10	.....	.....
Jefferson City, Mo. (m.)	2,039	.63	2,704	13.40	11.5	9.78	16.92	1.55	80.00	7.56	29	70.3	190,200	812	191,012	687.60	.36	.27
Staunton, Va.	2,132	1.14	1,273	7.28	9.8	13.30	14.51	.72	50.00	.81	28	76.2	96,960	749	97,709	1,012.00	1.00	.06
Michigan City, Ind. (m.)	2,143	.81	2,277	8.30	18.4	7.80	18.42	1.53	80.00	6.59	34	63.0	143,500	1,162	144,662	343.30	.33	.28
Janesville, Wis. (m.)	2,177	.98	1,696	14.90	7.9	8.85	16.64	1.20	82.00	7.89	32	67.8	115,400	537	115,937	600.00	.51	.45
Ottawa, Kans. (m.)	2,200	.50	2,202	9.20	17.2	8.12	11.08	1.59	75.00	.55	58	38.0	84,200	653	84,853	308.20	.36	.03
Conneaut, Ohio, (a. m.)	2,248	.....	.....	.....	.....	8.43	15.84	.....	93.00	4.50	34	65.9	.....	.....	.....	558.00	.....	.....
Dixon, Ill.	2,395	1.06	1,684	.....	.....	10.54	17.87	3.05	96.00	6.38	42	57.0	96,000	3,857	99,857	601.00	.63	.38
Decatur, Ill. (a. i.)	2,625	.....	.....	.....	.....	8.78	19.11	3.39	.....	6.33	34	77.2	.....	.....	.....	675.00	.....	.....
Delaware, Ohio (m.)	2,677	.899	1,703	12.99	13.4	8.82	15.32	1.74	56.00	5.24	49	54.6	93,060	7,348	100,408	482.10	.50	.30
Fulton, Ill., et al. Iowa (a. i.)	2,739	.85	1,806	8.78	17.0	8.20	15.42	1.53	118.08	3.75	27	101.0	183,200	1,768	.....	831.40	.44	.20
Rochester, Pa. (a.)	2,755	.....	.....	.....	.....	9.03	18.98	.....	.....	.....	30	91.8	.....	.....	.....	825.40	.....	.....
Champaign Co., Ill. (a. i.)	2,949	.....	.....	.....	.....	9.34	16.58	1.71	181.30	4.28	36	81.9	.....	.....	.....	765.00	.....	.....
Average:																		
Manual	.....	.....	.....	.....	.....	9.54	.....	.....	.....	.....	.....	58.6	.....	.....	.....	577.00	.....	.....
Automatic	.....	.....	.....	.....	.....	8.60	.....	.....	.....	.....	.....	85.5	.....	.....	.....	778.80	.....	.....
GROUP V.																		
Rochester, Minn. (m.)	3,117	.75	1,735	4.70	43.7	10.45	12.93	2.05	66.00	2.48	47	66.3	115,100	2,894	117,994	692.60	0.60	0.14
Kewanee, Ill. (m.)	3,176	.54	2,276	13.40	7.6	9.26	12.17	1.01	98.00	.....	50	63.5	114,000	4,800	148,800	588.00	.40	.....
Elyria, Ohio (a.)	3,285	.93	1,841	7.70	22.6	7.55	17.03	1.75	.....	7.05	38	86.4	159,150	1,954	161,104	651.60	.39	.36
Kokomo, Ind.	3,416	.72	2,416	9.78	26.9	9.61	17.26	2.63	.....	5.89	61	56.0	135,280	1,510	136,790	538.10	.38	.23
Jamestown, N. Y.	3,597	.....	.....	.....	.....	11.94	19.01	1.13	.....	3.20	66	54.5	.....	.....	.....	650.90	.....	.....
Marshalltown, Iowa	3,628	.81	2,198	3.10	40.9	10.30	17.84	1.28	.....	5.02	54	67.2	147,700	2,751	150,451	692.10	.44	.23
Average:																		
Manual	.....	.....	.....	.....	.....	10.31	.....	.....	.....	.....	.....	61.0	.....	.....	.....	632.00	.....	.....
Automatic	.....	.....	.....	.....	.....	7.55	.....	.....	.....	.....	.....	86.4	.....	.....	.....	652.00	.....	.....
GROUP VI.																		
Sioux City, Iowa (m. b.)	4,901	.....	.....	.....	.....	16.61	15.14	13.49	316.10	5.02	124	39.5	.....	.....	.....	656.50	.....	.....
Newark, Ohio (a. i.)	5,528	.....	.....	.....	.....	8.09	16.91	1.18	.....	8.07	84	65.8	.....	.....	.....	503.00	.....	.....
La Crosse, Wis.	5,996	.71	2,020	21.00	2.6	7.70	14.37	.56	.....	4.08	70	85.7	173,100	2,229	175,329	659.40	.38	.20
Lima, Ohio (a. m.)	7,130	.84	2,546	8.70	17.1	12.76	21.55	1.47	132.00	.....	[1] 105	67.9	172,900	1,161	174,061	866.66	.49	.16
Staten Island, N. Y. (m. b.)	8,119	3.38	875	21.56	96.0	24.64	29.60	20.70	170.00	17.49	([2])	42.0	.....	.....	.....	.....	2.30	1.64
Sioux City, Iowa (a. i.)	8,313	.....	.....	.....	.....	10.04	25.36	.97	143.50	9.90	110	75.5	.....	.....	.....	758.60	.....	.....
Average:																		
Manual	.....	.....	.....	.....	.....	16.31	.....	.....	.....	.....	.....	49.0	.....	.....	.....	658.00	.....	.....
Automatic	.....	.....	.....	.....	.....	9.07	.....	.....	.....	.....	.....	71.0	.....	.....	.....	631.00	.....	.....

[1] Excluded from group comparisons because partly automatic and partly manual.
[2] Estimated.

Table showing certain financial and operating results for 79 telephone exchanges in the places named, and with reference to the size of the exchange, and whether manual or automatic.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Number of phones.	Rate per 100 local calls.	Local calls per phone.	Rate per 100 toll calls.	Toll calls per phone.	Operating expenses per phone.	Exchange revenue per phone.	Toll message revenue per phone.	Investment cost per phone.	Profit per phone.	Number employees.	Number phones per employee.	Number calls per employee, local.	Number calls per employee, toll.	Total number calls per employee.	Operating expense per employee.	Expense per 100 messages.	Profit per 100 messages.
GROUP I.																		
Mt. Home Tel. Co. (m.)	10,408	.78	2,462	28.36	33.0	16.98	19.21	9.29	152.20	.73	275	37.8	93,180	1,240	94,420	643.00	.66	.....
Plattsburg, N. Y. (m. b.)	10,580	.94	2,090	25.95	40.0	15.63	19.74	10.08	154.95	3.98	283	37.4	78,120	1,489	79,609	584.10	.70	.18
Fort Wayne, Ind. (m. i.)	12,298	.63	3,100	3.43	120.0	8.99	19.41	4.10	93.50	4.76	191	64.4	199,600	768	200,368	93.50	.25	.13
Pasadena, Cal	12,941	1.24	1,725	3.61	25.1	13.86	21.37	.91	.....	3.77	204	63.4	109,150	1,595	110,745	879.20	.72	.19
Portland, Oreg. (a. i.)	13,940	.....	.....	.....	.....	10.72	25.95	3.28	.....	12.47	176	71.4	.....	.....	.....	766.00	.....	.....
Pittsburgh, Pa. (m.)	14,478	1.52	1,998	16.20	23.7	18.90	30.40	3.84	450.00	6.52	474	30.5	61,020	725	61,745	577.20	.90	.32
Indianapolis, Ind. (m.)	14,490	1.15	2,238	.....	.....	14.16	25.67	.73	188.00	9.40	301	48.1	107,700	.....	107,700	681.60	.63	.42
Rochester, N. Y. (m.)	15,308	1.04	2,940	7.93	11.0	17.73	30.65	.84	146.00	9.92	303	50.5	148,500	536	149,036	895.40	.59	.33
Louisville, Ky	21,128	.69	4,027	6.36	13.9	12.07	27.73	.88	183.00	11.96	520	40.6	163,600	563	164,163	491.70	.30	.29
Spokane, Wash. (m. b.)	23,333	1.08	2,155	10.48	13.7	14.03	23.37	1.43	136.00	6.42	531	43.9	94,700	602	95,302	617.40	.63	.29
Average:																		
Manual	.....	.....	.....	.....	.....	14.73	.....	.....	.....	.....	.....	44.0	.....	.....	.....	700.00	.....	.....
Automatic	.....	.....	.....	.....	.....	10.22	.....	.....	.....	.....	.....	71.4	.....	.....	.....	766.00	.....	.....
GROUP VIII.																		
Philadelphia, Pa. (m. i.)	34,556	2.20	1,445	12.42	11.3	14.86	31.78	1.40	347.00	14.38	814	42.4	61,310	481	61,791	631.00	1.00	.97
Kansas City, Mo. (m.)	36,092	1.05	3,366	8.56	9.0	16.09	35.70	.77	173.00	16.23	861	41.9	141,080	378	141,458	674.40	.47	.48
Grand Rapids, Mich. (a.)	38,190	.79	2,677	16.40	26.4	11.07	21.29	4.03	105.00	9.68	587	65.0	157,700	1,449	159,149	651.80	.40	.35
Buffalo (m. and a.)	41,911	.77	2,710	29.80	18.0	[1] 13.44	21.28	5.47	180.00	8.53	995	[1] 42.1	114,200	773	114,973	566.20	.48	.31
Baltimore, Md. (m. b.)	43,000	3.53	993	.....	.....	15.02	35.06	.....	132.00	11.50	.....	.....	.....	.....	.....	.....	1.56	1.16
Lincoln, Nebr. (m. and a. i.)	46,004	.77	2,467	27.00	26.0	[1] 12.66	19.04	6.99	145.00	9.05	1,020	[1] 46.0	111,225	1,176	112,401	570.80	.50	.35
Washington, D. C. (m. b.)	51,361	4.21	823	10.40	14.0	13.27	34.80	1.41	116.00	15.20	972	52.0	43,473	742	44,215	701.50	1.51	1.45
Cleveland, Ohio (m. b.)	70,920	1.48	2,000	10.91	16.0	16.26	29.66	1.77	127.00	9.13	1,815	39.0	78,160	635	78,795	635.55	.79	.44
Ohio cities (m. i.)	110,883	.....	.....	55.84	9.0	14.55	23.00	5.26	.....	9.39	3,078	36.0	.....	425	.....	521.00	.....	.....
Brooklyn, N. Y. (m. b.)	152,678	4.21	875	5.70	181.0	21.17	36.84	10.30	145.00	17.80	.....	.....	.....	.....	.....	.....	1.71	1.44
N. Y. Manhattan (m. b.)	451,829	4.45	962	7.36	81.0	17.78	42.86	5.97	109.00	22.88	.....	.....	.....	.....	.....	.....	1.58	2.00
Average:																		
Manual	.....	.....	.....	.....	.....	16.12	.....	.....	.....	.....	.....	40.3	.....	.....	.....	633.00	.....	.....
Automatic	.....	.....	.....	.....	.....	11.07	.....	.....	.....	.....	.....	65.0	.....	.....	.....	651.00	.....	.....

[1] Excluded from group comparisons because partly automatic and partly manual.

Mr. QUIN. Mr. Chairman, I have enjoyed this discussion because it has had a wide range, all the way from my Socialist friend, Mr. LONDON, of New York, to the gentleman from Kentucky, Mr. SHERLEY. The divergent views of all political classes have been placed before this House, but what are we going to do about it? The President of the United States has asked Congress to give $400,000 to a commission to investigate the high price of food products. Up here in the city of New York and other great cities of this country many poor people are crying for bread. Do you think this commission is going to get bread for anybody? If the commission has taken 18 months to work on gasoline, and gasoline is higher now than it was when it started, what are they going to do about the food problem? Gentlemen, I speak from the viewpoint of the farmer. You can not impose on the farmer by endeavoring to force this embargo nonsense. This is the first time—and I am now 41 years of age and more—that I have ever seen the farmers of America get really what their labor is worth, and we hear men on this floor say that they are getting too much. My Socialist friend, I wish to say that the farmer is not getting too much for his produce. The President seems not to know what is the matter. Does he not know that the great trusts—the Meat Trust, for instance—control the meat products of this country? Does he not know that four great conspirators not only control the meat products, after they get the meat in their own warehouses, refrigerators, and in the cars that are sidetracked by the tens of thousands in this country, but that they control that product from the time it leaves the poor producer's hands? Not only that, but the grain conspirators are doing the same thing. The elevators are bursting with wheat and corn, cars are sidetracked all the way from the southern portion of this Republic to Canada, all the way from the Atlantic to the Pacific Ocean, with food products stored therein. In to-day's paper I saw where a woman bought an egg up here in Brooklyn, N. Y., that was seven years old, which bore the date when it was wrapped, with the name of the lady that wrapped it—unmistakable evidence that the cold-storage people are principally responsible.

Mr. KELLEY. That was an outlawed egg, and the statute of limitations ought to run against it.

Mr. QUIN. And these trusts are controlled by the great money power of this country as every Congressman knows. Every State in the United States has a lot of district attorneys. Has not the Federal Government district attorneys appointed by the President himself—more than 200 of them in the United States—and they are sitting down flat and paying no attention on earth to these great conspirators that are robbing the people every day of the year. Why does not the President wake up these officials and make them land those robbers and oppressors of humanity in the penitentiary?

Mr. FARR. Mr. Chairman, will the gentleman yield?

Mr. QUIN. Yes; for a question.

Mr. FARR. Was not the legal department aroused two and a half years ago at this question at the outbreak of the war, and was it not urged to take up the question, and did they not study it, but has the gentleman discovered any results?

Mr. QUIN. Why, it is getting now that the women and children are running over one another like beasts of the jungle in the market places in the city of New York and elsewhere, crying for something to eat. Everybody knows there is a scarcity of food in these cities. The man is a blatant fool who does not realize that. We know that there is some cause for the abnormal prices in the cities of this country of food products, and at the same time every honest man who is familiar with conditions knows that the producer, the farmer, is not getting too much for his product. Then, who is to blame for it, and what is your commission going to do? Understand me, I think I will vote for this resolution, but I tell the President of the United States that he may just as well take this $400,000 of the people's money and throw it into the back of a hot burning old-fashioned fireplace, because the commission, after it spends all of that $400,000, can not tell him another thing more than I am telling right now. Every sensible man in public or private life, if he is a reading man, knows the facts about these things just as I have stated them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. QUIN. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FARR. What is the gentleman's remedy?

Mr. QUIN. I introduced a bill here, and part of it has been put into law, known as the bill creating the Bureau of Markets. This Government can not sit here and do nothing. There must be a legitimate and honest distribution of food products, and I mean by food products, the products of the farm.

The farm products of this country cost much labor and money to produce. The producer has been for years producing farm products, as a rule, at a loss. We produced cotton in my country ever since 1875 at a loss up until recently, and still some people made great profits out of cotton. The interests and the speculators were able to do it, but the real farmer who produced the cotton generally died with less than he started with; and now the farmer of the South, especially, is getting a just value for his product. Cotton has been bringing a good price, and hogs a good price, and cattle a good price, but the man in the city never did get this product at any too cheap a price, and for that reason the President of the United States must realize this is no theory, but that legal machinery must be built up to bring the producer and the consumer together, that all of the great expenses of the middlemen's profit, speculations, storage, buying at low prices and holding it for high prices, must be stopped. The bill I introduced is an absolute remedy for it.

Mr. FARR. Where is it now?

Mr. QUIN. It has been shifted to the pigeonhole, but part of it is in the law which created the Bureau of Markets. But we can not remedy this thing by any mushroom talk, we must have the absolute machinery of the law on the part of the Federal Government itself. They can have all the men they want to talk about investigating and investigate from now till Gabriel blows his horn, but that will not change anything.

Mr. KELLEY. What, in the gentleman's opinion, is the real present difficulty in cities like New York and Philadelphia?

Mr. QUIN. I think that these cars the railroads have sidetracked from one end of the country to the other, with meat—refrigerating cars—with wheat, with corn, with coal and lumber, lying there idle while the people are starving, is the cause of it. There is plenty of food all over the country, but most of it is held by manipulators and speculators, and, further, cars are not furnished to haul it to the markets. You have not food enough right here in Washington now to last a week longer, if the newspapers can be believed, and in a few instances I believe some things they say.

Mr. KELLEY. Further, what, in the gentleman's opinion, is the cause of the congestion of the cars in those localities?

Mr. QUIN. One thing is these concerns do not want that meat put on the market. Another thing is they are afraid they can not get certain freight across the ocean at this time.

Mr. KELLEY. Is not that the real cause?

Mr. QUIN. No; that is not the real cause of it, because of the fact there has been all of this last year a shortage in cars. There was a shortage of cars last April when the truck from the section I have the honor to represent was endeavoring to go north, and the great railroad companies, the big trunk lines, could not supply cars enough to get that truck off, and the Interstate Commerce Commission was good enough to me to have cars ordered there, in order that the perishable fruits and vegetables might be transported to the markets.

Mr. KELLEY. Does not the gentleman think just now temporarily this very order of which he speaks, of the Interstate Commerce Commission ordering empty cars west—they have been going west by the trainload empty—is contributing somewhat to the shortage of cars where they are already short, and does it not intensify the present situation?

Mr. QUIN. No; because the cars have to bring food back. They have to go to this country and bring food into the great cities.

Mr. KELLEY. They ought to go loaded.

Mr. QUIN. Yes.

Mr. KELLEY. And come back loaded.

Mr. QUIN. The cars generally take one kind of freight and bring back another.

Mr. KELLEY. Now they are going back empty.

Mr. QUIN. They can not go from New York City with something to eat. They have got to go to the great producing sections of this country to get the grain, to get the meat, to get the sugar, to get the rice, to get everything that the farmer produces to carry back to those cities. Now, I want to discuss the proposition of an embargo that has been talked about by my friend from New York [Mr. FITZGERALD].

Mr. FESS. Before the gentleman begins on that.

Mr. QUIN. I can not yield. I would love to do so if I had the time, but I can not. I would like to know what the farmers of this country are to expect if by the time they begin to make a little profit on their labor an embargo by act of Congress is laid on what they produce and it be reduced down to a price lower than it costs to produce it.

That would be the inevitable result if the gentleman from New York had his way about it.

The gentleman's bill to place an embargo on all the food produced in this country is a monstrous outrage on the farmers. I shall maul his bill on the head every time it pokes out. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. KENT. Mr. Chairman, my deepest interest in this investigation concerns a phase of food production in which I have long been personally employed, that which relates to live stock and meat. It can not be fairly demanded that such a search should produce any immediate amelioration of extraordinary conditions, but before any constructive steps can be taken it is necessary that the live-stock business shall be considered as a whole, from the range, the farm, through the stockyards and packing houses, through transportation and distribution, and through retailers as well.

The statement that such necessary economic study properly rests in the hands of the Department of Justice is so absurd as to carry with it its own refutation when once the scope is described.

I take it that prosecutions, based on violations of antitrust laws, are aimed solely to provide possibilities for fair and open competition and free and unclogged distribution, but I can not be made to believe that either the law or the enforcement of the law by any court procedure ever has compelled or can compel people to compete who do not desire to compete and who refuse to compete.

The claim that the Agricultural Department, through its Bureau of Markets, can make such an investigation as is needed is belied by the fact that the Bureau of Markets has no inquisitorial powers and is stopped by a blank wall when it endeavors to investigate the business of those who wish to maintain secrecy in their business, and who, through complicated systems of bookkeeping, possibly through overloaded overhead charges, are enabled to feed the public with cheap sophistry and high-

Speaking as a producer of live stock, both on the range and in the feed yard, I can say that we producers have nothing to conceal, that at the present time we are making no complaint of prices which would be shown to be profitable, but we are entitled and the consuming public is entitled to know the whole story and to have no blank, unexplored regions in the actions of a monopoly, when the whole business should be wide open to the sunlight from beginning to end.

The packers through costly advertising are telling the public of the smallness of their profit per pound of produce; but why should we accept their figures when the whole field of by-products is unknown territory, and the best of men can be deceived and can deceive themselves by systems of bookkeeping?

These minimum profits, which they claim, do not accord with the consistent, steady, and tremendous growth of their development and their monopolization of the foodstuffs of the western world, as well as the retail markets of Europe.

Even granted that their profits have been moderate, what assurance have we that their handling of live stock and meats is along the line of proper economies? They buy their live stock in congested markets where it is impossible for sellers to carry their stock from day to day; they buy on a ragged market which they themselves create; they employ their labor by the hour and not by the day in a congested labor market. They are the daily customers of the commission men whose sporadic but paying clients are the live-stock sellers. There can be no possible livelihood for a commission man who has the temerity to oppose the packers' interests. They control the Union Stockyards. They largely control the banks to which live-stock producers must have recourse for credit. They control a large proportion of the retail trade directly and vastly more of it indirectly.

Even though their profits per pound may be low, which their obviously increasing wealth denies, their practical monopoly makes it possible for them to indulge in wasteful practices and tends continually to discourage production.

Men of self-respect naturally desire some say in the transaction by which their stock is sold, and many a man has been driven out of the live-stock business in wrath by the dictatorial and uncontrolled monopoly exercised by the packers.

The system forces the shipment of live stock from long distances, whereby it is subject to serious shrinkage and loss of quality. The distant producer, even though it would be profitable to slaughter his stock and waste much of the by-product, rather than suffer shrinkage in weight of the live animal, can find no market for his dressed meat, if, indeed, he could secure refrigerator cars to carry it to market.

On standard corn-fed cattle the margin of profit may be comparatively small, but when we consider the prices paid for stuff that is not standard, for bulls that go to make bologna sausage and broken-down dairy stock that goes into cans, the producers are lucky if they receive due payment for the hides. Furthermore, at times when the best range-fed meat goes to the market, meat that is equal in quality to corn-fed, the packers have shamelessly cut the price for which they purchased the range animals and have marketed them on the same basis as the corn-fed cattle for which they may have paid 3 or 4 cents a pound more.

Mr. KELLEY. Are the packers engaged in the production of cattle in this country?

Mr. KENT. Not to any appreciable extent. As an example, one of the packing concerns at one time had feed yards adjoining us in Nebraska, but they found after years of experiment that it was much cheaper to buy our cattle below cost than to feed their own, and they abandoned their yards. I believe that Swift & Co. have a ranch in Texas, but outside of that they have learned that they can better squeeze the producer than go into the business for themselves.

Mr. KELLEY. I understand that they were engaged in the raising of cattle in South America?

Mr. KENT. I am informed that they are there engaged very largely in production as well as in packing. There is no question of the cheapness of such production, and controlling the markets of the world as they do and having a view of the whole world situation they are obviously wise in seeking the cheapest fields to produce for themselves while taking the change out of those who are producing in this country.

Mr. EAGLE. Does the gentleman, then, propose slaughterhouses on the range?

Mr. KENT. The gentleman proposes a detailed investigation of all the conditions that relate to live-stock production, and doubtless there would in many cases be a large saving by slaughtering on the range.

One great abuse that afflicts the producer to-day is that from the range and feed yards, whence most of the meat comes, no one can sell it at home, where it can be cheaply carried. The packers will not buy it there. The moment he reaches a central market he is first loaded down by the stockyards companies, owned by the packers, with extortionate charges for feed. The shrinkage which naturally comes to live stock as a result of travel and strange surroundings is working against him, so that he is forced to sell on the day of arrival. This is an unnecessary and burdensome system. The proof that it is unnecessary is found in the markets of California, where, as a result of competition by wholesale butchers as opposed to the packing plants provided by the packers, the live stock is bought on the range and in the feed yards, when it can be carried from day to day with a minimum of expense and no shrinkage. Some years ago in Nebraska, where we have been feeding cattle for 30 years, we were able to sell at home. Prospective purchasers from New York, and even from Chicago, who were interested in the export trade would see our cattle, learn their condition, and then, in confidence of our doing a legitimate business and being punctilious about filling orders, they would deal with us as to the price of certain yards of cattle that were feeding. When they were fit for shipment we so notified the buyers, and then bargained as to price. The transactions were mutually satisfactory, and we had something to say about the prices to be paid. But these buyers eventually went into the Packing Trust, and thereafter we had no possible outlet except in the Union Stockyards of Chicago, Omaha, and Kansas City, where we had to accept what was handed us with as much grace as we could command.

Mr. EAGLE. In other words, you were at the mercy of the packers?

Mr. KENT. Absolutely. Another point that is well known to those who have had the misfortune to market live stock in these markets is that there are certain days of the week when there are larger supplies than on other days. If, for instance, on a Monday there should appear in the market 5,000 more cattle than the packers estimated would be on hand, and they make all the estimates, largely controlling, as they do, the live-stock papers, they would use this surplus as an excuse for breaking the market. On Tuesday they would put the market up again to encourage large shipments on Wednesday and Thursday, when again the market would be broken down. As a result of this ragged market, which they absolutely controlled, they might purchase 85 per cent of the stock bought in the week at lower prices and purchase 15 per cent at higher prices, while the whole produce of the week's shipments would go out to the retailers at the same price.

Again, I would state that while the meat producers of the country are urging this investigation, they are not urging it in the hope of higher prices. At the present time they are doing well; but, whether investigation and subsequent action will increase or decrease their profits, they hope for a time when they may have some assurance of freedom from present monopoly and due encouragement to go into the task of increasing the meat supply of the Nation on any margin that may be moderately profitable and reasonably secure.

An investigation by a competent commission ought to go to the essence of costs. It ought not to overlook the increased value of land, which value must be paid out of product. It ought not to overlook the conservation of the range, which can only be done by proper control of the range. It ought to consider whether present methods of feeding stock are economical or wasteful; whether the transmutation of 25 pounds of corn into 4 pounds of beef and 1 pound of pork is economically sound, or whether less expensive methods of feeding may be used. It must follow through the retailers' costs, including rent, his delivery charges, his waste and loss in cutting, and his losses through deterioration and decay. And here the experience of the commissary department on the Isthmus would be of the greatest value, for on the Isthmus at a time when the best cuts of packers' meats were selling at 38 cents a pound in Washington I saw similar cuts from the same source sold at 20 cents a pound, because there was no rent and no waste and every scrap and bone was used for soup and soap and there was a minimum of delivery cost. For the packer is not alone charged with the responsibility to eliminate waste, but the duty and the need extends clear down the line to the heedless consumer.

Then we have questions of transportation, wherein the commission must work with the Interstate Commerce Commission. All through the investigation, as the President wisely suggested in his letter, there must be complete cooperation, which the Department of Agriculture is anxious and willing to furnish.

The last, and comparatively a less important duty, although it is also of great importance, is involved in the questions that may properly come before the Department of Justice.

A brief survey of the situation must compel anyone capable of thinking to realize the need of complete and careful work done in a short time by many investigators and justifies the estimate upon which we are to vote. If we give to the Federal Trade Commission what they ask for, and what seems to be necessary, it will be up to them to report such information as would justify legislation or prosecution. They will be empowered to make suggestions that will be of value to the producers, distributors, and consumers of food products, and can doubtless point out just where the strong hand of the Department of Justice should be placed.

I have confined my remarks to the meat question, because that is one in which I have been particularly interested and concerning which I am best informed, but no one should overlook the fact that the amount requested is intended to cover a vastly greater field of investigation—grains, dairy products, fruits, green vegetables, canned goods, and many other commodities that enter into the food supply.

For which reasons I urge the need and the justification for the expenditure.

The CHAIRMAN (Mr. FERRIS). The time of the gentleman from California has expired. The gentleman from Minnesota [Mr. SMITH] is recognized for five minutes.

Mr. SMITH of Minnesota. Mr. Chairman, a food famine is now knocking at the doors of many of the inhabitants of our cities. This is not confined to the improvident and unfortunate but extends alike to the frugal and thrifty. Many hard-working and industrious men and women are finding it more and more difficult to obtain the necessary food for themselves and their starving children.

In Philadelphia and New York food riots are a daily occurence. To meet this situation, the administration asks Congress to appropriate $400,000 for the purpose of investigating the cause of high prices. Such a suggestion is neither a temporary remedy to meet the present crisis, nor a permanent remedy to prevent its reoccurrence. It will take at least 18 months to complete the investigation. In the meantime, we may starve to death. The hungry are "asking for bread," and we are "giving them a stone."

If there were no facts available upon which to base a conclusion as to the cause of this horrible situation, an investigation would be necessary; however, as I will hereafter clearly demonstrate, there are now in the possession of the Government sufficient facts upon which to determine the cause of exorbitant food prices. Then why this extensive investigation.

Undoubtedly, if it is conducted along the proper lines and the investigators are given ample time and money, they will be able to ascertain and set forth minutely and in detail all the elements that enter into food cost. We are not so much concerned about details as we are to bring relief to the suffering people.

Carefully prepared statements as to the cause will bring no relief. This is a case that demands immediate action. The relief suggested is manifestly only an excuse for delay. The withholding of relief only prolongs and intensifies the suffering and agony. Is the administration willing to admit that it is unable to suggest a remedy? It must know that the course it intends to pursue will bring no relief. Is it possible that the Government is unable to save its citizens from starvation when the food storehouses of the Nation are filled to their capacity? If so, democracy itself has proven a failure.

Mr. KENT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Minnesota. Yes.

Mr. KENT. I would like to suggest to the gentleman that this high figure of the appropriation, $400,000, is absolutely based upon the hypothesis that these people will get through their investigation in eight months. They could string it along for a greater length of time and it would cost less money, but they want to get it in in eight months.

Mr. SMITH of Minnesota. That is the proper way to get at it.

Mr. KENT. Mr. Chairman, will the gentleman yield again?

Mr. SMITH of Minnesota. Yes.

Mr. KENT. Is it not worth knowing the facts in this situation?

Mr. SMITH of Minnesota. Certainly it is, but we know sufficient facts already to warrant us adopting a relief measure.

Mr. KENT. If you are going to make the investigation in a hurry, it takes a larger appropriation.

Mr. SMITH of Minnesota. Yes; you must appropriate more. You can not do it for $400,000; $1,000,000 will be required.

FACTS NOW IN THE POSSESSION OF THE GOVERNMENT.

The total volume of business, industrial and commercial, involved in feeding the 100,000,000 people of the United States runs into tens of billions of dollars annually. As man is a terrestrial animal and human life rests primarily upon food, the production and distribution of food is necessarily the most fundamental and vital industry of a nation.

It is essentially so in the United States, where a rural population of 50,000,000 produces on 900,000,000 farm acres not only about 97 per cent of the food required for 100,000,000 Americans but has an export surplus of $500,000,000 to $1,000,000,000 annually to feed the hungry of other countries.

Furthermore, the "production and distribution" of food products will continue to be of increasing importance in our industrial progress, both because of our large untilled or partially tilled acreage and the rapid growth of our population. Of our land area of 1,903,000,000 acres, less than half, or about 900,000,000, are owned as farms; and, again, only a trifle more than half of the farm acreage or 480,000,000 acres, are improved, while only a comparatively small percentage of the improved acreage is cultivated by scientific methods up to the maximum of productive yield.

Our population is increasing at the rate of about 15,000,000 in 10 years. During the decade 1900 to 1910 the urban population increased 11,000,000 and the rural population about 5,000,000. In the same 10-year period the improved acreage devoted to food production increased close upon 64,000,000 acres. The fact, however, that the urban population in this decade made double the increase shown by rural population proves the necessity of a greater agricultural expansion and at the same time explains in part the phenomenal increase in farm values.

During this 10-year period, when our population increased 21 per cent and our improved farm acreage increased 15.4 per cent, the value of farm land increased 118 per cent, of farm buildings 77.8 per cent, of farm implements and machinery 68.7 per cent, of farm animals 60 per cent, while the total value of the farm property of the United States devoted in the main to the industry of food production advanced $20,000,000,000, or a fraction over 100 per cent. This unprecedented growth in the volume of farm capital may have been in part the result of increasing market values of products, and, at the same time, may have had its effect in a further uplift of food prices.

The growth of farm wealth produced, in the form of staple crops and live-stock products, advanced from $5,009,000,000 in 1900 to $9,037,000,000 in 1910, or about 80 per cent. Though the value of farm production did not advance by quite so high a percentage as the value of farm land, this growth of agricultural food values at the same time was nearly four times the rate of population increase. That is to say, while American population from 1900 to 1910 increased 21 per cent, the farm value of the total agricultural product increased 80 per cent. This increase appears to be about equally divided between food quantity and quality, on the one hand, and price uplift on the other hand.

The above increase noted in value of farm products, it must be borne in mind, however, is simply the increase in farm value as estimated by the Department of Agriculture. The wholesale and retail market values are entirely a different matter and, as we shall see hereafter, are not only vastly greater, because of added handling charges and dealers' profits, but often show a percentage of gain much greater than that of the average farm price. We shall see, also, that there is not only a marked difference between farm price and market wholesale price, and between wholesale and retail market price, but between domestic and export prices—these margins of difference often working strongly against the interests of both producer and domestic consumer.

AMERICAN FOOD BILL EXCEEDS $25,000,000,000 A YEAR.

The Department of Agriculture estimate of the farm value of crops and animal products on December 1, 1916, was $13,449,000,000. Though the production averaged about 16 per cent lighter in crop yield, as compared with 1915, the increase in value was $2,674,000,000, notwithstanding the fact that 1915 was the previous high-water mark in total value of farm production.

Taking the gross value of the census farm production of 1899 as represented by 100, the Department of Agriculture works out the value by years from 1879 to date as follows: For 1879, 46.9; for 1889, 52.2; for 1899, 100; for 1909, 181.4; for 1914, 209.8; for 1915, 228.4; and for 1916, 285.1.

Since 1880 the population of the United States has doubled, while the value of farm production has multiplied sixfold. Since 1900 the population of the United States has increased 41 per cent and value of farm products 285 per cent. From 1910 to 1916, the estimated population increased approximately 10 per cent, while the value of farm products increased about 60 per cent. In other words, the gross value of the annual food product of the United States appears to be increasing at a rate about six times the rate of increase in population.

The $13,449,000,000 estimated by the Department of Agriculture as the value of the crops and live-stock products of 1916 represents merely the value on the farm. Before the product gets to the consumer there must be added the costs of transportation, handling, interest, and insurance, the profits of warehousemen, wholesalers, manufacturers, and retailers, which are multiplied according to the number of hands through which the products pass, together with perhaps the accumulated losses of middle men on goods which are not consumed and the artificial profits due to speculation and combination in restraint of trade.

Approximately one-half of the farm production passes through some form of manufacture. Based on the late returns of the census of manufactures taken in 1914, the total food product turned out by mills and factories approximated in that year $7,000,000,000. The 1914 manufactured food product was more than $2,000,000,000 larger than that reported in the census of 1909 and approximately double that of 1904.

Doubtless the mill and factory value of the manufactured food productions of the United States in 1916 exceed $8,000,000,000. That part of the farm product used for food purposes represent in 1916 approximately $12,000,000,000. The total of the farm and factory food values, therefore, approximates $20,000,000,000. From this total must be deducted the duplication represented in the cost of mill and factory materials received from the farm—about $4,000,000,000. The bulk of the $500,000,000 of agricultural imports, as well as the value of fishery and other sea products, are subject to some process of manufacture and may be considered as included in the above manufactured total.

We have a net total, therefore, of about $16,000,000,000 worth of food productions, valued at farm and factory prices, as the basis of our estimate of the total ultimate outlay for food consumption. To this is to be added the total of costs and profits from the farm and factory through all hands of middle men to the consumer. As showing to what enormous total the food bill of the American people to-day reaches, let us do a little figuring. If on the way from the farm and factory to the home of the ultimate consumer the $16,000,000,000 worth of farm and factory production increases in value only 50 per cent the total American food bill would reach $24,000,000,000 annually. If the increase in value plus all charges and profits of dealers, speculators, carriers, and warehousemen aggregate 100 per cent, the homes and transient consumers of the United States would stand a yearly food bill of $32,000,000,000.

Again, if the average American consumer paid out $1 a day for food, the aggregate food bill of the 100,000,000 would reach $36,000,000,000 per annum. It is apparent that the total is not far from $30,000,000,000 a year, and that the most conservative estimate would place it at over $25,000,000,000.

The purpose of the above computation is to lay a foundation for an estimate of the amount of capital and commercial machinery engaged in the business of food distribution and in apparent control of food prices paid by the American people. Approximately one-half of the net industrial income of 100,000,000 people in our Republic goes for food. Of 6,000,000 people employed in trade and transportation, a large proportion handle food products. Of 12,000,000 engaged in agriculture, the vast majority handle food products. There are a million or more engaged in some form of manufacture of food productions.

The greatest manufacturing industry in the United States in value of product is the slaughtering and meat-packing industry, which is credited by the census of 1914 at $1,651,965,000, or more than 50 per cent larger than the product of the iron and steel works and rolling mills.

The flour and grist-mill product was valued in 1914 at $877,680,000, or next after the value of the steel product. The bread and bakery industry represents a product valued at $491,893,000. Butter alone stands for a factory product of $243,379,000; and the canning and preserving industries turn out a product valued at over $180,000,000.

The interests which control the packing houses also control the stockyards and feeding stations of the country, as well as the wholesale and retail meat agencies, including local butchers and retail merchants; and the same interests through operation of special freight lines and refrigerator service likewise largely control the transportation of meat products and much of the dairy and poultry and fruit trade.

The milling interests are largely allied with grain warehouse and elevator companies, as well as grain exchanges and boards of trade, and have a large voice both in the price of grain on the farm and the price of flour and bread to the consumer.

The sugar interests in the same way control in large measure not only the production, but the distribution and price of sugar. In the poultry market we have our egg kings. There are the brewing and distilling, the glucose and starch-making interests, the oleomargarine and linseed oil, the ice and malt companies, and the commission companies which control the distribution of fruit and vegetables.

Then there are the warehousemen, who are organized for the maintenance of warehouse charges; the jobbing associations; the produce and grain exchanges; and the banking and transportation companies, which finance and carry the products.

The commercial machinery thus organized makes for efficiency and economy of handling. It has been organized by some of the greatest of the mercantile and financial captains of the age. Its operations are world-wide, and reach not only all domestic but foreign markets. We are now to ascertain the general effect of this consolidation of food-handling machinery upon the price trend and the pocket of the producer and consumer.

PRICE TREND OF THE PAST 20 YEARS.

Granting the temporary effect of European war and partial crop shortage at the last harvest as important factors in the ruling high food prices at the present time, we are confronted with the fact that the uplift in food prices is not a temporary incident, but is part of a general 20-year trend. Last year's short crop and war demand simply mark the apex of the curve of the high-price trend.

The United States Bureau of Labor Statistics (Bulletin No. 181) reports the trend of prices in the United States for the 25-year period, 1890–1914, from which it appears:

The average wholesale market price of 30 farm products rose from the index figure of 52 in 1896 to 100 in 1914—which is a gain of 92 per cent in 18 years.

The average wholesale price of 87 food commodities rose from an index figure of 66 in 1896 to 104 in 1912—a gain of 57.5 per cent in 16 years.

The average wholesale price of 297 commodities, covering pretty much the entire field of raw and manufactured commodities in general use, rose from 67 in 1896 to 102 in 1912—a gain of 52.2 per cent in 16 years.

This is sufficient to indicate the general trend of wholesale prices during the 20 years prior to the war. The price trend was almost steadily upward during this period, and more strongly in food articles than in general commodities. There is no doubt that part of this rise in prices was normal and just because of the abnormally low price level of prices following the panic and depression of 1893–1896. It is quite apparent, on the other hand, that the price-uplift movement has long since passed the point of normal recovery from panic prices of 1893–1896, and that artificial factors have acted as price-making causes.

FARM PRICES VERSUS MARKET PRICES OF FOOD PRODUCTS.

The Statistical Abstract, issued by the Department of Commerce, gives prices of staple farm crops for a 30-year period—on the one hand, the farm price estimated by the Department of Agriculture, and, on the other, the wholesale market price at leading exchanges—which offer an opportunity for interesting comparison.

For example, the farm price of wheat on December 1 of each year, as estimated by the Department of Agriculture, indicates a rise from 72.6 cents per bushel in 1896 to 92 cents in 1915—a 20-year rise of 19.4 cents. On the other hand, the average annual New York market price rose from 78.1 cents in 1896 to $1.291 in 1915—a rise of 58 cents in the same period, or nearly three times the gain shown in the farm price.

The farm price of corn rose from 21.5 cents in 1896 to 57.5 cents in 1915, or 36 cents per bushel for the 20-year period, while the New York average annual market price rose from 34 cents to 83.7 cents, a 20-year gain of 49.3 cents.

During the same period the farm price of oats in the United States rose 17.4 cents and the New York market price rose 58.8 cents per bushel.

The New York market uplift of other commodities than crop products is indicated by the following:

Lard rose from 4.42 cents per pound in 1897 to 12.52 in 1910.

Beef, extra mess, per barrel, rose from $7.51 in 1896 to $19.70 as the 1914 annual New York average.

Pork, mess, per barrel, rose from $8.85 in 1897 to $22.76 in 1914.

Coffee (No. 3 New York Exchange standard) rose from 6.75 cents per pound in 1902 to 15.6 cents in 1912.

On the basis of the above comparisons it is apparent that the New York average annual wholesale market price of staple food products not only has more than doubled in many cases but has made gains 50 per cent or more in excess of the gains in farm prices.

Perhaps a better idea of the general price trend after the influence of the 1893–1896 depression had been dissipated may be had by taking the decade 1901–1910. The average farm price of 10 staple crops, selected by the Department of Agriculture, rose from the index figure of 106 in 1901 to 116 in 1910, an increase of 10 points, while the wholesale market price of 30 farm commodities quoted by the Statistical Abstract rose from the index figure of 70 in 1901 to 100 in 1910, an increase of 30 points. All comparisons indicate greater uplift of market prices than of farm prices, a fact which points to the artificial influence of the markets and middle men in price control.

RETAIL PRICE UPLIFT GREATER THAN WHOLESALE.

Just as the wholesale market price of food staples has advanced with greater strides than the farm price, the retail prices of food articles have increased more rapidly than wholesale prices. Data for this comparison would weary the reader and cumber the brief space allowed in the RECORD.

It will suffice for this purpose to take the comparatively recent analysis of the Bureau of Statistics of the United States Labor Department. Taking the prices of the year 1914 as represented by the index figure 100, the Bureau of Statistics reports the average wholesale price of principal food commodities in about 40 cities of the United States rose from 86 in 1907 to 100 in 1914, or 14 points in the seven-year period.

In a similar manner the Labor Department investigation of retail prices of principal food articles in the leading cities rose from 80 in 1907 to 100 in 1914, a gain of 20 points in the period selected.

Average wholesale prices in the United States for principal food articles in leading cities, therefore, rose between 1907 and 1914 approximately 16 per cent, while retail prices rose 25 per cent. As the investigation was general and applied to all principal food articles and leading markets, the conclusion appears to follow inevitably that retail prices show a general trend of gain at a rate substantially greater than the wholesale price trend.

DOMESTIC PRICES HIGHER THAN EXPORT PRICES.

Another phase of the modern system of food distribution is the apparent fact that export prices range below domestic prices. Without going into tedious detail on this point, take the export prices quoted by the Department of Commerce for the recent month of January, 1917, and compare them with prices paid by the average American consumer.

Here are a few examples taken from the Monthly Summary of Foreign Commerce, issued by the Bureau of Foreign and Domestic Commerce, giving average export prices at American ports for the month of January:

Wheat flour, $8.09; green coffee, 13.9 cents; eggs, 34 cents; canned salmon, 11.2 cents; dried apples, 7.7 cents; prunes, 8.8 cents; raisins,

5.9 cents; glucose and grape sugar, 3.3 cents; fresh beef, 11.7 cents; corn beef, 11.7 cents; bacon, 15.8 cents; ham and shoulders, 17 cents; lard, 16.5 cents; salt pork, 14.4 cents; butter, 35.1 cents; refined sugar, 6 cents; potatoes, $1.81; apples, $5.10 per barrel; rice, 4.1 cents per pound.

Comparison with wholesale domestic prices show that the January export prices are substantially under the domestic market; while any housekeeper who keeps track of daily grocery prices knows that the above export prices range all the way from 20 per cent to 40 per cent under domestic retail prices. Doubtless shipment in large contract lots accounts in part for the much lower figures on export than on domestic supply. At the same time, the comparison shows that there is a serious lack in our system of domestic distribution and sale if the American consumer is compelled to pay as a general proposition higher prices for American food products than foreigners abroad pay for the same commodities.

SUMMARY OF THE ABOVE FINDINGS OF FACT.

The foregoing analysis of facts touching the volume and prices of American food production and distribution leads to the following summary of conclusions:

1. That the farm and factory value of American food products has reached the volume of approximately $16,000,000,000 per annum.

2. That the retail food bill of the 100,000,000 American consumers exceeds $25,000,000,000 a year and probably approximates $30,000,000,000.

3. That the wholesale and retail prices, and in many cases the volume of production, are largely influenced by a well-organized commercial system, which includes jobbers, commission firms, exchanges, warehouse companies, transportation agencies, and related industrial and financial institutions.

4. That the general price trend under this commercial system during the past 20 years has been strongly and almost steadily upward.

5. That, while farm prices of food products have moved upward, wholesale market prices have advanced more rapidly than farm prices.

6. That retail food prices have advanced still more rapidly than wholesale prices; and that domestic food prices range substantially higher than export prices.

From the above findings of fact it is fair to assume:

(a) That the control of markets and prices under our modern system of food distribution, however it may have worked for efficiency in developing and extending trade, bears heavily upon the domestic consumer and absorbs an undue proportion of the savings of the American people.

(b) That the return to the agricultural producer, though steadily increasing during the 20-year period, is proportionately materially less than to the organized middle men.

(c) That the interests and welfare of the country demand a system of Government regulation and control of distribution of food products that will yield both producer and consumer greater equity, freedom, and exemption from commercial tolls and exactions, and if this can not be had, then the only alternative is Government ownership of the means of distribution.

In this brief analysis of the food problem no attempt is practicable in the way of presenting the methods by which the public has suffered through undue and unjust food costs.

ASPECTS OF PRIVATE COMMERCIAL CONTROL OF FOOD SUPPLY.

The public is well informed, however, in regard to many of the current conditions incident to present private control of food distribution and prices. It is scarcely necessary even to outline the situation. The farmer knows that the packing-house company absolutely controls his market for live stock, as well as the price he receives, and in practical results both transportation and all charges connected with the live-stock business. The local butcher and grocer know that absolute conformity with the price schedules fixed by the packing houses is required in order to secure either supplies or credit. The local dairyman knows he can get only the price of milk offered him by the dairy company, though that price be only half the price paid by the consumer. In the Mohawk Valley, within six hours' ride of the great city of New York, the farmer is receiving but 4 cents a quart for his milk, while the consumer in the city of New York is paying 12 cents a quart. The great fruit business is consolidated in a few hands beyond any power of the fruit raiser to make successful protest, and the consumer has no option but to pay fruit prices several times those realized at the orchard. If the grocer rebels at the fixed price schedules imposed upon him by the organized sugar, coffee, flour, milk, fruit, meat, and general grocery jobbing associations or industrial trusts, he can get neither credit nor supplies and must retire from business.

The large associations and industrials exercise control not only through superior commercial organizations, but through strong and effective cooperation both of railways, water carriers, market centers, exchanges, and financial institutions. Railways find it greater economy to handle freight in large lots through well organized and centralized associations or industrial corporations, than to gather it up in small lots from small shippers. Banks will handle the commercial paper of strong dividend-earning commercial and industrial companies, thoroughly established with powers to control large and profitable business, at much lower interest rates than they can afford to extend to small producers and dealers; and from a financial point of view are justified in seeking the larger loans. Moreover, there is no question that this modern system of organized food distribution makes for a certain large efficiency and for the development of business. The logical result is a consolidation of the instrumentalities of commerce on a basis similar to that we find among the industrials. Centralization controls food distribution and marks up the price schedules conformable in a certain degree to the world law of supply and demand.

ECONOMY OF OPERATION AND HIGH COSTS TO CONSUMER.

The striking anomaly of conditions under the present commercial control is this: That after the highest point of efficiency and economy of handling has been achieved by the food-handling trade, the consumer to whom the commodities are delivered pays the highest prices in history. In other words, costs to the consumer have been multiplied under the system which has cut down costs to the middlemen. This appears to be the absolute proof of the inequity of the present private control of food distribution.

If there is any justification for the existing commercial organization of the food-distribution system, it is in the increased efficiency and economy resulting. It will be admitted that efficiency and economy of operation have been achieved. Who, then, has got the benefit? The consumer plainly has not received benefit. On the other hand, he is paying enormously more for his products than ever before. The producer has been benefited only in part. He has received somewhat larger returns, but, as demonstrated by the comparison of farm prices with market prices, his returns bear no comparison with the food costs paid by the consumer. It is therefore certain that the chief savings of the economies effected have gone to the great organization of middlemen—the jobbers and retailers, the commission men and carriers, the investors and speculators, the industrial trusts and the commercial trusts—which have controlled the distribution and prices from the time the product leaves the ground until it is delivered in the home of the ultimate consumer.

It is not difficult to ascertain where the large margins of profits in food articles have gone. The immense capitalization of the industrial and commercial companies, including the warehouse and commission companies, the jobbing and transportation companies, which handle the country's food products, and the large dividends frequently realized, point the destination of a large volume of profit.

It has not been uncommon for some of the consolidated industrial and jobbing companies engaged in the distribution of food products during the past few years to declare an extra dividend of 10 to 50 per cent in addition to the annual dividend of from 6 to 8 per cent.

The testimony given before the Interstate and Foreign Commerce Committee of the House by Mr. Ferguson, president of the Western Fruit Growers' Association, clearly explains how the dealers in food products make exorbitant profits in the distribution of food from the producer to the consumer. At the time Mr. Ferguson gave the following testimony there was a controversy between the railroads and the shippers as to the use of what is known as the Armour refrigerator car. This car was operated by the railroads under what is known as the "exclusive contract" with the Armour Refrigerator Car Co. The shippers vigorously objected to the use of the car because it multiplied the charges many times. At the present date every railroad in the United States uses this car exclusively. Evidently the shippers and the Armour Car Co. have arrived at terms satisfactory to themselves, as they are now making no complaints.

At the hearing just referred to Mr. Ferguson testified as follows:

Mr. FERGUSON. We were able to obtain the service prior to the exclusive contract, under the railroad system of handling the business, at a charge varying from $5 to $15 a car, according to the weather and to the constant movement of the car.
Mr. STEVENS. What was it afterwards?
Mr. FERGUSON. $45.
Mr. STEVENS. A uniform price?
Mr. FERGUSON. A uniform price.
Mr. STEVENS. For the same kind of service?
Mr. FERGUSON. Yes, sir.

Mr. STEVENS. Was the service, before the exclusive contract, satisfactory?
Mr. FERGUSON. As good in every respect.
Mr. STEVENS. You were getting fruit through in as good condition?
Mr. FERGUSON. Yes, sir.
Mr. STEVENS. Did you get the facilities that you wanted?
Mr. FERGUSON. Yes, sir.
Mr. STEVENS. The cars arrived?
Mr. FERGUSON. Yes, sir.
Mr. STEVENS. Were the facilities changed in any way afterwards—after the exclusive contract was made?
Mr. FERGUSON. In some respects; yes, sir. After the exclusive contracts were made the facilities were almost entirely the Armour cars. I believe in some instances when Armour cars were not available for some markets other cars were used, but then the Armour charge obtained just the same. Prior to the contracts we frequently received our shipments in an Armour car, but the Armour price was not demanded. The regular railroad charge was all that was asked. Now the refrigerating charges often exceed the amount paid for freight.

Mr. REILLY. What is the gentleman's remedy, to outlaw the private car?

Mr. SMITH of Minnesota. No; I think it is a good thing, but it must be placed under either the control or ownership of the Government.

SOME OF THE PROPOSED REMEDIES.

It is not my purpose to enter into a detailed discussion of remedies. I suggest only an outline. The national need of more thorough public regulation and supervision of commercial agencies will be generally admitted. Efficient as may be the present system in many respects it is filled likewise with abuse of power and frequently marked by extortion.

Production is discouraged by artificial depression of market demand and wholesale purchase price. Quantities of products are either destroyed or deliberately allowed to waste in order to secure control of supply; as witness the destruction of 20,000 tons of fish by dealers at Los Angeles, as noted by the press the other day. Inequality of trade, transportation, and financial conditions force small dealers to the wall and eliminate the possibility of free competitive trade. Above all, the homes of America are taxed for the means of subsistence far beyond a just and fair return to labor and capital employed in food distribution.

There is no question that the establishment of municipal markets is one of the remedies that is likely to receive more or less general support. The local public market will meet many of the evils, and at the same time make for equity, efficiency, and economy. At the same time, it will not prevent the larger monopoly of productive supply and distribution, or prevent speculation in food supply. Federal supervision and control will be necessary in the case of interstate commerce in food articles, and the gradual extension and increased exercise of power by the Federal Trade Commission may eventually solve much of the interstate phase of the food supply problem.

We have placed railway transportation under the Federal supervision of the Interstate Commerce Commission. Something like 30 States have supervision over public utilities. The Attorney General and Federal Trade Commission have charge of the enforcement of the antitrust law affecting industrials. Both the Federal Government and the States exercise supervision over banks and other financial institutions. The power of private commercial organization over the Nation's food supply, involving as it does the power to extort unjust food prices from every rank of industrial life, now compels us to develop efficient public control over the distribution and sale of food, which we now apply to banks, railways, and various industrial activities. It is an intricate problem in which State, municipality, and Nation must join.

Mr. MOSS. Mr. Chairman, I would not speak upon this question if it were not that it seems to me the farmers of this country have a right to be defended in some degree at least against the charges that naturally grow out of the high cost of living. We are proposing an investigation of conditions that any person using reasonable foresight could have foreseen two years ago. I desire to call the attention of the House to an article that I wrote which was published in the Indiana Farmer under date of August 29, 1914, in which was predicted exactly the situation that now exists. I read from the CONGRESSIONAL RECORD, volume 51, part 17, Sixty-third Congress, second session, page 882, in which the article appears in full. This is the language that I then used in summing up conditions which Indiana farmers might reasonably expect from the conditions that were to confront the world:

Turn any way you may and you will be confronted with a demand for the products of our Indiana farms which will exceed our ability to supply for years to come. From this conclusion there is no escape. We are entering a long period of high prices for farm products which no governmental investigation can prevent. The prices of these products must rise until they reach the limit of the ability of the purchaser to pay. We are entering, for the first time in the history of our Nation, a period when the necessities of life are to be measured out to men, not in proportion to their ability to consume, but in proportion to their ability to pay the prices which the hunger of the world will place upon an inadequate food supply. This is the inevitable result of this stupendous crime against future as well as the present civilization of the world.

No report from the Industrial Commission can give a more accurate description of existing conditions.

It did not require the gift of prophecy. It simply required a common-sense view of the situation—not only from an economic viewpoint, but also from a political one as well. If prices of food were to rise, we would propose an investigation. The causes which lead up to the present agitation are very well known, and you may investigate until the end of time, yet you can not overcome the great laws that control the activities of men in fields of production.

The term "high cost of living" is a relative term—people speak by comparisons. We are now comparing our present prices with prices which prevailed in our markets in the past. We are not comparing either our past prices with prices of similar food products in European markets of the same period, or comparing our present prices with prices now prevailing in European markets. If we were to do so, it would be found that our markets are supplied now and have been at all times in the past with food products more cheaply than any well-civilized country on the European Continent, if not in the entire world. It is not true to assert that this country alone is paying high prices for food products, nor is it true to assert that our citizens are paying abnormal prices when compared with other countries of the world. It is true that prices of food products have risen all over the world, because more than three-fourths of the world's population is at war. Soldiers consume more than civilians and produce less. The natural and inevitable result, when these abnormal conditions extend over a long period of time, is a scarcity of food stores and consequent high prices. It is one of the punishments which go with war; and, as a matter of fact, starvation has terminated more wars than deaths occurring on the battle fields. But it does not require an investigation, costing vast sums of money, to ascertain what every intelligent person already knows.

During the decades since the Civil War our Nation has enjoyed the cheapest food supply of any other great industrial nation. This result grew out of certain developments. The homestead law by which our public domain was given to actual settlers was one of these causes. The building of the great transcontinental railways by Government subsidy, which gave these lines of transportation in advance of the natural development of the Continent, was another. The improvement in American agricultural machinery about this time was a third. Universal immigration attracted European farmers to our Nation. The actual result was a superabundant food supply with consequent low prices. Those were the dark days in American agriculture. Long hours of hard daily toil and a very meager family income. The result was inevitable. We could not develop a rational scientific agriculture. Other lines of industry paid better returns than agriculture and received the attention of our best minds. We were a Nation growing faster than any other great nation, and one in which agriculture was receiving less attention than any other useful pursuit. Year by year the margin of supply over demand in food products in America grew more narrow until even in normal times we were dependent upon good crops for a surplus. The European war has drawn more heavily than usual on our stores and nature has been less bountiful. We have had poorer crops than usual, with a heavier foreign demand. The result is a growing scarcity and consequent rising prices. To the extent that these great causes have contributed to our present situation, no investigation can supply a remedy.

Unfortunately we have a poorly developed system of distribution; we have no general system of warehousing. There is thus present a fertile field for speculation and it may be for extortion. It seems to be true that our transportation system has broken down under the present industrial activity. But all these conditions can be reached so far as it is proper to deal with them by our Government without any special investigation. One of the beneficial results of this situation will be useful education of the American public to a higher scale of prices for food products. It is not to be expected that the ruinously low prices of the past can return. Such a result would be a crime against our rural civilization. We are not now paying a higher price for food products in the general American markets than prevailed on the Continent of Europe before the present war and our people have a much greater purchasing power than did their population. I am not distressed at the probability of sustained generous prices for farm products to American producers. It may be true that certain of our great cities—like New York—which have grown up like mushrooms have neglected to safeguard their food supplies or to take proper steps to guard against artificial scarcity and

resultant extortion. If so, that is their municipal problem. It is not the fault of the American farmer and gardener. The late freeze which destroyed the early crops in the South perhaps has supplied our produce merchants with an excuse for an advance in certain lines of food supplies.

The certain result of fair prices for farm products will be to stimulate farm operations and increase the food supply of the Nation. It will have the result to build up a more intensive cultivation of the soil and to increase the acreage production of our principal crops. We are now on the upgrade in the production of live stock—that is, the supply is gaining on our consumption. This gratifying result is due directly to the better prices for cattle which have prevailed now for some years. A similar result will follow in other lines of production if prices are sustained. Great Britain has offered to guarantee British farmers a certain price for wheat in order to increase the production of that cereal on the British Isles, well knowing that such a policy will stimulate production.

The proposal of the gentleman from New York to place an embargo on food products is in striking contrast and is unfair to the producers who live on the farms of our Nation. I do not ask for our farmers any special privileges. They are entitled, however, to a free market for their products. I wish it were possible for the United States to wholly escape the effects of this European war, but we can not do so. In many ways we must share in its evils and its economic losses. One of these evils is rising prices; and if the war shall be prolonged another year we may have to forego some of our American extravagances in the waste of food supplies and be called upon to practice some of the commendable economies of the older nations. It is universally admitted that the wealth of the French Nation is largely due to the wonderful thrift of the French housewives, but of all nations ours is the most wasteful. It is inevitable that we will have to reform our national habits as our Nation grows older; this needed reform may be forced on us by this world war. It is certain that the whole world must bear the burdens of this war, and our Nation can not escape its part.

I do not care as to the fate of this amendment authorizing this proposed investigation. The present rising prices are in the main a result of causes which can not be overcome or set aside. You can not decrease the price of food in this country until either the supply is increased or the world demand is diminished. Personally, I do not believe that monopoly is adding to the general level of prices prevailing in our open markets for food supplies. It is possible that in certain municipalities that artificial prices may obtain. We had a sugar scare in this city a few days ago and prices jumped temporarily.

Since the last harvest I have sold wheat from my own farm for $1.20 per bushel, and in the last 10 days I purchased a thousand bushels of corn at 89 cents per bushel at the cribs of the owner. No person can in justice charge that these prices are exorbitant or that monopoly obtains in a country where grain is freely sold at such prices. It is, of course, possible to place an embargo on the shipments of supplies of any class of products and thereby lower the price at this particular moment, but the inevitable result of such a policy will be to drive out producers until the supply is reduced to the volume of our home markets. We will then be threatened at all times with a scarcity. Thus in the end you will defeat your avowed purpose and will entail disaster and economic loss on the entire Nation. Rather let us order the Department of Justice to institute prosecutions if, in any city like New York, extortion shall be practiced. Let our railroads be ordered to give foodstuff preference over all other classes of freight if it shall be shown that a scarcity prevails in any market center of our country. Let us distribute or present food supply impartially, use it economically, and give every encouragement to the people of our Nation to increase our food supply and thereby increase the wealth, security, and prosperity of our Nation. You can do neither by your proposed investigation or by an embargo.

Mr. AUSTIN. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. AUSTIN. Mr. Chairman, I have listened with a great deal of interest to this discussion, and the House has been entertained by some very excellent speeches on both sides of the proposition. I am against this amendment because I believe it unnecessary—a waste of time and money—a farce and a delusion. The pending bill carries an appropriation of $200,000 on page 131, for the Department of Justice to be used in the enforcement of the antitrust laws. There are 88 United States district attorneys and 104 United States district judges. So here is all the machinery necessary to enforce antitrust laws in every State and every important city in the country—88 prosecuting attorneys in addition to the Attorney General's office in Washingon City, which has a special appropriation of $200,000 for antitrust prosecutions. The former chairman of the Trade Commission made a statement that it would require two years to complete this investigation if it was thorough, and that it would cost $1,000,000.

Mr. BORLAND. When was that statement made?

Mr. AUSTIN. He made it in private conversation, and I know the gentleman to whom he made it, and the very fact that the gentleman's [Mr. BORLAND] original amendment to this bill provided that the money should be used beyond one year was an admission upon his part that it would require more than 12 months within which to complete the investigation, and when the point of order was made against it he modified his amendment and changed it to bring it within the year.

Mr. BORLAND. Does the gentleman realize that the testimony in the hearings by the Federal Trade Commission is to the effect that it can be done for $400,000 in eight months.

Mr. AUSTIN. Oh, yes; I know how these estimates are made and how misleading.

Mr. BORLAND. Does the gentleman realize that that particular estimate was made with more care than the mere ex parte statement of an ex-official?

Mr. AUSTIN. We have had an evidence in this very bill of how much money it would take to pass upon the valuation of the railroad property. In the beginning it was said that it would cost $3,000,000, and already it has reached $6,000,000, and the prediction is made that it will cost $12,000,000, if not $20,000,000. We started out on an investigation of the immigration question and it was to cost about $200,000. As a matter of fact it cost $900,000 and took four years and the publication of 40 volumes of testimony and hearings, which nobody read.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. AUSTIN. Let me get started first.

Mr. MONDELL. The gentleman is going well.

Mr. AUSTIN. Here is the plank in the platform of the Democratic Party upon which the present administration was elected in 1912:

> A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil laws against trusts and trust officials and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

An administration committed to that declaration last year filed only one bill under the Sherman antitrust law, the very law which it promised to rigidly enforce, and in four years 17 bills or indictments were presented. There was 1 bill in 1916, 5 in 1915, 8 in 1914, and 3 in 1913, or a total of 17. In addition to the Sherman antitrust law, practically a majority of the States in the Union have antitrust laws, one of which is the State of Missouri, from which the gentleman, Mr. BORLAND, hails, who offers this amendment. If, as admitted and charged by the gentleman from Missouri [Mr. BORLAND] and others that there are unlawful combinations and trusts in restraint of trade, here is a Federal statute, and there are statutes in a majority of the States of the Union, and if they are not enforced, then some one is at fault. Who is at fault?

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. AUSTIN. Not now. Who is at fault? Those under the law who are charged with the responsibility of prosecuting the violators of the law in the State and the Federal courts. After making a declaration four years ago to enforce the Sherman anti-trust law, four years in power under that pledge, you come here at the eleventh hour, right upon the end of the first four years of the administration, and you do not propose to enforce existing laws, but you want to get up some sort of a useless and expensive investigation, lasting, according to your own statement, eight months and beginning with an appropriation of $400,000.

Mr. BORLAND. Mr. Chairman, will the gentleman yield?

Mr. AUSTIN. This is a fulfillment of that pledge and that promise which you and your party made to the American people in 1912 and upon which you were elected.

Mr. BORLAND. Will the gentleman yield?

Mr. AUSTIN. Yes.

Mr. BORLAND. Leaving all partisanship out of the question, did not the gentleman vote for the Federal Trade Commission law?

Mr. AUSTIN. I do not know whether I did or not.

Mr. BORLAND. Well, the gentlemen did. Why did the gentleman vote for a law providing for this kind of an investigation if he is not willing to try it?

Mr. AUSTIN. As has already been stated, we have tried it. This very commission undertook to investigate another question, and we have waited a year, and it has not yet submitted a report in that case, and if that is the character of service it is rendering to the American people, then the gentleman and I made a mistake in voting to create such a commission.

Mr. BORLAND. Let me ask another question. Is the gentleman opposed to the finding of the Federal Trade Commission that is going to lower the price of print paper to every country newspaper in the land? Does the gentleman say that that does not justify an investigation?

Mr. AUSTIN. Are you?

Mr. BORLAND. No; I am in favor of it. I think it was a good piece of work.

Mr. AUSTIN. Do you discredit the officials in your own city and county and district who under the laws of the State of Missouri should prosecute and put into the penitentiary every man whom you charge is violating the law in the packing industry in your own home town?

Mr. BORLAND. Is it not better to bring down the price of print paper than to send somebody to jail?

Mr. AUSTIN. No.

Mr. BORLAND. Is the gentleman opposed to this proposition?

Mr. MADDEN. There is no print paper in this resolution, is there?

Mr. AUSTIN. If the gentleman, through the Attorney General's office and the 88 prosecuting attorneys, will put into the penitentiary a half dozen of these men he claims are violating the law, then he will end unlawful combinations and trusts in the United States.

Mr. BORLAND. How many did the gentleman's party send to jail?

Mr. AUSTIN. Oh, you accused my party of failing to do its duty in that regard, and you promised a new departure, and I am asking you not to delay the fulfillment of your promise, but to keep it in good faith by prosecuting these men whom you asserted in your platform were violating the antitrust laws. What is that law?

Here is the first section:

Every combination in the form of trust or otherwise or conspiracy in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal—

And fixes a severe penalty. Now, I ask the gentleman from Missouri [Mr. BORLAND], if he has information as to illegal combinations, if he can better serve his constituents and the American people than by going with his testimony to the Attorney General in Washington City or the district attorney in his home town and submitting the same to a United States grand jury?

Mr. MONDELL. Will the gentleman yield?

Mr. AUSTIN. In a moment. Now, we have had in the last eight years seven investigations by commissions and committees. We had the Money Trust investigation; we had the Sugar Trust investigation; we had the Steel Trust investigation; we had the industrial investigation; we had the immigration investigation; we had the Colorado coal strike and the Michigan copper investigation; and the Post Office Department was investigated in the Sixty-second Congress. We have had seven investigations, and they covered over 100 volumes of testimony and hearings, costing countless thousands of dollars, and to this good day there is not a man, to my knowledge, who has ever read a single volume of the testimony; and in the line of legislation practically nothing has been done.

Mr. MONDELL. And the leak investigation.

Mr. AUSTIN. And the leak investigation.

Mr. GARRETT. That was not our job; it was yours.

Mr. AUSTIN. I did not know we were running the House.

The CHAIRMAN. The time of the gentleman has expired. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none.

There was a query made by the gentleman from Wyoming which the Chair was not able at the moment to answer, but there are 30 applications for time and there is an hour and 10 minutes in which to hear those speeches, and it would be impossible to hear all this evening. The Chair recognizes the gentleman from Indiana.

Mr. BORLAND. Mr. Chairman, in order at this time that there may not be any misunderstanding about it or any personal application, I am going to object to extension of time of any gentleman so that as many as possible may have an opportunity to speak. I make that announcement now so that there will not be any personal application to my objection.

Mr. CULLOP. Mr. Chairman, the condition to-day in certain cities of the United States is deplorable. It is a calamity, and there must be some good reason for the shortage of foodstuffs in those cities where riots have existed. Now, there are three reasons, in my judgment, for these unfortunate conditions; one is the foreign demand, which is enormous at this time, and another is the shortage of crops. Last year our wheat crop was more than 300,000,000 bushels short and our corn crop was more than 400,000,000 bushels short. Those two shortages contribute in part to this result. Now, there is another reason, the third one, for the condition that exists, and that is the existing transportation facilities of the country. The recent investigation of the Committee on Interstate and Foreign Commerce clearly demonstrated that many of the cars which should be used in transportation were to-day idle upon the sidetracks in the different cities of the country. Thousands of them were idle at terminals and they have been there for quite a while.

If those had been employed in the transportation facilities of the country, the deplorable conditions would not exist. The products are in the country to feed the people of these great cities, but the transportation facilities are not taking them to the markets. That is one of the great troubles. Hundreds and hundreds of idle freight cars are found in every terminal and have been standing there for a long time idle and not employed, with their wheels rusting to the rails. Now, one of two things is apparent: Either the railroads are making this condition intentionally by not moving these empty cars in commerce, or they are not able to manage their business—are incapable. One of two conclusions absolutely is certain. Is it the latter—that they are absolutely incapacitated to manage properly their business—or are they by design producing this condition for the purpose of compelling the Government to take over their properties? It is well to look into this condition and see whether or not it is correct. Is it contrived for the purpose of bringing about this condition and compelling the Government to take over their properties at their inflated values, at their overcapitalized bond and stock holdings? Now, what is the condition in many sections of the country? Schools have had to close in my State for the want of fuel, within 200 miles of great coal mines, coal mines which are capable of abundantly supplying the markets. But they could not get the cars to haul the coal to the market, and yet the cars were in the country and within 250 miles of the mines that wanted them to haul their product to market. Gentlemen, it is time to consider what steps should be taken to remedy this evil which exists in this country to-day. It is an evil, and it is a serious evil. The food products are in the West. There is enough wheat to-night in the Chicago elevators to supply New York City, the entire population, for three years, and yet they can not get transportation facilities to haul it to the people who want to purchase it at good prices.

Mr. MONDELL. Will the gentleman yield?

Mr. CULLOP. Certainly.

Mr. MONDELL. When does the lake transportation open? Does it not open soon so that the grain can be carried by water?

Mr. CULLOP. Oh, lake transportation, I will say to my friend from Wyoming, cuts but a very little figure in this matter. If the railroads have the cars, as they have, why when the lakes are frozen up should they be permitted to punish the people and starve them? No man can give a good reason for that.

Mr. MONDELL. I take it the gentleman is not assuming I think it is good.

Mr. CULLOP. I hope not. I assume that some time the ice will thaw out of the lakes and they will have transportation which will open up a supply for the starving mouths in these great cities; but why delay it when facilities are at hand but not employed?

Now, Congress has the power to provide the means for investigating this in the manner here proposed, and I hope it will employ it. I know many here scouted the idea of the usefulness of the Trade Commission, ridiculed its purpose when it was created, but time has vindicated its beneficial function, and the good already resulting from its work has proven its usefulness to the people and the splendid purposes it can serve. The paper investigation it has just concluded demonstrates what profitable purpose to the people it can serve. If it should do nothing more, its splendid work in this respect has amply vindicated those who advocated its creation. It brought to time, to its feet, pleading for mercy, those avaricious manufacturers who were plundering a helpless public by extorting unreasonable prices from consumers, and they surrendered the right to the commission to fix prices at which their products should be sold hereafter to the consumer, and the price it will fix will be a satisfactory one to the consumers and one that will provide a reasonable profit to the manufacturer. This was a notable victory, one that fully establishes the wisdom of its creation.

Give it the means here required and it will, in my judgment, solve this problem, secure relief, and teach those responsible for the existing conditions that a repetition will not be tolerated, and if ever attempted, those who do so will feel the talons of the law visiting proper punishment upon them.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SIEGEL. Mr. Chairman, I ask unanimous consent to insert in the RECORD a letter which I have written on this subject.

The CHAIRMAN. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The following is the letter referred to:

HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
Washington, D. C., February 23, 1917.

To the EDITOR OF THE DAY: Answering yours of the 21st instant, will say that I have recognized the fact that the prices charged for food within the past six months in the city of New York are exorbitant, and have given the matter some study for quite some time.

Before I express any opinion as to the relief to be had from the high food prices in the city of New York, let me say that by riots nothing is gained in the eyes of the public and the Nation at large. That conditions are bad is conceded, and relief is necessary, but it can be obtained in a country like ours by appealing to public officials in an orderly manner and not by destroying the stocks of vegetables of poor peddlers, many of them maimed and crippled, who, with the hardest kind of work and long hours barely make a living.

There never will be a real and genuine reduction in the price of food in the city of New York unless public markets, convenient to the people in each part of the city, are opened, and then the housewife will be able to go to such public market, purchase her food supplies, and take same home herself.

There must be a different system of distribution of food in the city of New York, and I know of no reason why food supplies can not be carried during the night from one part of the city to another by making use of the subways.

There should be a large terminal market in the Borough of The Bronx, and close enough to the Borough of Manhattan as the Harlem conference called by the Harlem Home News, of which I am a member, suggested.

There is, of course, the big question as to whether there is constitutional authority to make it a crime for one individual to gather certain products necessary for the sustenance of human life and then hold same until he obtains a higher price. It seems to me that the Legislature of the State of New York should enact such a law making it a felony and then let us have the question threshed out in the courts as to whether it is constitutional.

I would also have the State legislature immediately reduce the time in which food can be kept in cold storage, because it has now become apparent that unless there is such a reduction in time that food speculators take advantage of the situation and hold food in storage until they can obtain higher prices.

I know that Gov. Whitman has been considering the whole matter for quite some time, and I am confident he will act promptly.

In 1893, if my recollection serves me right, Nathan Strauss opened large stores in New York City, in which food was sold at cost price to all who called to buy. If the State legislature will not grant relief, I would suggest that The Day make an appeal to some of our leading philanthropists in New York City to do the same thing now, because they can lose nothing by their investment and at the same time relieve conditions.

As far as the coal situation is concerned, I would have the Interstate Commerce Commission take more active charge of the matter and the Federal Trade Commission get busy, the same as it has done in the matter of paper required by newspapers.

I introduced a bill, copy of which I inclose, and delivered a speech on the floor of the House yesterday, which, I think, can bring temporary relief.

The session is short, and it is a question as to how much can be accomplished here, but you have my sincere and earnest wish that in concerted action you will obtain what I hope will be permanent relief, and to that I pledge you my most hearty and full support.

Were the foreign situation less critical, I would be glad to attend the conference, but my duty, as I see it, requires me to stay here. If there is anything else that may suggest itself at the conference that I can do, I would ask you to communicate immediately with me.

Very sincerely, yours,

ISAAC SIEGEL.

Mr. DAVIS of Texas. Now, Mr. Chairman and fellow Members, in five minutes it will be impossible to discuss even cursorily the greatest problems that confront civilization. Blackstone tells us the distinguishing difference between civilization and barbarism is found in the production and distribution of life's comforts, called commerce. He tells us that schools, colleges, courts, and the like are only the necessary adjuncts, the concomitants, to preserve public order, capacitate men, and protect the equities in production and distribution.

Now, listen! I would like to speak for an hour. If production and distribution make the distinguishing difference between civilization and barbarism, then there are three elements in production and distribution that no Government on earth can ever allow monopolized without introducing injustice and unnatural, abnormal conditions in life. Men, machinery, and money are the three elements in production and distribution applied to nature's storehouse which God gave to man—the earth. If you allow a monopoly of money, then people who monopolize the money will control the machinery and hire the men, get the profit of both, make mountains of wealth for themselves, live in mansions bedecked in all the splendors of the universe; and they will control production and distribution. And what will be the result? When the men who run the machines can not consume what they and the machine produces, then the fellow who owns both of them will shout "overproduction," throw the men into the junk pile, and close down the machine and have a panic. So civilization then begins to eat itself up.

Now, just lay that down as fundamental. I will not have time to discuss it.

The next point I want to get to is that my friend, MARTIN DIES, portrayed beautifully the quantitative theory of money. I want to make this declaration—I will not discuss it, but to put myself on record, and somebody years from now will read what "Cyclone" DAVIS says—any government on earth will be subject to panics, subject to upheavals, subject to bread riots, that issues its currency on the debts of the country instead of productive industry. You divide society into three classes—the farming and agricultural class, the mechanical and industrial class, and the other the business and creditor class. We issue the money to the creditor class, and the latter will finally control the men who work on the farms, will own the soil they work, will control the men who work in the shops, and will own the machinery they operate. And that is the accursed civilization we have now. If you will issue money on the productive industry you can not keep the producer from being the most prosperous man on earth—a just distribution; and as production increases consumption will increase, and civilization will move forward in leaps and bounds and beautify the earth with magnificent homes and fill it with comfort and contentment.

But Mr. DIES, in discussing the money problem, beautifully wound up by stating that all things were governed by supply and demand.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAVIS of Texas. Oh, there are so many fellows who have asked for 10 minutes that ordinary folks did not get in in time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. COLEMAN] is recognized.

Mr. COLEMAN. Mr. Chairman, this is a most important question and the debate, on the whole, has been both interesting and instructive. We have heard a good deal in the course of the discussion about the packing houses and the neglect of enforcing the antitrust law. On these particular lines I have no reliable information. But I know the President had said in his letter of February 7 that in comparison with 1900 the meat product of this country is 29 pounds per capita less. That would indicate to me that we can find a reason for the present high prices in the old reliable law of supply and demand. And when you add to this the fact that we are exporting our products to take care of the millions of men that have been withdrawn from their ordinary peaceful pursuits to engage in war we have a further reason for believing that the high prices are the result of this same economic law.

And I do not see how we can hope to have these prices reduced until the present abnormal times have passed away and peace again comes to reign among the warring nations abroad.

For the present reign of high prices there may be other contributing causes, and I shall support this amendment in the hope that it will result in furnishing reliable information on which to base legislative action. For if the evil can be reached and remedied by legal enactment, surely the public are entitled to relief.

I listened with a good deal of attention to the colloquy between the Representative from New York [Mr. LONDON], who stands for socialistic principles, and the reply from the very able gentleman from Kentucky [Mr. SHERLEY]. They had considerable to say about legislating for groups instead of for the general interest of the country. And my opinion is that in this Congress, which is soon to adjourn, we have done considerable injury in our attempt to legislate for groups instead of having the broader vision of the great interests of all the people of the country. [Applause.] It is legislation for the farmer, and it is legislation for the shipper, and it is legislation for the railroad man, and we seem to forget that there is a great Nation composed of many different classes of people, and that the people of that Nation as a whole should be our concern, and that we should allow these various groups to work out their own salvation under the old competitive system, in which I still believe.

In reference to the railroad legislation, to which I have referred, I wrote a letter trying to explain my vote at the time to the members of a railroad organization, and they would scarcely listen to the reading of it. I have in my hand a letter from one of the officers of that same organization from which I quote, as follows:

To-day, however, your letter of September 8, 1916, would be greeted with applause by the very men that ridiculed you.

This proves the evil of legislating for groups. In this case you wandered away from very substantial principles of government, and you have pleased nobody in your wanderings from those principles. We ought to keep in mind that we are representatives of the National Government, and we should, in our conduct in this body, hold fast to those true principles of government that have served us so well and faithfully thus far. And I am one of those who still believe in the old idea of individual liberty and the right of men to work out their own salvation. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLEMAN. Mr. Chairman, under leave granted to extend my remarks I insert in full the text of the letter to which I have referred.

[Three Brothers Lodge, No. 235, Brotherhood of Locomotive Firemen and Enginemen.]

PITTSBURGH, PA., *February 14, 1917.*

Hon. WILLIAM H. COLEMAN,
Thirtieth District Representative,
House of Representatives, Washington, D. C.

DEAR SIR: On September 5, 1916, I wrote you asking why you voted against the Adamson bill. Your answer was full and complete, and the views expressed therein were in accord with my own. I read your letter before the members of our lodge at regular meetings, and also at special meetings of the four transportation brotherhoods.

It appeared to be unpopular to express such views at that time. However unpopular, it was my firm conviction that such was the truth, and I continued to so express myself. During the several weeks prior to election I caused a large number of my best friends to become very unfriendly toward me because I opposed the Adamson bill, some of the men using very strong words, others saying that I was opposed to the eight-hour movement, when, as a matter of fact, I was a real advocate of a genuine eight-hour movement, while my opponents were the supporters of an imitation eight-hour movement.

To-day, however, your letter of September 8, 1916, which I have carefully preserved, and my views on this movement as expressed prior to election would be greeted with applause by the very men that ridiculed you and me several weeks ago. This, in effect, has proven conclusively that we are right and they are wrong.

I have just finished reading your speech on compulsory arbitration January 22, and wish to say that the views as expressed therein are the product of a very careful investigation of the progress of the human race from abject slavery to the present form of freedom, for which you deserve a full measure of appreciation from all lovers of humanity and freedom, regardless of political affiliation. I intend to impress upon my fellow workers the necessity of a careful perusal of this valuable document for the educational information it contains and the simplicity of its structure that the most uneducated workingman can readily understand. You have done a great service to all humanity by raising your voice in protest against a reforging of the fetters that an enlightened race has once broken asunder.

I feel sure that your efforts in behalf of such a worthy cause will be remembered now by millions of people whose cause you are espousing, and will live in the minds of men for ages, because it is based upon the rock of truth and justice and can withstand the fiercest storm—in fact it is indestructible.

With best wishes for the success of your valuable efforts, I am,
Yours,

JOHN H. DUXBURY,
Legislative Representative No. 235.

Mr. BLACK. Mr. Chairman, the discussion on the Borland amendment to authorize and direct the Federal Trade Commission to conduct an investigation into the production, ownership, manufacture, storage, and distribution of foodstuffs has assumed a wide range and has been very thorough. I would not consciously vote against any measure or any amendment to this bill that I thought would be for the benefit of the whole people. I think an ancient writer expressed the correct idea as to all legislative enactments when he said that "no law can possibly meet the convenience of everyone." We must be satisfied with it if it is beneficial on the whole and to the majority.

Now, I believe that such an investigation as is provided in the amendment of the gentleman from Missouri [Mr. BORLAND] will probably be beneficial on the whole and to the majority of the people of the United States, and therefore I will vote for it. It is true that the sum it appropriates, $400,000, is a large amount to be expended in an investigation, but the subject is extensive and covers a wide scope, and the plans laid out for its prosecution are thorough and comprehensive.

Undoubtedly some of the blame for the present high cost of living will be definitely traced to artificial means, such as monopolizing and manipulating the markets, and these should encounter the strong arm of the law from the Department of Justice, and that as rapidly as possible. But while we are ordering this investigation it is well that we bear in mind that all the present high cost of living is not due to artificial causes, but much of it arises from fundamental causes, and these fundamental causes can not be corrected by speech making and legislating. We might stay here until next Christmas and resolute and pass laws and make speeches, but that would not produce a single additional bushel of wheat, bale of cotton, pound of potatoes, gallon of molasses, or hoof of hogs and cattle. Persuasive as is the eloquence of the gentleman from Missouri and other Members who have spoken on this question, it will not make old Speck lay any more eggs or old Bossie give any more milk and butter. Gentlemen can orate until they turn blue in the face, but it takes the great wheels of production to turn out the stuff that feeds folks' stomachs. "One wintry day down in the South," says a Washington man, "I met an old darkey in rags plodding along. The cold wind beat the many holes in his tattered garments. Yet despite his evident poverty he was carrying a whole side of bacon on his shoulder. 'Uncle,' I asked, 'why don't you spend your money on a warm coat, instead of all that bacon?' 'Well, suh,' said the old man gravely, 'when I asks my back for credit, I gits it'; then patting his stomach he added, 'but dis heah, suh, dis heah, always calls for cash.'" And so it is, gentlemen of the House, the stomach calls for the real staff of life, and all the imagery of fine words will not satisfy it very long. The real problem in this matter is not artificial; it is fundamental and can not be reached by legal expedients.

To my mind the most important, and I might say supremely vital, consideration at the present moment to this country is how to stimulate and encourage an increased production of foodstuffs in the United States for 1917. You gentlemen of the Congress who represent city constituencies might as well understand that it is impossible for the farmers and producers of this country to produce their crops under the present high prices which they themselves have to pay for everything which enters into their production and then sell this production at the old prices. We have no reason to expect butter and eggs, meat and lard, flour and meal, cotton and corn, to be sold at the prices which used to prevail, when everything which the farmer bought was correspondingly low. It can not be done, and it is foolish to talk about it. The whole pendulum of production will have to change before it can be done. Any policy of government which would try to make him do so would be suicidal, and while it might mean cheaper prices for a while it would be ruinous in the long run. Such a policy would be no wiser than Æsop's fabled cottager who killed the hen that laid the golden egg.

It may surprise some gentlemen to know that a study of farm statistics will reveal that the farm laborer is to-day, on the whole, the poorest paid laborer in the United States.

Gentlemen who represent city constituencies may not expect to see wages in the city improve and shorter hours and better working conditions prevail—and I congratulate them that these results are being obtained—and then expect laboring conditions on the farm to remain the same and agricultural products to stay cheap.

England's great premier, Lloyd George, in this the most critical hour of Great Britain's history, has grasped the full importance of the necessity for an increased food production, and just this week, in a speech which he delivered before the English House of Commons, he discussed ways and means of bringing it about. Among the measures which he suggested was one which absolutely guarantees to the farmers of Great Britain remunerative prices for agricultural products during the next four years, and also a measure guaranteeing the farm laborer a scale of wages that will put him on a just par with other classes of labor in the British Empire. Of course I do not believe that similar measures are necessary in the United States to stimulate production, because I believe that result will be taken care of by the natural law of supply and demand if we do not do the foolish thing and put into effect an embargo such as has been suggested by the gentleman from New York [Mr. FITZGERALD] and other Members who have spoken in the same vein during this discussion.

What could be more unwise and unjust than to lay an embargo on products which the farmer produces and leave the markets of the world open to the things which he has to buy? It ought not to be done, and I do not believe that it will be done.

Now, Heaven knows I have no prejudice whatever against the man who lives in the city. For just as one stone laid well upon the other makes the massive structure when it is completed, with all of its beauty and symmetry, just so does the citizenship of the country and the citizenship of the city blend together and make our great Commonwealth what it is to-day.

And any man who tries to array one class against the other, in my opinion, is a dangerous demagogue and an enemy to the peace and welfare of the country.

RAPID INCREASE OF URBAN POPULATION.

The problems which we have been discussing should appeal to the unselfish patriotism of every good citizen, regardless of politics or whether he lives in the city or in the country.

During this discussion I have procured a copy of the most recent statistical abstract issued by our Census Bureau, and, turning to it, I find that, in 1890, 36.1 per cent of the popu-

lation of the United States resided in the cities, in 1900 it had grown to 40.5 per cent, and in 1910 to 46.3 per cent, and, I dare say, the next decennial census to be taken, in 1920, will show that this has increased to anywhere from 50 to 55 per cent.

Do gentlemen of this House think that kind of a thing can continue to go on and prices of foodstuffs remain stationary and normal? If you do you are destined to meet with a rude awakening.

I am glad that farming throughout the United States is now on a profitable basis. It is vital to our welfare that it should remain so, for only in that way can the exodus to the cities be stopped and the serious economic problems which it brings be checked.

In our efforts to bring relief to our city brethren, let us be careful that we do not give them a remedy which in the end would work more harm than the ill sought to be cured. It would not be an inappropriate time to quote the words of Lord Chatham:

> Trade increases the wealth and glory of a country, but its real strength and stamina are to be looked for among the cultivators of the land.
>
> Princes and lords may flourish or may fade,
> A breath can make them, as a breath has made;
> But a bold peasantry, their country's pride,
> When once destroyed, can never be supplied.

CONCLUSION.

Therefore, Mr. Chairman, I hope that all agitation for an embargo will cease; that the Department of Justice will be active and vigorous in its prosecution of any and all violations of our antitrust laws, and especially those which it may find to be connected with the sale of food products; and, last of all, but most important of all, that our farmers—North, East, South, and West—will plant the largest acreage of foodstuffs this year in the history of our Republic, and that these crops, under the benign influence of the sunshine and the rain and the stimulation of the husbandman's toil, will bring forth such an abundant harvest as the country has rarely ever seen before. This would bring more help than all the investigations in Christendom could possibly avail.

Mr. GREEN of Iowa. Mr. Chairman, I am not in favor of this amendment. I favor more prosecutions and fewer investigations.

Mr. GORDON. Mr. Chairman, will the gentleman yield right there?

Mr. GREEN of Iowa. No; I regret I can not.

Mr. GORDON. Whom would you prosecute?

Mr. GREEN of Iowa. I will explain that a little later on.

Mr. GORDON. That is the point.

Mr. GREEN of Iowa. I confess that a human jumping jack-in-the-box bothers me a little sometimes [laughter], and with the gentleman bouncing up without asking the Chair at all, it does not help about speaking. [Laughter.]

The best place to investigate extortion and monopoly is in the grand-jury room.

Mr. GORDON. If you have evidence; yes.

Mr. GREEN of Iowa. If the gentleman is through, I will go on. Otherwise I will wait until he gets through. What can this investigation produce? What result can it give us? The gentleman from Missouri [Mr. BORLAND], who introduced the resolution, said that we might find some evidence of unlawful trusts or combinations. If that is what he expects to find through this investigation, the best place to find that is in the grand-jury room. When the grand jury meets, then is the time when thieves and extortioners are likely to get their dues. When rogues fall out honest men stand some chance.

But what do these people care for an investigation? What harm does an investigation do them? How does it interfere with their unlawful transactions? I must confess that I have but little faith in the results of investigations conducted by the Federal Trade Commission or in any prosecution based on the results of their investigations. The Federal Trade Commission law was not created for that purpose. We were told at the time it was passed that it was to avoid the necessity of prosecution, and it seems to have avoided prosecutions entirely.

Recently we were told in the newspapers that an investigation had been conducted by the Federal Trade Commission and that the commission had found out that the present high prices of print paper were due to a combination among the manufacturers, by which they held up the American people to the extent of about $30,000,000 in the past year or two, and what was going to be done about it? Why, these parties that were in this combination came forward and stated that if no prosecutions were instituted they would cease from their illegal combination and would put the prices down to where they ought to be—for a while, at least. [Laughter.] Then the newspapers went on to narrate that thereupon the grand jury ceased its operations, and we are informed further that the prosecutions are to be given up.

The result of this Federal Trade Commission seems to be that these trusts are investigated; we find out that they exist and that they have been violating the law; and then it is said, "Naughty trusts; don't do it any more," and the trust responds that it will not—until the next time. [Laughter.]

That is the end of it. And so through all this administration the trusts and combinations have been running riot, and we find them on every hand. That they exist in relation to the present high prices no one has any doubt or can have any doubt. Whether our law is sufficient to reach them now I am not able to state.

Mr. MONDELL. Will the gentleman yield?

Mr. GREEN of Iowa. I yield to the gentleman.

Mr. MONDELL. The gentleman says no one has any doubt about combinations controlling food prices. Why, the Attorney General within less than 10 days has reported that after an investigation he finds no violations. There is an exception which should be noted.

Mr. GREEN of Iowa. If the Attorney General stops the grand jury from prosecuting, as it is reported he has recently stopped the print-paper investigation, of course he will not find anything. No one finds anything if he is determined not to see it.

Now, there is another horn to this dilemma. Perhaps gentlemen will say that if we carry on this investigation we will find that our processes of distribution are archaic and cumbersome; that there is too much intervening between the producer and consumer; that too much is absorbed by the middleman. That is all true. We know all that already. We have known it for a long time, and we ought to take some action with reference to it. But it will not help the situation to investigate this matter, to bring out simply what we have already known. As the gentleman from New York [Mr. FITZGERALD] stated in his very interesting speech that he made here to-day, they have been investigating these matters for two years in New York, and they have a commission investigating them now—a commission to report on the best methods or improved methods of distribution, and a further commission, with some authority, as I understand, to buy food and sell it at what might be called reasonable prices to those who are seeking food. But all this has brought no result so far, apparently; at least not to satisfy those who are complaining.

The gentleman from New York [Mr. FITZGERALD] says he wants an embargo put upon our exports. But how would that help the prices of potatoes, of onions, of butter, of eggs, and other commodities like them, which are not exported at all?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAUGEN. May the gentleman have another minute?

The CHAIRMAN. The gentleman from Iowa asks that the time of his colleague be extended one minute. Is there objection?

There was no objection.

Mr. HAUGEN. Is it not a fact that, if this investigation should be made, the commission should be clothed with the power that is necessary in order to make an effective investigation, and that the commission is not now clothed with the power of search and seizure, which is necessary in order to make the investigation effective? The attorney for the commission stated the other day, before the conferees on the Agricultural bill, that it has not the power under the statute.

Mr. GREEN of Iowa. It will not get it by this amendment.

Mr. HAUGEN. An investigation without that power amounts to very little.

Mr. GREEN of Iowa. That power is not given by the amendment, and the commission does not have it. I agree with my colleague, but think it is useless to talk about what might be accomplished by a power that does not exist. What we ought to do is to pass the bill of the gentleman from Wisconsin [Mr. ESCH] giving the Interstate Commerce Commission power to control the car situation on railroads. When the railroads are compelled to return the cars which have arrived at the seaboard, even if they have to be returned empty, plenty of foodstuffs will be shipped to New York.

Mr. Chairman, there is wheat enough in the Chicago elevators to-day to feed the city of New York and Brooklyn for more than a year. There are 60,000,000 bushels waiting for cars. The country elevators are filled to bursting waiting for cars. The great Minneapolis mills are overflowing with flour which they can not ship, and only running one-third of the time—not for lack of wheat but for lack of cars. There is food enough in the country if we would quit investigating and act.

Mr. RAINEY. Mr. Chairman, this is a proposition to appropriate a considerable sum of money for the purpose of investigating the increased cost of food products in this country. We have listened already to 12 or 15 gentlemen who have discussed this subject, and there are 25 or 30 other gentlemen who have announced their intention of discussing this question if there is time for that purpose under the agreement reached by the committee some time ago. The discussion, as far as it has proceeded, absolutely demonstrates the necessity for this investigation—not a single gentleman who has addressed the committee has been able to give one logical reason for the increase in the price of food products in this country, and no gentleman who will address the committee during the remainder of the time we have this subject under consideration will be able to give a single logical reason. The situation is not logical. All the laws of supply and demand seem to have failed in the present emergency.

THE INCREASE IN COST OF BREAD.

I want to call attention to the increase in the cost of bread, and the cause for that increase can be easily ascertained. Early last summer, in Salt Lake City, the National Association of Master Bakers held their convention. One of the principal officers in that association announced at the convention that throughout the country a concerted movement would commence to increase the price of bread. He said that it would take lots of money to bring it about; that it would be necessary to assess the members of the association and to organize a publicity campaign in the country for the purpose of boosting the price of bread. The assessments were made and the advertising campaign commerced, and has gone on to this day. Now, where is there any law on our statute books which will reach that sort of a situation? There seems to be no combination here among bakers, but bakers belonging to this association and to the associations within the States, contribute money for the purpose of carrying on a publicity campaign to convince bakers throughout this country that they ought to increase the price of bread, and to convince the public that they ought to submit to the increase in the price of bread. That is exactly what is going on in the United States to-day. Wheat has been $2 a bushel before, and bread has sold for 5 cents for 14 ounces during all that period of time. Three or four times since the Civil War wheat has been just as high as it is now, and during that time bread was made in a more expensive way, but it sold for 5 cents a loaf. As the result of this advertising campaign, this publicity campaign, the price of bread has gone up, and with it the price of potatoes. Potatoes did not advance until, as a result of this combination among the bakers of this country, a combination that you probably can not reach by law, the price of bread went up, and potatoes, of course, went along with it.

I want to read to the committee a letter written by Mr. J. M. Bell, of the National Association of Master Bakers, of which organization he is the secretary:

[National Association of Master Bakers. Organized, 1897. Association letter No. 46, serial p. 77. Issued from the office of the secretary, Royal Insurance Building, 160 West Jackson Boulevard.]

CHICAGO, ILL., *December 13, 1916.*

To members of the National Association of Master Bakers:

A letter was received in this morning's mail which is so significant of conditions in many parts of the country that the secretary is publishing it, without names, in the hope that it may be an admonition to some and a benefit to all. We do not vouch for the accuracy of the statements contained in it, but because of what we have heard from other States, and verified to some extent, we are not disposed to entirely discredit the report.

The letter follows:

"Please find inclosed check for $15 for increased dues. Sorry we did not send it sooner, but the high cost of material kind of gives a man the blues sometimes, although we received a great deal of benefit from the national association, especially this year, and the money is well spent.

"We have the majority of bakers here lined up to the 10-cent loaves and are putting on a 10-cent loaf advertising campaign. Expenses are defrayed by the bakers pro rata per barrel of flour used.

"But we have several bakers, among them is our State president, who still sells three loaves for a dime, and after we went to 6 cents for the small loaf, he went to 5 cents, but sells three for a dime as a leader. He does not cooperate with us at all, and is the worst drawback we have to the State association, our city association, and naturally does not do the national association any good. I have advocated all the national association recommendations, and it does some good in the way of holding us together, yet to get new members for the national association is nearly impossible, with Mr. ———'s method of doing business as an example.

"After his return from the Salt Lake City convention he reported that the national association is only for the larger bakers; that the small baker has no business there."

I believe the notion that the national association does not welcome or does not benefit the smaller baker is now pretty generally exploded, and I will not refer to it here, except to say that my heavy correspondence during the last two or three months has been almost entirely with the smaller bakers.

What I do want to say in connection with this letter is that bakers who find themselves in positions of honor and responsibility among their fellows can not be considered as less than renegades in the industry, if they fail to serve their associates, as well as themselves, by practicing in their own business as the cooperation for which their organizations must stand, if they stand for anything.

Very truly, yours,

J. M. BELL, *Secretary.*

In other words, this campaign for the increase in the price of bread is being carried on upon the theory that the baker in this country who does not increase the price of his loaf is a renegade. I know of no reason why any manufacturer should not increase the cost of his product if he considers it necessary to do so in order to conduct his business with the reasonable margin of profit to which he may be entitled. But I know of no reason why he should become a party to an expensive publicity campaign to convince his competitors in business and all who are engaged in the same business, whether competitors or not, that they ought to make similar increases in the cost of their product. The officers of the National Association of Master Bakers may have already rendered themselves liable to the penalties of this law—and if this law is not sufficient to reach all those who have contributed to this publicity fund it ought to be amended so that it will reach them. The increase in the bread bill of the people of the United States made possible by this publicity campaign will amount to over $300,000,000, and the profits of the large commercial bakers of the country have been correspondingly increased.

Mr. FESS. Mr. Chairman, on last Wednesday the gentleman from New York [Mr. LONDON] was calling attention to the bread riots in New York, and he said he had introduced a bill looking to making such conditions impossible. I interrupted him to ask whether his measure was a temporary measure to relieve a temporary situation or whether it was permanent legislation. His answer to me was that all radical measures were temporary, but would ultimately become permanent. I stated that if the matter was temporary, to relieve the existing situation, I had considerable sympathy with its purpose Of course, this membership well knows that these suggestions of our Socialist friend are only a part of a program well known to those familar with the principles of the Socialist propaganda. An unfortunate situation which makes possible bread riots appeals to me as worthy of legislation by Congress. It was this situation which induced my answer of sympathy for such temporary relief, although it may be socialistic.

It must have been that answer that was the cause of one paper in the city announcing that I was going to introduce a resolution and attempt to force it upon this Congress. In other words, the paper went to the extent of giving me a good deal more recognition than any individual of the House would deem I had. It did not stop here, but has taken a wider circulation until I have come into some recognition as a foster-father of this sort of legislation.

Now, Mr. Chairman, I rose to say that for this sort of legislation suggested by my friend, Mr. LONDON, which he says is to be permanent, I have no sympathy at all as permanent legislation. I never thought of introducing such a resolution, nobody had ever suggested it to me, and I had suggested it to no one. I have listened to all this debate on this subject. I have heard many suggestions of remedies. One is that we shall eliminate the middleman. Everybody knows that we can not do that unless we reorganize our entire industrial and social organization, and that would be permanent and not temporary. Others have suggested that the Government shall go into the building of certain plants, control all production as well as the distribution of food products. That would so change our methods in America and be so un-American that I could not support it.

Mr. FIELDS. Will the gentleman yield?

Mr. FESS. I will yield for a question.

Mr. FIELDS. Does the gentleman believe that it would be possible to distribute the supplies of this country without the aid of the middleman?

Mr. FESS. I think it is impossible. I have listened to all of the suggestions in this debate, and none of them are for temporary relief, except that of the chairman of the committee [Mr. FITZGERALD], who proposes an embargo. This case would most surely be a remedy worse than the disease. Our former experience with embargoes would argue our duty to avoid such methods of relief. This resolution looks to investigation which will require eight months to report, and which can not and does not look to the relief of the present situation that is mentioned by my friend, Mr. LONDON of New York. The high price of articles from which the country suffers was well presented in an able argument by the gentleman from Texas [Mr. DIES], who declared that high prices were due to conditions that are not subject easily to legislation. They are due to fundamental principles of trade, the laws of supply and demand.

Now, in addition to the three reasons that have been mentioned by the distinguished Texas Member, I wish you would listen to one other, and that is that 15 nations, representing over three-quarters of the population of the world, are at war. Of these nations at war 11, those of the entente allies, are demanding our products and they say to us, "We will give you any price that you may ask if it is necessary to get them." That abnormally stimulates the price current of everything that is in the channels of trade to such a degree that in sympathy everything in America has gone up in price until it is abnormal, from which the people in the cities suffer. This legislation will not relieve the situation, and for that reason I withhold my support of it. I will vote for any reasonable measure to relieve the situation.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. REILLY. Mr. Chairman, I am in favor of the pending amendment, which provides the necessary funds to enable the Federal Trades Commission to make an investigation into the food situation in this country as authorized by the President of the United States in his recent communication to the said commission.

The debate had on this amendment indicates the striking differences of opinion as to the cause or causes of the recent food riots in New York and other large cities, and I take it that the said disagreement constitutes the best argument that can be offered in favor of the passage of the pending amendment.

When the Members of this body differ radically as to the cause or causes of an economic situation, then certainly some person or body should be authorized to make the necessary investigation in order that there may be no disagreement as to the facts involved in any economic problem requiring congressional action.

One of the functions of the Federal Trade Commission is to investigate economic and industrial problems, and it is the Government's best instrumentality for gathering facts that will be of value to Congress in legislating upon the food problem, if legislation should be necessary.

It is most deplorable that in our country, a land of plenty, there should be food riots or that any of our citizens should suffer the pangs of hunger. Such a situation is undoubtedly due to one of three causes, or perhaps all three causes may be more or less responsible for the situation. People are starving in New York to-day in the midst of plenty because of the greed and avarice of certain food speculators and manipulators, or because the transportation facilities of the country have broken down and have utterly failed as food distributors, or because the enormous exportations of our food products to the warring nations of Europe have depleted our food supply to such an extent that we have not enough left at home to feed our own people.

What Congress wants to know is which one of the foregoing causes is entirely or partially responsible for the present food situation in this country.

The gentleman from New York [Mr. FITZGERALD] has made an eloquent plea for an embargo on foodstuffs. As a general proposition I am not in favor of placing an embargo on foodstuffs, but if the proposed investigation should develop the fact that our food supply is not sufficient at the present time to supply our own people as a result of a short crop and of the heavy exportations of foodstuffs to foreign countries, I am in favor of Congress taking such action as will place the food demands of our people before the food demands of the people of the warring nations. Charity begins at home, and if we are sending too much of our food supply out of this country there can be no doubt at all of the imperative duty of Congress to act so as to protect our own people from starvation.

If it should appear from the proposed investigation that there is plenty of food in this country, but that our transportation facilities are inadequate to handle the huge task of distributing properly the food supply of the country, then Congress will be in a position to legislate intelligently so as to remedy such a defect in our transportation system. Again, on the other hand, if as the result of an investigation it should appear that there is plenty of food in this country and that it is properly distributed, but that the present high prices for food are due to the greed and avarice of a few speculators, then Congress should act and act quickly and deal out just punishment to the men who would build up enormous fortunes at the expense of starving Americans.

Mr. LEVER. Mr. Chairman, this has been an exceedingly interesting debate, participated in by some twenty-odd Members, and the only thing that these 20 men agree upon is the fact that the food situation in this country is acute at this time. Practically every gentleman who has spoken has offered a different reason for the existing conditions and has suggested a different remedy. No two have agreed on the same proposition. The gentleman from Texas [Mr. DIES] says that these high prices of food products are due to the fact that practically all of the gold of the world has come to this country and money is cheap. The gentleman from Ohio [Mr. FESS] suggests that on account of the warring conditions in Europe the demand for our food products has inordinately increased and, therefore, has increased the price of such products. The gentleman from Wisconsin [Mr. REILLY], who has just taken his seat, says this whole situation is largely a matter of psychology; and there you go from one extreme to the other, none of us agreeing either as to the reason for the situation or as to a remedy. I do not believe there is a man living who can put his finger on all of the reasons leading to this situation or who can suggest a remedy which will cure the situation.

If this debate has developed any one thing it has developed a necessity for a broad, impartial, strong, economic investigation of the whole problem of the high cost of living in this country. [Applause.] I think nothing more greatly emphasizes such a necessity than the divergence of opinion that has cropped out in this debate. The body constituted to conduct such an investigation is the Federal Trade Commission. The President of the United States, under authority given him in that act, has directed the Federal Trade Commission to make this investigation in cooperation with the Federal Department of Agriculture. The amendment proposes an appropriation of $400,000 to do that work. I do not know whether that is too much or too little. I know it is not too much if we can develop from the facts ascertained by this investigation legislation which will give to our country a safeguard against the recurrence of this kind of thing in the future. I believe myself that the difficulty lies in a number of directions. I think probably there is food speculation. I think probably our whole system of distribution is wasteful and uneconomical. I am not willing to say that, because I do not absolutely know. I have a very well-defined remedy in my mind for preventing the recurrence of this kind of a situation in the future. I do not know whether it is a remedy that will cure the situation. I would like to know the facts; I would like to have an impartial investigation made of the whole situation, in the hope that impartial economic minds might suggest to Congress some line of thought which would give a basis for legislation upon this subject.

Mr. KEATING. Will the gentleman yield?

Mr. LEVER. For a brief question.

Mr. KEATING. What will these hungry women and children do while the investigation is proceeding?

Mr. LEVER. I confess to my friend from Colorado I have no remedy and no suggestion for the immediate relief of this situation. What I am trying to do and what Congress should do is to give a permanent remedy against this thing. That is what I am seeking for in this investigation, and therefore I shall vote gladly for the amendment suggested by the gentleman from Missouri. [Applause.]

Mr. LENROOT. Mr. Chairman, with most of what has been said concerning the waste of money in investigations in the past and their uselessness I am fully in accord; but, Mr. Chairman, when the Government is not in possession of facts that it ought to have to act intelligently upon a given situation, I know of no way in which those facts can be ascertained except through an investigation, and because I believe this situation is one of the most important that Congress in the future will be called upon to deal with I am in favor of this amendment now. I have not such confidence in this trade commission as to believe all of this $400,000 will be wisely expended—I am sure it will not—but I do believe that an investigation will develop facts that will be of the greatest value to Congress in dealing with this question; and I think upon both sides of the aisle we must assume that in the very near future we have got to confront this question of the high cost of living by the enactment of new legislation. What its form shall take, I do not know, and I do not know that anyone has proposed a remedy except the gentleman from New York [Mr. LONDON], and nobody here agrees with him. Now, if by this investigation it shall develop that the present high cost of living is due to fundamental law, as the gentleman from Ohio [Mr. FESS] states, or is due to the law of natural supply and demand, the farmer who raises the products getting a reasonable price, and the middleman and the transportation man, and all along the line to the ultimate consumer getting a reasonable profit, then I assume there is nothing we can do except to hope to increase the production in this country; but if, upon the other hand, the high cost of living is due to the simple plan "that he shall take who has the power, and he shall keep who can," then Congress has got to meet that situation in some way. How it shall be done I do not know, and we can not know until we have the facts that will take

these commodities, beginning with the source of production, and follow them all along the line to the consumer and find out where the sore spot is and let us know about it. Then we will be able to act with some intelligence upon the subject. [Applause.]

I asked the gentleman from Kentucky [Mr. SHERLEY] whether he believed the regulation of the price of products controlled by a monopoly might not be the best means of destroying that monopoly, and he said he did not know but that that might be so, but that he did not believe that that was the way to go about it. I do not know, but I am inclined to think, that that may be the best way to go about it; and the combinations in restraint of trade, so far as destroying them by civil prosecution has fallen to the ground both under Republican and under Democratic administrations. The Standard Oil case, the American Tobacco Co. case demonstrated that. I do think you gentlemen on this side of the aisle are guilty of gross negligence in not bringing criminal prosecutions during the past four years as you have promised to do, and yet I am not wholly satisfied that that will prove a remedy. I think we must find some remedy; that instead of going through years and years of litigation in court, some administrative power in this Government, finding the fact that a monopoly exists, should have the right to say to that monopoly that it will regulate the price of the commodity that that monopoly controls, and while I am not committing myself at this time, of course, to any matter of legislation, that at least presents one possible remedy for the situation that exists.

But we can not tell those things unless we have facts on which we may base intelligent action. And there is nobody here to-night, there will be nobody in the next Congress, that without investigation by somebody will have those facts upon which intelligent action can be based. The gentleman from New York [Mr. FITZGERALD] proposes an embargo. Even if that were feasible, it offers no solution of this question, except temporarily. This problem began before the European war started. This problem will remain with us after the European war is over. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FITZGERALD. Mr. Chairman, the pending amendment proposes an investigation by the Federal Trade Commission. It has been assumed that that commission can make such an investigation as will furnish the Congress accurate information upon which at some time in the future it may act. While great divergence of opinion has been manifested as to the cause of the present situation, most of those who have discussed the matter have asserted that to some extent the question of transportation is a vital one in the situation. And yet the committee is proposing an investigation by a commission which by the terms of the organic act is prohibited from investigating transportation companies engaged in interstate commerce.

The act creating the Federal Trade Commission provides that—

> The commission shall have power to gather and compile information concerning and to investigate from time to time the organization, business, conduct, practice, and management of any corporation engaged in commerce, excepting banks and common carriers, subject to the act to regulate commerce.

So that the question of financing the holding or production or manufacture of foodstuffs and the question of transporting those foodstuffs can not be investigated by this commission.

Unless the commission can investigate these questions, the investigation will be absolutely worthless.

The gentleman from Kentucky [Mr. SHERLEY] referred to the embargo proposed by me as undesirable for many reasons. I realize that under normal conditions the embargo is not desirable nor sound as an economic policy. But we are not living in normal times. Normal conditions do not exist. Every country in Europe for more than a year has had an embargo upon foodstuffs.

I intend to place in the RECORD, in connection with the remarks which I made earlier in the day, the information furnished me by the State Department showing that Denmark, Greece, Holland, Norway, Spain, Sweden, Switzerland, Austro-Hungary, France, Germany, Great Britain, Italy, and Portugal have placed an embargo upon the principal foodstuffs. Why do they place an embargo upon foodstuffs? Because it is a notorious fact, not requiring investigation, that there is a world shortage of foodstuffs.

Mr. Prettyman, the president of the British Board of Trade, stated in the House of Commons in October that the men under arms in the belligerent countries were consuming from one-half to twice as much food as they did in ordinary times, and that that fact, and the fact that a great number of men under arms have been withdrawn from production, had created a shortage of foodstuffs in those countries.

We have had short crops. We have exported enormous quantities of foodstuffs in excess of our normal exports. We are confronted with a situation where we have a shortage of foodstuffs, and while I should not advocate an embargo merely to regulate prices, I believe an embargo will shortly become imperative in order that we shall retain for our own people the necessaries of life. They say we are at peace, and that the embargo should be used for a war measure. We are not engaged in war, but every other great nation of the world is engaged in a most deadly, destructive, and wasteful war. They are conserving the things essential for the sustenance of their people, and we with blinded eyes are sending forth our necessaries and taking the gold of the world that can not be beneficially utilized. We are exchanging what should be retained for what is of little use unless it can be exchanged for the very things we are so foolishly permitting to go from the country.

I hope this amendment will not be adopted.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that I may have three minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that he may have three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Chairman, I heartily favor any investigation to relieve the existing condition, but may I suggest that if an investigation is to be made we should clothe the investigators with the proper and necessary power. The attorney for the Federal Trade Commission appeared before the conferees on the Agricultural bill the other day and said that the commission has not that power. So we have a proposed expenditure here of $400,000, to be appropriated for a commission to expend that has not the necessary power. I favor a commission, not for the purpose of locating the sore spot, as referred to by the gentleman from Wisconsin, for that is not necessary. That is a fact known to everybody.

If the gentleman from Wisconsin [Mr. LENROOT] will turn to his local papers, he will find that the price paid to farmers to-day is but a small advance over those paid a few months ago. Last fall potatoes were selling from 80 cents to $1.30 per bushel in the country and $1.60 in the city. The first of this week they were quoted in Fergus Falls, Minn., in a potato-growing district, at $1.50, in Minneapolis $3, and in Washington $4 a bushel. That is an increase to-day of only about 50 cents to the farmer, but an advance of nearly $2.50 a bushel to the consumer.

As stated before, we do not need this investigation to locate the sore spots. Everybody must know where they are, for that is common knowledge. All that is necessary to do is to ascertain the price paid the producer and that paid by the consumer. That can be ascertained by merely referring to quotations. Nearly every country paper gives the market reports, and the retail price can be obtained from the merchant. In looking over the papers of my district I find the following quotations:

Northwood Anchor and Worth County Index, Northwood market, Feb. 22.

	Cents.
Eggs	35
Dairy butter	40
Creamery butter	45

Lansing Mirror, Lansing market, Feb. 25.

	Cents.
Eggs	34
Butter	38 to 40

Howard County Times, Cresco market, Feb. 20.

	Cents.
Eggs	31

Mitchell County Press, Osage market, Feb. 21.

	Cents.
Eggs	36
Dairy butter	40
Creamery butter	47

Mason City Daily Globe-Gazette, Mason City market, Feb. 22.

	Cents.
Eggs	35

In the Minnesota papers I find:

Sleepy Eye Progressive, Feb. 22.

	Cents.
Eggs	30
Butter	30 to 35

Fergus Falls Daily Journal, Feb. 21.

Eggs	$0.32
Butter	.32
Potatoes per bushel	1.50

It will be observed that the best creamery butter is being sold in the country stores at about 45 cents per pound and dairy butter at about 40 cents. Fresh eggs from 30 to 35 cents per dozen.

The farmers in the potato-growing section of the country are receiving about $1.50 per bushel. Potatoes, when shipped into my section of the country, are being retailed, according to quotations, from $2 to $3 per bushel. The present price here in Washington is:

Strictly fresh eggs		$0.65
Fresh butter	$0.55–	.65
Potatoes, bushel		4.00

Anyone desiring to do so can place his order with the country merchant, as many do, for a case or half case of eggs, and have them shipped by express for about 4 cents a dozen. The same applies to butter. By so doing, instead of paying 45 cents for counterfeit oleomargarine or renovated butter or 65 cents for sweet creamery butter, he can have the best creamery butter laid down at his door at about 46 cents per pound. Instead of paying 45 and 50 cents for stored eggs or 65 for fresh eggs, he can have strictly fresh, high-quality eggs for about 40 cents per dozen. As I have said, the price paid to the producer and the price paid by the consumer can easily be ascertained and the sore spots located. They stand out so plain and clear that he who runs can read. After ascertaining the prices paid the producer, and after considering the present wages paid by the farmer, his annual earnings, which are, according to Mr. Spillman, Chief of the Office of Farm Management, page 21, hearings before the Committee on Agriculture, Sixty-fourth Congress, first session, a net average of $142 cash and $260 worth of food, rent, and fuel for his year's work, which includes the service of his family, averaging 4.6 people; after an examination of Bradstreet's report giving the rating of merchants, and after considering the industry, intelligence, and long hours devoted, as well as their net earnings, I believe that any fair-minded man will exonerate the producer and the country merchant from any charges of extortion; if so, they may be eliminated from the investigation. Then, what is necessary is to get after the other fellows who combine and manipulate prices, who are openly and persistently violating our antitrust laws, to get action on the Department of Justice, to do as suggested by my colleague, Judge GREEN, bring them before the grand jury, and send them to the pen, where they belong; or if an investigation is to be made by the Federal Trade Commission in cooperation with the Department of Agriculture, as directed by the President, certainly the investigators should be clothed with the necessary power. I take it that all are agreed that if it is necessary to investigate, it is also necessary to arm the investigators with power to conduct the investigation.

The Department of Agriculture has not the necessary power. If you will turn to the statement of Mr. Hall, in charge of the marketing of live stock, meat, and animal by-products, Office of Markets and Rural Organization, page 1397, Hearings before the Committee on Agriculture, Sixty-fourth Congress, first session, you will find this statement:

I want to say that we are familiar with the conditions in these stockyards, although we have not any authority to go in and secure evidence on some of these matters that have been mentioned.

This was said in referring to splitting of consignments, whispering, and combinations. On page 1404, in response to my question whether in his investigation he found any selling agreement between the commission men and the packers, the following answer was made:

Mr. HALL. No, sir. We have not attempted to discover anything of that kind.

* * * * * * *

Mr. BRAND. That would be in restraint of trade, and it would be investigated by the Department of Justice and not by the Department of Agriculture.

The proposed amendment reads:

For all expenses necessary to carry out the order of the President of the United States to investigate within the scope of his powers and to report the facts relating to any alleged violations of the antitrust acts by any corporation in the production, ownership, manufacture, storage, and distribution of foodstuffs and the products or by-products arising from or in connection with their preparation and manufacture, $400,000.

The attorney for the Federal Trade Commission, Mr. Walsh, appeared before the conferees on the Agricultural bill, and according to his statement the commission has not the power. Its power is limited to investigation of corporations alleged to be in violation of antitrust laws. The exact language of the act creating the commission, approved September 26, 1914, reads:

(d) Upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of the antitrust acts by any corporation.

(e) Upon the application of the Attorney General to investigate and make recommendations for the readjustment of the business of any corporation alleged to be violating the antitrust acts in order that the corporation may thereafter maintain its organization, management, and conduct of business in accordance with law.

Evidently neither the commission nor the department has the necessary power. At the suggestion of the solicitor for the department and the Secretary an effort was made to grant the power, but such an amendment to an appropriation bill would be subject to a point of order, so nothing so far has been done, except that the conference report on the Agricultural bill carries an appropriation of $50,000 in the following language:

To make investigation relating to the production, transportation, storage, preparation, marketing, manufacture, and distribution of agricultural food products, including the extent, manner, and methods of any manipulation of the markets or control of the visible supply of such food products or any of them by any individuals, groups, associations, combinations, or corporations, $50,000.

And Senate amendment No. 87 provides that:

Hereafter, in the performance of the duties required of the Department of Agriculture by the provisions of this act relating to the Bureau of Markets, the Secretary of Agriculture shall have power to administer oaths, examine witnesses, and call for the production of books and papers.

It will be observed that the Department of Agriculture will, if the conference report is agreed to, have power to administer oaths, examine witnesses, and call for the production of books and papers, but no penalty has been provided for those refusing to testify or produce books or papers; therefore the department is without power to compel them to do so.

The authority invested in the commission is limited to investigation of corporations alleged to be violating the antitrust law, so any violation outside of corporations can not be investigated by the commission under the existing law. As a result, persons and combinations outside of corporations can not be reached by the department or the commission, and the splitting of shipments, the tagging for sacrificed prices from one central market to another, uniformity of prices fixed for the packers by those outside of corporations, and other methods evidently resorted to for the purpose of lowering the prices to the stockmen and raising the price to the consumer will continue notwithstanding the proposed $400,000 appropriation. Congress has made liberal appropriations. The department has been investigating. As stated by its representatives, it has not the necessary power and can obtain no material information. As indicated in the hearings, it knows nothing about stockyard manipulations. When in the stockyards investigating and seeking information they were politely told that it was none of their business. It goes without saying that if further investigations are to be made, power should be given to make an effective investigation to establish facts well known to shippers and those having experience in the stockyards as to the unsatisfactory conditions surrounding live-stock industries, as to the reason for the depression in the price of beef cattle and the increase cost of beef, and, as alleged in the resolutions passed by live-stock, feeders', and various other associations, why, after buying and feeding feeders, a farmer is compelled to sell them to the packers at ruinous prices, why they do not receive just recompense for their labor, why the packers have destroyed competition between the great cattle markets of the land, why a cattle feeder who ships to a given market must sell at that market, and why the price of beef on the hoof is depressed and lowered when the price to the consumer remains the same, why the Beef Trust has ignored the honest laws of supply and demand and by an illegal conspiracy it has controlled and is controlling now, the price of fat cattle at all our great markets.

If appropriations are made Congress should at least do what is proposed by the department which is to partly conduct the investigation. Not only to give it the necessary funds but power to effectively investigate and ascertain facts bearing upon questions as to whether there are manipulations, controls, trusts, combinations, and conspiracies in restraint of trade, as is proposed in the following amendment submitted by the department:

Hereafter, in performing the duties prescribed by the clauses of this or any other act relating to the Bureau of Markets, the Secretary of Agriculture may compel the giving of testimony and the production of documents; and for such purposes he and his duly authorized agents shall have the same powers in these respects as are conferred on the United States Tariff Commission and its duly authorized agents by the act of September 8, 1916, subject to all the provisions of sections 706 and 708 of that act.

It will be observed that what is desired in order to effectively conduct the proposed investigation is not to confer the power upon the investigators which is conferred upon the Federal Trade Commission, but to confer the power upon them which is conferred upon the United States Tariff Commission, a power which will make the finding of facts and a comprehensive report possible.

When armed with the proposed power it should, among many other things, ascertain and report why merchants are compelled to buy from trusts at excessive prices, why they pay for and sell inferior butter and eggs at higher prices than they can be shipped in for, why fat cattle are sold exclusively to the Beef Trust, why stockers and feeders are sold exclusively to the scalpers, why feeders and stockers can not be bought direct from

commission men but must be bought from scalpers, why the country meat market is supplied with meat often shipped hundreds of miles by the Beef Trust instead of slaughtering and supplying its market. These are not secrets. It is common knowledge, and if there is to be an investigation the investigators should be fortified with power to compel thorough investigation. As before stated, we have appropriated large sums of money, and a large army of officials have investigated. Manipulation goes on, and prices to the consumer soar higher than ever before. Set aside every dollar of the $26,000,000 appropriated for the department, put every one of its 16,000 employees to investigating the high cost of living, but without the necessary power, its endeavors will be fruitless, its results will be that of the numerous other unsuccessful investigations ordered in recent years. We will be long on experience and short on cash. Of course, combinations and manipulations of prices in restraint of trade are not the only causes for the high cost of living.

It is unnecessary to say that the practice of buying in small quantity, or from day to day, and prompt delivery, as is the practice in the city, makes the distribution more expensive and adds to the cost to the consumer. Increased taxes, short hours, and increased pay to employees also add to the cost. Short hours and increased pay sound good, but, as the saying goes, "You can not eat your cake and have it too." Reckless expenditures and waste appropriations add to the burden of the producer and the merchant, which in the end falls largely upon the consumer. Besides, the increased transportation rates have added several hundred millions to the cost of living and reduced the net earning to the producer. It will be remembered that in 1914 the railroads asked for a 5 per cent increase in rates. The Interstate Commerce Commission gave their claims careful consideration, and after an exhaustive investigation reported against an increase. But after its adverse decision, and after the President's conference with representatives of the railroads, and after he had made known his views on the subject, the commission ordered a rehearing and immediately granted an increase, notwithstanding its previous adverse report and in spite of the fact that the railroads' report showed net operating revenue on railroad carriers operating 221,748.58 miles of road as $939,956,996.47 for 1913, which was $85,478,329.97 in excess of net operating revenue for 1912. The operating revenue for 1913 was reported to be more than $3,000,000,000. Five per cent of that amount is $150,000,000 per annum. The consumer and producer can at least charge that much up to the President, and had he had his way a year ago to allow railroads to increase their rates to make up the difference of wages under his proposed eight-hour proposition, which Congress averted by providing for an investigation instead of agreeing to his plan, the consumer and producer would have another increase to pay.

Considering the abuse, combinations, and manipulating of prices in restraint of trade everywhere, the injustice done both to the producer and the consumer, the proposed appropriation of $400,000 can do no harm and will undoubtedly do some good, even with the limited power given the investigators.

Mr. DECKER. Mr. Chairman, I ask unanimous consent to speak for five minutes.

The CHAIRMAN. The gentleman from Missouri [Mr. DECKER] asks unanimous consent to speak for five minutes. Is there objection?

Mr. MANN. Reserving the right to object, how many more gentlemen wish to speak?

Ten Members rose.

Mr. FITZGERALD. Mr. Chairman, that is unreasonable.

Mr. MOORE of Pennsylvania. You have heard from the country pretty thoroughly, but there have been very few speeches made from the cities. [Cries of "Vote!" "Vote!"]

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. DECKER] to proceed for five minutes?

Mr. MANN. Unless the other gentlemen are to be accommodated I shall have to object.

The CHAIRMAN. The gentleman from Illinois objects. All time has expired.

The question is on the amendment offered by the gentleman from Missouri [Mr. BORLAND].

Mr. CARY. Mr. Chairman, I would like to offer a substitute amendment to the amendment.

The CHAIRMAN. The gentleman from Wisconsin [Mr. CARY] offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Substitute for the Borland amendment, offered by Mr. CARY:

That the President of the United States and the Attorney General are hereby authorized and directed to issue orders to the various transportation companies of the United States and the corporations and individuals controlling the cold-storage and other large supplies of food and fuel to release the same for free sale and marketing, and to furnish the necessary cars and equipment for the immediate transportation of the same to the cities where distressing lack of food and fuel supplies prevail, and upon neglect or refusal of any of the said transportation or other corporations to obey such order the Attorney General is hereby directed to at once apply to the United States courts in the jurisdiction where said corporations are located for the immediate appointment of a Federal receiver, who is hereby directed to operate said corporations in accordance with the terms and for the purposes set forth in this resolution, to the end that immediate relief be given to the suffering people from an intolerable situation.

Mr. FITZGERALD. Mr. Chairman, I make a point of order against that.

The CHAIRMAN. The point of order is sustained. The question is on the amendment offered by the gentleman from Missouri [Mr. BORLAND].

Mr. MAHER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The gentleman from New York offers an amendment by way of substitute, which the Clerk will report.

The Clerk read as follows:

That at any time within two years from and after the passage of this act the President of the United States is authorized and empowered, whenever in his opinion because of excessive prices the public interests shall so require, to prohibit by proclamation the exportation from the United States of all farm products, fish, game, and manufactured foodstuffs, or such of them as he shall specifically designate, for a period not to exceed one year, and to continue or revoke such inhibition within the two-year period as he may determine advisable.

SEC. 2. That whenever the President of the United States shall issue a proclamation as provided in section 1 of this act it shall be unlawful, during the period named in such proclamation or any extension of such period, to export from the United States, by land, water, or otherwise, except as hereinafter provided, any farm products, fish, game, or manufactured foodstuffs as provided in such proclamation: *Provided*, That ships or vessels clearing from ports of the United States shall be permitted to carry the necessary provisions and sea stores for the voyage; that railroad trains shall be permitted to transport the necessary provisions for the use of the train crew and passengers on trains; and that upon a special certificate to be issued by direction of the President of the United States such of the prohibited articles as may be required for the use of officers of the United States and their households accredited to foreign Governments, or for the use of American citizens necessarily residing within belligerent countries, or for the relief of people made destitute as the result of war, pestilence, or other extraordinary events, may be exported under such rules and regulations as the President may determine without incurring the penalties provided by this act.

SEC 3. That the President of the United States is authorized and empowered to issue all necessary instructions to the officers of the United States and to employ its military and naval forces to make effective any proclamation issued hereunder.

SEC. 4. That if any farm products, fish, game, or manufactured foodstuffs to be exported from the United States in violation of any proclamation issued under authority of this act, the vessel, boat, raft, cart, wagon, car, motor, vehicle, aircraft, or other vehicle in which the same shall have been exported shall be forfeited and the owner or owners of said goods and every other person knowingly concerned in such prohibited exportation shall each, respectively, forfeit and pay a sum not exceeding $10,000 nor less than $1,000 for each such offense, or be imprisoned for not more than 10 years in a penitentiary, or both.

SEC. 5. That if any ship or vessel shall, during the period fixed in any proclamation issued by authority of this act, depart from any port of the United States without a clearance or permit it shall be wholly forfeited, and if the same shall not be seized the owner or owners, agent, freighter, or factors of any such ship or vessel shall for every such offense forfeit and pay a sum equal to double the value of the ship or vessel and cargo, and the master or commander of such ship or vessel, as well as all other persons who shall knowingly be concerned in such prohibited exportation, shall each, respectively, forfeit and pay a sum not less than $1,000 nor more than $20,000 for every such offense, or be imprisoned in a penitentiary for not more than 10 years, or both, whether the vessel be seized or condemned.

Mr. BORLAND. Mr. Chairman, I notice from the wording of the amendment that it is subject to a point of order. I make the point of order on it.

The CHAIRMAN. The gentleman from Missouri makes the point of order on the substitute. The point of order is sustained. The question is on the amendment offered by the gentleman from Missouri.

The question was taken, and the Chairman announced that the "ayes" seemed to have it.

Mr. FITZGERALD. I ask for a division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 83, noes 51.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

Mr. SHERLEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

By unanimous consent, leave to extend their remarks in the RECORD was granted to Mr. VAN DYKE, Mr. MAHER, Mr. DOOLITTLE, Mr. CONNELLY, Mr. TREADWAY, Mr. OLNEY, Mr. FESS, Mr. GARLAND, Mr. FARR, Mr. HULBERT, Mr. HULL of Tennessee, Mr. FERRIS, Mr. CARY, Mr. HAUGEN, Mr. HELGESEN, Mr. POWERS,

Mr. ESCH, Mr. COLEMAN, Mr. AYRES, Mr. COOPER of West Virginia, Mr. DAVENPORT, and Mr. STEELE of Iowa.

Mr. KINKAID. Mr. Chairman, I ask unanimous consent to extend my remarks on another subject.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

The Clerk read as follows:

FEDERAL TRADE COMMISSION.

For 5 commissioners, at $10,000 each; secretary, $5,000; 5 clerks to commissioners, at $1,500 each; chief clerk, $2,000; disbursing clerk, $2,000; clerks—4 of class 4, 5 of class 3, 10 of class 2, 17 of class 1, 21 at $1,000 each, 21 at $900 each; messenger; 4 assistant messengers; 9 messenger boys, at $480 each; general mechanic (carpenter, etc.), $840; 3 watchmen; 2 elevator conductors, at $720 each; 3 laborers, at $660 each; telephone operator, $720; forewoman, $300; 6 charwomen, at $240 each; in all, $172,920.

For compensation, travel expense, and per diem in lieu of subsistence at the rate of $4, of such special attorneys, special experts, special examiners, special agents, clerks, and other employees as may be necessary for the purpose of carrying on the work of said commission; no salary shall be paid hereunder exceeding the rate of $5,000 per annum, $300,000.

For contingent and miscellaneous expenses, including the purchase of professional and scientific books, law books, books of reference, periodicals, pamphlets, maps, stationery, furniture and repairs to same, carpets, matting, oilcloths, filing cases, towels, ice, brooms, soap, sponges, fuel, lighting and heating, freight and express charges, street car tickets, postage to foreign countries, telegraph and telephone service, typewriters and calculating machines, including their exchange, and for all other necessary miscellaneous supplies not otherwise provided, $20,000.

For rental of building or quarters, $15,000.

For witness fees, and mileage, as provided in section 9 of the Federal Trade Commission act, $15,000.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois moves to strike out the last word.

Mr. MANN. I would like to ask the gentleman from New York if the Bureau of Efficiency has any control over any of the actions or work of the Federal Trade Commission or anything to do with making an investigation there?

Mr. FITZGERALD. It has authority under the statute to establish an efficiency rating in any of these agencies.

Mr. MANN. Very well. I have considerable admiration for the Bureau of Efficiency and the chief of that bureau, Mr. Brown, who I think is a very competent man. I hold in my hand the report of the United States Bureau of Efficiency for the period from March 25, 1913, to October 31, 1916, including "a message from the President transmitting herewith the report of this Bureau of Efficiency."

When I read this report I wondered how efficient the Bureau of Efficiency was. It is not signed by anybody. It is not addressed to anybody. It seems to be a remarkable report; it seemed that it is so efficient that they save the expense of printing the name of the person to whom the report is made and the name of the person who makes the report. It is just that kind of a document that your secretary might write and you would find it as a scrap and get the President to report it as coming from the Bureau of Efficiency. I do not think that is very efficient bureau work. If you tear off the letter of transmittal and read it you would never know who produced it or to whom it was sent.

Mr. TREADWAY. Or what it was about. [Laughter.]

Mr. MANN. Oh, it is pretending to tell, or it is telling, what great work they have done in the different departments.

Mr. FITZGERALD. Could you not tell by reading who did it?

Mr. MANN. No; you could not, because they are not the only ones who brag of themselves. [Laughter.] It might have been written by anybody. It might have been written in any department. I think it shows a rare lack of efficiency. I say that with all due respect.

Mr. FITZGERALD. Somebody might take it for a speech delivered by a Member of Congress. [Laughter.]

Mr. CANNON. Does not psychology come in there in some way? [Laughter.]

Mr. MANN. Now, having relieved myself in this manner, I do not care whether they get a certain rating in efficiency in this Federal Trade Commission or not. They would have hard work in my judgment to find anything there to rate as efficient.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

For salaries and expenses of the United States Tariff Commission, as authorized under Title VII of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, $300,000.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last word.

Mr. MOORE of Pennsylvania. I want to ask the chairman of the committee if any schedule of appointments has been made by this Tariff Commission?

Mr. FITZGERALD. While some of the members have been selected, so far as I am officially informed, none have been appointed.

Mr. MOORE of Pennsylvania. They ask for $300,000 to start with.

Mr. FITZGERALD. That is the amount authorized by the statute to be expended by that board. Of course, the gentleman knows what I think about commissions of all kinds, and a tariff commission does not stand highest in my estimation.

Mr. MOORE of Pennsylvania. I think the gentleman is more consistent in that respect than some of his colleagues on that side of the House.

Mr. FITZGERALD. On both sides.

Mr. MOORE of Pennsylvania. The gentleman has expressed an independent view that is very commendable on the part of a gentleman from New York. I would like to ask whether the hearings developed anything as to the men to be employed?

Mr. FITZGERALD. We did not have any hearings. I insisted on putting this item in the bill. There was not even an estimate and I notified the Treasury Department that an estimate was needed. When the bill creating the Tariff Board was under consideration, it was suggested that a committee might exist in this House at some time which would determine that it was inadvisable to provide for the board. To relieve myself from such suspicion I insisted that the Treasury Department send an estimate, and I inserted the item without having consulted with anybody. I think that is a very virtuous deed. [Laughter.]

Mr. MOORE of Pennsylvania. The newspapers report that the President appointed the commission.

Mr. FITZGERALD. Well, the gentleman and myself do not pay much attention to what appears in the newspapers. [Laughter.]

Mr. MOORE of Pennsylvania. Possibly the gentleman can tell me whether there is any authenticity in the report that Prof. Taussig, of Harvard, has been appointed president of the Tariff Commission?

Mr. FITZGERALD. It has been stated in the press that Prof. Taussig, of Harvard, has been offered and has accepted the place, with the expectation that he was to be chairman. When it is attempted to find men to sit on a tariff board who have no political views upon the tariff, or who can sit in an impartial manner when considering the tariff question, a job has been marked out for the man who has the selecting to do. It may be possible to find six men in the United States not all belonging to one great political party who will admit that they can be impartial in passing upon questions of the tariff; but I would not place any too much reliance on their professions of impartiality unless I selected them myself. [Laughter.]

Mr. MOORE of Pennsylvania. I see the gentleman is in harmony with his views of four years ago concerning a tariff commission; but I am very anxious to obtain information as to the operations of this commission up to date.

Mr. FITZGERALD. I have told the gentleman all I can tell him. In the last Congress, when the bill was passed in which the Tariff Board was created, there was carried an appropriation of $300,000 for the Tariff Board. Very near the end of the sundry civil appropriation bill hearings I inquired about the Tariff Commission, and ascertained that no estimate was before Congress for an appropriation for that board. I notified the Secretary of the Treasury, and asked him to start the machinery necessary to have an estimate sent to Congress. There was no Tariff Board. I did not know who could speak in its behalf or who could give any information about it. Congress insisted that it should spend not more than $300,000 a year, and the committee included that sum in the bill, with the expectation that when the board does get organized and appoint their force we will look them over with a somewhat critical eye.

Mr. MOORE of Pennsylvania. The gentleman was vigilant, as he usually is in the matter of these appropriations. But, free trade being dead, and no longer an issue with the Democracy, the gentleman may inform us about a report that a tariff bill might be reported in the next session of Congress by the party in power in order to restore the revenues of the Government. Does the gentleman know whether this commission has so far organized as to lead us to expect a tariff bill in the near future?

Mr. FITZGERALD. I move to strike the last word. Like a good many men in public life, I sometimes become discouraged

at the trend of events, particularly when I think perhaps my colleagues do not exhibit the greatest wisdom when they refuse to accept my advice; but I hope the Democratic Party will never become so demoralized and dilapidated as to offer in the House of Representatives a tariff bill satisfactory to the gentleman from Pennsylvania. [Laughter.] If it ever should reach such an unfortunate condition, I should, I fear, be inclined to consider the advisability of joining some other political party.

Mr. BURNETT. The Prohibition Party?

Mr. FITZGERALD. For a sensible man like the gentleman from Pennsylvania to talk of any political party in the United States favoring free trade has no other effect than to make some men somewhat suspicious that some of the recent criticisms of the gentleman from Pennsylvania may have some justification. [Laughter.] There never has been any justification for asserting that the Democratic Party is for free trade. Any party proposing to raise almost $300,000,000 annually by a tariff bill through customs dues is at least $300,000,000 away from free trade; and comparing the free list in the McKinley and Dingley tariff laws and the iniquitous Payne-Aldrich tariff law——

Mr. MOORE of Pennsylvania. Now add the Underwood bill and the list will be complete.

Mr. FITZGERALD. And the Underwood law, it would be a very clear and consistent assertion that the Democrats were no nearer free trade than the Republicans. My opinion is that the Republicans had just as many articles upon the free list as the Democrats. The only difference was that in fixing the rates in a tariff bill the Democrats have endeavored to frame the legislation in such a way that the burden would not fall upon the great masses of the poor who are unable to bear them, but would fall upon those who are well enough off in worldly goods to be able to bear them, while the Republican tariff is always designed to put the burdens on the poor and relieve the idle rich from the burdens of taxation.

Mr. MADDEN. With all this free-trade generosity of the Democratic Party with a view to reducing the cost of living, why is it that the cost of living has increased about 60 per cent?

Mr. FITZGERALD. Do I have to go all over that again? I thought I had demonstrated, at least to the satisfaction of the gentleman from Illinois [Mr. MADDEN], who comes from a big city, the reasons for the high cost of living.

Mr. MADDEN. The reason is Democratic inefficiency, is it not?

Mr. FITZGERALD. Oh, Democratic inefficiency is not nearly as actual as Republican buncombe. Everybody—except those who voted for this absurd investigation [laughter]—knows the cause of the present conditions. Of course if the gentlemen on that side propose to relieve the starving people of the country by making the tax upon imports higher in order to reduce prices, I hope they will offer that as a solution for the present situation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FITZGERALD. I hope I have satisfied my friend.

Mr. MONDELL. Mr. Chairman, the gentleman from New York [Mr. FITZGERALD], whose mind is generally as clear as crystal, has confused two entirely separate and different things. He has confused the possible bringing in by the Democratic majority of a tariff measure largely protective in character with the conversion of the Democratic Party to the principles of protection. Now, in my opinion, it is altogether possible and quite probable that if the gentlemen on the other side shall control the next Congress, which heaven forbid, we shall see a protective-tariff measure of a sort brought in from that side. It may not be just the kind of a protective measure that my friend from Pennsylvania, Mr. MOORE, or I would approve, but it might be a very fair sort of a protective measure nevertheless. But the fact that such a measure was brought in and supported on that side would not necessarily prove that that side had been converted to the protective-tariff policy. We have seen at one time and another legislation enacted by almost unanimous vote on that side relative to which we had very serious doubts as to whether the gentlemen really approved their votes or the measures they supported.

We had a fine illustration of that in the Panama Canal tolls matter, which the gentleman from New York so feelingly spoke of this afternoon.

Mr. FITZGERALD. I have not shifted my position.

Mr. MONDELL. No; the gentleman has not, and I do not think his party shifted in their views; they only shifted in their votes. [Laughter.] When this Tariff Commission the Democratic Party has provided for has brought in a report clearly justifying a protective-tariff measure, a gentleman dwelling for four years more at the other end of Pennsylvania Avenue might—and I for one would not be surprised if he did—appear here with a message clothed in that matchless English of which he is the master, declaring that while his party stood solidly where the party always has stood, against protection as a principle, and firm as a rock for free trade or a tariff for revenue, still, as another distinguished Democrat once said, "It is a condition and not a theory which confronts us." All the world, the President might say, is organized in groups of powers for the purpose of benefiting their commerce, increasing their manufactures, and spreading their trade; in the face of such a situation, peace by that time having come, but commercial war being rampant, the President might present to us a very persuasive argument in favor of meeting the situation by a tariff framed for the purpose of matching the trade and tariff measures of the Old World with protection as a purely emergency measure.

If there should be a Democratic majority in the next House, I should expect such a message from the present occupant of the White House. If that time comes, I should expect to see, provided the Democrats control the House, otherwise nothing of the sort—I should expect to see the gentlemen on the other side, as I have often seen them before, firm as a rock in their devotion to Democratic principles but voting as the President suggests. [Applause on the Republican side.]

Mr. CANNON. Mr. Chairman, I move to strike out the last three words. The English language is a wonderful language. Webster's Unabridged Dictionary is a wonderful dictionary, and once in a while a new word is coined. I recollect a lawsuit in which I was engaged when a young man and a witness that I depended upon to make out my client's case was very effectually impeached. I cross-examined the witnesses as to the neighborhood in which he lived, how many neighbors they heard talk of him, and finally I got an old man on the stand that I was cross-examining, and he said, "JOE CANNON, do you know that Cy Tompkins pretends one thing and protends another?" [Laughter.] My friend from Wyoming means that the great leader of the Democratic Party who issues the commands, which have been obeyed so far, pretends one thing and protends another. [Laughter.]

Mr. BENNET. Mr. Chairman, possibly the position that I shall take will seem somewhat ungracious, but I purpose as near as I can within human limitation to tell the exact and precise truth. There is less suffering in the city of New York this year than there has been at any time in the last 15 years, in the wintertime. [Applause.] I suppose, as a partisan Republican, I ought not to say that, because this is a Democratic administration. We have had what they call food riots. There are one or two things about these riots that ought to attract your attention, if you give any analytical thought to them.

First, the leader of the first food riots participated in by about 200 estimable ladies of the East Side was the Socialist candidate for assembly, sixth assembly district, at the election of 1916, and a lady who for some reason or other is described as "Sweet Marie" Gans, who is a rather prominent member of the Industrial Workers of the World. My colleague [Mr. LONDON] represents a labor district. So do I. He has, I think, 13,000 voters in his district. I have 61,000 in mine. I have not received one single letter from a single soul in my district—and in my Claremont Parkway section I have as poor people as he has in his district—protesting against conditions in New York. Most of us are married and therefore we realize when you raise the price of potatoes 300 per cent and meat 300 or 400 per cent that you will hear from your wife. I do, so do other men, and until women have voted for 40 or 50 years, which will be some time from now, they will not really get to a point where they will be drawn to a realization that you can not correct everything at once by legislation. I am not decrying hunger or suffering. I have seen a lot of it in New York, both under Republican and Democratic administrations. I am just simply telling the truth and describing conditions. I am not opposed to any man who comes forward with anything that will make them better than they are. What my colleague [Mr. LONDON] proposes would not have any effect on anything. He simply would appropriate eight or ten million dollars and go out in the public market and buy food, as he says, at cost, which is the present high prices, and sell at cost.

Mr. GORDON. Reasonable prices.

Mr. LONDON. Does the gentleman know that Senator BORAH advocates the very same thing in the Senate?

Mr. BENNET. Simply because a Republican advocates it, that does not make it any more effective.

Mr. LONDON. Not if it happens to serve the interests of the people, not from the standpoint of the gentleman from New York now addressing the House.

Mr. BENNET. I do not know whether that is an insult or a compliment, therefore I will pass it over. I was speaking of facts. My colleague proposes, as he has a right to propose, some way or other—of course, we would have no constitutional power to do it—to appropriate $10,000,000 to buy food, and proposes they buy at prevailing prices and sell at reasonable prices. Now, he proposes one of two things, one of three things possibly. Either to sell at cost, which would mean a reduction of 10 or 15 per cent, and which really would not be noticed, or that we sell below cost, which would be either confiscation or compelling a portion of the taxpayers to contribute to the support of another portion, or reasonable prices with a certain amount of profit, and any one of those three things could not ameliorate conditions in New York if they are as bad as some people say they are. I believe one thing ought to be done, and if the legislature proposed it I would be for it. I have introduced a bill to confer on the Health Department of the District of Columbia, in exercising its general police power, the power to issue orders to do away with waste in food. That is sound economic doctrine. I would even give them the power to regulate the amount of food that can be served in any public hotel or restaurant in any one day to any one person. Why? Because we are suffering from a world condition in part and a local condition in part. The gentleman from Missouri was correct—that we can not escape the results of the European war; that we can not economically escape them so long as 30,000,000 are not producing and we are feeding them and their dependents as well as our own. The law of supply and demand makes it inevitable that prices go up, and that is a law you can not repeal by any legislation.

Mr. KEATING. Will the gentleman yield?

Mr. BENNET. If I can get my time extended.

Mr. KEATING. I would ask that the gentleman be given a minute——

Mr. FITZGERALD. I will not object to the extension of a short time, but I shall object to any further discussion after the gentleman has finished.

The CHAIRMAN. Is there objection to the time of the gentleman being extended five minutes? [After a pause.] The Chair hears none.

Mr. KEATING. Will the gentleman yield now for a question?

Mr. BENNET. For a question.

Mr. KEATING. I want to know if I had understood the gentleman. I understood that he suggested that the Health Department of the District of Columbia be given power to determine how much food should be served to each citizen of the District of Columbia in any one day?

Mr. BENNET. I did not. I give them the power to regulate the awful waste of the hotels and restaurants of the city of Washington, but I do not propose to invade the homes of the people.

Mr. KEATING. Does the gentleman propose to limit the amount of food a man may order in a restaurant in Washington?

Mr. BENNET. The amount that may be served him; yes.

Mr. CARY. Will the gentleman yield?

Mr. BENNET. I will for a question.

Mr. CARY. Does the gentleman know there has been an embargo placed on the city of Washington now—placed there to-day by the railroads—and it will——

Mr. BENNET. If there is, I am against it.

Mr. FITZGERALD. Will the gentleman yield?

Mr. BENNET. I will.

Mr. FITZGERALD. The gentleman spoke of the character of persons engaged in this controversy in New York. My colleague is acquainted with Rabbi Stephen W. Wise.

Mr. BENNET. Yes.

Mr. FITZGERALD. A Republican.

Mr. BENNET. Well, he voted for President Wilson. Whether that made him a Republican or not I do not know.

Mr. FITZGERALD. Every intelligent man did that, even Republicans. [Laughter.] But he is a Republican.

Mr. MANN. The genteman from New York [Mr. FITZGERALD] is not.

Mr. FITZGERALD. Well, I am intelligent, too.

He made an address before the mayor of the city of New York yesterday, in which he spoke of the extreme, pressing situation regarding food in the city of New York. Do you think he was just an ordinary agitator, ignorant of conditions? He, with the settlement workers, with whom he is associated, presented to the mayor of the city the inability of the poor of New York to obtain food.

Mr. BENNET. This is my night for telling the truth, and I am going to answer that. Dr. Wise is a very warm personal friend of mine, but he is rather given to extreme statements. I never believed, for instance, what he said the night after the dinner had been given to Richard Croker, when he stated that all those good Democrats who attended that dinner were unworthy to associate with respectable men because they had been to the dinner. [Laughter.]

Mr. FITZGERALD. The gentleman is trying to get away from the question. Here is one of the most beloved rabbis in the city of New York, in politics a Republican, with occasionally lucid moments, when he votes the Democratic ticket, engaged in extensive settlement work, who appeared yesterday before the mayor of the city of New York, urging him to take drastic measures in order to furnish food to thousands of persons who are unable to purchase it. There has not been a situation in the last 15 years that necessitated men like Rabbi Wise making any such proposition.

Mr. BENNET. I am rather surprised to have my colleague admit and attempt to prove that under a Democratic administration want and destitution pervade the city in which we both live.

Mr. FITZGERALD. The city of New York has not a Democratic administration. It is one of those hybrid Republican administrations under which we are always suffering and always in want.

Mr. BENNET. I think my colleague will have to agree with me that it is still a part of the United States of America and that the conditions which affect the country generally affect New York. Now, I will answer my colleague's question.

Mr. FITZGERALD. I want to know about Rabbi Wise, whether he is one of these unreliable, anarchistic agitators who are trying to mislead the public?

Mr. BENNET. As I said, this is my night for telling the truth, and I am going to tell it.

Mr. FITZGERALD. Well, I know it is hard. [Laughter.]

Mr. BENNET. I will admit that, and therefore I deserve the more credit. [Laughter.] Dr. Wise is one of the best men in New York City. He has a heart as large as all out doors, but frequently when an economic situation arises and you see a committee going down to the mayor headed by eminent clergymen—Jewish, Catholic, or Protestant—their position is usually one with which the unthinking can sympathize, but which, economically analyzed, is unsound.

Now, Dr. Wise probably went down there and talked about the thousands of people who were suffering. Of course, they are suffering to the same extent that a man is suffering who has been accustomed to eating a porterhouse steak, but on account of the high price now is unable to get it. Taking that right on down the scale, when people find potatotes have gone up 300 per cent, and they either have to eat less of them or substitute cheaper food, they are suffering, but they are not starving. And Dr. Wise, when he had gotten this outburst, which did his heart credit, out of his system, did not have anything to propose except that the mayor should have $1,000,000 appropriated for the relief of the poor. One million dollars for a city in which there are 5,000,000 population, all of whom have a prejudice in favor of eating three meals a day. It would be just simply a drop in the bucket.

Mr. FITZGERALD. Is that any more ridiculous than Mr. George Perkins's statement that they were going to buy 3,000,000 pounds of rice, to cost $180,000, in order to control the price of foodstuffs in New York? He is a progressive Republican and Rabbi Wise is a Republican. Rabbi Wise, with the East Side settlement workers, called upon the mayor to point out the necessity of the poor getting food. They are paying 10 cents a pound for potatoes, which means $18 a barrel; 15 cents a pound for onions, which means $27 a barrel. Talk about them eliminating waste! They do not get anything at all. There is no waste.

The CHAIRMAN. The time of the gentleman from New York [Mr. BENNET] has expired.

Mr. BENNET. I have not had any time at all. Can I have two minutes?

The CHAIRMAN. The gentleman from New York [Mr. BENNET] asks unanimous consent that he may proceed for two minutes. Is there objection?

Mr. MANN. Reserving the right to object, I would just like to know if the two gentlemen from New York are going to canvass all the people in New York before they finish the debate? If they do, all the rest of us may as well go home. I am not interested.

Mr. BENNET. I can not answer. Two minutes is all I may require.

Mr. MANN. And you will not get much of that at the present rate.

Mr. BENNET. I have not got any of it yet.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. BENNET. During which I shall ask not to be interrupted. I assert at the outset, that if my colleague and I, both being politicians in New York City, had been asked to go with that committee with Rabbi Wise, we probably both would have gone, because it is a popular thing in New York, and easy to do.

And I want to say that I was quite largely in favor of my colleague's embargo proposition. I want to say that at first I was not in favor of my colleague's embargo proposition in New York, because when I came down here in December I thought it was economically unsound. But there is one thing that has happened since then that has possibly made it economically sound. The reason why it was economically unsound was if you put the farmers' prices down where he does not make profit he will switch around somehow next year to make some other sort of crop; but when this House overruled the President of the United States on his immigration bill veto and prevented this country from getting labor that was needed, they voted whether they realized it or not, for higher prices to be paid by the consumers in the large cities, where we are dependent upon the products of the farm for our living, and therefore my colleague's proposition, which would have been unsound if we had left the labor market free to come and go in accordance with the law of supply and demand, has not only now become sound, but if we persist in that unwise course and continue to deprive ourselves of the opportunity to obtain labor, we will make it inevitable that we will have to put an embargo on our products in order to keep them in this country so that we can consume what our shortened labor market will enable the farmers of the country to produce. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. The Clerk will read.

Mr. LONDON. Mr. Chairman, I ask unanimous consent for one minute.

Mr. FITZGERALD. I am going to object to any more unanimous consents.

Mr. MANN. I am going to ask the gentleman to move to rise if we are to meet at 11 o'clock on Monday. This is 10 o'clock on Saturday night.

Mr. FITZGERALD. Well, I am going to ask that the Clerk read the bill for a while.

Mr. MANN. That is impossible. We will not reach the bill to-night.

Mr. FITZGERALD. Yes; we will.

Mr. MANN. No; I do not think so.

Mr. FITZGERALD. I think we will. Let us run on for an hour. I have to work all day to-morrow.

Mr. MANN. Well, I have to work two or three hours after we quit here.

Mr. FITZGERALD. I ask that the Clerk read.

Mr. MANN. If the gentleman insists I will object to our meeting at 11 o'clock Monday. I do not think the gentleman from New York has been in favor of progress to-night.

Mr. FITZGERALD. I think they have been about talked out now.

Mr. MANN. No; everybody around here is filled up with talk. I am even getting into the spirit myself. [Laughter.] It is Saturday night. Let us be reasonable.

Mr. FITZGERALD. No; we have not done anything yet. I ask that the Clerk read.

Mr. MANN. I give the gentleman fair warning. I will object to meeting at 11 o'clock Monday.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

UNITED STATES SHIPPING BOARD.

For five commissioners at $7,500 each; secretary, $5,000; in all, $42,500.

For all other expenditures authorized by the act approved September 7, 1916, including the compensation of attorneys, officers, naval architects, special experts, examiners, clerks, and other employees in the District of Columbia and elsewhere; and for all other expenses of the board, including rental of quarters in the District of Columbia and elsewhere, law books, books of reference, and periodicals, printing and binding, and actual and necessary expenses of members of the board, its special experts, and other employees while upon official business outside of the District of Columbia, $300,000.

Mr. MANN. Mr. Chairman, the salaries of this Shipping Board, of course, are restricted by law. How many employees are they to have under this?

Mr. FITZGERALD. All together?

Mr. MANN. Yes.

Mr. FITZGERALD. About 145.

Mr. MANN. What salaries are those people to receive?

Mr. FITZGERALD. Well, they vary. The chief clerks get $3,000, the assistant chief clerks get $2,000, the appointment and time clerks get $2,000. They expect to have 50 clerks, 10 of whom will get $1,600 each, 10 will get $1,500 each, 10 will get $1,400 each, $10 at $1,200 each, 10 at $1,000 each. The cashier gets $2,000, the bookkeepers get $3,000, 2 chiefs of division get $3,000 each, experts of different kinds get from $250 to $300 a month. Examiners are to receive from $100 to $300 a month. The whole schedule of organization was filed with the committee.

Mr. MANN. What are these people going to do?

Mr. FITZGERALD. Why, the Shipping Board explained that. Under the law they could do one of two things. They could either apply to Congress for the money necessary to conduct all of the functions of the board, or else they could organize a corporation, and by the organization of a corporation engage their forces and avoid coming to Congress.

Mr. MANN. What are those employees going to do?

Mr. FITZGERALD. They are going to be engaged——

Mr. MANN. If the board itself does not know what it is going to do, how do the employees know?

Mr. FITZGERALD. The board knows what it is going to do.

Mr. MANN. The gentleman says "if" and "in case" and "provided," "or else," but——

Mr. FITZGERALD. The Shipping Board will perform the many and manifold and various duties imposed upon it by the shipping act. One is to investigate discriminations against American commerce; to investigate complaints filed in regard to discriminations against American shipping; to investigate matters pertaining to American oversea lines and the encouragement of American shipping, the securing of vessels to be operated by private concerns, and a great many other duties imposed by the act. The board has outlined a very comprehensive scheme of organization. It has detailed the kind of work it expects it will be required to do. Nobody can tell whether their estimate of what will be presented to them is accurate or not. They made one guess; we made another. [Laughter.]

Mr. MANN. Well, here is the Tariff Commission, that has the most arduous work that there is for any commission to perform. They get $300,000. It is proposed to give to these other people $500,000. Now, nobody knows what they are going to do, and the gentleman can not tell.

Mr. FITZGERALD. Well, they have $50,000,000 that they can spend.

Mr. MANN. Oh, no; they have not got 5 cents.

Mr. FITZGERALD. Well, they can get it.

Mr. MANN. That depends.

Mr. FITZGERALD. Unless it is all gone before they start. [Laughter.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MONDELL. Mr. Chairman, the gentleman from Illinois [Mr. MANN] wants to know what the Shipping Board is going to do. The gentleman from Illinois [Mr. MANN] did not inform us in regard to the remarkable plan of organization proposed by this Shipping Board, although I am quite confident he knew about it. A man as thorough as he is surely did not allow as interesting a matter as that to escape him.

I was not much in favor of the shipping bill, but I am rather favorably disposed toward the Shipping Board, because I have discovered that the Shipping Board as now organized proposes to make an earnest and, I hope, an entirely successful effort to avoid doing some of the things for which it was organized. [Laughter.]

I wish it good luck and all sorts of success in that effort. I am sorry that I have not the time in the moment allowed me to read from the statement made by the chairman of the Shipping Board, a very able gentleman, who appeared before us and gave us an outline of what he expected to do and what he hoped to be able to avoid doing which the law contemplated that he should do.

In connection with that statement, they presented to us an outline of their proposed organization, and surely it is going to be a splendid organization, for it is as artistic an outline of organization as I ever saw. If after one has followed these plans and maps and specifications, outlines of organization that the various commissions have gotten up, one after the other, and finds one that is more alluring than all the balance, it is surely doing good work.

The gentleman from New York, in answer to the gentleman from Illinois, gave some of the salaries proposed to be paid by the Shipping Board in these various divisions; but I notice that through inadvertence, I have no doubt, he did not in every case give the larger salaries. As I heard him, he gave the smaller salaries, or at least in some cases. These gentlemen expect to do good work, and I hope that they will. I realize that in order to carry on their important work it will be necessary to

employ some deserving Democrats who are deserving of goodly salaries. They start out with a Division of Investigation, the chief expert of which is to get $7,200 a year, and others along that line. The Chief of the Division of the Regulation of Transportation by Water is to get $7,500 a year. The Chief of the Law Division must be a good attorney, and he is to get $800 a month, which, I believe, is a little less than $10,000 a year. The naval architect who is Chief of the Division of Vessels and Terminals is to be content with the more moderate salary of $6,000 a year. The Chief of the Division of Shipping Management, which will be an important division, will have to struggle along on $1,500 a month, which is a fair salary even in these days of the high cost of living; and so it goes.

Mr. KELLEY. Is it proposed to hire all these men before we buy any ships?

Mr. MONDELL. I do not know that that is the purpose. No; I think not. Up to this time they have not engaged any considerable number of people. As a matter of fact they have a very small organization, and have not squandered money up to this time, in my opinion. But they have outlined a plan that is a perfect beauty in the matter of expenditure.

Mr. MANN. They have been trying to do something, but have not bought any ships.

Mr. MONDELL. That is what they are trying not to do.

Mr. MANN. This high-priced organization is trying to do something without carrying out the law.

Mr. MONDELL. That is why I indorse them.

Mr. CANNON. The gentleman thinks that the employees of these commissions—and God knows how many there are, I do not—who get on the pay roll will not suffer for food, will they? They will get it from the Treasury?

Mr. MONDELL. Whatever may be the condition of the balance of the world, after a careful examination of this plan and outline of this board, I must say I can say to the House with confidence that the gentlemen employed under this schedule will not suffer greatly by reason of the present high cost of living. [Laughter.]

The Clerk read as follows:

For all other expenditures authorized by the act approved September 7, 1916, including the compensation of attorneys, officers, naval architects, special experts, examiners, clerks, and other employees in the District of Columbia and elsewhere; and for all other expenses of the board, including rental of quarters in the District of Columbia and elsewhere, law books, books of reference, and periodicals, printing and binding, and actual and necessary expenses of members of the board, its special experts, and other employees while upon official business outside of the District of Columbia, $300,000.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to inquire of the chairman of the committee where an authorization is made for the employment of clerks, and there is no reference that they shall be outside the classified service——

Mr. FITZGERALD. The shipping act itself provides that all employees under the Shipping Board, except experts, and the secretary and the private secretary to each commissioner, shall be from the classified service.

Mr. STAFFORD. The law expressly states that, but there has been a doubt in the legislative subcommittee as to whether when we provide authority for the appointment of clerks for a board they are in the classified service.

Mr. FITZGERALD. Under the Executive order——

Mr. STAFFORD. Oh, I know it rests with the President to place them in the classified service; but without the order are they in the classified service?

Mr. FITZGERALD. I do not know.

Mr. STAFFORD. I did not know but that the gentleman could tell me. It is a matter of doubt in the legislative subcommittee. Some of us hold that they are in the civil service and others claim that it requires an order from the President. I understand that under the shipping act they are under the civil service.

Mr. MANN. Mr. Chairman, I move to strike out the last two words. This appropriates $300,000 to the Shipping Board. Under this scheme one employee of the Shipping Board is to receive a higher salary than any other official or employee in the United States anywhere, except the President. Really, that is going some. Here is a new Shipping Board that does not yet know what it is going to do. It may be that they need an adviser to tell them what to do. They are to be provided with high salaries up to $18,000. Nowhere else can we pay such salaries. When the Shipping Board bill was before Congress my recollection is—although I may be mistaken—that it was proposed to pay the commissioners $10,000 a year each.

Mr. ALEXANDER. When the bill passed the House it provided for $10,000 each, but it was amended in the Senate.

Mr. MANN. I understand. Congress reduced the amount to $7,500 a year each. The fact that it was amended in the Senate does not make any difference. The House agreed to the amendment, and agreed to it, I may say, willingly; and I might add, I think more gladly since it learned who were appointed on the board—not all of them, perhaps; I will not say all of them; I leave myself some leeway. But now here is a salary of $18,000 a year. How in the world did an item like this get by the great committee on economy of the House? The gentleman from New York [Mr. FITZGERALD] has consistently opposed $10,000 a year salary.

Mr. FITZGERALD. No; I have not. I think I ought to get that much. [Laughter.]

Mr. MANN. The gentleman has always opposed them. He has not always had his way about it. Congress at one time passed a bill providing for the Customs Court at $10,000 a year each. When it came to make the appropriation, the committee declined to give the judges $10,000 a year each.

Mr. FITZGERALD. That was a Republican committee.

Mr. MANN. Well, that shows that we are more economical than you. You want to squander money at $18,000 a year. We had the nerve and the sand to put it down to $7,500, and put it into the law. Why did you not have as much nerve? I will give the gentleman the credit. He was a member of the Committee on Appropriations then, and did his very able and efficient part in doing this thing. Nobody ever resigned from the customs court on that account. I am opposed to starting in with these new boards and paying exorbitant salaries, because when you do, you have got to extend them to those already created. We raised the salaries of the Interstate Commerce Commission from $7,500 a year apiece to $10,000; and with all due respect—and I have a great deal of respect for the Interstate Commerce Commission—we have not improved the quality of the personnel by the raise, not a bit. I think, probably, on the average, it is not of quite as high quality as it was when they got $7,500 a year apiece. It certainly is no better. You do not get better men by it in the Government service. If you did I would not mind paying the amount, but you do not get better men. All you do is to start the custom of paying enormous salaries, and then, when it comes to paying a little increase to the poorly paid clerks, that side of the House in the main votes against it. [Applause.] Think of the conscience of the majority of the Democratic side who will vote against giving a temporary increase, in time of high prices, an increase of 5 per cent to the man who gets $1,100 a year, and then turn around and vote another man $18,000 a year.

Mr. FITZGERALD. Terrible.

Mr. MANN. Well, it is terrible. It is almost beyond belief. If it was said about any other party on earth except the Democratic Party, nobody would believe it.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

For the investigation of foreign discrimination against vessels and shippers of the United States, $175,000, of which sum $100,000 shall be available immediately.

Mr. MANN. I reserve a point of order on the paragraph. What jurisdiction does this commission have to make this investigation?

Mr. FITZGERALD. Under the provisions of the shipping act.

Mr. MANN. What provision of the shipping act?

Mr. FITZGERALD. Section 22, I think.

Mr. MANN. The gentleman has reference to section 26. I will help him out that much.

Mr. FITZGERALD. Section 26.

Mr. MANN. What is there in it which authorizes this?

Mr. FITZGERALD. Section 26 provides that—

The board shall have power, and it shall be its duty whenever complaint shall be made to it, to investigate the action of any foreign Government with respect to the privileges afforded and burdens imposed upon vessels of the United States engaged in foreign trade whenever it shall appear that the laws, regulations, or practices of any foreign Government operate in such a manner that vessels of the United States are not accorded equal privileges in foreign trade with vessels of such foreign countries or vessels of other foreign countries, either in trade to or from the ports of such foreign countries, or in respect of the passage or transportation to such foreign country of passengers or goods intended for shipment or transportation in such vessels of the United States, either to or from ports of such foreign country, or to or from ports of other foreign countries.

Mr. MANN. I do not see anything in that about shippers.

Mr. FITZGERALD. Oh, yes; the same thing.

Mr. MANN. If there is anything it has escaped my attention. This provides for the investigation of foreign discrimination against vessels and shippers of the United States. If there is anything in that section in reference to shippers I have not seen it, though I have read the section.

Mr. FITZGERALD. This is for the investigation of foreign discrimination against vessels of the United States.

Mr. MANN. Oh, yes; that is all right.

Mr. FITZGERALD. It was intended to cover the situation where the action or discrimination of the foreign Government not only affected our ships but the things they carry; and the persons who will make the complaint are those who ship the goods.

Mr. MANN. The gentleman is reading something into the law that is not in the law.

Mr. FITZGERALD. No; I am stating what is the plain intent of the law, and must be.

Mr. MANN. If it is the plain intent of the law, the gentleman does not need to add the word "shippers" there.

Mr. SHERLEY. I think section 17 taken in connection with section 26 will answer the gentleman's inquiry. Section 17 provides:

That no common carrier by water in foreign commerce shall demand, charge, or collect any rate, fare, or charge which is unjustly discriminatory between shippers or ports, or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Whenever the board finds that any such rate, fare, or charge is demanded, charged, or collected it may alter the same to the extent necessary to correct such unjust discrimination or prejudice and make an order that the carrier shall discontinue demanding, charging, or collecting any such unjustly discriminatory or prejudicial rate, fare, or charge.

Mr. MANN. But that is a power given over the shippers, not to investigate discrimination against the shippers.

Mr. SHERLEY. The one involves the other of necessity.

Mr. MANN. Oh, not at all.

Mr. SHERLEY. I think it does.

Mr. MANN. This is discrimination by a foreign government against the shippers. It would be nonsense to say that the Interstate Commerce Commission has the power to make an investigation of discrimination which some foreign Government should make against the railroads in the United States. It has nothing to do with rates.

Mr. SHERLEY. Foreign discrimination does not necessarily mean discrimination by a foreign Government. It may be foreign shippers or foreign transportation agencies, and necessarily the rates they make and the effect upon shippers will be subject to investigation under the two sections that have been read.

Mr. MANN. The gentleman does not seriously——

Mr. SHERLEY. Oh, the gentleman is quite serious about it.

Mr. MANN. He must be very hard pressed.

Mr. SHERLEY. That is the gentleman's conclusion. If the gentleman will read the testimony that was given by the chairman of the board as to the character of discriminations that exist and the complaint that it appears exists and that need to be investigated he will see, I think, that the matter is clearly one that must in the very nature of things come within the scope and duties of the shipping board.

Mr. MANN. I do not say that the investigation ought not to be made, but I say that nobody has given any information upon that subject up to date. The law does not authorize it.

Mr. FITZGERALD. The statement made was that there were 4,000 complaints of this character now on file.

Mr. MANN. Of what character, may I ask?

Mr. FITZGERALD. Complaint of discriminations and regulations by foreign Governments which affect American exporters and shippers.

Mr. MANN. Where are these on file?

Mr. FITZGERALD. In the State Department. There was no other place at the time to file them. They were filed there.

Mr. MANN. I am rather surprised that there are only 4,000 of them.

Mr. FITZGERALD. The statement was made that there are 4,000.

Mr. MANN. What is the character of these complaints; what do they say the discrimination consists in?

Mr. FITZGERALD. For instance, we have this nature of complaints: Vessels refuse to take freight of American shippers unless the representative of another Government gives a certificate that it can be taken on the ship.

Mr. MANN. The Shipping Board does not need to investigate that. Everyone knows that.

Mr. FITZGERALD. That is true, but there is certain information that must be had in order to have these claims presented. Foreign Governments are adopting regulations of various kinds that act in a way detrimental to American shippers. There are a great number of them. The truth of the matter is this, that certain foreign Governments to-day are utilizing their power very seriously to affect the American overseas trade.

Mr. MANN. We all understand that and I would be glad to see it stop, but who is going to stop it? Everybody knows the facts. That is, we do not know all about it, but we know enough of the fact. Is the Shipping Board going to usurp the functions of the State Department? Is the Shipping Board going to make a report stating that Great Britain or Germany or some other country is unjustly and unfairly discriminating against American vessels and American shippers and have it go out to the world that that is our plan—to be followed up how?

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. FITZGERALD. They propose to follow it up in one way by furnishing information to Congress upon which it may enact legislation to either prevent or to impose restrictions.

Mr. MANN. That is all right.

Mr. ALEXANDER. Will the gentleman yield at that point?

Mr. MANN. In just a moment. This afternoon the gentleman from Missouri [Mr. BORLAND] made a statement that the packers of Chicago forced foreign Governments to accede to their terms, because otherwise they would not furnish them money to carry on the war. I went to the State Department right after the war commenced, very shortly after it, in behalf of a number of Chicago packing houses who had had vessels of meats consigned to neutrals in neutral countries seized by the English Government. The State Department informed me that the seizure was absolutely contrary to international law and illegal. I said, "I wish you would demand that Great Britain would cease doing this." They said, "We can not do that." I said, "Why not?" "We will protest, but if we make a demand, Mr. MANN, it may mean war. Do you want war?" I said, "I do not want war. Of course, I want something more than these polite social pink-tea notes you are going to send over, but I do not want war." If you take this matter out of the hands of the State Department when you know that it is an illegal and unjustifiable and improper regulation, is the Shipping Board going to declare war themselves?

Mr. ALEXANDER. Will the gentleman yield at that point?

Mr. FITZGERALD. What the Shipping Board intends to do is to study during the war the conditions that exist and they believe may exist after the war. I shall read the statement of Mr. Denman, who is chairman of the Shipping Board. He is an admiralty lawyer of experience and a man of very distinguished attainments.

Mr. MANN. And a nice-looking man and a pleasant gentleman to talk to.

Mr. FITZGERALD. He is a very able gentleman, too. He says:

As we understand it, what Congress had in mind when it gave us this authority was that it wanted us to study during the war the conditions that would undoubtedly prevail after the war, when the European nations, having nationalized their resources, begin to compete with us as national units. If Congress did not have that in mind, I am sorry, because it must be perfectly apparent to anybody who has studied European conditions to-day that Europe intends—each country possibly by itself—to enter into the world of trade as if entering into a big international war, and the instrumentalities they will use will be all the instrumentalities of government.

You know about the bunkering agreements which they now have, under which they are squeezing everything into the line of their trade and the ways they want their trade to run our ships. I had a client in San Francisco who had a bill of goods for Manila. This man, of an American house, was on the black list, and was the largest American exporting house on the Pacific coast outside of a certain foreign house. He wanted to send a bill of goods to Manila to an old customer. He found that the American steamship line going there would not take his goods, because the steamship line had a bunkering agreement with a certain European-owned port in China, which made them agree not to carry goods for a blacklisted person. Now, this was an American house, 50 years old, with a competitor who was a member of the legislative branch of a foreign Government, trying to send his goods on an American steamship line to an American customer in the Philippines, and was not able to get it there.

That is an illustration of the situation by which Americans desiring to ship to places under the American flag by American steamships can not do so because some foreign Government objects to their sending their goods there.

Mr. MANN. We all know that; but what is the Shipping Board going to do? The State Department can not do anything by diplomatic relations; what is the Shipping Board going to do—declare war? It does not take any investigation to find out the facts.

Mr. FITZGERALD. Well, it is necessary to obtain some facts. These claims are presented ex parte and the State Department has no force to make an investigation and perhaps the Shipping Board has——

Mr. MANN. The State Department has an emergency fund. Is not this largely the purpose of the Shipping Board at present? These seizures and acts of Great Britain being held in this country to be illegal and contrary to international law, our country declining—and I am not criticizing that—to enforce the rights of Americans; but is it not going to be the fact that every one of them will have a claim against the United States, and this Shipping Board is going to send out people to take the testimony

upon which these claims will be based and hereafter paid at the expense of the Government of the United States?

Mr. FITZGERALD. No; they will have no claim against the United States.

Mr. MANN. Oh, of course the gentleman knows they will have a claim.

Mr. FITZGERALD. I do not know so; they will not have anything of the kind.

Mr. MANN. Well, they may make a claim against the United States.

Mr. FITZGERALD. They are not making any claim against the United States.

Mr. MANN. Not yet.

Mr. FITZGERALD. It is against these foreign Governments——

Mr. MANN. Yes; but we have not protected their rights, and we paid a few years ago a portion of the French spoliation claims, and in the course of the next 50 years we will pay the balance of the French spoliation claims.

Mr. FITZGERALD. We got all of that money from France.

Mr. MANN. We did not get a nickel from France.

Mr. FITZGERALD. Oh, yes; we did.

Mr. MANN. We did not get a nickel from France, and we did not enforce the rights of American citizens against France; on the contrary, we said, "We will take care of your claims," and because we did not enforce their rights we paid claims a few years ago, 110 or 115 years since they occurred.

The great-great-grandchildren of the gentleman from New York, in the House here and in the Senate, will vote to pay some of those claims probably, if they are not paid before, though I suspect if we take the testimony at the expense of the Government, showing that the claims are valid claims, we will pay them long before.

Mr. FITZGERALD. We are not going to pay them. We had better get the facts. They do not expect we will pay them.

Mr. MANN. If we take the testimony, we have got the information. And then we pass a bill providing that the claimants shall have the right to use all the papers in the files of the Government, and the attorneys for the claimants shall have access to all these papers. That sort of provision is in all these claims bills, and we put it in. We take the testimony at Government expense, turn it over to the attorneys for the claimants, turn them into the Court of Claims. We furnish them the evidence upon which they sustain their claims, and do not even make a decent defense against them; and then they make the claim. That is the custom.

Mr. FITZGERALD. This is a Democratic administration. That is not the custom now.

Mr. MANN. That will be so much worse.

Mr. FITZGERALD. It used to be the custom.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. FITZGERALD. I yield.

Mr. MOORE of Pennsylvania. Mr. Denman in his testimony stated we may have to send out there to Hongkong to take testimony in order to report on that case. Although it has not the basis of a claim, although it is a method of discrimination, there is nothing to be done except to send these attachés of the department off to these various foreign countries to take testimony.

Mr. Brent, on page 1426, says:

> Mr. BRENT. It might arise in this way, Mr. MONDELL: The man might live across the water, and he would not dare to put certain facts relating to the matter in writing. In order to get at the true facts we would have to go and sit down with him or send somebody to sit down with him who could get us the facts, not for publication but for the benefit of the United States Government. Those things are occurring in our own country to-day. We know there are things they want to tell us, but they do not dare to put it in writing for fear they will be immediately cut off.

Now, it would appear as if the board intends to use its clerks and its agents to go all over the world wherever a complaint is made, particularly one that the claimant does not want to put in writing, and at the expense of the Government trace out all these claims and bring back the testimony and practically put it up to the agencies for collection here.

Mr. FITZGERALD. Does the gentleman insist on the point of order?

Mr. MANN. With the explanation made by the gentleman, but more particularly with the lack of information furnished by the gentleman, I withdraw the point of order.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] has the floor.

Mr. MONDELL. Mr. Chairman, I did not vote for the shipping act. I thought at the time the act passed there was very little good in it. I am not entirely sure now it has much virtue.

Mr. MANN. Will the gentleman yield? The gentleman knows that the committee that reported it thinks there is very little good in it, because they want to amend nearly everything that is in it.

Mr. MONDELL. True. I am not very much of a sailor. I do not pretend to a very great amount of knowledge of these things, and I do not represent an entirely maritime constituency.

Mr. MANN. The gentleman has a good many schooners in his district.

Mr. MONDELL. Well, up to date, but they are not likely to last long with the present wave that is passing over the country. Schooners, prairie and otherwise, are disappearing from the country, East and West, and all around. But I was much impressed with the statement made by Mr. Denman relative to the duties and activities of this board under section 17 and section 26 of the law, and particularly with his suggestion of present conditions, and probably future conditions, rendering it important that there should be somebody under the Government to give careful consideration to discriminations against American ships and American shippers. The complaints are filed with the State Department, and it might be said that the State Department should investigate the matter and take whatever action may be necessary. The State Department is not constituted for the purpose of investigating this sort of thing with the view of suggesting legislation. It has not the personnel, or is likely to have the personnel, necessary for a thorough investigation of these matters along lines other than those related to presenting claims and demanding redress.

Mr. Denman told us very interestingly, and I advise the gentlemen who are interested in that sort of thing to read his testimony, of the practices of certain foreign Governments of various and divers and sundry kinds and character, the effect of which is to very greatly harm and prejudice American ships and American shipping. These practices are now carried on under the pretense of the necessity of war, and under that pretense neutral shipping and commerce is interfered with as never before in modern history in civilized lands.

It is the opinion of many that after peace shall come, while these measures can not be continued under the pretense of the necessities of war, they can be and probably will be continued in a slightly different way, giving other excuses for them. The probability is that at the close of this war in Europe we shall see combinations of Governments made for the purpose of aiding their own shipping and that of their allies to the harm and detriment of the balance of the world to an extent never before known.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. MONDELL. Now, under conditions like that is it not well that we should have some agency that can go into those matters carefully and thoroughly? Gentlemen have asked why, for what purpose, with what object? For the purpose, first, of making up more complete cases than the State Department with its organization can well make, cases on which the State Department can not only intelligently present claims, but under which the State Department can make its requests and demands for better treatment more intelligently than it might do with the limited information that is at its command, and second, for the purpose of reporting to Congress with suggestions of legislation that might cure these conditions under which foreign powers owning coaling stations and controlling ports the world around largely exclude from a large portion of the commerce of the world the vessels of the nations other than their own and those of their allies.

Mr. FESS. In consonance with what the gentleman mentioned in reference to agreements, it might be well to recall the meeting of the allies at Paris, where they resolved and published their plans of controlling the sea, as affecting not only the allies, but the enemies, after the war ends.

Mr. MONDELL. My understanding is that prior to that meeting there was a similar meeting held by the central allies.

Mr. FESS. That is true.

Mr. MONDELL. At which they entered into agreements relative to trade and commerce. While I am not entirely converted to this Shipping Board, I am thoroughly converted to an understanding of the importance of the kind of work the board contemplates under this particular item of appropriation, and I have a great deal of confidence in the man at the head of the Shipping Board.

Furthermore, as I said awhile ago, I am somewhat of a partisan of the Shipping Board, because I think the gentlemen

in charge of the Shipping Board are earnestly, faithfully, and conscientiously endeavoring to avoid doing some of the things for which the board was instituted, and which were at that time deemed highly important. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MANN. Mr. Chairman, this is such an important matter that I think there ought to be a quorum here to discuss it. I therefore make the point of order that there is no quorum present.

Mr. RAINEY. Mr. Chairman, I was about to make that same point. If the gentleman will withhold for a moment, I want to say that I have sat here all evening, and we have not made a particle of progress on this bill since 4 o'clock this afternoon. We have read only a few lines. There seems to be a filibuster on that side which has been acquiesced in by the gentlemen in charge of the bill.

Mr. MANN. There has been no filibuster. There was an amendment on that side on which six hours were spent which ought to have been disposed of in six minutes. The gentleman was one of the talkers. I was not.

Mr. FITZGERALD. Mr. Chairman, I wish the gentleman would withhold his motion for a moment. I wish to state to the gentleman from Illinois [Mr. RAINEY] that his statement is not only inaccurate, but it is a gratuitous affront. I have sat here all day attempting to expedite the consideration of this bill, and I am not like the gentleman—absent most of the time during the consideration of the bill. If the gentleman will control his side of the House and help us expedite the business I should be glad to have his assistance; but he should control his apparently uncontrollable desire to cast reflections on the conduct of those in charge of this bill.

Mr. RAINEY. If the gentleman is correct in the statement he has made, I want to apologize to him. I did not want to offend him.

Mr. FITZGERALD. I endeavored to have the House, from 10 o'clock to 11 o'clock, make progress on the bill. Last night we made more progress than is usually made in three days on an ordinary appropriation bill, and the gentlemen who insisted on speaking on the Borland amendment made it necessary to spend more time on it than we otherwise would have spent.

Mr. RAINEY. Mr. Chairman, I make the point of no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of no quorum present.

Mr. FITZGERALD. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GARNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 20967) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1918, and for other purposes, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. JACOWAY, for to-day, on account of illness in his family.

DANISH WEST INDIES.

Mr. FITZGERALD. Mr. Speaker, at the request of the gentleman from Virginia [Mr. FLOOD] I desire to present a conference report on the Danish West Indies bill (H. R. 20755) for printing in the RECORD.

The SPEAKER. The conference report will be printed in the RECORD under the rule.

The conference report and statement of the House conferees are as follows:

CONFERENCE REPORT (NO. 1556).

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, 1916, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed by the Senate insert the following:

"That, except as hereinafter provided, all military, civil, and judicial powers necessary to govern the West Indian Islands acquired from Denmark shall be vested in a governor and in such person or persons as the President may appoint and shall be exercised in such manner as the President shall direct until Congress shall provide for the government of said islands: *Provided*, That the President may assign an officer of the Army or Navy to serve as such governor and perform the duties appertaining to said office: *And provided further*, That the governor of the said islands shall be appointed by and with the advice and consent of the Senate: *And provided further*, That the compensation of all persons appointed under this act shall be fixed by the President.

"SEC. 2. That until Congress shall otherwise provide, in so far as compatible with the changed sovereignty and not in conflict with the provisions of this act, the laws regulating elections and the electoral franchise as set forth in the code of laws published at Amalienborg the 6th day of April, 1906, and the other local laws, in force and effect in said islands on the 17th day of January, 1917, shall remain in force and effect in said islands, and the same shall be administered by the civil officials and through the local judicial tribunals established in said islands, respectively; and the orders, judgments, and decrees of said judicial tribunals shall be duly enforced. With the approval of the President, or under such rules and regulations as the President may prescribe, any of said laws may be repealed, altered, or amended by the colonial council having jurisdiction. The jurisdiction of the judicial tribunals of said islands shall extend to all judicial proceedings and controversies in said islands to which the United States or any citizen thereof may be a party. In all cases arising in the said West Indian Islands and now reviewable by the courts of Denmark, writs of error and appeals shall be to the Circuit Court of Appeals for the Third Circuit, and, except as provided in sections 239 and 240 of the Judicial Code, the judgments, orders, and decrees of such court shall be final in all such cases.

"SEC. 3. That on and after the passage of this act there shall be levied, collected, and paid upon all articles coming into the United States or its possessions from the West Indian Islands ceded to the United States by Denmark, the rates of duty and internal-revenue taxes which are required to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That all articles, the growth or product of, or manufactured in such islands from materials the growth or product of such islands or of the United States, or of both, or which do not contain foreign materials to the value of more than 20 per cent of their total value, upon which no drawback of customs duties has been allowed therein, coming into the United States from such islands shall hereafter be admitted free of duty.

"SEC. 4. That until Congress shall otherwise provide, all laws now imposing taxes in the said West Indian Islands, including the customs laws and regulations, shall, in so far as compatible with the changed sovereignty and not otherwise herein provided, continue in force and effect, except that articles the growth, product, or manufacture of the United States shall be admitted there free of duty: *Provided*, That upon exportation of sugar to any foreign country, or the shipment thereof to the United States or any of its possessions, there shall be levied, collected, and paid thereon an export duty of $8 per ton of 2,000 pounds, irrespective of polariscope test, in lieu of any export tax now required by law.

"SEC. 5. That the duties and taxes collected in pursuance of this act shall not be covered into the general fund of the Treasury of the United States, but shall be used and expended for the government and benefit of said islands under such rules and regulations as the President may prescribe.

"SEC. 6. That for the purpose of taking over and occupying said islands and of carrying this act into effect and to meet any deficit in the revenues of the said islands resulting from the provisions of this act the sum of $100,000 is hereby appropriated, to be paid out of any moneys in the Treasury not otherwise appropriated, and to be applied under the direction of the President of the United States.

"SEC. 7. That the sum of $25,000,000 is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, to be paid in the city of Washington to the diplomatic representative or other agent of His Majesty the King of Denmark duly authorized to receive said money, in full consideration of the cession of the Danish West Indian Islands to the United States made by the convention between the United States of America and His Majesty the King of Denmark entered into August 4, 1916, and ratified by the Senate of the United States on the 7th day of September, 1916.

"SEC. 8. That this act, with the exception of section 7, shall be in force and effect and become operative immediately upon the payment by the United States of said sum of $25,000,000. The fact and date of such payment shall thereupon be made

public by a proclamation issued by the President and published in the said Danish West Indian Islands and in the United States. Section 7 shall become immediately effective and the appropriation thereby provided for shall be immediately available."

And the Senate agree to the same.

H. D. FLOOD,
PAT HARRISON,
HENRY ALLEN COOPER,
Managers on the part of the House.
WM. J. STONE,
G. M. HITCHCOCK,
H. C. LODGE,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House on the disagreeing votes of the two Houses on the amendment 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 the said countries on the 4th day of August, 1916, and ratified by the Senate of the United States on the 7th day of September, 1916, and for other purposes, state that the House has receded from its disagreement to the Senate amendment and agreed to the same with an amendment. The amendment embraces the entire bill.

The conference adopted the first section of the House bill with three provisos. The first authorizes the President to assign an officer of the Army or Navy to serve as governor of the West Indian Islands. The second provides that the governor of said islands shall be appointed by and with the advice of the Senate, and the third authorizes the President to fix the compensation of all persons appointed under this act.

The second section of the Senate bill was agreed upon after slight amendment to be incorporated as the second section of the bill agreed upon in conference.

The second section of the House bill is incorporated in the bill agreed upon in conference as section 3.

Sections 3 and 4 of the House bill were almost identical with sections 4 and 5 of the Senate bill, but the conferees agreed to accept the verbiage of sections 4 and 5 of the Senate bill with slight changes, which were made, and which were preferable to sections 2 and 3 of the House bill, and so incorporated them in the bill agreed upon in conference as sections 4 and 5.

Section 7 of the Senate bill and section 6 of the House bill are very similar, and differ only in verbiage and in the amount of appropriation carried. The House bill carried $50,000 and the Senate bill carried $100,000. The conferees felt that probably $100,000 would be needed, and for that reason adopted this section of the Senate bill and incorporated it in the bill agreed on in conference as section 6.

Section 7 of the bill agreed on in conference is identical with section 5 of the House bill, and section 8 of the bill agreed upon in conference is identical with section 7 of the House bill.

H. D. FLOOD,
PAT HARRISON,
HENRY ALLEN COOPER,
Managers on the part of the House.

LEAVE TO EXTEND REMARKS.

Mr. BENNET. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

HOUR OF MEETING MONDAY.

Mr. FITZGERALD. I ask unanimous consent that when the House adjourns to-morrow it adjourn to meet at 11 o'clock a. m. on Monday.

The SPEAKER. The gentleman from New York asks unanimous consent that when the House adjourns to-morrow it adjourn to meet at 11 o'clock a. m. on Monday. Is there objection?

Mr. MANN. I object.

ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 55 minutes p. m.) the House, under the order previously made, adjourned until to-morrow, Sunday, February 25, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting letter stating certain facts in connection with the contemplated transfer of the New York Quarantine Station and property from the State of New York to the Federal Government (H. Doc. No. 2089); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting letter with statement in regard to deficiencies in certain public-building appropriations (H. Doc. No. 2090); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ESCH, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 20352) to amend an act entitled "An act to regulate commerce," as amended, in respect of car service, and for other purposes, reported the same with amendment, accompanied by a report (No. 1553), which said bill and report were referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. SHALLENBERGER, from the Committee on Military Affairs, to which was referred the bill (S. 1782) for the relief of Joseph Gorman, reported the same without amendment, accompanied by a report (No. 1554), which said bill and report were referred to the Private Calendar.

Mr. QUIN, from the Committee on Military Affairs, to which was referred the bill (S. 650) for the relief of Wallace Metcalf, reported the same without amendment, accompanied by a report (No. 1555), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DYER: A bill (H. R. 21036) to submit to the people of the District of Columbia the question of whether or not the manufacture and sale of spirituous, vinous, or malt liquors shall be licensed therein or prohibited by law; to the Committee on the District of Columbia.

By Mr. MORIN: A bill (H. R. 21042) providing for the issuing of bonds by the United States for the defense of its coasts and shores and the protection of its people and their properties from invasion or aggressions of foreign nations; to the Committee on Ways and Means.

By Mr. LOBECK: Resolution (H. Res. 529) authorizing the continuation of the employment of certain session clerks until March 31, 1917; to the Committee on Accounts.

By Mr. BENNET: Resolution (H. Res. 530) proposing an amendment to paragraph 1, Rule XIII, Rules of the House of Representatives; to the Committee on Rules.

Also, resolution (H. Res. 531) proposing an amendment to paragraph 3 of Rule XXIII of the House of Representatives; to the Committee on Rules.

By Mr. WEBB: Resolution (H. Res. 532) providing for the consideration of S. 5126; to the Committee on Rules.

By Mr. BENNET: Joint resolution (H. J. Res. 380) to reduce the cost of food supplies in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MOON: Joint resolution (H. J. Res. 381) deferring the operation of section 5 (Senate amendment 34) to Post Office appropriation bill (H. R. 19410) until July 1, 1917; to the Committee on the Post Office and Post Roads.

By the SPEAKER (by request): Memorial from the Legislature of the State of Oregon, favoring the passage of Senate bill 7604, authorizing the President to appoint J. Benjamin Hayes a first lieutenant in the United States Army; to the Committee on Military Affairs.

Also, memorial from the Legislature of the State of Washington, favoring the passage of a bill to provide for the construction of a military highway along the north bank of the Columbia River connecting Forts Vancouver and Canby, in the State of Washington; to the Committee on Military Affairs.

Also, memorial from the Legislature of the State of Oregon, favoring the passage of Senate bill 7487, having for its purpose

the reclamation of arid and swamp lands of the United States by cooperation between the Federal Government and irrigation and drainage districts of the States containing such lands; to the Committee on Irrigation of Arid Lands.

By Mr. GRIFFIN: Memorial from the Legislature of the State of Pennsylvania, favoring the passage of a bill known as the Volunteer retired bill, giving Civil War Volunteer retired officers the same aid according to rank as that given to retired officers of the Regular Army; to the Committee on Military Affairs.

Also, memorial from the Legislature of the State of Arizona, favoring legislation permitting the franking of all reports of births, deaths, and communicable diseases to the proper officer, and all printed matter of an educational character issued by the State board of health to the people of the State in which such matter is issued; to the Committee on Interstate and Foreign Commerce.

Also, a memorial from the Legislature of the State of Pennsylvania, favoring the passage of a bill known as the Volunteer retired bill, giving Civil War Volunteer retired officers the same aid according to rank as that given to retired officers of the Regular Army; to the Committee on Military Affairs.

Also, memorial from the Legislature of the State of Oregon, favoring the submission to the several States of an amendment to the Constitution of the United States authorizing the President to disapprove of any item of a bill making appropriation of money; to the Committee on the Judiciary.

Also, memorial from the Legislature of the State of Arizona, favoring the submission to the several States of an amendment to the Constitution of the United States to prohibit the manufacture of and the traffic in intoxicating liquors; to the Committee on the Judiciary.

Also, memorial from the Legislature of the State of Pennsylvania, favoring the submission to the several States of an amendment to the Constitution of the United States, prohibiting the sale, manufacture, transportation, importation, and exportation of intoxicating liquors; to the Committee on the Judiciary.

Also, memorial from the Legislature of the State of Oregon, favoring legislation to build and maintain a military highway along the Pacific coast from the Canadian border to the Mexican border for military necessities; to the Committee on Military Affairs.

By Mr. CRAGO: Memorial from the Legislature of the State of Pennsylvania, relative to creating a Civil War Volunteer officers' retired list; to the Committee on Military Affairs.

By Mr. VARE: Memorial of the Legislature of the State of Pennsylvania, protesting against the Kitchin revenue bill; to the Committee on Ways and Means.

By Mr. GALLIVAN: Memorial of the Legislature of the State of Pennsylvania, favoring the passage of Volunteers' retirement bill; to the Committee on Military Affairs.

By Mr. ESCH: Memorial of the Legislature of the State of Pennsylvania, favoring the passage of the Volunteer retired bill; to the Committee on Military Affairs.

By Mr. DALE of New York: Memorial of the State Legislature of Pennsylvania, favoring the passage of the Volunteer retired bill; to the Committee on Military Affairs.

By Mr. GALLIVAN: Memorial of the Commonwealth of Massachusetts, favoring an amendment to the Constitution of the United States giving Congress power to regulate the hours of labor; to the Committee on the Judiciary.

Also, memorial from the Legislature of the State of Pennsylvania, assuring the loyal support of that State to the President and the Government in every undertaking necessary to protect and vindicate American rights, dignity, and honor; to the Committee on Foreign Affairs.

Also, memorial from the Legislature of the State of Washington, favoring the passage of legislation to reimburse the State of Washington for extraordinary expenses incurred in the recent mobilization of the National Guard; to the Committee on Claims.

By Mr. DARROW: Memorial of the Legislature of the State of Pennsylvania, favoring the passage of the Senate bill 392, known as the Civil War Volunteer officers' retirement bill; to the Committee on Military Affairs.

By Mr. EAGAN: Memorial of the Legislature of the State of Pennsylvania, favoring the passage of Senate bill 392, known as the Civil War Volunteer officers' retirement bill; to the Committee on Military Affairs.

By Mr. DARROW: Memorial of the Legislature of the State of Pennsylvania, expressing emphatic disapproval of the proposed plan to impose a Federal tax upon profits of corporations, etc., or any extensions by the Federal Government of taxes upon sources heretofore relied upon by the States for their revenue; to the Committee on Ways and Means.

By Mr. CARY: Memorial of the Legislature of the State of Pennsylvania, favoring the passage of Senate bill 392, known as the Civil War Volunteer officers' retirement bill; to the Committee on Military Affairs.

By Mr. MOORE of Pennsylvania: Memorial of the Legislature of the State of Pennsylvania, protesting against excess profits tax on corporations; to the Committee on Ways and Means.

Also, memorial of the State of Pennsylvania, favoring the passage of the Volunteer retired bill, Senate bill 392; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER: A bill (H. R. 21037) to authorize the change of name of the steamer *Fred G. Hartwell* to *Harry W. Croft;* to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 21038) to authorize the change of name of steamer *Harry A. Berwind* to *Harvey H. Brown;* to the Committee on the Merchant Marine and Fisheries.

By Mr. DILL: A bill (H. R. 21039) granting an increase of pension to Mrs. Sarah M. Gibbins; to the Committee on Pensions.

By Mr. GRIFFIN: A bill (H. R. 21040) to waive the age limit and the disqualification of being married in the appointment of John J. Byron as a second lieutenant in the United States Army; to the Committee on Military Affairs.

By Mr. KETTNER: A bill (H. R. 21041) to reimburse the Southern Pacific Co. the amounts expended by it from December 1, 1906, to November 30, 1907, in closing and controlling the break in the Colorado River; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request). Memorial of East Washington Citizens' Association relative to the question of prohibition in the District of Columbia; to the Committee on the District of Columbia.

Also (by request), memorial of the Connecticut Society, Sons of the American Revolution, pledging their efforts to the President and Congress toward the maintenance of the rights and honor of our country; to the Committee on Foreign Affairs.

Also (by request), petition of citizens of Paynesville, Mo., protesting against the migratory-bird treaty act; to the Committee on Foreign Affairs.

By Mr. BUCHANAN of Illinois: Petition of employees of Steamboat-Inspection Service at Chicago, asking increase in pay; to the Committee on Appropriations.

By Mr. DALE of New York: Petition of the executive committee, National Association of Life Underwriters, appealing to Senators and Representatives to exempt from taxation in the proposed revenue law all life-insurance premiums and funds; to the Committee on Ways and Means.

Also, petition of R. J. Caldwell, New York City, relative to the Federal child-labor act; to the Committee on Labor.

By Mr. EAGAN: Petition of E. V. Myers, East Orange, N. J., relative to the excess-profits revenue bill; to the Committee on Ways and Means.

Also, memorial of Bankers' Association of the District of Columbia, relative to the proposed amendments to the Sterling intangible-tax law; to the Committee on Ways and Means.

Also, petition of the executive committee, National Association of Life Underwriters, appealing to Senators and Representatives to exempt from taxation in the proposed revenue bill all life-insurance premiums and funds; to the Committee on Ways and Means.

By Mr. ESCH: Petition of the executive committee, National Association of Life Underwriters, appealing to Senators and Representatives to exempt from taxation in the proposed revenue law all life-insurance premiums and funds; to the Committee on Ways and Means.

By Mr. FULLER: Petition of Alexander Kidd, of Oglesby, Ill., favoring prohibitory bills; to the Committee on the Judiciary.

Also, petition of the Rockford (Ill.) Chamber of Commerce for the daylight-saving bills; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Illinois Society, Sons of the Revolution, favoring adequate preparedness; to the Committee on Military Affairs.

Also, petition of 16 citizens of Kirkwood, Ill., favoring the migratory-bird treaty bill, House bill 20080; to the Committee on Foreign Affairs.

Also, petition of 15 citizens of La Salle, Ill., asking that the question of war or peace be submitted to a popular vote; to the Committee on Foreign Affairs.

By Mr. GALLIVAN: Petition of Christine B. Wheeler, Roxbury, Mass., favoring a referendum vote before a declaration of war; to the Committee on Foreign Affairs.

Also, petition of Herbert M. Presto, M. D., Boston, Mass., opposing a referendum vote before a declaration of war; to the Committee on Foreign Affairs.

By Mr. GRIFFIN: Memorial of the Northeastern Association of Fish and Game Commissioners, with reference to anadromous fishes; to the Committee on the Merchant Marine and Fisheries.

Also, petition of Dannemiller Coffee Co., Brooklyn, N. Y., favoring the Sheppard-Webb resolution for national prohibition; to the Committee on the Judiciary.

Also, petition of the executive committee National Association of Life Underwriters, appealing to Senators and Representatives to exempt from taxation in the proposed revenue law all life insurance premiums and funds; to the Committee on Ways and Means.

Also, petitions of engineers, firemen, conductors, and trainmen of New York State, against passage of House bill 20752; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGEE: Petition of 75 people of Syracuse, N. Y., for national censorship of moving pictures; to the Committee on the Judiciary.

Also, petition of 500 people, Brown Memorial Church, Syracuse, N. Y., for national censorship of moving pictures; to the Committee on the Judiciary.

By Mr. MOORE of Pennsylvania: Memorial of the Philadelphia Board of Trade, favoring the passage of the Webb bill, House bill 17350, eliminating two amendments passed by the House; to the Committee on the Judiciary.

By Mr. MORIN: Petition of soldiers' welfare committee, the National Civic Federation, to committee on national defense, and indorsed thereby, with reference to universal military training; to the Committee on Military Affairs.

Also, petition of Miss Jessie Childs, Mrs. Clarence J. Gee, Miss N. L. Jones, Miss M. Place, Miss Isabel Clingensmith, all of Pittsburgh, Pa., with reference to Federal suffrage amendment; to the Committee on the Judiciary.

By Mr. OAKEY: Memorial of the East Hartford Local, Socialist Party of Connecticut, deploring severance of diplomatic relations and urging that no steps be taken to bring about war; to the Committee on Foreign Affairs.

By Mr. RANDALL: Petition of Long Beach (Cal.) Woman's Christian Temperance Union, against exportation of New England rum to Africa; to the Committee on Alcoholic Liquor Traffic.

By Mr. ROWE: Petition of the Kings County Republican Club, Brooklyn, N. Y., approving the action of the President in severing relations with Germany; to the Committee on Foreign Affairs.

Also, petition of the Wine and Spirit Importers' Society of the United States, protesting against the passage of the mail-exclusion bills; to the Committee on the Post Office and Post Roads.

Also, petitions of sundry citizens of Brooklyn, N. Y., favoring passage of the migratory-bird treaty act; to the Committee on Foreign Affairs.

Also, petition of New York State Forestry Association, favoring appropriation for fighting pine-blister rust; to the Committee on Agriculture.

Also, petition of the Merchants' Association of New York, protesting against certain amendment to the Federal reserve act; to the Committee on Banking and Currency.

By Mr. SMITH of Idaho: Petition containing 97 signatures of citizens of Fruitland, Idaho, urging the enactment of prohibition legislation; to the Committee on the Judiciary.

By Mr. SNYDER: Petition from various residents of Vernon, N. Y., for the enactment of House bill 20080, relating to migratory birds; to the Committee on Foreign Affairs.

Also, petition of the Joint Legislative Board of Railroad Employees of the State of New York, against the enactment of House bill 20752; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS: Petition of citizens of Bee Spring, Ky., against this country in war with any nation; to the Committee on Foreign Affairs.

By Mr. TILSON: Petition of Men's Class of Westville (Conn.) Methodist Episcopal Church, for national prohibition; to the Committee on the Judiciary.

By Mr. TINKHAM: Memorial of the Northeastern Association of Fish and Game Commissioners, with reference to anadromous fishes; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of the University Club of the city of New York, indorsing the recent action of the President in severing diplomatic relations with Germany; to the Committee on Foreign Affairs.

By Mr. WARD: Petition signed by 53 residents of Woodbourne, N. Y., and vicinity, favoring prohibition measures; to the Committee on the Judiciary.

Also, petition of Friends' Church, Plattekill, N. Y., and members of the Woman's Christian Temperance Union, favoring prohibition measures, including Smith, Randall, and Wickersham bills; to the Committee on the Judiciary.