

2018. Also, petition of the Milwaukee Maternity Hospital and Free Dispensary, favoring the Sheppard-Towner maternity bill; to the Committee on Interstate and Foreign Commerce.

2019. Also, petition of the Federal Highway Council, opposing a tariff on crude and fuel oils; to the Committee on Ways and Means.

2020. Also, petition of the Southern Tariff League, opposing the bills for the regulation of the coal industry (S. 1807 and H. R. 7106); to the Committee on Interstate and Foreign Commerce.

2021. Also, petition of Quentin Roosevelt Post, No. 85, American Legion, of Greenville, S. C., favoring amendment to the Sweet bill (H. R. 6611); to the Committee on Interstate and Foreign Commerce.

2022. By Mr. KISSEL: Petition of the Merchants' Association of New York, New York City, relative to the repeal or modification of a law in the Philippine Islands; to the Committee on Insular Affairs.

2023. By Mr. KNIGHT: Petition of First Baptist Church, Lagrange, Rev. I. L. Raphael, pastor and moderator, favoring the passage of House joint resolution 159 to prohibit sectarian appropriations; to the Committee on the Judiciary.

2024. By Mr. MOORE of Ohio: Petition of members of First Baptist Church, Zanesville, Ohio, favoring House joint resolution 159; to the Committee on the Judiciary.

2025. By Mr. RAKER: Petition of W. W. Hanchett, of Corniug; G. R. Wales, of Milford; E. W. Locher, of Auburn; and Charles L. Wilbur, of Yuba City, all in the State of California, urging an increase in the tariff rate on almonds; also, petition of Kullman Selz & Co., of San Francisco, Calif., urging adoption of Payne-Aldrich schedule on hides and leather, especially free hides; to the Committee on Ways and Means.

2026. Also, petitions of Ida Saxton McKinley Auxiliary, United Spanish War Veterans, and Carrie E. Lenhouse, department historian, Auxiliary United Spanish War Veterans, both of Long Beach, Calif., indorsing and asking support of House bill 4; to the Committee on Pensions.

2027. Also, petition of William McKinley Camp, No. 23, United Spanish War Veterans, of Long Beach, Calif., protesting against the removal of Dr. William H. Cook, assistant surgeon, Pacific Branch Soldiers' Home; to the Committee on Military Affairs.

2028. Also, petition of the National Marine Engineers' Beneficial Association, of Washington, D. C., opposing the passage of joint resolution 171; to the Committee on Immigration and Naturalization.

2029. Also, petition of Norman A. Kuhn and 25 others, of Henleyville, Calif., urging the passage of the pure fabric bill; also petition of Mount Lassen Post, No. 167, American Legion, Department of California, of Red Bluff, Calif., indorsing the program of legislation asked by the American Legion of the Sixty-seventh Congress; also petition of the Quentin Roosevelt Post, No. 85, Department of South Carolina, of Greenville, S. C., indorsing the Sweet bill (H. R. 6611) together with proposed amendment; to the Committee on Interstate and Foreign Commerce.

2030. Also, petition of the Chamber of Commerce and civic association of Pasadena, Calif., urging an investigation of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

2031. Also, petition of California Yearly Meeting of Friends' Church, of Whittier, Calif., urging an amendment to the Federal Constitution providing for a uniform marriage and divorce law; to the Committee on the Judiciary.

2032. By Mr. TEMPLE: Testimony in support of House bill 7702, granting a pension to Sarah A. Herrick, widow of Henry A. Herrick, late of Company F, Fifth Regiment Pennsylvania Volunteer Heavy Artillery; to the Committee on Invalid Pensions.

2033. By Mr. TINKHAM: Resolution adopted by the congregation of the First Parish Church, West Roxbury, Mass., urging a conference of the leading nations to discuss disarmament; to the Committee on Foreign Affairs.

2034. Also, petition of the National Association of Brass Manufacturers, submitting a plan for the careful consideration of Secretary of Commerce Hoover of the establishment of a bureau within his jurisdiction where all merchants and manufacturers may confer and ascertain what they may do within their legal rights; to the Committee on Interstate and Foreign Commerce.

2035. Also, resolution of the grain board of the Boston Chamber of Commerce, suggesting that the import duty on macaroni, in order to serve as a protection to American industry, should not be less than 3½ cents per pound; to the Committee on Ways and Means.

SENATE.

MONDAY, July 18, 1921.

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

We thank Thee, our Father, for the light of another day, for the opportunities continued unto us of service in Thy name. Give unto us the wisdom necessary, and so help us in every problem that we may see our way to the understanding of the right and the truth. We ask in Jesus Christ's name. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday, July 12, 1921, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

ADJUSTMENT OF FOREIGN LOANS.

Mr. LODGE. Mr. President, before the Committee on Finance there was read a letter of President Wilson in regard to cancellation of the foreign debts to the United States which opposed the cancellation. The matter was also spoken of in the debate here, and I stated that in a hearing before the Committee on Foreign Relations that letter was read, as was also a letter from Mr. Houston, former Secretary of Treasury.

I do not feel at liberty, without direct authorization from the committee, to have printed in the RECORD the whole of the testimony taken that day, the former Secretary of the Treasury at the time requesting that it be confidential and it being taken with that understanding; but I have taken out the letters referred to, which I think ought to be printed, in view of what has been said on the subject. I refer to the letter of President Wilson to the British Prime Minister, and the letter of former Secretary of the Treasury Houston to Hon. Austen E. Chamberlain, Chancellor of the Exchequer. I think those letters cover all that the Senate may desire.

The VICE PRESIDENT. Without objection, the letters will be printed in the RECORD.

The letters are as follows:

HON. DAVID F. HOUSTON, SECRETARY OF THE TREASURY, TO RIGHT HON. AUSTEN CHAMBERLAIN, CHANCELLOR OF THE EXCHEQUER, MARCH 1, 1920.

"As raising the matter informally for discussion, I thought it sufficiently important to reply to it myself, which I did under date of March 1, 1920, through Mr. Lindsay.

"Senator POMERENE. Mr. Lindsay was—

"Secretary HOUSTON. Acting at that time for the British Embassy. [Reading:]

"Your recent message through the British Embassy, in which, among other things, you suggest a general cancellation of intergovernmental war debts, has been received, and Rathbone has transmitted a copy of the communication sent him by Blackett dealing with the funding of the demand obligations of the allied Governments held by the United States and England, respectively, in which the same subject is raised.

"I concur with your view that the financial and economic problems of all the world are closely connected and that Great Britain and the United States naturally look with concern upon the difficulties which confront Continental Europe. The United States Treasury has been greatly interested in information reaching it concerning the situation of Great Britain and has viewed with pleasure and satisfaction the progress which your Government has been making toward a return to a peace basis. While we are at present confronted with difficult problems, our financial situation is not at all critical. On the contrary, it is such that I have reason to think that credits from private sources may be made available to Continental Europe on sound and adequate security and on terms which recognize the worldwide shortage of capital resulting from five years of warfare.

"Funding of the short-time obligations into long-term obligations is a matter as to which no question has been raised by our Congress, and there should be no difficulty in dealing with this phase of the proposed arrangements in the matter outlined by Mr. Rathbone. As you have no doubt heard from Mr. Rathbone, it may be impossible to reach without congressional approval a final settlement in respect to the interest accruing during the next two or three years.

"I regret that conditions are such as to cause you concern in respect to the Anglo-French loan maturing this fall and sincerely hope you will have no difficulty in making satisfactory arrangements to take care of it.

"As to the engagement of the British Government in respect to advances for the purchase of silver under the Pittman Act, this matter is being dealt with by Mr. Rathbone, who undoubtedly will give full consideration to any proposal that you have

to make in that connection. It is unfortunate that the Indian Government has not seen fit to take steps to limit the importation of gold into India. Failure to do this is making heavy demands on our gold reserves. If continued, this is likely materially to impair the ability of our financial markets to assist Europe.

"As to the general cancellation of intergovernmental war debts suggested by you, you will, I am sure, desire that I present my views no less frankly than you have presented yours. Any proposal or movement of such character would, I am confident, serve no useful purpose. On the contrary, it would, I fear, mislead the people of the debtor countries as to the justice and efficacy of such a plan and arouse hopes, the disappointment of which could only have a harmful effect. I feel certain that neither the American people nor our Congress, whose action on such a question would be required, is prepared to look with favor upon such a proposal.

"Apparently there are those who have been laboring for some time under the delusion that the inevitable consequences of war can be avoided. As far back as January a year ago, before it could possibly be foreseen whether any measures were necessary other than the adoption of sound economic policies, various schemes, including that of a cancellation of intergovernmental war debts, were launched. Of course, I recognize that a general cancellation of such debts would be of advantage to Great Britain and that it probably would not involve any losses on her part. As there are no obligations of the United States Government which would be canceled under such a plan, the effect would be that in consideration of a cancellation by the United States Government of the obligations which it holds for advances made to the British Government and the other allied Governments the British Government would cancel its debts against France, Italy, Russia, and her other allies. Such a proposal does not involve mutual sacrifices on the part of the nations concerned. It simply involves a contribution mainly by the United States. The United States has shown its desire to assist Europe. Negotiations for funding the principal of the foreign obligations held by the United States Treasury and for postponing or funding the interest accruing during the reconstruction period are in progress. Since the armistice this Government has extended to foreign Governments financial assistance to the extent of approximately \$4,000,000,000. What this Government could do for the immediate relief of the debtor countries has been done. Their need now is for private credits. The indebtedness of the allied Governments to each other and to the United States is not a present burden upon the debtor Governments, since they are not paying interest or even, as far as I am aware, providing in their budgets or taxes for the payment of their principal or interest. At the present time the foreign obligations held by the Government of the United States do not constitute a practical obstacle to obtaining credits here, and I do not think that the European countries would obtain a dollar additional credit as a result of the cancellation of those obligations. The proposal does not touch matters out of which the present financial and economic difficulties of Europe chiefly grow. The relief from present ills, in so far as it can be obtained, is primarily within the control of the debtor Governments and peoples themselves. Most of the debtor Governments have not levied taxes sufficient to enable them to balance their budgets, nor have they taken any energetic and adequate measures to reduce their expenditures to meet their income. Too little progress has been made in disarmament. No appreciable progress has been made in deflating excessive issues of currency or in stabilizing the currencies at new levels, but in Continental Europe there has been a constant increase in note issues. Private initiative has not been restored. Unnecessary and unwise economic barriers still exist. Instead of setting trade and commerce free by appropriate steps there appear to be concerted efforts to obtain from the most needy discriminatory advantages and exclusive concessions. There is not yet apparent any disposition on the part of Europe to make a prompt and reasonable definite settlement of the reparation claims against Germany or to adopt policies which will set Germany and Austria free to make their necessary contribution to the economic rehabilitation of Europe.

"After taking all the measures within their power one or more of the debtor Governments may ultimately consider it necessary or advantageous to make some general settlement of their indebtedness. In such a case they would, I presume, propose to all creditors, domestic and foreign, a general composition which would take into account advantages obtained by such debtor country under the treaty of peace. How the American people or the American Congress would view participation in such a composition I can not say. It is very clear to me, however, that a general cancellation of intergovernmental

mental war debts, irrespective of the positions of the separate debtor Governments, is of no present advantage or necessity. A general cancellation as suggested would, while retaining the domestic obligations intact, throw upon the people of this country the exclusive burden of meeting the interest and of ultimately extinguishing the principal of our loans to the allied Governments. This Nation has neither sought nor received substantial benefits from the war. On the other hand, the Allies, although having suffered greatly in loss of lives and property, have under the terms of the treaty of peace and otherwise, acquired very considerable accessions of territories, populations, economic and other advantages. It would therefore seem that if a full account were taken of these and of the whole situation, there would be no desire nor reason to call upon the Government of this country for further contributions." * * *

LETTER OF PRESIDENT WILSON TO THE BRITISH PRIME MINISTER.

Secretary Houston said:

"Under date of October 1 or October 11, 1920, I can not make out which, the President replied and substantially repeated the decision before taken by him or by the Treasury." [Reading:]

"I turn now to the problem of interallied indebtedness which you raise. I must deal with this matter with great frankness, as I am sure you wish me to do. It is desirable that our position be clearly understood in order to avoid any further delay in a constructive settlement of reparations which may arise from the hope that the debts of this Government can form a part of such settlement. It will be helpful if, first of all, I indicate our legal situation.

"The Secretary of the Treasury is authorized by United States law to arrange for the conversion of the demand obligations of the British Government into its obligations having a fixed date of maturity, in accordance with the agreement of the British Government to make such exchange on demand contained in its existing obligations. In connection with such exchange the Secretary of the Treasury has authority to arrange for the postponement of interest payments. No power has been given by the Congress to anyone to exchange, remit, or cancel any part of the indebtedness of the allied Governments to the United States represented by their respective demand obligations. It would require congressional authority to authorize any such dealing with the demand obligations and, as stated in the letter of November 18, 1919, from Mr. Rathbone to Mr. Blackett, of the British treasury, the Congress has the same authority to authorize any disposition of obligations of the British Government held by the United States, whether represented by demand obligations or by obligations having a fixed date of maturity. It is highly improbable that either the Congress or popular opinion in this country will ever permit a cancellation of any part of the debt of the British Government to the United States in order to induce the British Government to remit, in whole or in part, the debt to Great Britain of France or any other of the allied Governments or that it would consent to a cancellation or reduction in the debts of any of the allied Governments as an inducement toward a practical settlement of the reparation claims. As a matter of fact, such a settlement, in our judgment, would in itself increase the ultimate financial strength of the Allies.

"You will recall that suggestions looking to the cancellation or exchange of the indebtedness of Great Britain to the United States were made to me when I was in Paris. Like suggestions were again made by the chancellor of the exchequer in the early part of the present year. The United States Government by its duly authorized representatives has promptly and clearly stated its unwillingness to accept such suggestions each time they have been made and has pointed out in detail the considerations which caused its decision. The view of the United States Government has not changed, and it is not prepared to consent to the remission of any part of the debt of Great Britain to the United States. Any arrangements the British Government may make with regard to the debt owed to it by France or by the other allied Governments should be made in the light of the position now and heretofore taken by the United States, and the United States in making any arrangements with other allied Governments regarding their indebtedness to the United States (and none are now contemplated beyond the funding of indebtedness and the postponement of payment of interest) will do so with the confident expectation of the payment in due course of the debt owed the United States by Great Britain. It is felt that the funding of these demand obligations of the British Government will do more to strengthen the friendly relations between America and Great Britain than would any other course of dealing with the same.

"The United States Government entirely agrees with the British Government that the fixing of Germany's reparation obligation is a cardinal necessity for the renewal of the economic life of Europe and would prove to be most helpful in the interests of peace throughout the world; however, it fails to perceive the logic in a suggestion in effect either that the United States shall pay part of Germany's reparation obligation or that it shall make a gratuity to the allied Governments to induce them to fix such obligation at an amount within Germany's capacity to pay. This Government has endeavored heretofore in a most friendly spirit to make it clear that it can not consent to connect the reparation question with that of intergovernmental indebtedness.

"The long delay which has occurred in the funding of the demand obligations is already embarrassing the Treasury, which will find itself compelled to begin to collect back and current interest if speedy progress is not made with the funding. Unless arrangements are completed for funding such loans and in that connection for the deferring of interest, in the present state of opinion here there is likely to develop a dangerous misunderstanding. I believe it to be highly important that a British representative with proper authority proceed to Washington without delay to arrange to carry out the obligation of the British Government to convert its demand obligations held by our Treasury into long-time obligations.

"The United States Government recognizes the importance, in the interests of peace and prosperity, of securing the restoration of financial and industrial stability throughout Europe. The war debts of the allied Governments, the treaty obligations of Germany under the reparation clauses of the treaty of Versailles and the annexes thereto, and of other enemy and ex-enemy countries under the treaties negotiated with them, the administration of countries under the mandates provided for by such treaties, and the existing arrangements between the Governments of various countries have or may have an important bearing in making plans to accomplish such restoration. It is the view of the United States Government that in accrediting a representative to Washington for the purpose mentioned it might prove expedient that the British Government should authorize him to enter into discussions of all of these matters with the proper representatives of the United States Government."

LIMITATION OF ARMAMENTS.

Mr. WALSH of Montana. Mr. President, I wish to take a moment this morning, with the permission of the Senate—

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Montana will proceed.

Mr. WALSH of Montana. I wish to extend to the President of the United States congratulations upon the success that attended his efforts to bring together representatives of the great powers in a conference on disarmament. I do not underestimate the difficulties which will confront the conference in the serious task which it will undertake, but I feel confident that the statesmanship of the world will not be unequal to the duties which it will assume, spurred, of course, by a lively sense of the awful miseries entailed by the conflict through which we have passed and by a keen appreciation of the fact that with the new methods of destruction which with fiendish ingenuity are being devised civilization will not be able to stand another World War and that universal ruin and chaos must follow in its train. I am satisfied that if our reasonable expectations with reference to the conference are realized President Harding will be revered by countless millions when the conference has waded through the task and that war will be remembered only with horror and detestation.

It was to my mind entirely appropriate that this Nation of ours, the greatest power on earth, should have taken the initiative in the matter, a Nation that dreads no conquest, that fears no invasion, and that contemplates neither. Our wholehearted support, the support of one and all, should be given the President of the United States in the effort to bring about this epoch-making conference, whose work signifies more for the welfare and happiness of humanity than perhaps any similar assemblage ever gathered on this earth.

AVIATION AND ORDNANCE EXPERIMENTS BY ARMY AND NAVY.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, which was ordered to lie on the table and to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
Washington, July 16, 1921.

The honorable the VICE PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SIR: With reference to my letter of July 12, 1921, in regard to the sinking of the ex-German battleship *Ostfriesland*, the Navy Department has made special arrangements whereby any of the Members of Con-

gress who are aboard the U. S. S. *Henderson* and who desire to return to Washington by 9 a. m. July 21, 1921, will be furnished transportation.

As previously stated, the U. S. S. *Henderson* will sail at 10 a. m. Tuesday, July 19, 1921, from the navy yard, Washington, D. C., for the southern drill grounds, witnessing the attack on the *Ostfriesland* by aircraft on July 20, 1921, and by gunfire on July 21, 1921, and returning to Washington on Friday, July 22. A destroyer will come alongside the *Henderson* on July 20, 1921, immediately after the completion of the attack by aircraft and will take aboard such Senators as may desire to return to Washington. The destroyer will then proceed to Norfolk, Va., and endeavor to land these gentlemen aboard the boat sailing from Norfolk to Washington. In the event that the destroyer fails to reach Norfolk prior to the sailing of the boat, the destroyer will then herself proceed immediately to Washington.

It is suggested that the Senators desiring to avail themselves of this transportation by destroyer make arrangements in advance, if practicable, for reservations aboard the night boat from Norfolk to Washington. As the living quarters aboard the destroyer are necessarily very crowded it will probably be uncomfortable for the Senators to spend the night aboard the destroyer on her trip from Norfolk to Washington, and every endeavor will be made to land these gentlemen at Norfolk before the sailing of the regular boat.

The department will particularly appreciate your publishing this information to all concerned as soon as practicable.

Sincerely, yours,

EDWIN DENBY.

PETITIONS AND MEMORIALS.

Mr. WILLIS presented a resolution of the Tuscarawas County Medical Society, of New Philadelphia, Ohio, favoring the enactment of legislation supplemental to the national prohibition act, which was ordered to lie on the table.

He also presented a resolution of the Akron Post, No. 209, American Legion, of Akron, Ohio, favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented a resolution of the Chamber of Commerce of Akron, Ohio, protesting against the enactment of the so-called soldiers' bonus bill and favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented three memorials of sundry citizens of Mount Vernon, Richwood, Bellville, Frederickstown, New Philadelphia, and Bowling Green, all in the State of Ohio, remonstrating against the enactment of legislation to regulate the conducting of business in the District of Columbia on Sunday, which were referred to the Committee on the District of Columbia.

He also presented a resolution adopted at a mass meeting held at Springfield, Ohio, June 29, 1921, favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented 51 petitions signed by 1,541 citizens of Ironton, Ohio, favoring the recognition of the republic of Ireland by the Government of the United States, which were referred to the Committee on Foreign Relations.

Mr. WARREN presented a resolution adopted by the Wyoming State Board of School Land Commissioners, favoring the enactment of Senate bill 1721, limiting the time in which inquiry may be made into the mineral character of State school land grants to 12 years from the date of the admission of the State, etc., which was referred to the Committee on Public Lands and Surveys.

He also presented a resolution of the Laramie (Wyo.) Rotary Club, favoring the enactment of the so-called Phipps bill, continuing Federal aid in road construction, etc., which was referred to the Committee on Post Offices and Post Roads.

Mr. SPENCER presented petitions of John A. Kennedy and 29 others, Mary Moriarty and 29 others, Thomas Pomphrey and 29 others, Henry Groh and 29 others, Michael Moriarty and 29 others, Harry Mahony and 29 others, Fred C. Koib and 28 others, Ida Sanders and 29 others, Michael Biggins and 29 others, James Durkin and 29 others, Jane O'Toole and 29 others, Bernard J. Fahey and 29 others, Michael Connelly and 29 others, J. J. Walsh and 29 others, John Golden and 29 others, Frank Montgomery and 29 others, Mrs. A. Faessler and 29 others, John O'Sullivan and 29 others, Patrick McBride and 29 others, J. H. Deeken and 29 others, Mike Lahert and 29 others, Lawrence H. Lutz and 29 others, W. J. Connell and 29 others, P. E. Lyons and 29 others, Mrs. M. Enright and 29 others, Joseph Duffy and 29 others, William Laughlin and 29 others, John J. Gliseman and 29 others, Joseph I. Rosner and 29 others, Alice Sheehan and 29 others, Malcolm McDonald and 29 others, John F. Foristal and 29 others, Mrs. D. O'Connor and 29 others, John D. McCarthy and 29 others, John F. Murphy and 29 others, Ben Anderson and 29 others, Edward W. Garrigan and 29 others, Michael Stenson and 29 others, Timothy Shea and 29 others, Thomas Doyle and 29 others, Mrs. C. N. Harris and 29 others, John Klapstein and 29 others, W. Robert Clark and 29 others, Mrs. William Rafferty and 29 others, Simon McDonnell and 29 others, William K. Harvey and 29 others, S. G. Binder and 29 others, Mrs. A. Simpson and 29 others, J. F. Doyle and 29

others, Edw. H. Moeller and 29 others, Lawrence H. Lutz and 29 others, W. J. Connell and 29 others, R. F. Laramie and 29 others, John Hagan and 29 others, Nelson Mosher, sr., and 29 others, Bridget Kernan and 29 others, Cornelia Shriner and 29 others, Edward Smith and 29 others, Oalicia Young and 29 others, Joseph A. Brennan and 29 others, Adele Schierick and 29 others, Thomas Gill and 29 others, Mrs. Lucy Harrie and 29 others, John K. Baker and 29 others, Florence Coonce and 29 others, Julia Shine and 29 others, Mrs. Ellen O'Gara and 29 others, Michael Doyle and 29 others, Mrs. H. McCarty and 29 others, Mary Halpin and 29 others, William J. Murphy and 29 others, A. L. Basch and 29 others, Henry Kellermeyer and 29 others, F. C. LeMatty and 29 others, George Burnett and 29 others, Daniel Bergin and 29 others, John Mix and 29 others, John Halpin and 29 others, Frank Cole and 29 others, William Potts and 29 others, M. Sullivan and 29 others, and W. J. Kiely and 29 others, all of St. Louis, Mo., praying for the recognition by the United States of the republic of Ireland, which were referred to the Committee on Foreign Relations.

Mr. WATSON of Georgia presented a concurrent resolution of the Legislature of Georgia, which was referred to the Committee on Irrigation and Reclamation, as follows:

Whereas one of the greatest needs for the development of Georgia is the reclamation of its swamp and low lands and the irrigation of the arid or semiarid lands; and

Whereas the immense cost of such a proposition is a heavier burden than the State can assume without Federal aid and cooperation; and

Whereas the reclamation of the waste lands of the State would mean the addition of hundreds of thousands of dollars of taxable property and would materially increase the value of the holdings of every landowner in the State and would mean the practical elimination of malaria and swamp fevers now prevalent in some sections of the State; and

Whereas there are now three bills pending before the Congress of the United States providing for Federal aid and cooperation with the States in the reclamation of swamp and waste lands; in the irrigation of said lands, and in the reforestation of cut-over lands, being House bills Nos. 119, 3726, and 6048: Therefore be it

Resolved by the house (the senate concurring), That the Congress of the United States be requested and urged to pass said bills at the earliest practical moment and that the Senators and Congressmen from Georgia be requested to lend their efforts in securing their passage: Be it further

Resolved, That a copy of this resolution be sent to each of the Senators and Congressmen from this State.

Mr. HARRIS presented a resolution of the Legislature of Georgia, which was referred to the Committee on Finance, as follows:

Resolution adopted by the General Assembly of Georgia on July 11, 1921.

Whereas there is in possession of the Secretary of the Treasury of the United States millions of dollars representing illegal taxes collected from the Southern States during the years 1863 to 1868 by the imposition of an illegal tax on raw cotton produced in these States; and

Whereas it has been difficult and almost impossible for claims to be established by individuals in a manner to meet the requirements of the United States Court of Claims; and

Whereas these funds are legally and morally the property of the States from which illegally collected and the share of Georgia is approximately \$12,000,000, as shown by the records of the United States Treasury Department: Therefore be it

Resolved by the General Assembly of Georgia, That Congress be hereby memorialized and requested to enact such legislation as will return these funds to the States from which taken by permitting the governor and the secretary of state under the great seal of the State to execute a valid release to the United States Government therefor, and thereafter permit each State to adjust claims upon said funds as may be just and proper and appropriate, and to thereafter make such disposition of the remaining funds as the people of each State through their lawful representatives may so desire: Be it further

Resolved, That the Senators and Congressmen from this State be urged and directed to initiate and sponsor such necessary legislation or action as may be appropriate or necessary to bring this result about.

Mr. CURTIS presented a petition of sundry members of Dick Yates Post, No. 50, of Eureka, Kans., praying that the payment of pensions every three months be continued, which was referred to the Committee on Pensions.

He also presented a petition of sundry citizens of Olivet, Kans., praying that an international disarmament conference be called, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a resolution of the Kansas Board of Examiners, of Lawrence, Kans., favoring the enactment of legislation extending the time in which taxpayers may file returns of annual net income, which was referred to the Committee on Finance.

He also presented a resolution adopted at a meeting of the Orleans County Farm Bureau Association, at Albion, N. Y., favoring the enactment of the so-called truth in fabric bill, which was referred to the Committee on Interstate Commerce.

Mr. TOWNSEND presented a resolution of the Bay City (Mich.) Board of Commerce opposing the proposed removal

of the Hydrographic Office from the jurisdiction of the Navy Department, which was referred to the Committee on Naval Affairs.

He also presented a petition of sundry citizens of Climax, Mich., praying that the United States take the leadership in international disarmament, which was referred to the Committee on Foreign Relations.

He also presented a resolution of Peter Gedda Post, No. 27, American Legion, of Bessemer, Mich., favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Perry, Mich., remonstrating against the enactment of legislation to regulate the conducting of business in the District of Columbia on Sunday, which was referred to the Committee on the District of Columbia.

Mr. KENDRICK. Mr. President, I ask leave to present three resolutions or petitions signed by over 100 of the citizens of Casper, Wyo. I ask that one of the resolutions be read without reading the long list of names attached and that the resolutions be referred to the Committee on Foreign Relations.

The resolutions were referred to the Committee on Foreign Relations, and one of them was read, as follows:

Petition.

To the Senate of the United States, Washington, D. C.

Whereas we believe that the conditions existing in Ireland are a menace to the peace of the world, and that the savage efforts of England, without protest by other civilized States, to repress representative government are breeding disrespect for law and undermining the foundations of all organized government; and

Whereas we believe the highest and best interests of our country demand a free, prosperous, and peaceful republic in Ireland: Therefore

The undersigned citizens of the United States residing in the State of Wyoming respectfully petition the Congress of the United States to take the necessary action to bring about the recognition of the existing duly elected government of the republic of Ireland by the Government of the United States, in accordance with the traditional policy of our country faithfully adhered to since the early days of the Republic.

Mr. KENDRICK presented a resolution of the Rotary Club of Cheyenne, Wyo., favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented a resolution of the Rotary Club of Laramie, Wyo., favoring the enactment of legislation extending Federal aid to the States in road construction, which was referred to the Committee on Post Offices and Post Roads.

Mr. LA FOLLETTE presented two joint resolutions of the Legislature of Wisconsin, which were referred to the Committee on Agriculture and Forestry, as follows:

Joint resolution 57, urging the Congress of the United States to pass the farmers' export financing corporation bill.

Whereas there is pending before the Congress of the United States the so-called farmers' export financing corporation bill, introduced by Senator NORRIS, which proposes to finance exports of cotton, wheat, and all other agricultural products; and

Whereas this bill, if enacted into law, would result in untold benefit to the farmers of this country by opening and developing channels for export trade in agricultural products; and

Whereas recent investigation shows that the returns of tenant farmers in the mid-continent region for this year will not exceed on the average 5 cents an hour; that farmers generally, with their large investments in farm capital and unpaid debts increasing, are threatened with serious conditions of bankruptcy never before experienced in this country: Therefore be it

Resolved by the assembly (the senate concurring), That this legislature respectfully memorialize and urge the Congress of the United States to enact during this session the bill herein referred to, or any other bill of similar import; and be it further

Resolved, That suitable copies of this resolution, properly attested, be transmitted to the President of the United States, the Speaker of the House of Representatives, and to each United States Senator and Representative in Congress from this State.

Geo. F. COMINGS,
President of the Senate.

O. G. MURPHY,
Chief Clerk of the Senate.

RILEY S. YOUNG,
Speaker of the Assembly.

C. E. SHAFER,
Chief Clerk of the Assembly.

Joint resolution 60, relating to memorializing Congress to enact into law the "Voigt bill."

Whereas Congressman VOIGT, of Wisconsin, has recently introduced in the United States Congress a bill prohibiting "filled milk" being entered for interstate commerce, which is in effect similar to the "filled milk" bill recently introduced in the Wisconsin State Legislature; and

Whereas said bill, if enacted into law, will have far-reaching effect in protecting the common welfare of citizens of this country: Now, therefore, be it

Resolved by the assembly (the senate concurring), That we heartily endorse the "Voigt bill" and urge the Wisconsin Representatives in the Congress of the United States to take all necessary steps to secure the speedy enactment into law of said "Voigt bill" or any similar laws.

Resolved further, That suitable copies of this resolution, properly engrossed and authenticated, be transmitted to each of the Congressmen and Senators in Congress from Wisconsin and to the presiding officers of both Houses of Congress.

GEO. F. COMINGS,
President of the Senate.
O. G. MUNSON,
Chief Clerk of the Senate.
RILEY S. YOUNG,
Speaker of the Assembly.
C. E. SHAFER,
Chief Clerk of the Assembly.

STATEMENT OF ESTIMATES AND APPROPRIATIONS.

Mr. WARREN. Mr. President, I rise to present a report from the Committee on Appropriations, and ask consent that I may have a few moments to explain the figures given.

The VICE PRESIDENT. Without objection, permission is granted.

Mr. WARREN. It is usual at the end of a fiscal year to present the entire list of appropriations providing for the expected disbursements for the coming fiscal year and compare them with the regular estimates made by the departments for that year, so that we may know what is the condition of our Treasury. These statements could not be presented with exactness at the end of the Sixty-sixth Congress because both the Army and Navy regular annual appropriation bills had failed to pass, but the committee did present a statement of approximate amounts.

I present first the estimates and contracts. We were asked to appropriate for the regular annual bills and contracts that we had to provide for during the fiscal year 1922 the sum of \$3,386,611,227.49; also for the permanent annual appropriations—and that is the part to which I wish particularly later to call the attention of the Senate—the sum of \$1,300,776,360.87. Also, there were deficiency estimates for the year amounting to \$650,609,133.87. This makes a grand total that Congress was called upon to provide of \$5,471,996,722.23.

I may say there should be deducted from that amount, however, \$134,000,000, which was estimated for under two different heads, first under the regular sundry civil and later under the deficiency, but that left a grand total of \$5,337,996,722.23.

Under these estimates, the appropriations for the regular conduct of the several departments are \$2,171,081,664.64, and we have appropriated under the deficiency estimates \$382,421,231.37.

Now comes the most difficult matter always to calculate, and that is the miscellaneous as well as the permanent and the indefinite items. Under the miscellaneous we were asked \$18,600,000 in one sum for the construction of hospitals; for the valuation of property of carriers, and so forth, \$1,000,000; claims of officers and enlisted men for loss of property, \$300,000; allotment of land within the Fort Belknap Indian Reservation, Mont., \$270,000; budget and accounting act, \$225,000; and for the sundry miscellaneous acts of minor importance, \$107,952.58.

Over the permanent and indefinite items we have no control in the Committee on Appropriations. Congress itself has no control over them until it shall legislate in the way of additions or subtractions or repeal of the laws.

In the permanent items we have interest on public debt, \$922,650,000; sinking fund under the law, which last year called for \$265,754,864.87; customs service, repayments for erroneous collections, \$27,000,000; Philippine and Porto Rican funds, \$4,000,000; national bank examiners, salaries and expenses, \$1,700,000; Federal Board for Vocational Education, \$5,438,000; canals and river and harbor work, \$7,244,600; pay of Army, deposit fund, \$2,000,000; special and trust funds of the Navy, \$13,040,000; civil-service retirement and disability fund, \$5,097,000; agricultural and mechanical colleges, \$2,500,000; payments to States for receipts under oil leasing acts, \$3,750,000;

Indian funds and interest on same, \$23,300,000; meat inspection, Bureau of Animal Industry, \$3,000,000; cooperative agricultural extension work, \$4,080,000; construction of roads and trails in national forests, \$1,000,000; payment for national-forest funds and cooperative work, Forest Service, \$5,570,000; increased compensation to certain Government employees, the \$240 bonus, \$35,000,000; miscellaneous, \$5,651,896.

These permanent and definite amounts of \$1,335,776,360.87 very far exceed the entire expenses of the Government not many years ago. Since I have been a Member of this body we can look back to a time when the total expense of running the Government was less than half that sum. It has been only during the past few years that our total expenditures have exceeded a billion dollars. We now have to face permanent expenditures of one billion three hundred and thirty-five million and odd thousand dollars; indeed, it will be more than that the coming year, of course, because we have the expenditures on behalf of the Federal Board for Vocational Education, which expenditures increase every year. We have, in addition to that, the civil pension list, and, judging from the fact that it has already aggregated more than \$5,000,000, we may well estimate that it will reach a very high sum and will grow rapidly.

We are from day to day, Mr. President, or we have been doing so to some extent, passing legislation which either proposes to appropriate or authorize expenditures for 5, 10, or 15 years in advance, and sometimes we have provided for indefinite appropriations. We have now before us several bills of that kind, amongst which I may cite the so-called maternity bill. That, I believe, is more modest than some of the bills which we have passed, for it is to run for a given sum per annum for a period of five years before inflation takes place. It seems to me that there ought to be a general understanding in this body and in the body at the other end of the Capitol that we ought not to indulge in the practice of providing indefinite appropriations and that we ought to appropriate for only one coming year and not for several years or indefinitely in advance.

Mr. President, I am presently going to ask that the tables which I now present may be printed in the Record.

Mr. President, in addition to what I have stated, I also desire to say that although the total estimates which I have given amounted to \$5,337,996,722.23, the total appropriations have been \$3,909,782,209.46. The estimates exceeded that amount by \$1,428,214,512.77.

Mr. OVERMAN. Does the total of \$3,909,782,209 include the permanent appropriations? As I understand, the figures cited by the Senator are appropriations which have been made, but there are beside permanent appropriations amounting to more than a billion dollars.

Mr. WARREN. Those appropriations amount to over a billion dollars, but they are all included in the total which I have stated.

Mr. OVERMAN. They are included in the grand total?

Mr. WARREN. They are all included in the grand total of appropriations, which is \$3,909,782,209.46.

As I have stated, the total estimates were \$5,337,996,722.23. In our appropriations we increased the estimates in a few cases to the amount of a little over \$55,000,000; but, on the other hand, allowing for those increases, we have in other items appropriated far below the figures stated in the regular estimates, so that the saving representing the difference between the estimates and the amount appropriated is \$1,428,214,512.77. I now ask that these tables be printed in the Record.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The tables referred to are as follows:

COMPARISON OF APPROPRIATIONS (INCLUDING CONTRACT OBLIGATIONS) AND ESTIMATES, FISCAL YEAR 1922.

Title.	Estimates.	Appropriations.	Increase appropriations over estimates.	Decrease appropriations under estimates.
Regular acts.....	\$3, 386, 611, 227. 49	\$2, 171, 081, 664. 64	.....	\$1, 215, 529, 562. 85
Deficiency acts.....	650, 609, 133. 87	382, 421, 231. 37	.....	268, 187, 902. 50
Miscellaneous acts.....	.....	20, 502, 952. 58	\$20, 502, 952. 58	.....
Permanents and indefinites.....	1, 300, 776, 360. 87	1, 335, 776, 360. 87	35, 000, 000. 00	.....
Total.....	5, 337, 996, 722. 23	3, 909, 782, 209. 46	55, 502, 952. 58	1, 483, 717, 465. 35

¹ Exclusive of estimate for \$134,000,000 for the fiscal year 1922, submitted for the Emergency Fleet Corporation in connection with the second deficiency bill, which was also originally submitted in connection with the sundry civil bill.

Net reduction, estimates under appropriations, \$1,428,214,512.77.

RECAPITULATION OF ESTIMATES OF APPROPRIATIONS, 1921-22.
Sixty-sixth Congress, third session, and Sixty-seventh Congress, first session.

Title of acts.	Regular annual.	Supplemental or deficiency.	Total.
REGULAR ACTS.			
Agriculture.....	\$41,989,384.00	\$11,040,000.00	\$53,029,384.00
Army (including Military Academy).....	699,275,502.93		699,275,502.93
Diplomatic and Consular.....	11,983,848.94		11,983,848.94
District of Columbia.....	25,039,044.99		25,039,044.99
Fortification.....	35,676,533.66		35,676,533.66
Indian.....	11,989,703.67		11,989,703.67
Legislative, etc.....	136,452,634.97	762,080.00	137,214,714.97
Naval.....	679,515,731.47	18,400,000.00	697,915,731.47
Pensions.....	265,190,000.00	310,000.00	265,500,000.00
Post Office.....	585,406,902.00		585,406,902.00
River and harbor.....	57,114,915.00		57,114,915.00
Sundry civil.....	803,446,196.86	3,018,749.00	806,464,945.86
Total, regular acts.....	3,353,080,398.49	33,530,829.00	3,386,611,227.49
Permanent annual appropriations.....	1,300,776,360.87		1,300,776,360.87
Total, regular and permanent.....	4,653,856,759.36	33,530,829.00	4,687,387,588.36
DEFICIENCY ACTS.			
First deficiency, fiscal year 1921.....		560,625,288.24	560,625,288.24
Second deficiency, fiscal year 1921.....		223,983,845.63	223,983,845.63
Total, deficiency acts.....		784,609,133.87	784,609,133.87
Grand total.....	4,653,856,759.36	818,139,962.87	5,471,996,722.23
Deduct estimate for the fiscal year 1922 submitted for the Emergency Fleet Corporation in connection with the second deficiency bill and also submitted originally in connection with the sundry civil bill.....			134,000,000.00
Grand total of estimates, net.....			5,337,996,722.23

RECAPITULATION OF APPROPRIATIONS, 1921-22.
Sixty-sixth Congress, third session, and Sixty-seventh Congress, first session.

Title of acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
REGULAR ACTS.			
Agriculture.....	\$36,404,259.00		\$36,404,259.00
Army.....	328,013,529.80		328,013,529.80
Diplomatic and Consular.....	9,326,550.79		9,326,550.79
District of Columbia ¹	19,412,412.99	\$100,000.00	19,512,412.99
Fortifications.....	8,038,017.00		8,038,017.00
Indian.....	9,761,554.67		9,761,554.67
Legislative, etc.....	110,348,018.75		110,348,018.75
Navy.....	410,673,289.23		410,673,289.23
Pension.....	265,500,000.00		265,500,000.00
Post Office ²	574,057,552.00		574,057,552.00
River and harbor.....	15,250,000.00		15,250,000.00
Sundry civil.....	384,196,480.41		384,196,480.41
Total, regular acts.....	2,170,981,664.64	100,000.00	2,171,081,664.64
DEFICIENCY ACTS.			
First deficiency, fiscal year 1921.....	275,256,508.87		275,256,508.87
Second deficiency, fiscal year 1921.....	106,355,657.06	400,000.00	106,755,657.06
Urgent deficiency, expenses of first session, Sixty-seventh Congress.....	409,065.44		409,065.44
Total, deficiency acts.....	382,021,231.37	400,000.00	382,421,231.37
MISCELLANEOUS ACTS. ³			
Construction of hospitals, war-risk insurance patients.....	18,600,000.00		18,600,000.00
Valuation of property of carriers, Interstate Commerce Commission, fiscal year 1921.....	1,000,000.00		1,000,000.00
Claims of officers and enlisted men of the Army for loss of property lost in the military service.....	300,000.00		300,000.00

[See footnotes on page 3956.]

RECAPITULATION OF APPROPRIATIONS, 1921-22—Continued.
Sixty-sixth Congress, third session, and Sixty-seventh Congress, first session.

Title of acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
MISCELLANEOUS ACTS—continued.			
Allotment of lands within the Fort Belknap Indian Reservation, Mont.	\$270,000.00		\$270,000.00
Budget and accounting act.....	225,000.00		225,000.00
Sundry miscellaneous acts.....	107,952.58		107,952.58
Total, miscellaneous acts ³	20,502,952.58		20,502,952.58
PERMANENTS AND INDEFINITES.			
Interest on the public debt.....	322,650,000.00		322,650,000.00
Sinking fund.....	265,754,864.87		265,754,864.87
Customs Service, repayments, etc.....	27,000,000.00		27,000,000.00
Philippine and Porto Rican funds.....	4,000,000.00		4,000,000.00
National bank examiners, salaries and expenses.....	1,700,000.00		1,700,000.00
Federal Board for Vocational Education.....	5,438,000.00		5,438,000.00
Canals and river and harbor work.....	7,244,600.00		7,244,600.00
Pay of the Army, deposit fund.....	2,000,000.00		2,000,000.00
Special and trust funds, Navy Department.....	13,040,000.00		13,040,000.00
Civil service retirement and disability fund.....	5,097,000.00		5,097,000.00
Agricultural and mechanical colleges.....	2,500,000.00		2,500,000.00
Payments to States from receipts under oil-leasing act.....	3,750,000.00		3,750,000.00
Indian funds and interest on same.....	23,300,000.00		23,300,000.00
Meat inspection, Bureau of Animal Industry.....	3,000,000.00		3,000,000.00
Cooperative agricultural extension work.....	4,080,000.00		4,080,000.00
Construction of roads and trails, national forests.....	1,000,000.00		1,000,000.00
Payments from national forest funds and cooperative work, Forest Service.....	3,570,000.00		3,570,000.00
Increased compensation to certain Government employees (\$240 bonus) ⁴	35,000,000.00		35,000,000.00
Miscellaneous.....	5,651,896.00		5,651,896.00
Total, permanents and indefinites.....	1,335,776,360.87		1,335,776,360.87
Grand total.....	3,909,282,209.46	\$500,000.00	3,909,782,209.46

¹ The amounts for the District of Columbia, after deducting sums for the water service (payable from the water revenues) and sums for playgrounds, street extensions, minimum wage board, and community forums of public schools (payable wholly from District revenues), are payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the Treasury of the United States.

² The expenses of the Postal Service are payable from the postal revenues to the extent they are sufficient therefor and the remainder is paid out of the Treasury.

³ Miscellaneous acts for the Sixty-seventh Congress, first session, include these approved prior to July 1, 1921.

⁴ This sum is approximated.

JULY 12, 1921.

Mr. McCORMICK. I ask that in conjunction with the tables presented by the Senator from Wyoming the corresponding tables presented a year ago may be published for comparison.

The VICE PRESIDENT. Without objection, the tables referred to by the Senator from Illinois will be printed in the RECORD.

The tables referred to are as follows:

RECAPITULATION OF APPROPRIATIONS, 1920-21.
Sixty-sixth Congress, second session.

Title of appropriation acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
REGULAR ACTS.			
Agriculture.....	\$31,712,784.00		\$31,712,784.00
Army.....	392,558,365.00		392,558,365.00
Diplomatic and Consular.....	9,218,537.91		9,218,537.91
District of Columbia ¹	18,373,004.87	\$2,266,410.00	20,639,414.87
Fortifications.....	18,833,442.00	300,000.00	19,133,442.00
Indian.....	10,020,555.27		10,020,555.27
Legislative, etc.....	104,749,326.11		104,749,326.11
Military Academy.....	2,142,212.70		2,142,212.70
Naval.....	433,279,574.00	5,505,000.00	438,784,574.00
Pension.....	279,150,000.00		279,150,000.00
Post Office ²	462,575,190.00		462,575,190.00
River and Harbor.....	12,400,000.00		12,400,000.00
Sundry civil.....	437,106,806.92		437,106,806.92
Total, regular acts.....	2,212,119,798.78	8,071,410.00	2,220,191,208.78

[See footnotes on page 3957.]

RECAPITULATION OF APPROPRIATIONS, 1920-21—Continued.
Sixty-sixth Congress, second session.

Title of appropriation acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
DEFICIENCY ACTS.			
Urgent, fiscal year 1920.....	\$33, 110, 000. 00	.....	\$33, 110, 000. 00
Second, fiscal year 1920.....	88, 061, 889. 63	\$400, 000. 00	88, 461, 889. 63
Railroad and urgent, fiscal year 1920.....	309, 717, 285. 79	.....	309, 717, 285. 79
Third, fiscal year 1920.....	55, 603, 208. 03	.....	55, 603, 208. 03
Total, deficiency acts.....	486, 492, 383. 45	400, 000. 00	486, 892, 383. 45
MISCELLANEOUS ACTS.			
Metropolitan and park police, District of Columbia.....	339, 474. 05	.....	339, 474. 05
International Communication Conference.....	75, 000. 00	.....	75, 000. 00
Retirement of school-teachers, District of Columbia.....	30, 000. 00	.....	30, 000. 00
Fire department, District of Columbia.....	279, 500. 00	.....	279, 500. 00
Transportation act, 1920 ³	500, 050, 000. 00	.....	500, 050, 000. 00
Relief of certain Army officers.....	10, 000. 00	.....	10, 000. 00
Vocational rehabilitation of persons disabled in industry.....	871, 000. 00	.....	871, 000. 00
Federal water-power act.....	125, 000. 00	.....	125, 000. 00
Relief of New Jersey Shipbuilding & Dredging Co.....	118, 309. 16	.....	118, 309. 16
Miscellaneous private relief acts.....	55, 782. 62	.....	55, 782. 62
Increased compensation to certain Government employees ⁴	35, 000, 000. 00	.....	35, 000, 000. 00
Increased compensation, Postal Service, under reclassification act ⁴	855, 510. 00	.....	41, 855, 510. 00
Total, miscellaneous acts.....	578, 809, 575. 83	.....	578, 809, 575. 83
PERMANENTS AND INDEFINITES.			
Interest on the public debt ⁴	1, 017, 500, 000. 00	.....	1, 017, 500, 000. 00
Sinking fund ⁴	287, 500, 000. 00	.....	287, 500, 000. 00
Loans, expenses of ⁴	12, 456, 000. 00	.....	12, 456, 000. 00
Customs Service, repayments, etc. ⁴	20, 200, 000. 00	.....	20, 200, 000. 00
Philippine and Porto Rican funds.....	4, 000, 000. 00	.....	4, 000, 000. 00
National bank examiners, salaries and expenses.....	1, 000, 000. 00	.....	1, 000, 000. 00
Federal Board for Vocational Education.....	3, 836, 000. 00	.....	3, 836, 000. 00
Canals and river and harbor work.....	4, 544, 000. 00	.....	4, 544, 000. 00
Pay of the Army, deposit fund.....	2, 000, 000. 00	.....	2, 000, 000. 00
Special and trust funds, Navy Department.....	4, 250, 000. 00	.....	4, 250, 000. 00
Agricultural and mechanical colleges.....	2, 500, 000. 00	.....	2, 500, 000. 00
Indian funds ⁴	23, 775, 000. 00	.....	23, 775, 000. 00
Meat inspection, Bureau of Animal Industry.....	3, 000, 000. 00	.....	3, 000, 000. 00
Road construction ⁵	104, 000, 000. 00	.....	104, 000, 000. 00
Miscellaneous ⁴	12, 846, 752. 29	.....	12, 846, 752. 29
Total, permanents and indefinites.....	1, 503, 407, 752. 29	.....	1, 503, 407, 752. 29
Grand total ⁵	4, 780, 829, 510. 35	8, 471, 410. 00	4, 789, 300, 920. 35

¹ The amounts for the District of Columbia, after deducting sums for the water service (payable from the water revenues), and sums for playgrounds, street extensions, and minimum wage board (payable wholly from the District revenues), are payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the Treasury of the United States.

² The expenses of the Postal Service are payable from the postal revenues to the extent they are sufficient therefor and the remainder is paid out of the Treasury.

³ This sum is made up as follows: \$300,000,000 for new loans to carriers, \$200,000,000 on account of Federal control of railroads, and \$50,000 for expenses of the Railway Labor Board. No amount is included to cover sums estimated to carry into effect the six months' guaranty to carriers or to pay the losses of "short-line" railroads.

⁴ This sum is approximated.

⁵ This sum includes \$78,000,000 appropriated for the construction of roads for the fiscal year 1921 by the Post Office appropriation act approved Feb. 28, 1919.

SEPTEMBER 1, 1920.

RECAPITULATION OF ESTIMATES OF APPROPRIATIONS, 1920-21.
Sixty-sixth Congress, second session.

Title of acts.	Regular annual.	Supplemental or deficiency.	Total.
REGULAR ACTS.			
Agriculture.....	\$37, 528, 102. 00	\$2, 169, 755. 00	\$39, 697, 857. 00
Army.....	982, 800, 020. 00	1, 822, 200. 00	984, 622, 220. 00
Diplomatic and Consular.....	11, 243, 250. 91	464, 112. 00	11, 707, 362. 91
District of Columbia.....	19, 179, 716. 03	1, 249, 612. 84	20, 429, 328. 87
Fortifications.....	117, 793, 330. 00	134, 000. 00	117, 927, 330. 00
Indian.....	12, 994, 494. 27	.....	12, 994, 494. 27
Legislative, etc.....	122, 242, 849. 02	201, 990. 00	122, 444, 839. 02

RECAPITULATION OF ESTIMATES OF APPROPRIATIONS, 1920-21—Continued.

Sixty-sixth Congress, second session.

Title of acts.	Regular annual.	Supplemental or deficiency.	Total.
REGULAR ACTS—continued.			
Military Academy.....	\$6, 778, 637. 20		\$6, 778, 637. 20
Naval.....	573, 131, 254. 80	\$9, 500, 000. 00	582, 631, 254. 80
Pension.....	215, 030, 000. 00		215, 030, 000. 00
Post Office.....	391, 713, 673. 00		391, 713, 673. 00
River and harbor.....	42, 841, 565. 00		42, 841, 565. 00
Sundry civil.....	906, 725, 387. 10	141, 500, 000. 00	1, 048, 225, 387. 10
Total, regular acts.....	3, 440, 002, 279. 33	157, 041, 669. 84	3, 597, 043, 949. 17
Permanent annual appropriations.....	1, 425, 407, 752. 29		1, 425, 407, 752. 29
Total, regular and permanent annual appropriations.....	4, 865, 410, 031. 62		5, 022, 451, 701. 46
Miscellaneous estimates.....	500, 050, 000. 00		500, 050, 000. 00
Total, regular, permanent, and miscellaneous.....	5, 365, 460, 031. 62		5, 522, 501, 701. 46
DEFICIENCY ACTS.			
Urgent, fiscal year 1920.....		33, 289, 500. 00	33, 289, 500. 00
Second, fiscal year 1920.....		119, 174, 798. 25	119, 174, 798. 25
Railroad and urgent, fiscal year 1920.....		431, 675, 429. 98	431, 675, 429. 98
Third, fiscal year 1920.....		64, 277, 690. 40	64, 277, 690. 40
Total, deficiency acts.....		648, 417, 418. 63	648, 417, 418. 63
Grand total.....	5, 365, 460, 031. 62	805, 459, 088. 47	6, 170, 919, 120. 09

NOTE.—The regular annual estimates (including those for permanent appropriations) were submitted to Congress at the beginning of the second session of the Sixty-sixth Congress in House Document No. 411, and the supplemental and deficiency estimates have been submitted from time to time during that session. The amount under "Miscellaneous Estimates" includes the aggregate of the specific sums appropriated in the "Transportation act, 1920," for which no formal estimates were submitted.

SEPTEMBER 1, 1920.

Mr. WARREN. I observe that the Senator from Illinois [Mr. McCORMICK], who requested the last-mentioned table showing recapitulation of appropriations 1920-21, Sixty-sixth Congress, second session, and recapitulation of estimates of appropriations for the same period, desired the printing of these tables to follow immediately after those of 1921-22 for the purpose of comparing the amounts of appropriations and estimates for the two fiscal years.

The following short table will give the Senator the difference between the appropriations for the two fiscal years named:

Appropriations, 1921.....	\$4, 780, 829, 510. 35
Appropriations, 1922.....	3, 909, 782, 209. 46
Decrease, 1922 under 1921.....	\$71, 047, 300. 89

Thus it is shown that the appropriations provided for the present fiscal year are \$71,047,300.89 less than those made for the previous fiscal year.

Mr. KING. Will the Senator permit me an inquiry?

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

Mr. WARREN. Yes.

Mr. KING. As I understand the figures which the Senator from Wyoming has just been submitting, they relate to the fiscal year ended June 30, 1921?

Mr. WARREN. The figures which I have given concern the appropriations provided for the present fiscal year, which will end on the 30th of June, 1922. They are submitted at this late day because of the fact that when the last session of Congress adjourned the Army and Navy bills had not been passed.

The chairman of the Committee on Appropriations at that time, on the last day of the session, submitted a report which was printed, which necessarily had to contain merely estimates concerning certain accounts. This statement represents the figures, after a complete closing of the books for the fiscal year 1921, as to authorized disbursements for the fiscal year 1922.

Mr. KING. May I inquire of the Senator from Wyoming if it is not a fact that there will be appropriations made to cover expenditures for obligations which have been incurred in 1921, during the past fiscal year?

Mr. WARREN. There are very large numbers of accounts in connection with which the money provided in the appropri-

tions has not been expended but is in the Treasury awaiting the settlement of such accounts.

Mr. KING. I did not make myself clear. Obligations have been incurred or will be incurred under authority which existed for the fiscal year 1921 for which we shall be compelled to make appropriations in the future which will swell the totals which have now been submitted by the Senator.

Mr. WARREN. To a certain extent, in fact, to a large extent, that is true. That arises in this way: There are claims against the Government amounting to many hundreds of millions of dollars now pending in courts or, in many cases, in process of settlement by special committees or departments. For instance, in the Department of Justice, I believe, there are now pending claims amounting to nearly or quite three hundred million dollars growing out of the use of patents. The claimants have been injured, as they state, by the Government during the war issuing orders to make use of certain patents without regard to the question of infringement, the claims for damages to be afterwards adjusted.

Mr. KING. Then, if the Senator will pardon me, in addition claims aggregating more than \$300,000,000 have been preferred against the Shipping Board, which if allowed or if any portion of which is allowed, we should have to pay, and those would grow out of obligations antecedent to the report which the Senator from Wyoming has now made.

Mr. WARREN. The Senator from Utah will understand that the Committee on Appropriations is not in possession of all the facts in reference to these matters. We know there are large claims pending for settlement, but we know little of their character except in a general way.

Mr. KING. I understand that, but what I mean is—and that is what I am trying to elicit—that notwithstanding the report of the Senator shows a deficit for the fiscal year of considerably more than a billion dollars, it is quite likely that additional claims will later be preferred against the Government aggregating, I have no doubt, more than a billion dollars.

Mr. WARREN. Mr. President, that opens a line of inquiry that a very short answer will cover. We are now trying to clean up after the World War, and there will be millions, in fact, I fear billions altogether, of liabilities that have not been

either estimated for or appropriated for, because that indebtedness is as yet entirely indefinite. Many of the claims hereafter to be presented will, of course, be repudiated.

Mr. KING. May I ask the Senator if, in his opinion, we shall not be compelled to pay larger claims during the coming year than we did during 1921, so that the deficit will be greater in 1922 than it was in 1921?

Mr. WARREN. So far as Congress has provided for by its appropriations for the coming year, I will answer the Senator, no; but as for the claims which will come along for future years, they are entirely indefinite and I should not be able to answer as to those.

Mr. KING. I had those in mind in my statement.

Mr. SMOOT. Mr. President, I think the Senator from Wyoming has inadvertently stated, in answer to the question of my colleague [Mr. KING], that the figures given by him referred to appropriations for the fiscal year ending June 30, 1921. They refer to appropriations for the fiscal year ending June 30, 1922.

Mr. WARREN. If the Senator will pardon me, the statement which I now present is entirely in reference to the business of the last year in making appropriations for the fiscal year 1922, which I should have reported and did report in an incomplete way on the last day of the previous Congress. The senior Senator from Utah [Mr. SMOOT] is right in correcting me as to the year in which the funds are to be expended, if I stated that year as 1921.

Mr. SMOOT. Then, I misunderstood the Senator in his opening statement that the figures represented the amount that was appropriated for at the last session of Congress.

Mr. WARREN. It is likely that I may not have made myself plain.

Mr. SMOOT. And that being the case, any appropriation that was made at the last session of Congress is for the fiscal year ending June 30, 1922?

Mr. WARREN. That is right. I am sorry that I misstated it, if I did so.

What I wished to convey was that it was the appropriations work for the fiscal year ending the 30th of June last, to cover expenditures for the fiscal year commencing July 1, 1921, and ending June 30, 1922. In other words, this is money that is placed at the disposal of the different departments for the current fiscal year, commencing the 1st of the present month.

Mr. SMOOT. My colleague asked the question as to whether there was a deficit of over a billion dollars. I think that the billion three hundred million dollars as reported is the difference between the amount that was appropriated and the amount of the estimates asked for.

Mr. WARREN. That is what I said.

Mr. SMOOT. And not that there is a billion three hundred million dollars in claims over and above the appropriations. I think the Senator from Wyoming stated that correctly.

Mr. BORAH. Mr. President, there was so much confusion in the rear of the Chamber that I was unable to understand the colloquy. I desire to ask what were the figures showing, for the year for which the report is made, the total amount appropriated, the total expenditure provided for?

Mr. WARREN. They were just a little short of \$4,000,000,000, the exact figures being \$3,909,782,209.46.

Mr. FLETCHER. Mr. President, I should like to inquire what answer was given to the question of the Senator from Idaho? We were unable to hear it on this side.

Mr. BORAH. The figures are \$3,909,782,209.46.

Mr. FLETCHER. That represents the total of appropriations, but that amount has not all been expended, I understand.

Mr. BORAH. No; it is the total of appropriations; but no one need to worry about the expenditure of the appropriations.

Mr. KING. That does not cover the deficits nor the claims which will be presented in the future, which will aggregate considerably more than a billion dollars.

CLAIM PAID GREAT BRITAIN.

Mr. BORAH. Mr. President, if the Senate will indulge me for just a moment, I desire to call attention to a matter which is not wholly unrelated to the question under discussion.

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

Mr. BORAH. I noticed an item in yesterday's newspapers setting forth that claims aggregating \$32,688,352 have been paid to Great Britain by the United States Government, despite Great Britain's debt of \$4,500,000,000 to this country. The item states:

Payment of \$32,688,352 has been made by the American Government to the British Ministry of Shipping in settlement of a claim against the War Department, Treasury officials said yesterday. The payment was made, officials added, pursuant to an opinion by Attorney General Daugherty.

I will not read the entire statement, but I ask to have it inserted in the RECORD without reading.

The VICE PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

"\$32,688,352 CLAIM PAID GREAT BRITAIN—COVERS TRANSPORTATION FOR UNITED STATES DURING THE WORLD WAR—AUTHORIZED BY DAUGHERTY—ATTORNEY GENERAL HELD AMOUNT WAS FOR CURRENT EXPENSES APART FROM GREAT INTERNATIONAL LOANS.

[By the Associated Press.]

"Despite Great Britain's debt of \$4,500,000,000 to this country, payment of \$32,688,352 has been made by the American Government to the British Ministry of Shipping in settlement of a claim against the War Department, Treasury officials said yesterday. The payment was made, officials added, pursuant to an opinion by Attorney General Daugherty.

"The British claim was for transportation services arising out of the war with Germany, and the payment, it was explained, constitutes a final settlement between the War Department and the British Ministry of Shipping of all claims of either party against the other for transportation services.

"Secretary Mellon asked Mr. Daugherty for a ruling as to whether the act of March 3, 1875, which requires the Secretary to withhold payment of any judgment against the United States where the claimant is indebted to this country in any manner, applied to such a claim.

"ATTORNEY GENERAL RULES.

"Mr. Daugherty held the act did not apply, as it was not the practice of sovereign nations to prosecute their claims against one another in the courts and obtain judgment, but to adjust such matters through diplomatic channels.

"If it should be construed to apply to a case such as is now presented," the Attorney General said, "then whenever a claim is allowed by the United States in favor of a foreign nation it will be the duty of the Secretary of the Treasury in making payment to withhold the amount of any claim which the United States may have against such nation. As is well known, this Government exercises a broad discretion in determining what claims it will present against other nations and the operations of the statute in such matters would seriously interfere with the Government in the conduct of its foreign relations."

"INCLUDED OIL CLAIM.

"The British transportation claim, it was explained, was for what was regarded during the war as current expenses. Among the Allies, it was said, there was a general understanding that all current expenses would be paid one another without awaiting the settlement of international debts.

"In connection with the claim Mr. Mellon also inquired whether \$12,275,711 should be withheld pending adjustment of a claim of the Shipping Board against the Ministry of Shipping for shipments of oil. The Attorney General suggested that such a step might be suggested to Great Britain through the usual diplomatic channels, but the Treasury decided, officials said, that the amount of the Shipping Board's bill was yet to be adjusted finally and that the British transportation claim therefore should be paid in full."

Mr. BORAH. I assume, of course, Mr. President, that, as a legal proposition, the claim was one which had to be met, and I do not assume to criticize or differ with the opinion which the Attorney General has rendered. I assume also that there was nothing left to the Secretary of the Treasury to do but to pay the amount. I simply call it to the attention of the Senate and of the country, in order that we may observe the assiduity and the earnestness with which Great Britain presses her claims against the United States, notwithstanding the fact that she is indebted to the United States in the amount of some \$4,000,000,000 upon which interest has not been paid for months, and upon which she is now seeking to have the interest deferred for from 10 to 15 years. I think it worth noting by those who have to do with the financial affairs of this country that we may follow as an example and look carefully after our interests, as Great Britain looks after her interests in these affairs.

It seems rather anomalous, Mr. President, that a Government which owes us \$4,000,000,000, and the interest upon which is being deferred from day to day, is collecting from us more than \$32,000,000. I do not understand why even if technically this debt was payable we could not ask that it be offset by the interest on the foreign debt, long past due us.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. BORAH. Certainly.

Mr. OVERMAN. The Senator says he assumes that this Government was right in paying to Great Britain \$32,000,000, although Great Britain owes us \$4,000,000,000. I should like to know why the Senator assumes it is all right to do that?

Mr. BORAH. I say I assume that, technically, as a matter of law, the opinion of the Attorney General was correct, because I have not had time to look into the law.

Mr. OVERMAN. I was wondering the basis of the Senator's assumption.

Mr. BORAH. It is claimed that by reason of legal obligations which existed, the payment had to be met. I am not sufficiently familiar with the contractual relations or the understandings and obligations which exist to pass upon that, and I do not know; but the very fact that Great Britain should urge it under such conditions is, I think, a most remarkable exhibition, not to say anything more, of a great desire to look after her particular interests, without any proper regard for the equities of her creditor. We have so long been in the habit of being generous to other countries at the expense of the American taxpayers that it seems pretty difficult to break the habit.

Mr. WALSH of Massachusetts. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Massachusetts?

Mr. BORAH. I will yield in just a moment.

Another thing in this connection, Mr. President: I read in one of yesterday's papers that the Congress was delaying the funding bill and thereby delaying the collection of interest upon the foreign debt. I do not understand that there is any delay of the collection of the foreign debt by reason of a technical legal inability to collect the debt in its present form. It is not necessary to fund the foreign debt, or put it in a different technical or legal form in order either to collect the debt or to collect the interest upon the debt. So far as any legal inhibition is concerned, or any legal inconvenience or obstacle, there is no reason why we should not collect the entire debt and collect the entire interest upon the entire debt at this time. If there is any reason for a failure to collect it, it is a question of policy or a question of business and not a question of inability to do so by reason of any legal inhibition.

Mr. McKELLAR. Mr. President—

Mr. BORAH. Just a moment. We are in a position, in other words, to call upon Great Britain to pay the interest upon her debt and to insist upon that call, so far as any legal inhibition is or obstacles are concerned.

Mr. McKELLAR. Mr. President, of course the Senator is correct in his position, and I want to make this suggestion: If Great Britain owes us this interest on the present debt—and the present debt bears interest at 5 per cent, of course, as reported by the Secretary—and if we are simply delaying this legal obligation, why could not our own officials have delayed the payment of this \$32,000,000 confessedly due by us to Great Britain? Why could not that have been delayed in the same way that our officials are delaying the collection of this debt until both were settled?

Mr. WALSH of Massachusetts. Mr. President—

Mr. BORAH. I yield.

Mr. WALSH of Massachusetts. The Senator from Idaho will be interested to know that the Secretary of the Treasury appeared this morning before the Committee on Finance and considered the very subject matter which the Senator is discussing. He was interrogated by the Senator from Missouri [Mr. REED] with regard to this matter. The Secretary stated that the \$32,000,000 payment was in payment of a debt owed by this country to Great Britain for the use of British vessels in transporting our troops to Europe during the war. It was the balance of a very large account which Great Britain had against our country.

The Secretary also stated, after further inquiries were made, that Great Britain is indebted to the Shipping Board of the United States in a sum amounting to about \$12,000,000; that this indebtedness was not used to offset this payment of \$32,000,000, he stated, because the total amount due the Shipping Board has not yet been liquidated or agreed upon; so that at the time this payment was made, in addition to the interest due upon the so-called foreign loans made to Great Britain during the war, there was also a debt the exact amount of which is undetermined, amounting to about \$12,000,000, due the Shipping Board for the use of our ships in carrying materials to Great Britain during the war.

Mr. WALSH of Montana. Mr. President, referring to the information given by the Senator from Massachusetts, I observe by the papers, as stated by the Senator, that it was contended that although the services rendered by the United States through the Shipping Board to Great Britain were of practically if not identically the same character as the services rendered by Great Britain to this Government, the claim due the Shipping Board was not offset against the claim due to Great Britain from this country because in the one case the

amount was liquidated and agreed upon, and in the other case it was not liquidated and agreed upon.

Mr. WALSH of Massachusetts. That is exactly the situation.

Mr. WALSH of Montana. Is the Senator able to advise us how it was that Great Britain was able to get an adjustment and liquidation of her debt against this country more speedily than this country was able to get a liquidation and agreement with respect to the amount of debt due to this country from Great Britain?

Mr. WALSH of Massachusetts. The Secretary of the Treasury said that Great Britain was disputing many of the items or some of the items in the Shipping Board account.

Mr. WALSH of Montana. Are we to understand from that that the United States did not dispute any of the items in the account rendered by Great Britain?

Mr. WALSH of Massachusetts. I understood that there was a long discussion and controversy about both accounts.

Mr. WALSH of Montana. Then apparently there is a controversy existing with respect to both claims, as is reasonably to be expected?

Mr. WALSH of Massachusetts. Exactly. It is clear that good business judgment would have led at least to the settlement of both these accounts at the same time. The Secretary of the Treasury gave as a justification for the course pursued that these were departmental matters; that the debt which was paid, \$32,000,000, was against the War Department, or, rather, one which the War Department had negotiated and, consequently, settled, and the other debt against the Shipping Board. The fact is, however, that Great Britain has collected one of her assets against our Government and allowed two of her liabilities to us to remain unpaid.

Mr. SMOOT. Mr. President, the \$32,000,000 that was paid was in settlement of all accounts that grew out of the transactions in shipping between England and the United States following the armistice.

Mr. WALSH of Massachusetts. I do not so understand it.

Mr. SMOOT. That is what the Secretary testified.

Mr. WALSH of Massachusetts. It was in part a debt following the armistice and in part a debt previous to the armistice. It was the balance of a long account extending over the entire period of the war and afterwards.

Mr. SMOOT. The Senator from Massachusetts can make that statement. I was simply trying to quote what the Secretary of the Treasury said. It makes no difference whether it was or whether it was not, but I wanted to be accurate about it; and the final settlement was agreed upon between the War Department and the English representatives showing \$32,000,000 that the War Department was owing for the service rendered by England. In the past whenever there has been a settlement of running open accounts that had nothing whatever to do with advances to England they were paid by England in cash, and by the United States, if the amounts were due to England, in cash, whenever the settlement was finally agreed upon.

Mr. McKELLAR rose.

Mr. SMOOT. If the Senator will wait just a moment, I will answer any question he wants to ask. Our Government holds that England is owing the Shipping Board approximately \$12,000,000. It may be a little more or it may be a little less. Now, the only difference is that the settlement has been finally agreed to with the War Department a little quicker than it has been adjusted and agreed to with the Shipping Board. Just as soon as the amount due the Shipping Board is agreed to England will pay to the Shipping Board of the United States \$12,000,000 or \$13,000,000 or \$11,000,000, or whatever the amount may be.

Mr. BORAH. Mr. President, may I ask the Senator a question? He says that this amount of \$32,000,000 is liquidated and settled. There are millions of interest which is fixed and due. We know precisely what it is. It is due to us. It is a legal obligation. Why was it not possible to offset this \$32,000,000 with \$32,000,000 of interest?

Mr. SMOOT. Mr. President, that is a fair question, and can be answered in this way: At the time of the war, or at the time when America agreed that she would give to England so much credit to assist her in carrying on the war, everything connected with the war specifically was charged to that account. She is owing this Government over \$4,000,000,000, as the Senator says, with interest on that amount; but all of the running expenses of the Government, the daily expenses, like the shipping from this country to England, the maintenance of the ships, or any other activity in connection with the daily work, has been paid by England to America, hundreds and hundreds of millions of dollars, as soon as the account was rendered and

adjusted, and so has America paid to England not only this \$32,000,000 but hundreds and hundreds and hundreds of millions of dollars when those running open accounts were finally presented and adjusted; and this is the balance of that kind of an account. The other is a question of advancing money for war purposes entirely, and that is the difference between the two.

Mr. BORAH. That is the difference in one respect, but it does not answer at all the proposition that one might be, in the negotiations between the countries, an offset of the other. I do not understand why it was necessary for us to pay the \$32,000,000 when there is a binding legal obligation overdue upon the part of England to pay us hundreds of millions of dollars. I confess I am getting impatient with taxing and taxing the people of this country to hand it over to our debtors.

Mr. SMOOT. Well, Mr. President, if in this account England had been owing the United States \$32,000,000, and the United States in the settlement had been owing England \$12,000,000, England, without a question of doubt, would have paid us a check for \$32,000,000.

Mr. KELLOGG. How does the Senator know she would?

Mr. SMOOT. Because she has paid every obligation of that kind in the past, and never waited a moment after the matter was adjusted, and she will do it now.

Mr. McNARY. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is reports of committees.

MARINE INSURANCE IN THE DISTRICT OF COLUMBIA.

Mr. JONES of Washington, from the Committee on Commerce, to which was referred the bill (S. 2265) to regulate marine insurance in the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 228) thereon.

BILLS INTRODUCED.

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

By Mr. LADD:

A bill (S. 2267) to fix the metric system of weights and measures as the single standard of weights and measures for certain uses; to the Committee on Manufactures.

By Mr. SHEPPARD:

A bill (S. 2268) for a commission to study the questions of land settlement and home ownership in the United States; to the Committee on Public Lands and Surveys.

By Mr. McNARY:

A bill (S. 2269) to add certain lands to the Crater Lake National Park, Oreg.; to the Committee on Public Lands and Surveys.

By Mr. KENYON:

A bill (S. 2270) to authorize the Department of Labor to continue the publication of the Monthly Labor Review; to the Committee on Printing.

By Mr. BORAH:

A bill (S. 2271) for the relief of Nellie Kildee; to the Committee on Public Lands and Surveys.

By Mr. BRANDEGEE:

A bill (S. 2272) to amend the act approved October 29, 1919, known as the national motor vehicle theft act; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

A bill (S. 2273) to amend section 13 of the Federal reserve act; to the Committee on Banking and Currency.

CHANGES OF REFERENCE.

Mr. CARAWAY. The bill (S. 1794) to authorize the Secretary of War to release the Kansas City & Memphis Railroad & Bridge Co. from reconstructing its highway and approaches across its bridge at Memphis, Tenn., introduced by me was referred to the Committee on Military Affairs. I ask unanimous consent to have that committee discharged from its further consideration and that the bill be referred to the Committee on Commerce. I have spoken to the chairman of the Committee on Military Affairs [Mr. WADSWORTH], and he assents to this change of reference.

The VICE PRESIDENT. Without objection, the Committee on Military Affairs will be discharged from the further consideration of the bill and it will be referred to the Committee on Commerce.

Mr. CARAWAY. I also introduced the bill (S. 1796) prohibiting the intermarriage of the Negro and Caucasian races in the District of Columbia and the residence in the District of Columbia of members of those races so intermarrying outside the boundaries of the District of Columbia, and for other purposes, and providing penalties for the violation of this act, and it was referred to the Committee on the District of Columbia. It

should have been referred to the Committee on the Judiciary. I ask unanimous consent that the Committee on the District of Columbia may be discharged from the further consideration of the bill and that it be referred to the Committee on the Judiciary. I have spoken to the Senator from Delaware [Mr. BALL], chairman of the Committee on the District of Columbia, and he assents to the change of reference.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Committee on the District of Columbia will be discharged from the further consideration of the bill and it will be referred to the Committee on the Judiciary.

AMENDMENT TO NATIONAL PROHIBITION ACT.

Mr. McCORMICK submitted an amendment intended to be proposed by him to the bill (H. R. 7294) supplemental to the national prohibition act, which was ordered to lie on the table and to be printed.

EXPORTATION OF FARM PRODUCTS.

Mr. McCORMICK submitted five amendments intended to be proposed by him to the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which were ordered to lie on the table and to be printed.

STATEMENT OF ESTIMATES AND APPROPRIATIONS.

Mr. OVERMAN. Mr. President, I desire to make a suggestion in regard to the comprehensive statement made by the chairman of the Committee on Appropriations. I do not mean to criticize the report he made or to criticize him, as for years I have been guilty of the same practice myself in making such reports. But I notice in this report an item of estimates. While that does not fool the Senate, it is misleading to the public. Why put in a report an estimate of what somebody in a department thinks is necessary to run the Government? For example, \$1,500,000 may be the estimate and the Appropriations Committee may appropriate a million. Why put in a report to the Senate and to the public a statement that the estimate was \$1,500,000, what some man thinks is necessary to run that particular department, when we appropriate one million and it appears to the public that we have saved \$500,000 when we have not saved anything? It is buncombe and does not show that the committee or the Senate has been economical. Why put it in the report to the Senate and bring it to the Senate to show that there was an estimate for a million five hundred thousand dollars when there was only a million appropriated? I hope in the future that item will not be included in reports to the Senate. It has been brought forward for years; it is misleading to some people and should not be put in, in my judgment.

Mr. SMOOT. Mr. President, I think the statement of the estimates has served a very good purpose in the past. Now we have the budget system, and perhaps it may be different, but the public believes that it is Congress which is extravagant. The public believes that if we would only give the heads of the departments what they ask for the appropriations would not be nearly as large as they are.

I do not think anything has been published to such an extent as have the increases in appropriations made by the Senate over the amounts appropriated by the House. There are items amounting to millions of dollars every year, I am quite sure, which the House leaves out of appropriations, which it knows very well will have to be inserted by the Senate.

Mr. OVERMAN. The Senator knows, as an able member of the Committee on Appropriations, that we bring in a statement of the estimates. I do not think we have ever given the estimates asked for by any department.

Mr. SMOOT. That is what I want the people of this country to understand.

Mr. OVERMAN. Why should the people be misled in that respect because some men come before the committee and make an estimate? It is then said, "Look what we have saved here. There was an estimate \$1,800,000 and the Senate has given only a million." That is only buncombe. I do not think the people ought to be misled in such a way.

Mr. SMOOT. Mr. President, I do not think it misleads anybody. Everyone who really is interested in it will know what an estimate is and what an appropriation is. But it does show that if Congress should give the heads of the departments all they ask for the taxpayers of this country would be called upon to pay hundreds of millions of dollars more than they have to pay.

Mr. SIMMONS. Mr. President—

Mr. STERLING. Mr. President, I call for the regular order.

The VICE PRESIDENT. The Senator from North Carolina is recognized, without objection.

Mr. SIMMONS. I understood that the regular order had been called for. I merely wanted to ask a question.

The VICE PRESIDENT. The Chair recognizes, without objection, the Senator from North Carolina.

Mr. SIMMONS. I simply wanted to ask the Senator from Utah a question, and I am asking it for information which I would like to have.

I have seen a great deal in the papers about the difference between the actual appropriations for the past fiscal year and the estimates for appropriations for that year. I want to ask the Senator from Utah to what extent the difference between the actual appropriations and the estimates has been made up by deficiencies which have had to be paid.

Mr. SMOOT. It has never been made up entirely.

Mr. SIMMONS. I know it has not, but can the Senator give the Senate some idea of the proportion which the difference between the appropriations and the estimates bears to the deficiencies that have resulted from the failure to make larger appropriations?

Mr. SMOOT. My opinion, offhand, Mr. President, is that it would be 10 per cent of the difference between the estimates and the amount appropriated. In other words, if there were a million dollars difference between the estimates and the amount of the appropriation, I have not any doubt but that one-tenth of that amount would ultimately have to be made up by deficiencies.

Mr. SIMMONS. Taking all the deficiencies that we have had to provide for?

Mr. SMOOT. The Senator will recall that every deficiency is included in the reports, so that the reports show just exactly what the difference is, including the deficiencies.

Mr. WARREN. Mr. President, I merely wish to answer the observation of my colleague on the Committee on Appropriations, the Senator from North Carolina [Mr. OVERMAN]. If no one objects, I will proceed for a moment.

The estimates which come to us come from the Secretary of the Treasury. How they come to him, of course, the Senator well knows. It is fair to the country to know what the Secretary of the Treasury, the great financial agent of this Government, thinks we ought to appropriate. So we do, as the Senator says, as has always been done in the past, bring in a statement of the estimates.

As to the deficiencies, there are also estimates which follow along later. All those ought to be shown in our records, so that the people may know—

Mr. NORRIS. I ask for the regular order. It has been called for three or four times.

The VICE PRESIDENT. The regular order is concurrent and other resolutions. If there are none, the morning business is closed and the calendar, under Rule VIII, is in order.

THE CALENDAR.

Mr. STERLING. I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

Mr. UNDERWOOD. Mr. President—

Mr. NORRIS. I object, Mr. President.

The VICE PRESIDENT. The Senator from South Dakota asks unanimous consent to proceed with the consideration of House bill 7294. Is there objection?

Mr. UNDERWOOD. The Senator from Nebraska objected. I merely rose to say that this is Calendar Monday, and as it comes only once a week, I think Senators ought to have a chance to have their bills considered.

The VICE PRESIDENT. The calendar under Rule VIII is in order. The first business on the calendar will be stated.

The bill (S. 656) to create a bureau of aeronautics in the Department of the Navy was announced as first in order on the calendar.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1021) to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

DUTIES OF JUDGES.

The bill (S. 384) to require judges appointed under authority of the United States to devote their entire time to the duties of a judge was announced as next in order.

Mr. SMOOT and Mr. KENYON. Let that go over.

Mr. DIAL. Mr. President, I move that the Senate proceed to the consideration of the bill.

The VICE PRESIDENT. The Senator from South Carolina moves that the Senate proceed with the consideration of Senate bill 384, notwithstanding the objection.

Mr. KENYON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Glass	Moses	Smoot
Ball	Hale	Myers	Spencer
Borah	Harris	Nelson	Stanfield
Brandeggee	Harrison	New	Stanley
Broussard	Heflin	Nicholson	Sterling
Bursum	Jones, Wash.	Norbeck	Sutherland
Capper	Kellogg	Norris	Swanson
Caraway	Kendrick	Oddie	Townsend
Culberson	Kenyon	Overman	Trammell
Cummins	Keyes	Pittman	Underwood
Curtis	King	Pomerene	Walsh, Mass.
Dial	Ladd	Ransdell	Walsh, Mont.
Edge	La Follette	Reed	Warren
Ernst	Lodge	Robinson	Watson, Ga.
Fernald	McCormick	Sheppard	Williams
Fletcher	McKellar	Sherridge	Willis
Frelinghuysen	McNary	Simmons	

The VICE PRESIDENT. Sixty-seven Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from South Carolina [Mr. DIAL] on which the yeas and nays have been ordered.

Mr. KELLOGG. Mr. President, is the motion debatable?

The VICE PRESIDENT. It is not.

Mr. KELLOGG. I hope the Senate will vote it down anyhow.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina [Mr. DIAL] that the Senate proceed to the consideration of the bill (S. 384) to require judges appointed under authority of the United States to devote their entire time to the duties of a judge. The yeas and nays have been ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the junior Senator from Arizona [Mr. CAMERON] and vote "nay."

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence, being unable to obtain a transfer, I withhold my vote.

Mr. HALE (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS], which I transfer to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. HARRIS (when his name was called). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. MYERS (when his name was called). I have a general pair with the Senator from Connecticut [Mr. McLEAN]. In his absence I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. REED (when his name was called). I am paired with the junior Senator from Michigan [Mr. NEWBERRY]. In his absence, being unable to obtain a transfer of the pair, I am not at liberty to vote.

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Pennsylvania [Mr. KNOX] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE] who is unavoidably absent. If he were present and I were at liberty to vote, I should vote "yea." As it is I am compelled to withhold my vote.

The roll call was concluded.

Mr. DIAL (after having voted in the affirmative). I have a general pair with the Senator from Colorado [Mr. PHIPPS] which I transfer to the Senator from Rhode Island [Mr. GERRY] and allow my vote to stand.

Mr. TRAMMELL (after having voted in the affirmative). I observe that the Senator from Rhode Island [Mr. COLT] has not voted. I have a general pair with that Senator. I am unable to obtain a transfer and therefore withdraw my vote.

Mr. KING (after having voted in the affirmative). I have a general pair with the Senator from North Dakota [Mr. McCUMBER], who is not present. I am unable to obtain a transfer and am compelled to withdraw my vote.

Mr. HARRISON. I am paired with the Senator from West Virginia [Mr. ELKINS] and withhold my vote.

The result was announced—yeas 29, nays 29, as follows:

YEAS—29.

Ashurst
Borah
Brandegee
Broussard
Capper
Curtis
Dial
Fletcher

Harris
Hefflin
Jones, Wash.
Kendrick
La Follette
McKellar
Myers
Oddie

Overman
Pittman
Pomerene
Ransdell
Sheppard
Shortridge
Simmons
Stanley

Swanson
Underwood
Walsh, Mass.
Walsh, Mont.
Watson, Ga.

NAYS—29.

Ball
Cummins
Edge
Ernst
Frelinghuysen
Hale
Kellogg
Kenyon

Keyes
Ladd
Lenroot
Lodge
McCormick
McNary
Moses
Nelson

New
Nicholson
Norbeck
Norris
Robinson
Smoot
Spencer
Stanfield

Sterling
Sutherland
Townsend
Warren
Willis

NOT VOTING—37.

Bursum
Calder
Cameron
Caraway
Cott
Culberson
Dillingham
Elkins
Fernald
France

Gerry
Glass
Gooding
Harrell
Harrison
Hitchcock
Johnson
Jones, N. Mex.
King
Knox

McCumber
McKinley
McLean
Newberry
Owen
Page
Penrose
Phipps
Polindexter
Reed

Shields
Smith
Trammell
Wadsworth
Watson, Ind.
Weller
Williams

So the Senate refused to proceed to the consideration of Senate bill 384.

Mr. OVERMAN. Mr. President, I have an amendment to the bill with reference to which a vote has just been taken. Out of order, I ask permission to introduce the amendment and ask that it be printed and lie on the table. I ask that the Secretary may read it. It has been suggested to me by a judge.

The PRESIDING OFFICER (Mr. CURTIS in the chair). Without objection, the amendment will be printed and lie on the table. The Secretary will read it as requested.

The ASSISTANT SECRETARY. Add the following proviso:

Provided, That such judge may accept and receive the usual compensation for acting as executor, administrator, or testamentary trustee, or as lecturer or instructor.

BILLS PASSED OVER.

The bill (S. 214) to amend section 24 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, was announced as next in order.

Mr. SMOOT. Let that bill go over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 724) for the relief of Henry J. Davis was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 725) for the relief of Orion Mathews was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 581) to repeal the act prohibiting increased pay under lump-sum appropriations to employees transferred within one year was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 582) to repeal section 5 of the act approved June 22, 1906, entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes," was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 659) to create a Federal live-stock commission, to define its powers and duties, and to stimulate the production, sale, and distribution of live stock and live-stock products, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1439) to amend an act entitled "An act to provide for vocational rehabilitation and return to civil employment of disabled persons discharged from the military or naval forces of the United States, and for other purposes," approved June 27, 1918, as amended by the act of July 11, 1919, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1467) to carry into effect the findings of the Court of Claims in favor of Elizabeth White, administratrix of the estate of Samuel N. White, deceased, was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1807) to aid in stabilizing the coal industry was announced as next in order.

Mr. KING and Mr. SMOOT asked that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 425) fixing the salaries of certain United States attorneys and United States marshals was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

FISCAL SYSTEM OF THE DISTRICT OF COLUMBIA.

The bill (S. 205) relating to the fiscal system of the District of Columbia, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. JONES of Washington. Mr. President, I am not going to make the motion this morning that that bill be taken up, but I wish now to give notice that when we have another call of the calendar when that bill is reached in order I shall move, if objection is made, to take it up notwithstanding the objection.

Mr. KING. Did the Senator from Washington state that he would move the consideration of that bill on next Monday?

Mr. JONES of Washington. I said I should do so when there shall be another call of the calendar, which, I presume, will be next Monday.

I desire to say, Mr. President, because a statement appeared in the newspapers a few days ago which would give the impression that the opposition of the Senator from Utah [Mr. KING] to this bill was rather captious, that I know his opposition is not captious. He has been very reasonable in the matter, but he wishes an opportunity to present his views with reference to the bill, and I want to have it. That is one reason why I am now giving the notice that on next Monday I shall try to have the bill taken up.

The PRESIDING OFFICER. The bill will be passed over.

BILLS AND RESOLUTIONS PASSED OVER.

The bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 1016) to amend an act entitled "An act to repeal section 3480 of the Revised Statutes of the United States" was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1375) to prohibit and punish certain seditious acts against the Government of the United States and to prohibit the use of the mails for the purpose of promoting such acts was announced as next in order.

Mr. SMOOT. Mr. President, when the calendar was last before the Senate the Senator from Idaho [Mr. BORAH] asked me if this bill came up in his absence to request that it go over. I therefore ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

The joint resolution (S. J. Res. 12) authorizing the President to require the United States Sugar Equalization Board (Inc.) to take over and dispose of 13,902 tons of sugar imported from the Argentine Republic was announced as next in order.

Mr. WILLIS. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 1890) authorizing the Secretary of Commerce to establish in the National Bureau of Standards a division to be known as the division of construction and housing was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The resolution (S. Res. 67) authorizing the Committee on Expenditures in the Executive Departments to hold hearings here or elsewhere and to employ a stenographer to report the same was announced as next in order.

Mr. SMOOT. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 1855) to save daylight in the District of Columbia was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 1838) to amend section 4887 of the Revised Statutes, relating to patents, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. STANLEY. I hope the Senator from Utah will not object to the consideration of the bill.

Mr. KING. I withdraw my objection to its consideration.

Mr. SMOOT. Mr. President, I will say to the Senator from Kentucky [Mr. STANLEY] I am expecting a letter from the Commissioner of Patents in reference to that bill, and just as soon as I receive that letter I will call the Senator's attention to it.

Mr. STANLEY. Very well.

Mr. SMOOT. For the present, I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 63) for the relief of Lester A. Rockwell was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 491) to provide, without expenditure of Federal funds, the opportunities of the people to acquire rural homes, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SMOOT. Mr. President, I simply wish to give notice that when this bill is again reached on the calendar, if its consideration is objected to, I will move to take it up notwithstanding the objection. We have now about \$15,000,000 of Government money which is ready to be expended in order to provide the funds for the work proposed in this bill. I think the bill embodies legislation which ought to be passed.

Mr. ASHURST. Mr. President, I hope the Senator from Utah will at the proper time move that the Senate proceed to the consideration of a bill to provide a survey of the public lands. Take, for instance, my State, with millions of acres of public lands, only a comparatively small area of which as yet is surveyed. The Secretary of the Interior, in response to a bill which I introduced, has sent a letter to the Committee on Public Lands and Surveys of the Senate urging that \$100,000 be immediately appropriated in order to survey some part of the public lands in Arizona. The State of Arizona, however, is not the only State which is in the situation I have described. Settlers are there anxious to file upon public lands, but can not do so because the survey of those lands has not been made. The Senator from Utah will contribute another service to the public welfare if he will move that the Senate proceed to the consideration of a bill providing for a survey of the public lands.

The PRESIDING OFFICER. Being objected to, the bill will go over. The Secretary will state the next bill on the calendar.

The bill (S. 136) for the relief of Dr. O. H. Tittman, former Superintendent of the United States Coast and Geodetic Survey, was announced as next in order.

Mr. WILLIS. Let that bill go over.

The bill (S. 665) to provide for free tolls for American ships through the Panama Canal was announced as next in order.

Mr. STERLING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 2051) to amend section 3142 of the Revised Statutes, to permit an increase in the number of collection districts for the collection of internal revenue and in the number of collectors of internal revenue from 64 to 74, was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

GAS AND ELECTRIC FRANCHISES IN HAWAII.

The ASSISTANT SECRETARY. Orders of business 125, 126, 127, 128, 129, and 130 are the so-called Hawaiian bills.

The PRESIDING OFFICER. The Secretary will state the first of those bills by title.

The ASSISTANT SECRETARY. The bill (S. 2062) granting a franchise for the purpose of manufacturing and supplying gas and electric current in the districts of Wailuku and Makawao, county of Maui, Territory of Hawaii.

Mr. NEW. Mr. President, I should like to call the attention of the Senator from Montana [Mr. WALSH] to the bill the title of which has just been stated and those succeeding it, including Senate bill 2067. I ask that I may be permitted to make a general statement that will relate to the series of so-called Hawaiian bills.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Indiana will proceed.

Mr. NEW. Mr. President, five of the series of bills relating to Hawaii provide for the granting of franchises, and in the case of Senate bill 2067 the extension of a franchise which was granted to the street railway company doing business in Honolulu. The other bills propose to grant to electric-light companies franchises to furnish electric light to the cities named in the bills, respectively.

It has been customary for the Congress of the United States to ratify bills of this kind which have been passed by the Hawaiian Legislature. The bills now on the Senate calendar relating to Hawaii have in each instance been passed by the Hawaiian Legislature, having first been prepared by the public utilities commission of the Territory.

Mr. WARREN. Mr. President—

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

Mr. NEW. Certainly.

Mr. WARREN. I ask the Senator whether in the bills as passed by the Territorial legislature the grants are exclusive to the company or person, as the case may be, to whom the franchise is extended?

Mr. NEW. No.

Mr. President, unless there is occasion for further explanation, I do not care to add anything more.

The VICE PRESIDENT. Is there objection to the consideration of Senate bill 2062?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2062) granting a franchise for the purpose of manufacturing and supplying gas and electric current in the districts of Wailuku and Makawao, county of Maui, Territory of Hawaii, which was read, as follows:

Be it enacted, etc., That D. C. Lindsay, of Kahului, county of Maui, Territory of Hawaii, his associates, successors, and assigns, or such corporation as he or they shall cause to be incorporated under the laws of the Territory of Hawaii, and its successors and assigns (he and they being hereinafter referred to as the association), are hereby authorized and empowered to manufacture, sell, furnish, and supply electric current for light and power purposes and gas for use as fuel, for illuminating purposes, and other purposes, which the association may deem advisable, in the districts of Wailuku and Makawao, county of Maui, for the term of 50 years from the date of the approval of this act by the Congress of the United States, subject to the limitations in this act contained.

SEC. 2. That the association shall have the right to erect, construct, operate, and maintain at such place, within the limits mentioned in section 1, as the board of supervisors of the county of Maui shall approve, such buildings, machinery, and appurtenances, and such poles, lines, wires, cables, lamp-posts, conductors, and such other appliances as may be necessary for the production, manufacture, and storage and distribution of gas and the transmission, distribution, and supply of electric current to the consumer thereof, together with its various by-products, as may be required from time to time during the existence of the rights hereby granted.

SEC. 3. That the association, for the purpose of distributing such gas and electric current, shall have the right from time to time to lay pipes or other conduits and erect poles, lines, wires, cables, lamps, lamp-posts, conductors, and conduits in, under, or over the streets, roads, and public places in the said districts of Wailuku and Makawao, and whenever supply pipes and mains, lines, conduits, and conductors shall be laid connection shall be made and pipes shall be laid from said mains and lines to the property line of the highway for the purpose of supplying gas to the property holders adjoining such street, and each of such connections shall be with stopcocks inside of such property line: *Provided*, That nothing herein shall prevent the laying down of additional branches or connections at any time when future requirements render the same necessary. But the methods by which such streets, roads, and places are to be used shall be subject to rules, regulations, and approval of the board of supervisors, and all instructions and directions made by said board shall be strictly followed to the end that the general public shall be inconvenienced as little as possible: *And provided also*, That whenever any street, road, or other place shall be excavated and holes or trenches made therein for laying, maintaining, replacing, or repairing such pipes, conduits, or connections, or poles, lines, or conductors, such holes or trenches shall be safeguarded and refilled as soon as possible, and the pavement, if any, and such street, road, or other place shall be replaced in good order and like condition by the association: *Provided*, That if such repair or restoration shall not be made to the satisfaction of the board of supervisors, within a reasonable time whereof they shall be the judge, they may cause it to be done at the expense of the association: *And provided further*, That the association may be required to furnish to the board of supervisors, before making any street excavation or alteration, a good and sufficient bond for a sum to be fixed by the board of supervisors to insure prompt replacement of such portions of the streets and pavements therefor.

SEC. 4. That the association shall also have the right to maintain and use gas and electric meters or other means, for measuring the amount of gas and electric current used from time to time and in such places as may be deemed necessary, and to operate the same for all purposes connected with the use of such gas and electric current, and shall also have the right to charge, receive, and collect from all consumers of gas and/or electric current reasonable prices as it may from time to time fix and determine: *Provided, however*, That the prices charged to all consumers substantially under the same conditions and circumstances shall be equal, and said association shall also have the right to charge consumers or intended consumers of gas and/or electric current for the cost and expense of making connections between the mains and premises where such gas and electric current is to be used, and may also include the price for all connections, pipes, gas fixtures, wires, cables, and other materials necessary.

SEC. 5. That the association shall also have the right to cut off the supply of gas and electric current from any consumer who shall refuse or fail to pay amounts due for gas or electric current so supplied by the association within such reasonable time as may be fixed for payment of the same; but such cutting off shall not prevent the association from using any remedies now or which may hereafter be authorized by law for collecting debts.

SEC. 6. That the rights and powers hereby granted shall be exercised in such manner as to cause the least inconvenience to the public, and the association shall provide gas of the best quality obtainable, which quality shall be subject to the control of such reasonable rules and

regulations as the public utilities commission shall from time to time deem necessary, and current of proper and sufficient voltage and amperage and the buildings and machinery, with all appurtenances to be erected, and general plant to be maintained in connection therewith, together with the offices, books, and accounts of the association, shall be open to examination and inspection at all times by the public utilities commission of the Territory of Hawaii and the board of supervisors, or some one duly authorized by them for that purpose.

SEC. 7. That it is further provided that the rights hereby granted shall cease and determine if operations hereunder are not commenced by beginning the construction of buildings or other works for manufacturing or supplying such gas, or by laying pipes or conduits in any of the streets, roads, or places and installing machinery or making suitable arrangements for the supply of electric current and purchase, erection, and installation of poles, lines, wires, and cables within two years from and after the date of approval of this act by the Congress of the United States; and also if sufficient works are not completed and in operation to supply gas and electric current, and if gas and electric current is not supplied within two years after such commencement.

SEC. 8. That the association shall have power to mortgage the franchise hereby conferred to secure the payment of bonds or other monetary obligations incurred in the construction of buildings, machinery, pipes, conduits, poles, lines, wires, cables, and conductors and appurtenances, and the manufacturing and supplying of gas and electric current as provided by this act.

SEC. 9. That all property of every kind and nature forming or used as part of such gas and electric system, including this franchise, shall be exempt from any and all taxes under the Territory of Hawaii until the expiration of five years from and after the date of approval of this act by the Congress of the United States: *Provided, however*, That if the association shall purchase or otherwise acquire the property and/or franchise of the Maui Electric Co. (Ltd.), an Hawaiian corporation, now carrying on the business of producing and selling electric light and power in the county of Maui, the property so purchased or otherwise acquired shall be entitled to the tax exemption herein provided for.

SEC. 10. That one month after the expiration of each calendar year there shall be payable to the treasurer of the county of Maui, for and on behalf of said county, 2½ per cent of the gross receipts of the association for all gas and electric current furnished to consumers under the terms of this act during the preceding 12 calendar months.

SEC. 11. That the association shall, within one month after the expiration of each calendar year, file with the board of supervisors a detailed statement showing all of its receipts and expenditures during the preceding calendar year.

SEC. 12. That the said association shall have the right to acquire, hold, or take over, either by purchase or lease, property, both real and personal, or mixed, and such other property as may be deemed necessary or essential for the proper conduct of its business, but said association shall not have the power or right to purchase the franchise and/or property of any other company of like nature, except with the approval of the public utilities commission.

SEC. 13. That this franchise may at any time be amended or repealed by the Congress of the United States or by the Legislature of the Territory of Hawaii with the approval of the Congress of the United States; and the rights, privileges, and powers by this act conferred shall not be construed to be exclusive.

SEC. 14. That the Territory of Hawaii, the county of Maui, or any political subdivision thereof, within or including the districts of Wailuku and Makawao, may at any time after the expiration of 20 years from the date of the passage of this act by the Congress of the United States, and upon six months' notice in writing to the association, given pursuant to proper authority, acquire by purchase all the property of the association, subject to the then existing charges thereon. The amount to be paid to the association for such purpose shall be determined by the public utilities commission; but such amount shall in no case exceed the actual cost or the actual value of the tangible property or the actual cost of reproducing or replacing it, less depreciation and less the charges thereon. The value of the franchise or good will or any other intangible element shall not be considered in determining the amount to be paid.

Either the association or the purchaser may appeal to the Supreme Court of Hawaii from the decision of such commission by filing a written notice of appeal with the commission within five days after the decision is rendered. It shall thereupon be the duty of the commission immediately to certify up to the supreme court the record of its proceedings, showing in such certificate the valuation claimed by the association, the valuation claimed by the purchaser, and the valuation as determined by the commission. Such certificates shall be accompanied by copies of all papers, documents, and evidence upon which the decision of the commission was based, and a copy of such decision. Upon any such appeal the supreme court may in its behalf take or require further evidence to be introduced by either party.

Within six months after the determination of the purchase price as aforesaid the same shall be paid to the association, and thereupon the franchise granted hereby shall cease and determine, and all the property of said association shall become the property of such purchaser without any further conveyance; but said association shall make all such further conveyances as may be desired by the purchaser and approved by said commission or said court of appeal.

SEC. 15. That this franchise, and the person or corporation holding the same, shall be subject as to reasonableness of rates, prices, and charges, and in all other respects, to the provisions of chapter 128 of the Revised Laws of Hawaii, 1915, and amendments thereto, creating a public utilities commission in the Territory of Hawaii.

SEC. 16. That the public utilities commission of the Territory of Hawaii is hereby granted power to order the company to make extensions of its service lines whenever it shall be made to appear that said extension is a public necessity, and that the total plant of the company, including such extension or extensions, can be made to earn a reasonable profit on the cost and maintenance of the same: *Provided*, That all orders of the public utilities commission herein provided for shall be subject to review by the courts of the Territory as provided by law.

SEC. 17. That this act shall take effect and be law from and after the date of its approval by the governor of the Territory of Hawaii, subject, however, to the approval of the Congress, to be secured within two years from the date of such approval by the governor.

MR. WALSH of Montana. Mr. President, I have not been able to give my approval of any of these measures, although requested to do so by a number of gentlemen who are more or less interested in them.

Bills identical in character with those before us have been passed by the Legislature of the Territory of Hawaii. They grant franchises to different companies, electric light companies, an electric railway company, and similar companies. They are, as I am told, approved by the public utilities commission of the Territory of Hawaii. They are desired by the business people in the community and no protests have been offered against them. So far as I am able to learn, that is the extent to which the inquiry into these bills has gone. No one, so far as I have been able to learn—and I have examined the hearings on the subject before the House—has gone into the question of the appropriateness of the legislation, considered as a new thing. Such action, such as has thus far been taken, seems to have been based upon the fact that these bills have been passed by the Legislature of the Territory of Hawaii after hearings in relation to them.

MR. PRESIDENT, when the organic act of the Territory of Hawaii was passed Congress placed therein a provision to the effect that no exclusive franchise should be granted except by the approval of the Congress of the United States. Beyond that the Legislature of the Territory of Hawaii was given plenary legislative power. In this particular bill, and the ones that immediately follow, it was expressly provided by the Hawaiian Legislature that the franchises granted should not be exclusive, and, accordingly, under the plan of government for the Territory of Hawaii, we, as it seems to me, should have absolutely nothing to do with the matter. We granted full power to the Legislature of Hawaii to enact legislation of this character. Of course, that is no reason why the Congress should not legislate upon the subject if it sees fit so to do, although to that extent we would be recalling the power granted to the Legislature of the Territory of Hawaii.

However, Mr. President, when we do undertake to legislate upon the matter we must, of course, legislate upon our own responsibility. We can not accept the judgment of the Legislature of the Territory of Hawaii about it, or of the public utilities commission in the Territory of Hawaii. We ought to go into the question just as if we were sitting as the Legislature of the Territory of Hawaii or as the city council of the city of Honolulu, or whatever the municipality within which the corporations are to exercise their powers. No such consideration has been given to this proposed legislation. We are asked to approve it simply because it was approved of there. For myself, I can not surrender my duty as a legislator in that way. If I am going to take any responsibility whatever for this legislation, I have got to take it up section by section and give it the approval of my own feeble judgment. That is the duty, as I conceive it, of every Member of this House and of the other House of Congress. As I said, that has not been done. The merits of the measure have never been investigated at all.

For instance, we start out with this:

That D. C. Lindsay, of Kahului, county of Maui, Territory of Hawaii, his associates, successors, and assigns, or such corporation as he or they shall cause to be incorporated under the laws of the Territory of Hawaii, and its successors and assigns, * * * are hereby authorized and empowered to manufacture, sell, furnish, and supply electric current for light and power purposes and gas for use as fuel, for illuminating purposes, and other purposes.

That is to say, we are giving this individual these corporate powers and franchises.

MR. PRESIDENT, a long time ago the people of this country concluded that that was not the way to legislate, and by their various constitutions they took away from their legislative bodies the power to grant special privileges and franchises of this kind and covered the subject by a general act, so that anybody could take advantage of its provisions.

Then, again, these franchises here are perpetual.

MR. NEW. Mr. President, will the Senator yield?

THE VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Indiana?

MR. WALSH of Montana. I yield.

MR. NEW. I think they are terminable—

MR. WALSH of Montana. Oh, yes; I was going to say so.

MR. NEW. Upon the will of the public service commission of Hawaii.

MR. WALSH of Montana. No; they are terminable only whenever the community desires to take them over upon payment of the investment.

MR. NEW. That would have to be done through the public service commission.

MR. WALSH of Montana. Yes. That is what I was going to say—that a long time ago the people of this country concluded that that was an unwise way to deal with franchises of this character, and they put a limit upon them. In the old days

a street railway company used to be granted a franchise indeterminate, perpetual, running on indefinitely, for all time. Sometimes there was and sometimes there was not a recapturing clause in it. The more prudent of the municipalities put a recapturing clause in it, but in more modern times no such franchise is ever granted; a limit is put.

The same thing occurred in connection with the legislation which so long engaged the attention of this body known as the water power legislation. A very powerful influence was brought to bear in favor of making the franchises granted under that act perpetual in character, with the right, of course, in the Government of the United States or in the State to take them over at any time upon the payment of the amount invested in the enterprise; but the Congress of the United States refused to concede the wisdom of that course of procedure. It was argued in support of that contention, as it is now, that if you organize a corporation upon that basis it will not be necessary to fix rates upon an amortization basis, and therefore rates can be lower; but that argument did not address itself with any particular force to this body, and so we fixed a limit of 50 years upon all franchises of that character.

It may or may not be wise to grant a perpetual franchise in the Territory of Hawaii. It may or may not be wise to require that corporations to exercise franchises of this character be organized under general laws. I should think the same principles ought to apply; I should think the same rules ought to govern in the Territory of Hawaii that we have found it advisable to adopt here; but I do not know. The fact is that this question never has been gone into at all.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield to the Senator.

Mr. SMOOT. I want to call the Senator's attention to the fact that the first five bills provide for two franchises in the island of Maui, two in the island of Hawaii, and one in the island of Kauai. I want to say to the Senator that in all five of the islands there is a population of less than 170,000, mostly natives. It is true that the last bill here applies to the street railroads in the island of Oahu, and in the island of Oahu most of the people, of course, live in Honolulu.

As I say, this legislation is to furnish power and light and heat, in case such a thing were desired, in those islands to not to exceed 170,000 people. That is quite a different proposition from granting a right of franchise for creating power in a growing city of the United States. I do not believe there is one of those companies in any one of those three islands that is making interest on the amount of money that is invested; and the bill provides that at any time when the people of those islands want to take over the plants they have a perfect right to do it, by paying, of course, the cost of the plants and the repairs that may have been made to the plants.

I want to say to the Senator that it is an absolutely unthinkable thing that within the next 25 years in those three outlying islands the population will exceed 200,000. I can not conceive of it, and I have been in every part of all of those islands. I know the conditions that exist there. I know the amount of land that is cultivated. I know what they are raising. I know that the possibilities I could imagine in my wildest moment never can be such that in those three islands there are going to be many more than 200,000 people. Now, I think the Senator will admit that with five franchises divided among 170,000 people to-day, with perhaps 200,000 20 years from now, there can not be very much money made out of any of them.

I know that the men who have put their money into these projects, or will put it into them, are not doing it for the purpose of making money. They can not hope to do that; but most of them have sugar plantations, and they have their families. Many of them live there, and they want to put in those little power plants to give the people that have to live there in carrying on their business some of the comforts of modern improvements.

I want to say to the Senator that I would not invest a single dollar in any one of these projects, not a single dollar, and I do not believe that the men who are going to put up the money will put it up for the purpose of making money, because there is no earthly chance of their doing so.

Mr. WALSH of Montana. Mr. President, most of what the Senator from Utah says seems to me entirely irrelevant to the question. He is discussing the real merits of this measure as he views them; but the point I am making is that no committee has made any inquiry at all along that line. That is the point I am making; but I want to say just a word with respect to the views advanced by the Senator from Utah.

It does not seem to me that the matter of sparse population is of any consequence whatever, because we ought not to im-

pose upon the people, even if they are few in number, a franchise which we would deem unjust as applied to the people of our own cities and communities. We would not in the city of Helena grant anybody a perpetual franchise to run a street car line in our city. Nobody would think of proposing any such thing; but the provision for a recapture is really of no consequence at all. So far as that is concerned, it will be recalled that when the water-power measure was under consideration it was urged that at the end of the 50-year period, although the Government of the United States might not be willing to take over these plants and itself go into the business of operating them, somebody else might be quite willing to take over the property and to supply the public on very much more favorable terms than the corporation to which the franchise was originally given; and that is why we put in the termination. So, Mr. President, it may be that at the end of 10, 15, or 20 years the city of Honolulu or any one of these islands may not be willing as a community to take over the enterprise and acquire the plant, but some other corporation might be perfectly willing to come in and take it, and that is the reason why we put a limit to the term of these franchises.

That is all I care to say about the matter. It is a matter of no consequence to me either one way or the other. I am merely calling attention to the fact that under the original scheme of government which we gave the Territory of Hawaii these measures never ought to have come here at all; but since they have come here, if we are going to legislate upon the matter we ought to take up these measures just exactly the same as if we were legislating for a franchise to run a street car line right here in the city of Washington; and no one contends that these matters to which I have adverted have had the consideration of any of the committees of Congress.

Mr. NEW. Mr. President, if the Senator from Montana has concluded, I think he is a little unfair—I do not think he intends to be, but I think he is a little unfair—in what he says to the effect that no consideration has been given to the merits of these bills by any committee.

The bills have been considered by the Committee on Territories and Insular Possessions and have been pretty definitely considered, too, at a meeting attended by the junior Senator from Pennsylvania [Mr. KNOX], the Senator from California [Mr. JOHNSON], the Senator from Louisiana [Mr. BROUSSARD], the Senator from Georgia [Mr. HARRIS], the Senator from Ohio [Mr. WILLIS], the Senator from North Dakota [Mr. LADD], myself, and perhaps one or two others. The committee had before it the attorney general of Hawaii, who explained all these matters in detail to us. We had quite a number of other witnesses of prominence in the commercial life of the islands, none of whom, with one exception, was financially interested in any of these franchises, and this one frankly said to us that he had a very modest financial interest in the street railway company in Hawaii.

Mr. President, undoubtedly all that the Senator from Montana says is technically correct as to the purely legal aspect of this matter; but all of these bills provide that they must be ratified by the Congress of the United States, that they shall not become operative until after they have been so ratified by Congress. It has been the unvarying and unbroken custom with reference to every bill of this character that has been passed in Hawaii since the organization of the Territory.

As to what the Senator has said about the modern method of granting franchises and putting them under the operation of public utilities commissions, we have in my State of Indiana to-day a franchise that exactly meets the description that he gave a few minutes ago, if I understood him correctly, an indeterminate franchise given to the street railway there, which may be terminated at any time at the will of the Public Service Commission, of course, upon proper evidence and proof. But, Mr. President, I have prepared a joint resolution which I think should be substituted for these bills. I would like to have it read, and will then move its adoption as an amendment to Senate bill 2062.

The VICE PRESIDENT. The Secretary will read the proposed amendment.

The READING CLERK. It is proposed to strike out all after the enacting clause and to insert:

That the act of the Legislature of Hawaii (act 134 of the Session Laws of 1917), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the district of Hamakua, on the island and county of Hawaii, Territory of Hawaii," approved by the governor of the Territory of Hawaii April 30, A. D. 1917, as amended; the act of the Legislature of Hawaii (act 185 of the Session Laws of 1919), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the district of Hana, on the island and county of Maui, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 25, A. D. 1919; the act of the Legislature of Hawaii (act 101

of the Session Laws of 1921), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North and South Hilo and Puna, in the county of Hawaii, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 16, A. D. 1921; the act of the Legislature of the Territory of Hawaii (act 105 of the Session Laws of 1921), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within Kapa and Waipouli, in the district of Kawaihau, on the island and county of Kauai, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 16, A. D. 1921; the act of the Legislature of the Territory of Hawaii (act 184 of the Session Laws of 1921), entitled "An act granting a franchise for the purpose of manufacturing and supplying gas and electric current in the districts of Wailuku and Makawao, county of Maui, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 26, A. D. 1921; and the act of the Legislature of the Territory of Hawaii (act 186 of the Session Laws of 1921), entitled "An act to amend an act entitled 'An act to authorize and provide for the construction, maintenance, and operation of a street railway or railways in the district of Honolulu, island of Oahu,' enacted by the Legislature of the Republic of Hawaii July 7, 1898, and granting a franchise to the Honolulu Rapid Transit & Land Co. to operate a street railway in the district of Honolulu, providing for the operation of the same, and providing for the purchase of the same by the city and county of Honolulu," approved by the governor of the Territory of Hawaii on April 26, A. D. 1921, are hereby ratified, confirmed, and approved.

SEC. 2. That Congress, or the Legislature of the Territory of Hawaii with the approval of Congress, may at any time alter, amend, or repeal any or all of the above acts.

Mr. NEW. Mr. President, I move to strike out all after the enacting clause of Senate bill 2062 and that there be inserted in lieu thereof the language of the joint resolution just read.

Mr. WALSH of Montana. I apprehend that the Senator from Indiana does not intend that the repealing act of the Legislature of Hawaii should require the approval of Congress. It seems to me that if the Territory of Hawaii wants to repeal this act they ought to be permitted to do it without submitting it to the decision of Congress.

Mr. NEW. Section 2 reads:

That Congress, or the Legislature of the Territory of Hawaii with the approval of Congress, may at any time alter, amend, or repeal—

And so forth.

I have included the words "with the approval of Congress," which, I think, should be stricken out.

Mr. WALSH of Montana. That is the point I was making. I suggest to the Senator that he ought to strike out "with the approval of Congress." Let Congress repeal the action or let the Legislature of the Territory of Hawaii do that; but if the people of the Territory of Hawaii want the act repealed, and act accordingly, the repeal ought not to be held up to await the slow processes of Congress.

Mr. NEW. The Senator's suggestion is that the words "with the approval of Congress" be stricken out?

Mr. WALSH of Montana. Yes.

Mr. NEW. They should come out. That is all right, and I ask to have the amendment modified accordingly.

The VICE PRESIDENT. The Senator from Indiana modifies his amendment.

Mr. WILLIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. NEW. I do.

Mr. WILLIS. The Senator will recall that I was called away during most of the hearing on this matter; therefore I ask the Senator for some information, as I want to be sure that I understand the situation. All of these bills, from Senate bill 2062 through Senate bill 2067, inclusive, have been passed by the Territorial legislature, have they?

Mr. NEW. They have.

Mr. WILLIS. I was going to invite the attention of the Senator to the fact that the forms of the bills do not seem to indicate that.

Mr. NEW. They have all been passed by the Territorial legislature.

Mr. WILLIS. For example, Senate bill 2066 seems to cover an original grant of power.

Mr. NEW. They have all been passed by the Territorial legislature.

Mr. WILLIS. I understand now that the Senator does not intend to undertake to have any of the other bills passed; that this takes the place of all of them.

Mr. NEW. This bill, as amended by substituting the language of the joint resolution, will take the place of all of them. If it is adopted as an amendment to Senate bill 2062, I shall then ask that the other bills in this series, down to and including Senate bill 2067, be indefinitely postponed.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Indiana.

The amendment was agreed to.

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

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

The title was amended so as to read: "A bill ratifying, confirming, and approving certain acts of the Legislature of Hawaii granting franchises for the manufacture, distribution, and supply of gas, electric light, and power, and the construction, maintenance, and operation of a street railway, and for other purposes."

Mr. NEW. Now, Mr. President, I move that Senate bills 2063, 2064, 2065, 2066, and 2067 be indefinitely postponed.

The motion was agreed to.

RELIEF OF ALFRED CLUFF AND OTHER ARIZONA SETTLERS.

The bill (S. 391) for the relief of Alfred Cluff and certain other settlers at Forestdale, Apache County, Ariz., who were evicted from their homes by reason of a change in the location of the north boundary of the White Mountain or San Carlos Apache Indian Reservation, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Alfred Cluff, of Mesa, Ariz., \$2,500; to Orson Cluff, of Mesa, Ariz., \$2,000; to Henry E. Norton, of Pima, Ariz., \$5,000; to William B. Ballard, of Pima, Ariz., \$3,500; to Elijah Hancock, of Eden, Ariz., \$6,000; to Mrs. Susan R. Saline, of Pima, Ariz., \$6,000; to Oscar Mann, of Provo Beach, Utah, \$2,500; to Celia Thayne, of Orangeville, Utah, \$5,000; to William E. Cox, of Union, Utah, \$2,500; to Theodore Farley, of Provo Beach, Utah, \$2,500; to Adelaide Laxton, of Show Low, Ariz., \$1,000; to Clara L. Tenney, of Taylor, Ariz., \$5,000; to George M. Adams, of Show Low, Ariz., \$3,000; to Charlotte Jensen, of Egar, Ariz., \$5,000; to Sophia Huff, of Bluewater, N. Mex., \$1,500; to Peter H. McBride, of Pima, Ariz., \$5,000; to David Edward Adams, of Central, Ariz., \$7,500; to Mrs. M. J. Ellsworth, Mesa City, Ariz., \$2,500; and to the heirs of J. H. Frisby, late of Provo, Utah, \$3,000; in all, not more than \$72,000, in full compensation for loss and damage sustained by reason of the eviction of said persons from lands at the place known as Forestdale, in Apache County, Ariz., which lands were settled upon, improved, and cultivated by said persons, as part of the public domain, beginning in the year 1878, but thereafter, during the year 1882, the northern boundary line of the White Mountain or San Carlos Apache Indian Reservation was removed and extended north about 10 miles, more or less, the result of which change in the location of said boundary line caused said lands to be included within and made a part of said reservation, and by reason of the inclusion of said lands within said reservation, the said persons were evicted from their homes by the military authorities of the United States; and said sums are hereby appropriated for the purpose of reimbursing said persons or their heirs for loss and damages to their improvements, crops, personal property, and the value of their homestead rights: *Provided, however*, That the Secretary of the Treasury shall make no payment to any of said persons, or to their heirs, for any of said losses and damages until and unless the Secretary of the Interior shall have ascertained and determined that in his opinion the amounts herein proposed to be paid to said persons are equitable, and in proportion to the losses and damages actually sustained by said persons, and in the event that the Secretary of the Interior shall determine that a less amount than the sums named herein is equitably due to any of said persons the Secretary of the Treasury is hereby authorized and directed to pay to such person, or to his or her heirs, the sum so determined by the Secretary of the Interior: *Provided further*, That none of the moneys appropriated by this act shall be paid to any person other than the claimant named herein, or his or her heirs, and that no lien of any kind shall be recognized by the Secretary of the Treasury in making payment hereunder, and that no attorney's fees shall be paid by the said Secretary out of any money appropriated by this act.

Mr. ASHURST. Mr. President, I am very anxious to have this bill passed. A practically similar bill passed the Sixty-fourth and the Sixty-fifth Congresses.

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

HOUSES OF REFUGE FOR JUVENILE OFFENDERS.

The bill (S. 1010) to amend sections 5549 and 5550 of the Revised Statutes of the United States was considered as in Committee of the Whole.

The bill had been reported from the Committee on the Judiciary with amendments. The first amendment was, on page 1, line 3, to strike out the words "the provisions of sections" and to insert in lieu thereof the word "section"; on the same line to strike out "and 5550"; on line 4, after the word "and," to strike out the words "they are, extended so as to apply, in the discretion of the trial judge, to the cases of women and girls over the age of 16, as follows," and to insert the words "it hereby is, amended by adding thereto the following"; on page 2, line 3, after the word "said," to strike out the word "sections" and to insert in lieu thereof the word "section"; and, on line 4, to strike out "and 5550," so as to make the section read:

That section 5549 of the Revised Statutes of the United States be, and it hereby is, amended by adding thereto the following: "Whenever a woman or girl shall be convicted of lewdness, prostitution, or similar offenses, under circumstances rendering such offense punishable by imprisonment under the laws of the United States, such woman or girl may be confined, during the term of sentence, in some home of refuge to be designated by the Attorney General, in the manner provided in the case of juvenile offenders, by said section 5549, when, in the opinion of the presiding judge, that course seems justified by the circumstances of the case and the intelligence and previous char-

acter of the offender: *Provided, however*, That this act shall not apply to the case of any woman who has previously been twice convicted of similar offenses in the courts of the United States, or who, at the time of her arrest, was conducting or managing a house of prostitution.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert a new section, as follows:

SEC. 2. That section 5550 of the Revised Statutes of the United States be, and it hereby is, amended so as to read as follows:

"SEC. 5550. The Attorney General shall contract with the managers or persons having control of such houses of refuge for the imprisonment, subsistence, and proper employment of all such juvenile or female offenders, and shall give the several courts of the United States and of the District of Columbia notice of the places so provided for the confinement of such offenders; and they shall be sentenced to confinement in the house of refuge nearest the place of conviction so designated by the Attorney General."

Mr. KING. As I understand this bill, I am in favor of it. The Senator from Georgia [Mr. WATSON] asked me, when it was up before, to keep him advised if it came up again. I dislike to interrupt the passage of the bill, but I feel, in view of his request, that I should do so.

Mr. WALSH of Montana. I have no objection. It is a bill which came from the Department of Justice, and is recommended by them. I have no objection to its going over.

Mr. KING. I ask that it may go over until the next calendar day, and I will advise the Senator from Georgia so that he may take such course as to him seems best.

The VICE PRESIDENT. There being objection, the bill will be passed over.

CHARLES K. BOND.

The bill (S. 62) for the relief of Charles K. Bond, alias Kimball W. Rollins, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. On objection the bill will be passed over.

AMENDMENT OF THE RULES—EXECUTIVE BUSINESS.

The resolution (S. Res. 73) amending Rules XXXVII and XXXVIII of the Standing Rules of the Senate so as to provide for the consideration of nominations and treaties in open executive session unless otherwise ordered was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The resolution will be passed over.

TEMOAK BAND OF HOMELESS INDIANS.

The bill (S. 224) authorizing the Secretary of the Interior to purchase a tract of land with sufficient water right attached, for the use and occupancy of the Temoak Band of homeless Indians located at Ruby Valley, Nev., was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That the sum of \$25,000, or so much thereof as may be necessary, is hereby appropriated, out of any moneys in the United States Treasury not otherwise appropriated, to enable the Secretary of the Interior to purchase a tract of land, with sufficient water right attached, for the use and occupancy of the Temoak Band of homeless Indians, located at Ruby Valley, Nev.: *Provided*, That the title to said land is to be held in the United States for the benefit of said Indians: *And provided further*, That the sum hereby appropriated shall be immediately available and remain so until expended.

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

INTERSTATE HIGHWAY SYSTEM.

The bill (S. 1355) to provide for the establishment, construction, and maintenance of a post roads and interstate highway system, to create a Federal highway commission, and for other purposes, was announced as next in order.

Mr. WARREN. Let that go over.

The VICE PRESIDENT. On objection the bill goes over.

STEVENS AND FERRY COUNTIES, WASH.

The bill (S. 1168) to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

Mr. JONES of Washington. I hope the Senator will not insist on his objection. A provision covering this matter was passed in the last Indian appropriation bill.

The VICE PRESIDENT. The bill goes over.

EXPORTATION OF FARM PRODUCTS.

Mr. NORRIS. Mr. President, I presume the call of the calendar ends at 2 o'clock, does it not?

The VICE PRESIDENT. It does.

Mr. NORRIS. The hour of 2 o'clock having arrived I move that the Senate proceed to the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

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

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Harrison	Myers	Stanley
Ball	Heflin	Nelson	Sterling
Borah	Jones, Wash	New	Sutherland
Brandeggee	Kellogg	Nicholson	Swanson
Broussard	Kendrick	Norbeck	Trammell
Capper	Kenyon	Norris	Underwood
Caraway	Keyes	Oddie	Walsh, Mass
Curtis	King	Overman	Walsh, Mont
Dial	Ladd	Pittman	Warren
Edge	La Follette	Polindexter	Watson, Ga
Ernst	Lenroot	Pomerene	Weller
Fernald	Lodge	Ransdell	Williams
Fletcher	McCormick	Reed	Willis
Frelinghuysen	McKellar	Sheppard	
Glass	McKinley	Smoot	
Hale	McNary	Spencer	
Harris	Moses	Stanfield	

The VICE PRESIDENT. Sixty-three Senators having answered to their names a quorum is present. The question is on the motion of the Senator from Nebraska that the Senate proceed to the consideration of Senate bill 1915.

Mr. STERLING. I ask for the yeas and nays on the motion of the Senator from Nebraska.

The yeas and nays were ordered.

Mr. WALSH of Montana. Mr. President, I understand that the prohibition enforcement bill is the unfinished business. Am I correct?

The VICE PRESIDENT. The Senator is in error. There is no unfinished business.

Mr. MCCORMICK. Mr. President, I understand that the Senator from Nebraska has moved to take up the agricultural purchase bill and that, that motion failing, the Senator from South Dakota [Mr. STERLING] purposes to move to take up the supplemental Volstead bill.

Mr. STERLING. That is what I expect to do.

Mr. WALSH of Montana. Mr. President, I am in favor of both bills, but the prohibition bill has had consideration in the Senate repeatedly. I was laboring under the impression that it had been made the unfinished business. I think we ought to try to finish one measure at a time. If it is the purpose of the Senator from South Dakota, in case the motion of the Senator from Nebraska does not prevail, to move to take up the prohibition enforcement bill I shall feel impelled to vote against taking up the bill proposed by the Senator from Nebraska. As I have studied it I am disposed to favor the bill, but I believe that we ought to try to finish one thing before taking up another.

Mr. STERLING. Mr. President, the Senator from Montana has stated my views. I think that is the reasonable thing to do under the circumstances. The prohibition enforcement bill has been before the Senate on two occasions and we have made considerable progress and a number of speeches have been made on the bill. The bill is pending, and it seems to me that we can dispose of it within a day, or not much longer time than that.

There is an urgent reason why prompt consideration should be given to the bill, and it is this: The bill forbids the prescribing of beer for medicinal purposes. Under the ruling of the Attorney General the national prohibition act will permit of the prescribing of beer. The Internal Revenue Commissioner is now being besieged by the manufacturers of beer to make rules and regulations governing such manufacture. Since that is the situation and the Internal Revenue Commissioner hardly knows what to do under the circumstances, it is necessary, I think, that we take speedy action on the bill, the passage of which I am urging.

May I say that I am quite in sympathy with the desire of the Senator from Nebraska to bring his bill up for consideration. The other day when the matter was under discussion as to whether the Congress should adjourn or not, I opposed adjournment, and one of the reasons I gave in opposition to adjournment was this pending bill, consideration of which I think should be had by the Senate; but because we have already proceeded this far in the consideration of the prohibition bill, and because of the necessity arising out of the demands of the manufacturers of beer for regulations governing its manufacture, I think we ought to take action on the prohibition bill.

Mr. JONES of Washington. Mr. President, I favor very much the purposes of the bill of the Senator from Nebraska, and rather think I shall vote for it, but I think the other bill should be taken up first. It has had consideration twice in the Senate.

I make the point of order that the motion of the Senator from Nebraska was not in order when made. The call of the calendar

had not been completed under the rule. The Chair had not announced the conclusion of the morning hour. The morning hour is that time up to 2 o'clock, and under the rule the call of the calendar was in order when the motion was made by the Senator from Nebraska. I therefore make the point of order that the motion of the Senator from Nebraska was not in order when made.

Mr. NORRIS. On the point of order, I desire to say that I did not make the motion until 2 o'clock. I can not think that the Senator is really in earnest about this matter.

Mr. JONES of Washington. I was watching the clock, because a bill in which I was interested had just been reached on the calendar, and was pending on objection of the Senator from Utah [Mr. KING]. It was two minutes of 2 o'clock by the clock which I was watching when that bill was called up and the Chair had not yet announced the conclusion of the call of the calendar under the rule.

Mr. NORRIS. I asked the Chair when I obtained recognition if the call of the calendar ended at 2 o'clock. After the Chair assented to that I said, "The hour of 2 o'clock having arrived," and so forth. If the hour of 2 o'clock had not arrived then the Chair of course would have said so then when I made the statement.

The Senator has been discussing the merits of the motion to take it up, and of course, after 2 o'clock, it is debatable. The very fact that the Senator makes an argument before he makes the point of order is an admission that there is no point to his point of order.

Mr. JONES of Washington. No; Mr. President, it is not an admission at all.

Mr. NORRIS. A motion made before 2 o'clock is not debatable. The whole Senate has proceeded on the ground that the motion which I made is debatable and has been debating it. I propose to debate it a little and I ask the particular attention of the Senator from Montana [Mr. WALSH] and those who think as he does.

It is said we ought not to displace the beer bill with the farmer bill because we have considered the beer bill once or twice on other occasions. Both times it was during the morning hour. I wish to say to the Senator from Montana and to the Senate that the bill which I have made a motion to take up was reported by the Committee on Agriculture and Forestry and placed on the calendar while the other bill was still pending before the Committee on the Judiciary and before it was reported to the Senate. When I reported the bill I gave notice then that I would ask to take it up as soon as possible. Later on I gave another notice that I would ask the Senate to take it up as soon as the so-called bonus bill was out of the way. I gave the first notice.

Now comes the Senator from South Dakota with his beer bill, it having in the meantime been reported a week after my bill had been placed on the calendar. I have talked with him a good many times about it and I wish to be fair about it. I am not fighting his bill, although I have been practically forced into the attitude of doing it. I said then, "I shall not object to that bill coming up during the morning hour if you think you can pass it then." He took it up during two morning hours and failed to secure its passage during that time. I waited to-day until 2 o'clock and did not make the motion until the morning hour had gone by.

There is no comparison when we come to the importance of which we should consider first. I have stated the facts and those facts all lead, it seems to me, if we want to be square and fair, to the consideration of the farmers' financing bill first. But let us lay that aside. Let us say that we were not here first and did not get here first. Let us take up the importance of the two measures.

Everybody here and everybody elsewhere knows that agriculture is on the point of bankruptcy; that in every place the farmer is down and out. It is conceded that if we can do anything we ought to do it and we ought to do it now; that we ought to do it first; that we ought to do it right away. Delay is dangerous. If this bill is to become a law, it ought to be passed immediately. We must remember that this is a Senate bill; that it will have to go to the other House, while the beer bill is a House bill which has already passed that body. It has, therefore, passed along one-half of its legislative journey and has not so far to go to final enactment.

I am not finding fault with the Senator or the person who says that this bill which is aimed to help the farmer is wrong; I am not finding fault with or criticizing anyone who is opposed to it; everyone has a right to his opinion about that. Perhaps we are wrong. The Agricultural Committee thought this legislation would do some good and help out in an emergency. In the course of ordinary procedure weeks will

have to elapse before it can get through the other House. If amended there, the bill will have to go to conference. The other bill, as I have stated, is halfway through.

What does the other bill do? I do not believe anyone here will accuse me of not being a friend of temperance legislation. During the 18 years that I have served in Congress I have never yet been accused of not voting for temperance measures, and I do not believe I shall be accused now of trying to do such a thing. Suppose, however, the bill of the Senator from South Dakota shall not be enacted right away; suppose a few more bottles of beer in the meantime are prescribed for medicine and that somebody drinks them; is that going to hurt anybody?

Mr. BROUSSARD. Mr. President—

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

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

Mr. BROUSSARD. I should like to suggest to the Senator from Nebraska that although on March 3, 1921, the then Attorney General of the United States gave an opinion in which he stated that the Commissioner of Internal Revenue had no discretionary power in the issuance of permits, that opinion up to this time has not been set aside; so there is no need for hurry apparently in authorizing the Commissioner of Internal Revenue to deny to citizens the permits to which the law entitles them.

Mr. STERLING. If the Senator from Nebraska will permit me, I merely wish to say, by way of answer to the Senator from Louisiana, that there is a special hurry just now for this proposed legislation if it has not existed prior to this time. It is because of the demand which is made by the breweries on the Commissioner of Internal Revenue to make rules and regulations that will allow them to proceed with the manufacture of beer. That is the reason for the hurry.

Mr. BROUSSARD. Mr. President—

Mr. NORRIS. Let me go just a step farther. I do not wish to be placed in an attitude where I might lose the floor by other Senators making speeches, for before I sit down I am going to make a motion, and I had rather not yield.

On the one hand is the importance of dealing with the agricultural condition, which everybody understands; it will be unnecessary for me to describe it. An emergency is before us now. On the other hand, here comes the Senator from South Dakota [Mr. STERLING] with his little bill in one hand and an empty beer bottle under his arm, demanding that the entire country shall stop, that Congress shall hesitate, that everybody shall hold his breath until we can pass a law that will prevent some doctor giving a prescription which will let somebody drink a glass of beer. It seems to me there is no comparison between the importance of these two bills, Mr. President.

Mr. STANLEY. Mr. President—

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

Mr. NORRIS. I will yield for a question.

Mr. STANLEY. I should like to suggest that the Senator from Nebraska is very near committing lese majesty, and that he should proceed with more deferential regard to solemnity of this subject.

Mr. NORRIS. It is probably lese majesty to state that a bottle of beer may not find a consumer in this kind of weather. That may be lese majesty, but, Mr. President, since I have the floor, since I have been recognized, and it is 20 minutes after 2 o'clock, in order to avoid the possibility of the Chair sustaining the point of order which has been made by the Senator from Washington [Mr. JONES], I now move that the Senate proceed to the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. STERLING. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JONES of Washington. The Senator concedes the point of order—

Mr. NORRIS. I do not concede the point of order.

Mr. JONES of Washington. But I am going to vote for his motion, because I feel satisfied that as soon as his bill is disposed of the bill of the Senator from South Dakota will be considered and passed.

Mr. MOSES. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from New Hampshire suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Borah	Caraway	Ernst	Glass
Brandeggee	Curtis	Fernald	Hale
Broussard	Dial	Fletcher	Harris
Bursum	Edge	Frelinghuysen	Harrison

Heflin	McKinley	Pomerene	Sutherland
Jones, Wash.	McNary	Ransdell	Swanson
Kellogg	Moses	Reed	Trammell
Kendrick	Myers	Sheppard	Underwood
King	Nelson	Shortridge	Walsh, Mass.
Ladd	New	Simmons	Walsh, Mont.
La Follette	Norris	Smoot	Watson, Ga.
Lenroot	Oddie	Spencer	Williams
Lodge	Overman	Stanfield	Willis
McCormick	Pittman	Stanley	
McKellar	Poinexter	Sterling	

The VICE PRESIDENT. Fifty-eight Senators having answered to their names, a quorum is present.

Mr. EDGE. Mr. President, on the question of precedence of the two important bills which it is sought to take up for consideration I find myself in a peculiar position that is, perhaps, best illustrated by an incident which occurred during the war which may be familiar to Senators. An Irishman being asked which country he favored in the hostilities said, "I am neutral; I do not care who whips the Germans." As I look upon these two measures as they appear in their present form, I am against both of them, which makes it rather difficult to vote for either to have precedence. I am thoroughly impressed with the necessity of doing something for the agricultural interests; not, however, as provided for in the bill which we will shortly have an opportunity to discuss, but I think from that bill something practical may be evolved. I hope that may be the outcome, because I thoroughly recognize the situation.

As to the other bill, perhaps this is not the time to discuss it. It is, indeed, under such conditions difficult to decide between two evils, but at the proper time I propose to briefly discuss each measure, and care little which has precedence.

Mr. UNDERWOOD. Mr. President, before the pending motion is voted upon I desire to say a word. I do not doubt, and I do not suppose there is a Senator on the floor who doubts, that the Senate will take up the so-called prohibition enforcement bill very shortly, as soon as the so-called agricultural bill is disposed of, if the Senate makes the latter measure the unfinished business; but if the prohibition bill is taken up for consideration and the motion of the Senator from Nebraska is voted down and the agricultural bill thereby forced back to the calendar, I think, then, it will be very doubtful whether the agricultural bill can come up at all, whether it can be taken up this summer, whether it can come up before the tariff bill is laid before the Senate.

Mr. SIMMONS. Mr. President, I wish to say to the Senator that if it does not come up, there will be some other bills that will not come up.

Mr. UNDERWOOD. I am in sympathy with what the Senator from North Carolina says; but I think it is a doubtful issue if the pending motion is lost, whereas there is no doubt about the other bill coming up.

Now I wish to say a few words concerning my reasons for supporting the agricultural bill. It may be going a long way to lend Federal money to a corporation, but we have loaned a billion dollars or more to the shipping corporation; we have loaned a large amount of money to corporations organized to take care of railroad credits; and this is a bill to organize a \$100,000,000 corporation, with a loaning capacity to issue bonds of \$1,000,000,000, to aid in the financing of the crops of the country.

As I said the other day, I am not so optimistic as to claim that this bill is going to be effective to any great extent in connection with financing the crop this fall, for it will take time to get it into operation, and I am not going to hold out to those I represent that I am going to do something for them at this time that probably will not be accomplished. If I did, it would only create a disappointment and probably affect the usefulness of the bill in the future; but I think the great difficulty with agriculture is the establishment of its markets, coordination of effort in trying to reach the markets, marketing the crop, and I think this bill will be helpful along that line. I am willing to give it a trial, and I should like to see the effort made now.

A great many wild pieces of legislation, that I do not think can be effective, are offered to relieve the present situation, and I am not willing to vote for them. The administration of this bill will be under Government control. I take it that the Government is not going to waste the money, and that the President of the United States will appoint capable and efficient men that at least will take care of the Government's money and not have it wasted; so I do not think we are endangering the Government finances to any extent. The bill may be helpful, and an effort to inject another bill in its way right now—I care not how important the other bill is—may mean the ultimate defeat of this bill.

I shall, therefore, vote for the consideration of the bill proposed by the Senator from Nebraska and hope that it may be

kept before the Senate until it is finally disposed of, and I do not think that will take many days.

Mr. BORAH. Mr. President, if I conclude that we have the power to pass the Volstead Act under the Constitution, it is my intention to vote for it, but I think in all seriousness we ought to take up the bill moved by the Senator from Nebraska.

If there is any measure before the body or to come before the body which can be deemed an emergency measure, certainly this is it. In fact, it has been delayed entirely too long—I do not mean by anybody's fault, but by the apparent necessities of the situation.

Not in opposition particularly at this time to the Volstead Act, but because I believe that as a matter of performance of duty we ought to take up the measure for which there is the greatest necessity, an especial, immediate, and imminent necessity, I shall vote to take up the measure moved by the Senator from Nebraska.

Mr. WILLIS. Mr. President, one of the arguments given by the Senator from Alabama in favor of the motion of the Senator from Nebraska was that, as I understood, he thought no other measure should be allowed to be injected into this discussion to become an obstacle in the way of the consideration of this bill. That is exactly the reason which I was about to state why it seemed to me this motion ought to be defeated.

The beer bill, so called, has been before the Senate. It has been discussed on two separate days. I think Senators must be aware that, as the Senator from Alabama says, this measure is going to be discussed. It undoubtedly can be disposed of in a day. I think if we had this afternoon Senators could present their views and the matter could be finished.

As has been stated by the Senator from South Dakota, the emergency is very great. The Treasury Department has been pressed to issue these beer regulations; and I want to say to the Senator from Nebraska—

Mr. BROUSSARD. Mr. President, may I ask the Senator a question?

Mr. WILLIS. I yield to the Senator from Louisiana.

Mr. BROUSSARD. Will the Senator explain to the Senate why these permits are being withheld when it is admitted by all that the people who have applied for them are entitled to them; and why do you pretend that there is an emergency when you are resisting the law?

Mr. WILLIS. Mr. President, I do not undertake to speak for the Treasury Department. I am not the mouthpiece of that department; but I assume that the Treasury Department is declining to issue those permits because it assumes that the Senate will pretty soon go ahead and do the thing that it ought to have done long ago. I assume that that is the reason. I do not know. I am not advised about its views; but the argument that the Senator from Louisiana seeks now to bring up is the strongest possible argument why this motion should be voted down and the beer bill be taken up, in order that there may be a settlement of this question.

I care not what the Senator's position may be, whether he is for the bill or against it. I am for it. He is against it, perhaps. I do not quarrel about that; but there ought to be a decision on the matter.

The Senator from Nebraska referred in rather jocose terms to some question about an empty beer bottle, and all that sort of thing. I want to say to him that it is not a question as to whether some physicians somewhere shall prescribe a glass of beer, and I think the Senator knows that that is not the question. The question is whether we are to permit the law-enforcement machinery of the country to be broken down by the wholesale manufacture of beer under the guise that it is to be used as medicine. The fact is that if we do not pass this so-called beer bill pretty soon the beer is going to be consumed not by the sick but by people who are extremely healthy and vigorous, and they are the ones who are making the fight against the bill. I do not mean that with reference to anybody in the Senate, of course; but I do mean to say that the influence in the country against the passage of the beer bill is not coming from the fevered rooms of the sick—oh, not at all. It is from perfectly vigorous fellows that want the manufacture of beer opened up in this country so that they can have it as a beverage.

Because that is true, I think the motion of the Senator from Nebraska ought to be voted down. I say that without any prejudice against his bill. I have not examined it. I shall probably vote for it. I like to vote for measures that he fathers.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. WILLIS. Certainly.

Mr. NORRIS. The Senator says that if we should go on with the beer bill we could finish it to-day. If that could be done,

does not the Senator realize that the bill could be passed to-morrow during the morning hour if we have an understanding that if the motion I have made should prevail, and the bill should become the unfinished business, I would not attempt to take it up until 2 o'clock to-morrow? If we can pass the beer bill this afternoon we can pass it to-morrow before 2 o'clock; can we not?

Mr. WILLIS. The point, as the Senator well understands, is this: This bill has already been under discussion. A number of Senators have made speeches on the matter. It has been before the Senate. The Senator's bill has not been before the Senate. It will take a much longer time.

Mr. NORRIS. I hope the Senator will be fair. He realizes that the other bill was reported first—

Mr. WILLIS. Oh, I understand that; it has been on the calendar.

Mr. NORRIS. And that the only time this bill was taken up was during the morning hour.

Mr. WILLIS. The beer bill—certainly; I understand that. The Senator's bill has not been discussed at all. The Senator certainly must admit that it will take a good deal longer to dispose of his bill than it will to dispose of the so-called beer bill.

Mr. NORRIS. I do not know as to that. I will say frankly that I do not believe it will. I do not believe it will take as long; and from the announcement that was made here by the Senator from Alabama [Mr. UNDERWOOD], I have an idea that if this motion is defeated and the beer bill is taken up, you will not pass that bill this week, because everybody who would want to defeat the other bill would help to delay that bill to prevent its consideration.

Mr. WILLIS. As the Senator understands, I am taking the position which I have taken not to delay his bill but because I am interested in this other measure.

Mr. NORRIS. I understand.

Mr. STERLING. Mr. President, just one word: It is admitted by a number of Senators—the Senator from Nebraska, for one, and I think the Senator from Washington, and the Senator from Alabama—that action will be had on this bill, the so-called beer bill; but it is urged now, notwithstanding the fact that we have been on two separate days considering the beer bill, and notwithstanding the fact that we have made great progress in its consideration, that we should virtually supplant it by another bill. Granting that it is equally urgent—and I will not admit that it is more urgent, under existing conditions, than the beer bill—there will be ample time for the consideration of the bill of the Senator from Nebraska.

Now, what is the urgency, Senators? Not exactly or wholly in the fact that the breweries are insisting upon regulations to be issued by the Commissioner of Internal Revenue, but that he will probably issue those regulations unless this bill is passed at an early date; and then we come back to the question as to whether or not we are giving prohibition a fair trial. If we permit the prescribing of beer, and the Commissioner of Internal Revenue issues regulations, we will do a great deal toward nullifying the prohibition law, because the right to prescribe beer for medicinal purposes will in effect, I think, nullify the law; and I appeal to Senators who in good faith now believe in giving this law a fair trial to settle this question at the very earliest possible date.

Mr. MOSES. Mr. President, does the Senator from South Dakota make the point that the opinion of the Attorney General rendered on the 4th of March is invalid, that it does not follow the letter of the law?

Mr. STERLING. I am not taking that position for a moment, Mr. President. I am inclined to agree with the opinion of the Attorney General that under the terms of the national prohibition act beer could be prescribed for medicine, or wine could be prescribed for medicine; but the unfortunate thing is that under the terms of that act, if allowed to be prescribed at all, it can be prescribed in unlimited quantities. There is no limit whatever. As I have had occasion to say before, it can be prescribed by the case or keg.

Mr. MOSES. The Senator maintains, as I gather from what he says, that the opinion of the Attorney General is correct under the law.

Mr. STERLING. Yes.

Mr. MOSES. It is asserted by the Senator from Louisiana that the officials of the Treasury Department decline to enforce the law as interpreted by the Attorney General.

Mr. STERLING. They have declined up to date to issue permits or regulations for the manufacture of beer. That is the position taken up to date, as I understand, by the Commissioner of Internal Revenue; but the Commissioner of Internal Revenue says:

There is the law, and there is the construction of the law by the Attorney General of the United States. How long can I refuse to issue these regulations?

That is the position of the commissioner.

Mr. MOSES. Then any time that an administrative officer finds a law which is not exactly to his liking and declines to enforce it, and comes to Congress and asks us for heaven's sake to give him a law that he does like and that he will enforce, does that constitute an emergency?

Mr. STERLING. Mr. President, I think under the circumstances that it does constitute an emergency.

Mr. BROUSSARD. Mr. President—

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Louisiana?

Mr. STERLING. If the Senator will permit me a moment, it has been a long time now since this Volstead Act, amendatory of the prohibition act, was brought up for consideration in the House. It has been a long time since it passed the House. If the Commissioner of Internal Revenue had issued these permits and made the regulations which he has been rightfully withholding in anticipation of early action on the part of Congress, and then we had passed this law, it is easy to see how business interests would have suffered.

Let me call attention to a couple of telegrams here:

Earnestly urge prompt consideration and action upon anti-beer bill. Delay and uncertainty infinitely more damaging to business than any provision in this bill as amended by Senate committee. Believe everybody concerned will be helped by termination of controversy and enactment of bill.

This is signed by the Kentucky Distilleries & Warehouse Co., H. M. Gaylord, president. Mr. H. M. Gaylord is a man whom we recognize as having been for a long time prominent in the office of the Commissioner of Internal Revenue, and I think one of the best and most reliable of his assistants. I have a like telegram from the United States Products Corporation, signed by its president.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. STERLING. Yes.

Mr. NORRIS. Does the Senator offer the evidence of the distilleries company as a reason why this bill should be passed right away?

Mr. STERLING. I offer it for the purpose disclosed on the face of the telegram and in view of the question asked by the Senator from New Hampshire; because if the Commissioner of Internal Revenue, who has charge of the administration of the law, issues the regulations, and they invest their money in the business and get started in manufacturing beer for medicinal purposes, what will be the result upon business—not alone the distillery business, but business outside of that, because they are more or less interdependent?

Mr. MOSES. Mr. President, may I ask the Senator if the loss of this invested money by the brewers constitutes the sole dire consequence to which he alluded before or whether there are other dire consequences attendant upon the delay? If so, what are they?

Mr. STERLING. There are other dire consequences, because their business must be necessarily dependent upon somebody else's business. There is an interdependence in it all.

Mr. NORRIS and Mr. BROUSSARD addressed the Chair.

The VICE PRESIDENT. Does the Senator from South Dakota yield, and if so, to whom?

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

Mr. NORRIS. The Senator certainly does not mean to convey the idea that, with the condition of this legislation as it is, men will invest their money in breweries, even if we delay this for a week or a month? Knowing the situation in which the legislation is, does the Senator think there is any danger of men losing money on the theory that they will invest it in breweries if we do not pass the bill? That is one of the objections the Senator makes.

Mr. STERLING. No; the objection is this: That if the regulations follow the enactment of this bill, and they are prevented from manufacturing beer for medicinal purposes it will result in great losses to them. As it is now, technically and strictly speaking, they have a right, as I said, to demand of the Commissioner of Internal Revenue that he issue the permits.

Now I yield to the Senator from Louisiana.

Mr. BROUSSARD. I would like to inquire what interest a distillery can have in defeating the beer bill, when the question presented here is as to whether or not whisky shall be prescribed and beer shall be prescribed. How can the Senator explain the telegram from a distillery objecting to permitting physicians to prescribe beer?

Mr. STERLING. The distilleries and the breweries, Mr. President, those which are equipped for the manufacture of beer, anticipate some legislation of this kind, or they think it is apt to come, as the result of our deliberations here. But they want delay and uncertainty settled. They can turn their plants to other uses. But they are being besieged to manufacture the beer for medicinal purposes.

Mr. WILLIAMS. Mr. President—

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

Mr. STERLING. I yield to the Senator from Mississippi. I am ready to yield the floor.

Mr. WILLIAMS. Mr. President, I ask the Senator to permit me to interrupt him for just a moment.

Mr. STERLING. Certainly.

Mr. WILLIAMS. I am emboldened to the interruption by my knowledge of the fact that the Senator is a good lawyer, and that, in addition to that, he is, in my opinion, thoroughly honest minded. Is it not true that the decision which was rendered by Attorney General Palmer was that doctors had a right to prescribe wine and beer for medicinal purposes? That is correct, is it?

Mr. STERLING. I think so; yes.

Mr. WILLIAMS. Attorney General Palmer never uttered an opinion to the effect that doctors had a right to prescribe wine and beer for beverage purposes.

Mr. STERLING. Oh, no.

Mr. WILLIAMS. If the prohibition amendment gives a right to Congress to regulate only the sale of liquors for beverage purposes, and if doctors have a right to prescribe only for medicinal purposes, the two fields are wide apart. The Senator may say, as he said a moment ago, that a doctor might prescribe an unlimited amount; but the Senator must, as a lawyer, know better than that. If a doctor, for example, prescribed a barrel of beer or a cask of wine, there is no jury in the world that would decide that he had prescribed it medicinally. Every day doctors are prescribing sherry with raw eggs, for example, for people affected with incipient consumption, or stout, porter, or bitter ale for women under certain conditions of pregnancy, or after. If a doctor, under the pretense of giving a medical prescription, were to prescribe in unlimited quantities, a jury would determine, and in very short order, too, that the doctor had abused his privilege, and had not prescribed for medicinal purposes but had prescribed for beverage purposes, and the minute he did that he would violate the law, even as it stands right now, without any further amendment, and would receive his punishment from the court. In addition to that, I submit to the Senator that the medical associations would not tolerate that sort of constant practice on the part of any physician.

Mr. STERLING. Let me say to the Senator from Mississippi that, of course, he is on debatable ground when he talks about how much of beer, for example, might be prescribed by a physician. He might prescribe a keg of beer or a case of beer, of course, to be taken over a long period of time, longer or shorter according to the supposed needs of the patient. That is what the physician could do, and I would not say that some quite reputable physicians might not do that. The patient will need, because of the quantity of beer necessary for use, to get it by the case or by the keg.

Let me say to the Senator from Mississippi that up until the opinion of the Attorney General was rendered it was generally assumed and supposed that neither beer nor wine could be prescribed for medicinal purposes. This bill in terms permits the prescribing of wines, but it prohibits the prescribing of beer, it being thought that there was where the great evil and the great danger lay, and that the right to prescribe beer for medicinal purposes would simply lead to its use as a beverage.

Mr. WILLIAMS. Whatever was generally supposed by the public, or by public opinion, or by the newspapers, or by some indefinite somebody, has nothing to do with the case, any more than have the flowers that bloom in the spring.

In the first place, there must be a patient; that is, there must be a sick person. The doctor must say that the person is sick and needs the medicine. Of course, in one of the cases I have mentioned a doctor might prescribe stout or porter for three or four months, and it might be needed every day in certain quantities, not in unlimited quantities. Sometimes consumptives take their sherry and eggs for a year at a time, so much per day, and it is the doctor who must finally determine the quantity, and not Congress. Doctor Congress has never taken a medical degree yet, that I know of, and knows nothing about what ought to be done in connection with cases of this sort. When Congress undertakes to tell a reputable physician, or to tell any physician—for some of them will, of course, attempt to abuse their authority—how much they must prescribe, that is going too far.

A jury will determine, from the facts in each case, whether or not, under the facts, in the opinion of the jury, the man was prescribing the beer for use as a beverage, or was prescribing it for use as a medicine, and there is no authority in this body to take away from a jury, under the common law, or under the statute law, either, where cases are submitted to them, their power to determine all the facts. The fact to be determined is whether the man has prescribed as a beverage or whether he has prescribed as a medicine, whether he has prescribed honestly to a sick man, or whether he had prescribed dishonestly to a well man, and the jury must determine that. Of course, if the jury system be a failure, then all of our legislation is a failure.

Mr. RANDELL. Mr. President, I do not intend to discuss the relative merits of the two bills. I voted for the prohibition amendment, and have no excuse to make for so doing. I propose to vote for all bills necessary to carry out, in a fair way, the terms of that amendment. I will discuss this bill when we reach it. The point now is whether we shall do something to provide a market for American agriculture.

The Norris bill, Mr. President and Senators, attempts to provide a market to the extent of \$1,000,000,000. It creates a corporation, furnishes that corporation with \$100,000,000, authorizes it to buy products of American agriculture and export those products to the peoples of the world who need them, and to accept in return for those products such securities, bonds, Government obligations, and private obligations, paper of any kind or sort as they can get; and on the strength of those foreign securities, given in return for our products, to issue debentures, which are to be secured by our Government and are to be sold to those of our people who have money to invest. That is to be carried on until \$1,000,000,000 worth of American agricultural products has been sold.

Now, Senators, do not all of you agree that the trouble with American agriculture to-day is that the supply exceeds the demand? We must do something to create a demand for our agricultural products. The Norris bill will create the demand. The Norris bill will create a market, to a very great extent, for the products of American agriculture which have no market now and which are bringing infinitely less than the cost of production.

Let us pass this Norris bill. The debate on it should not be long. It does not involve any constitutional questions. It seems to me we ought to pass it this afternoon. There are many very difficult constitutional questions in connection with the so-called beer bill, and I predict that the debate on that bill will last for several days. We can not afford to delay longer this agricultural bill. It is of immense importance, and it is not sectional, it is not class legislation. It affects all American agriculture, and something which affects fully 50 per cent of the American people can not be called class legislation. All of us are interested in it, even those who are not engaged in agriculture, for the manufacturers and the merchants now have hundreds of millions, aye, billions, of dollars' worth of merchandise and manufactures stored. They can find no purchasers because the agriculturists can not sell their goods. Let us find a market for agriculture, and in turn the agriculturists, selling their goods, will furnish a market for manufacturers and for business of every kind. Let us take it up promptly and put it through, and I believe, Senators, that the results will be extremely beneficial to the entire Nation.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator yield to the Senator from Missouri?

Mr. RANDELL. I yield to the Senator.

Mr. REED. Is it the Senator's idea that the corporation to be created under the Norris bill is to buy these products and store them, keep them on hand?

Mr. RANDELL. Not at all. It is not the spirit of it, nor the intention of it, that the corporation shall store anything. It shall buy the products and immediately export them. It is not intended that they shall store anything, but that they shall buy and sell, and that against the products of the sales, which, in this instance, are going to be notes and securities and bonds and obligations of different kinds, they shall issue debentures, and in turn get money to buy other products. If we were to use the \$100,000,000, I will say to the Senator, to buy and store, we would come to an end of our operations in very short order. It would not take us long to spend that \$100,000,000.

Mr. REED. Then the Senator's idea is, in a word, that we are to buy these farm products and sell them on credit in European countries?

Mr. RANDELL. Or in any other countries of the world, where the people wish to buy them.

Mr. REED. Or any country that will buy them. And I believe the Senator used the statement that we will take paper of any kind that they can get.

Mr. RANSDELL. The best available that can be gotten. Of course, we would not do an absolutely wildcat business. This corporation is to be composed of the Secretary of Agriculture and two of the best men the President of the United States can select. But it is intended that we will sell these products to people who need them, and who have a reasonable chance of meeting their obligations some day, if we give them proper credit. That is left to the discretion of the corporation, I will say to the Senator.

Mr. REED. There is no difficulty now in getting farm products to Europe. The difficulty is in finding somebody over there who has the money to pay for them.

Mr. RANSDELL. That is the trouble. That is the point.

Mr. REED. And the Senator's idea is that if we will sell them on credit, and the United States will stand good for the bonds that are issued to obtain money in that way, we can create a market and sell these goods to the people who have not the money to buy them?

Mr. RANSDELL. That is exactly the situation.

Mr. REED. And in countries where the credit is so poor that they can not raise money even to buy the flour to feed their people or the clothing for their backs.

Mr. RANSDELL. That is exactly the situation. I wish to add that, in my judgment, it will never cost the Government of the United States one cent. Some of the European countries we may be obliged to give as much as two or three, aye, perhaps five years' credit, but we will put those people upon their feet by so doing. Who else will be put upon their feet? We will put American agriculturists upon their feet by furnishing them markets for products which they can not sell now and which in some instances are going to waste. We will benefit American agriculture wonderfully and we will help our brethren in the Old World to get on their feet. The bill is a wonderful piece of legislation, in my judgment, fraught with the greatest good not only to American agriculture but to humanity.

Mr. REED. Let me ask the Senator if it is not a fact that we have sold more wheat abroad during the last year than we ever sold in the history of the country in any year, and got the cash for it?

Mr. RANSDELL. I believe we have.

Mr. REED. Have we not sold practically all of our surplus crop of last year?

Mr. RANSDELL. I rather think that is true from the testimony before the Committee on Agriculture and Forestry. A number of witnesses said that the people of Europe could not afford to starve; that they could wear rags, they could wear clothing made of paper, but they could not starve, and that all the money they could get hold of was used to buy foodstuffs.

Mr. REED. The fact is, nevertheless, no matter how they get hold of it, that we have marketed last year's crop of wheat, we have marketed the surplus that was carried over from the year before, and we have exceeded all former shipments to Europe by some 60,000,000 bushels. Does the Senator know of any reason why Europe will not still continue to buy bread? Is their condition any worse now than it was last year?

Mr. RANSDELL. I have understood, I will say to the Senator, that there is a very promising crop in many parts of Europe; but while Europeans have bought wheat, they have not bought corn.

Mr. REED. Oh, yes; they bought 60,000,000 bushels more of corn than they ever did before.

Mr. RANSDELL. Perhaps they bought corn, but there is an immense quantity of corn in America now for sale.

Mr. REED. Certainly, and always will be, but we never have shipped any corn abroad in any large quantities in recent years. We shipped more abroad last year than we ever shipped before in the history of the country, as I get the figures. I was looking for an article that I have here, but can not lay my hand on it at this moment. It gives the figures, and I hope I shall find it in a moment.

Assuming that the foodstuff question is not going to be affected, I suppose that leaves us, then, to the question of cotton. The Senator said they could not afford to wear clothes, but they could afford to buy food. I merely wish to point the farmers of my country to the fact that the bill is not going to benefit them very much.

Mr. RANSDELL. I wish to say to the Senator that I do not live in a corn State. There is some corn raised down in my section. We raise about 50,000,000 bushels of corn, but we consume more than that. We had a number of very intelligent agriculturists before the Committee on Agriculture and Forestry who thought they would derive a very great

benefit from the passage of the bill. We had a number of men before us who testified that corn was worth less on the farms of the West than the transportation charge on that corn from the farms to the Atlantic seaboard.

We had very strong indications before us from representatives of European countries that the people over there, or many of them, would be delighted to purchase not only cotton, as the Senator said, but food products of every kind and sort. They have bought more wheat than ever before, if I am correctly informed, but they have not bought as much as they need, not as much as they would like to buy, and they would buy more if they had the opportunity to buy it. They would buy some corn if they had the opportunity to buy it. It is well known that the old country is not a great corn-eating country, but when people are hungry they will eat any kind of wholesome food.

Of course cotton is a very important product of foreign export, and there is a great deal of cotton needed in Europe. There is some difference of opinion about how much is needed. I shall discuss that later on when we come to the consideration of the bill, but it is my firm belief that it would assist in bettering the present very low price of the commodity if we could furnish a reasonable market for a few hundred thousand bales of cotton.

The agricultural products of this country are not confined to wheat and cotton. We had some discussion in the House last week, I believe, about hides. Hides are raised in considerable quantity in parts of this Nation. I was told the other day by a man representing a railroad that hides are now so cheap that when his railroad killed an animal they would not even have it skinned. They could not get enough for the hides to pay for skinning the beef. Europe needs a great many hides and possibly they would buy some of them if we had a market.

I close, Mr. President, by saying that in my opinion there is no comparison between the importance of the two pieces of legislation. We ought not to hesitate. One is really an emergency and the other is not.

Mr. REED. Mr. President, it is an undoubted fact that Europe will buy all the United States can produce for the next 100 years if we permit her to pay in notes. If Europe has money or if she has property so that the notes she should give are well secured, then there is not the slightest difficulty in Europe for arranging among her own financiers for the money to buy these products. If Europe is in a situation where there can not be had one single dollar of money to buy the products of America necessary to feed her people and to clothe her people, then she is so bankrupt that no one with very sound business judgment would wish to take her notes and make advances to her. That is the cold truth of the situation and all the gesticulations we may indulge in will not avoid it.

Mr. RANSDELL. Mr. President, will the Senator yield for a question?

Mr. REED. Certainly.

Mr. RANSDELL. I should like to have the Senator point out some solution for the problem now confronting American agriculture. I assume that he admits we have a great surplus of agricultural products on hand. Certainly the evidence before the Committee on Agriculture and Forestry indicates that there is a very great surplus. We all know that there are growing crops in the fields, crops that will come on speedily, of wheat, of corn, of oats, of cotton, and all those agricultural products. With an immense surplus on hand and growing crops coming in, I ask the Senator what he would suggest as a means of disposing of that surplus. In what market would he sell?

Mr. REED. In the first place there is not this surplus. As usual in matters of this kind we get our facts all mixed up. I am willing to take up the agricultural bill and discuss it, but I am not willing to let statements go unchallenged which are liable to be misleading. I shall devote myself to a moment or two on that question, and then I shall take my seat.

It is not true that Europe is without money. It is true that Europe because of the war, and because of the wars that they are still carrying on, is pressed for money. They have a certain number of mouths to feed and a certain number of backs to clothe. If they have resources that make good security they can get money on those resources without coming to this Government to get it. The trouble is with the security. If we give money under the provisions of this bill on securities that will not be accepted by the banks, the financiers, the money lenders, the business men, the manufacturers of those home countries where they know the condition of the people, then we will be loaning money that we will never get back.

We have heard these alarming stories about the Old World going to starve to death, freeze to death, die by pestilence, dis-

appear from the face of the earth; but it is doing nothing of the kind. The fact is that the scars of war are being healed over where they have quit fighting and are giving them a chance to heal. France is being rehabilitated. We have even just now been told that Europe is going to raise a crop this year which the Senator tells us is in a measure going to fill the gap between supply and demand. If Europe is going to raise that crop she is going to have some resources. It can not be argued in one breath that a country is starving and bankrupt and going to ruin, and in the next breath that she is going to be a competitor against American farm products. The two arguments can not stand at the same time, and they ought not to be heard in the same moment in the same forum.

With all these dire predictions that have been made, they are not starving to death.

I believe we were told in another alarming report which came from Russia the other day that they are going to starve to death there next winter; and I suppose we will be soon asked to send money there. However, let us look at the cold figures. We were told a few months ago that Europe could not buy American farm products at all; that they were bankrupt; but I quote from an article appearing in this morning's Washington Herald, the headlines of which read:

United States wheat export in fiscal year 1921 a record breaker—Both quantity and value of foodstuffs reaches best marks—Corn exports high—Year's wheat exportations total 365,000,000 bushels; corn, over 60,000,000 bushels.

Right at the time when we were told that Europe could not buy anything she bought 165,000,000 bushels more wheat than in the average year; at a time when we were told that Europe could not buy anything she bought 60,000,000 bushels of corn, although we seldom export much corn. The article proceeds:

The United States made its highest record in supplying breadstuffs to the world in the fiscal year just ended. Of wheat, which the world must have, and will find some way of buying, irrespective of other conditions, the exports were the "biggest ever," totaling in round terms 365,000,000 bushels, an average of 1,000,000 bushels a day for the full year, as against a former high record of 322,000,000 in the fiscal year 1915. Of corn the export record of the year was far above the average of the past decade, and in rye, which we no longer use for distillation purposes, and of which the world's chief producing area in Russia, Poland, and Germany have been cut off from world markets, our exports in 1921 far exceeded that of any earlier year.

Further on the article, repeating, says:

Wheat exports for the fiscal year 1921, including flour in terms of wheat, total approximately 365,000,000 bushels; corn over 60,000,000; rye nearly 50,000,000; and of rice, of which we were until recent years very small producers and large importers, the exports of the year total over 400,000,000 pounds, and are larger than those of any earlier year except 1920.

The article proceeds to state where this wheat has gone:

The quantity sent to the United Kingdom alone was slightly more than 100,000,000 bushels, as against about 60,000,000 in the immediately preceding year, these figures also including the flour stated in terms of wheat. Italy ranked next to Great Britain, the wheat sent to Italy in the fiscal year 1921 aggregating nearly 60,000,000 bushels, as against approximately 30,000,000 in the immediately preceding year; Germany, 34,000,000 bushels; France, 25,000,000 bushels; and Belgium, 25,000,000 bushels.

So it appears that Germany has again come into the market and is buying our wheat and, of course, is buying our corn and will buy our meat if it is not already doing so; and it will unquestionably begin buying our cotton and everything else that it needs in its productive activities.

Mr. President, if it is proposed by this bill to buy and to hoard and to keep from the market, that would be unjustifiable, and that is disclaimed by my distinguished friend who has just spoken. If it is proposed to advance the price beyond where it is now, the only way that can be accomplished is to advance the level of world prices, to meet the competition of the world, and in some way or other force that price level up. We know that we can not force the price level up. If, then, there is any more to be paid to our people, it must be that this corporation will pay more for what it gets than it will obtain for the same articles when it sells them.

The consequence will be that about all this scheme can do is to furnish a billion dollars on rotten securities or on securities that nobody over there will accept and saddle them upon the United States of America and ultimately compel our taxpayers to bear the burden. That is exactly where we are going to come out in this proceeding. The markets are open. It is not claimed that there are large profits collected by those who handle grains. The facts are otherwise. They are handled on the very slightest of margins, in the most economical way.

There is, however, one thing in the bill that might benefit the farmer, and I am willing that the bill may come to consideration because of that. There is a proposition looking toward a reduction of railroad rates upon farm products reaching the market. The railroad rates now, in my judgment, are paid

by the producer; for the producer must sell upon the world market, and whatever it costs him to get his goods to that market comes out of the pockets of the producer. So if railroad rates could be reduced there would be that much more money left in the hands of the producers in the various States. That far, in my opinion, there is merit in the bill.

I am not in favor of mulcting the United States to the tune of a billion dollars more and, in lieu of that hard cash, taken from the pockets of the Treasury taxpayers themselves and of the farmers themselves as well as others, to substitute securities of a most doubtful character. I am, however, willing to have the bill taken up and considered and see what the Senate has to say about it.

Mr. RANDELL. Will the Senator yield?

Mr. REED. I yield.

Mr. RANDELL. I had expected that the Senator would answer the question I propounded to him, which was a very simple one. As I stated, there is a very large surplus of agricultural products in this country. This bill proposes a solution—perhaps it will not work out—but what solution does the Senator offer when he seeks to destroy the best efforts of the Senate Agricultural Committee? He is seeking to pull down the house which we are proposing to build; but what house does he build in lieu thereof? What plan does he suggest? How would he get rid of our agricultural surplus?

Mr. REED. Mr. President, answering that question, I will say it is a familiar one; it is about the equivalent of a doctor proposing to give a patient a dose of strychnine, and when another doctor protests and says strychnine will kill the patient, the doctor prescribing the strychnine demands that the doctor who criticizes the strychnine treatment shall immediately suggest an infallible cure. The question is not whether or not I have the remedy or whether there can be a remedy, but the question is whether or not the thing that is proposed is a remedy. That proposition and that one alone is before Congress.

If my own opinion were asked in regard to this and all similar propositions, I would say that the law of supply and demand must be allowed to work out all such questions. It will take Europe a while to get upon its feet; but in the meantime it will buy as far as it can buy. We will have to meet that condition and accommodate ourselves to it; but while Europe is buying more than she has ever bought, although she is buying at a low price level, I do not know how we are going to stimulate the matter any further.

Mr. WILLIAMS. Mr. President, the Senator does not mean—

Mr. REED. I will yield to the Senator in just a moment.

If she bought 165,000,000 bushels more wheat and 60,000,000 bushels more corn and 50,000,000 bushels more rye last year from this country than she ordinarily buys, it looks as though at least they had enough money over there to fill their stomachs and as though they had filled their stomachs. I do not know why they should eat a great deal more than they are eating now when they are already buying more now than they have ever bought before in the history of their countries.

Mr. WILLIAMS. Mr. President, the Senator does not mean it to go to the world as his opinion that Europe is buying more than she ever bought before; but the Senator means to say that Europe is buying more from us than she ever bought before.

Mr. REED. Exactly.

Mr. WILLIAMS. And the reason why she is buying it is because she is producing less. Europe is still hungry and Europe is not full. Europe has been forced to buy from us with what credit and what cash she had simply because Europe did not produce for herself. The Senator must know that Russia is producing nothing that she can give to the remainder of Europe; that Turkey and Asia Minor are producing nothing that they can give to Europe; that Poland is producing nothing and Serbia nothing that they can give to the remainder of Europe; in other words, Mr. President, there is a great deal of difference between Europe buying more than ever and Europe buying more than ever from us.

Mr. REED. That is what I meant to say.

Mr. WILLIAMS. I hope so.

Mr. REED. And, of course, what the Senator said is true; that some parts of Europe are not producing, notably Russia's great wheat fields are not supplying Europe as they did in the past.

Mr. WILLIAMS. And Bulgaria and Rumania partially and Asia Minor.

Mr. REED. That only means that that makes that much better market for us, and perhaps accounts for the surplus that we have shipped over there above what we ordinarily ship.

Mr. WILLIAMS. If the Senator will excuse me for seeming to indulge in politics, it also demonstrates the fact that the

Republican pretense that we are going to be "dumped" to death with European products is false.

Mr. SHEPPARD. Mr. President, in the interest of the earliest possible disposition of both measures, I shall vote against taking up the so-called Norris bill at this time. The prohibition bill is almost out of the way; it can be disposed of quickly. The discussion already had on the Norris bill this afternoon shows that it will lead to prolonged and intense debate; that it involves fundamental departures. As the debate proceeds and further efforts are made to take up the prohibition bill, the recess time will arrive and entanglements may ensue which will be fatal to both measures. Furthermore, Mr. President, from the maneuvers I have seen on the floor it seems that certain Senators who are far more interested in obstructing the prohibition bill than they are in the passage of the Norris bill are going to vote to take up the Norris bill. I say this by way of warning, and trust we may decide to proceed with the prohibition bill.

Mr. JONES of Washington. Mr. President, I am going to vote to take up the so-called Norris bill. The Senator from Texas [Mr. SHEPPARD] and I have been working together in reference to temperance measures. No one will question the views of either one of us or our desire to promote temperance legislation. I am going to vote to take up the so-called Norris bill because I am satisfied that the Senate will not recess and it will not adjourn until the prohibition measure is passed. As was suggested by the Senator from Alabama a few moments ago, if the Norris bill is not taken up now it may not be taken up during this session or the next session. I do not know what the Senator from Alabama had in mind.

Probably he had in mind what the Senator from Texas has just suggested, that we are likely to take a recess. I do not know whether we are or not, Mr. President, but I do know that this side of the Chamber is being polled to ascertain whether or not we are in favor of recessing or adjourning after certain things are done. What those certain things are, I do not know; but I want to say that if this side of the Chamber decides, with the help of some Senators on the other side of the Chamber, to recess or adjourn for any particular time without certain measures being disposed of, it can not do a thing that would be worse for it before the country.

I hope this situation will be considered from a party standpoint by the leadership on this side of the Chamber, which is trying to ascertain whether or not we can get enough Senators on this side with enough Senators on the other side to determine the policy of this Congress as to the dispatch of its business by adjourning or recessing. The people of the country expect us to stay here and do things until something is accomplished. Of course, the question of recessing or adjourning is not a party question; but we are in control of this body. The organization is in our hands. We are held responsible for the policies the Senate may adopt, and very properly so. It is all right for us to consider measures in this body in a nonpartisan way, and I am glad that we do it; but it is right for the country to hold the Republican Party responsible for the policy that is adopted here, and for the manner in which the business of the Senate and the country is carried on, so long as we have control of this body, and so, when it comes to saying whether we will quit or work, the Republicans should determine it with the good of the party in view as well as that of the country, and the public good and party welfare should be placed above personal convenience or comfort.

Mr. President, there are other matters of tremendous importance that are going to come to the Senate in the very near future that will have to be disposed of, that will have to be dealt with, that will entail upon this country tremendous loss if the Senate is not in session at the time they must be taken care of. We are going to have an estimate come down here in a day or two for one hundred or one hundred and fifty million dollars to take care of a situation transferred to this administration from the last administration with reference to the Shipping Board, and if it is not taken care of promptly it will entail a tremendous loss upon the Government, upon the country, and upon the Treasury. It should be the duty of the Republican Party to stay in session so that it can take care of these things when they should be taken care of.

We ought to consider very carefully whether or not our organization wants to assume the responsibility of presenting to the country an actual cessation of business. They think we are not doing very much, and that we have not done much. We are working hard. We have accomplished a great deal. There is much to be done. The people expect us to do it. If we quit now, we confirm the idea they have that we are not looking after their interests.

Mr. KING. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield to the Senator.

Mr. KING. Does not the Senator think, in the interest of economy and saving the Treasury from the ravishments which will be made, that we had better adjourn?

Mr. JONES of Washington. No; Mr. President, I do not. If we have to appropriate one hundred or one hundred and fifty millions to take care of the situation of the Shipping Board, it will be to save money. It will be because by the expenditure of \$150,000,000 to meet the situation that confronts us we will probably save several hundreds of millions of dollars in actual money and far more in the benefit to business and commerce. There is a situation that must be dealt with; and the longer it is put off the more it will cost. I think we are confronted with the very proposition to-day for early solution as to whether or not we are going to have a merchant marine, or whether what we have done during the war to build up a merchant marine shall be lost entirely. We may lose some more money, but unless we do something to meet the situation it is absolutely certain that the loss to this Government will be something tremendous.

Mr. WILLIAMS. Mr. President—

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

Mr. JONES of Washington. I yield to the Senator.

Mr. WILLIAMS. I should like to ask the Senator from Washington, if the only way to have a merchant marine is for the Government to appropriate for a deficit of one hundred or one hundred and fifty million dollars a year in order to maintain it, what is the difference between that and a direct ship subsidy?

Mr. JONES of Washington. Mr. President, I am not going to discuss the merits of the proposition. I am simply telling the Senate of a proposition that is going to be presented to us that must be passed on or, at any rate, should be passed on one way or the other. Now, it may be a subsidy; I am not disputing that one way or the other, and I am not frightened at the word "subsidy." If it is necessary for us to pay direct subsidies to have an American merchant marine, I am in favor of paying direct subsidies, Mr. President; but I do not want to discuss the merits of subsidies or of this proposition at this time.

Mr. WILLIAMS. But, Mr. President, the Senator did not put himself upon that ground. The Senator said that we had to appropriate this \$100,000,000 or \$150,000,000, whichever it is, in order to save a larger amount of money.

Mr. JONES of Washington. In order to save us from a great loss. The Senator must not overlook the fact that we have ten or twelve million tons of shipping. Now, then, the question is, What are we going to do with it?

Mr. WILLIAMS. I understand that.

Mr. JONES of Washington. And I do not want to discuss the merits of the proposition.

Mr. WILLIAMS. The Senator has said that we are to appropriate this one hundred or one hundred and fifty millions in order to save ourselves from a greater loss than that.

Mr. JONES of Washington. Yes.

Mr. WILLIAMS. Now, then, we are faced, it seems to me, with this proposition: Either getting rid, as a Government venture, of this entire business and returning it to private industry or keeping up indefinitely a yearly deficit to be paid of one hundred to one hundred and fifty millions of dollars. So that the question is whether we shall dispose of our assets, so called—principally liabilities—and charge it to profit and loss, or whether we are to keep up indefinitely a deficit appropriation of, say, \$150,000,000 a year.

Mr. JONES of Washington. Mr. President, I do not want to be discourteous to the Senator, but I do not care to go on upon that line any further. That will be discussed when the proposition comes before us, and then all the questions that the Senator has raised will be, of course, pertinent, and they will be considered and discussed by the Senate, and the Senate will decide what it thinks ought to be done in the matter; but the proposition is coming to us, it is coming to us very soon, and we ought to be here to take care of it and to meet it.

As I say, I am heartily in favor of the bill of the Senator from South Dakota [Mr. STERLING]. I would not do anything that I thought would lead to the defeat of that measure; but, as I said a while ago, I have no doubt whatever but that the Senate will pass that measure, and if there are any interests outside of the Senate Chamber that think there is a possibility of Congress repealing or modifying or failing to provide for the proper enforcement of the eighteenth amendment and the Volstead Act, the sooner they disabuse themselves of that idea the

better it will be for them, financially and otherwise. Congress is going to see that a fair and honest enforcement of the eighteenth amendment and the law is had.

It has been suggested that they are holding up the issue of permits down at the department. I hope they will continue to hold them up until Congress acts, because Congress will act; and it will be better for the men who have money to invest in this proposition that they should be held up until Congress acts than that they should be issued and that these men should go on and put their money in. If there is any man who wants to put his money into the construction of a brewery because the department issues permits allowing him to manufacture beer for medicinal purposes with the idea that it will not be stopped, the sooner that man gets disabused of that idea the more money he will have in the very near future, because, whether the department issues those permits or not, Congress is going to prevent by legislative enactment the manufacture of beer for these purposes, because Congress believes that it is necessary to a proper enforcement of the eighteenth amendment.

So, Mr. President, I am satisfied that the prohibition amendment will pass before there is any recess, if a recess should be considered, or before there is any adjournment, if an adjournment should be contemplated. This measure may not secure its consideration if postponed. It ought to be considered. The matter that it covers is of tremendous importance. I do not know whether I shall vote for it or not; but, as I said, it ought to be considered; and for those reasons I intend to vote for its consideration.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. NORRIS].

Mr. HEFLIN and other Senators called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. FERNALD. Mr. President, a parliamentary inquiry. What are we voting on?

The VICE PRESIDENT. On the motion of the Senator from Nebraska [Mr. NORRIS] that the Senate proceed to the consideration of Senate bill 1915, to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

The calling of the roll was resumed.

Mr. DIAL (when his name was called). I transfer my general pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. EDGE (when his name was called). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from New York [Mr. WADSWORTH] and will vote. I vote "yea."

Mr. FERNALD (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. JONES] to the Senator from Arizona [Mr. CAMERON] and will vote. I vote "nay."

Mr. SWANSON (when Mr. GLASS's name was called). My colleague [Mr. GLASS] is unavoidably detained from the Senate. He is paired with the Senator from Vermont [Mr. DILLINGHAM].

Mr. HARRIS (when his name was called). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. HARRISON (when his name was called). I am paired with the junior Senator from West Virginia [Mr. ELKINS]. I understand that, if present, he would vote as I am going to vote, and I therefore feel at liberty to vote. I vote "yea."

Mr. REED (when his name was called). Making the same announcement as on the last vote as to my pair, I again am compelled to announce that I withhold my vote.

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I transfer that pair to the Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "nay."

Mr. TRAMMELL (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. COLT], but I feel at liberty to vote upon this question. I vote "yea."

Mr. WILLIAMS (when his name was called). First transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Nebraska [Mr. HITCHCOCK], I vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "nay."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. McLEAN], who is absent. I am not able to ob-

tain a transfer of the pair, and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. KING (after having voted in the affirmative). I have a general pair with the senior Senator from North Dakota [Mr. McCUMBER]. In his absence, I am compelled to withdraw my vote.

The result was announced—yeas 47, nays 17—as follows:

YEAS—47.

Ball	Harris	McKinley	Smoot
Borah	Harrison	Moses	Spencer
Broussard	Hefflin	Norris	Stanley
Bursum	Jones, Wash.	Oddie	Swanson
Capper	Kendrick	Overman	Trammel
Caraway	Kenyon	Pittman	Underwood
Curtis	Ladd	Poindexter	Walsh, Mass.
Dial	La Follette	Pomerene	Warren
Edge	Lenroot	Ransdell	Watson, Ga.
Ernst	Lodge	Robinson	Weller
Fletcher	McCormick	Shortridge	Williams
Frelinghuysen	McKellar	Simmons	

NAYS—17.

Ashurst	Kellogg	New	Walsh, Mont.
Brandegge	Keyes	Nicholson	Willie
Cummins	Knox	Sheppard	
Fernald	McNary	Sterling	
Hale	Nelson	Sutherland	

NOT VOTING—31.

Calder	Glass	McLean	Reed
Cameron	Gooding	Myers	Shields
Colt	Harrell	Newberry	Smith
Culberson	Hitchcock	Norbeck	Stanfield
Dillingham	Johnson	Owen	Townsend
Elkins	Jones, N. Mex.	Page	Wadsworth
France	King	Penrose	Watson, Ind.
Gerry	McCumber	Phipps	

So the motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House 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. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; that the House had receded from its disagreement to the amendments of the Senate numbered 1 and 2, and agreed to the same; and that the House receded from its disagreement to the amendment of the Senate to the title of the bill and agreed to the same.

The message also announced that the House had passed a concurrent resolution (H. Con. Res. 24) to correct an error in the enrollment of House bill 5756, in which it requested the concurrence of the Senate.

EXTENSION OF PHILIPPINE INDEBTEDNESS.

Mr. NEW. Mr. President, I ask the Senator from Nebraska to yield to me for a moment in order that I may submit the conference report on House bill 5756.

Mr. NORRIS. I yield for that purpose.

Mr. NEW 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. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, 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 amendments of the Senate numbered 1 and 2, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

HARRY S. NEW,
P. C. KNOX,
KEY PITTMAN,

Managers on the part of the Senate.

H. M. TOWNER,
JAS. P. GLYNN,
FINIS J. GARRETT,

Managers on the part of the House.

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

Mr. WALSH of Montana. Mr. President, will the Senator kindly give the Senate the significant facts contained in the report?

Mr. NEW. The House agreed to the bill exactly as it passed the Senate, and with the report there is a concurrent resolution.

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

Mr. WILLIAMS. Mr. President, I ask that the concurrent resolution may be read before we act upon the conference report.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The reading clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 5756) entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,' approved August 19, 1916, and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903," the Clerk be authorized and directed to enroll the title so as to read as follows: "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government of these islands,' approved August 29, 1916, and to amend an act entitled 'An act to establish a standard of value and to prohibit for a coinage system in the Philippine Islands,' approved March 2, 1903."

Mr. WILLIAMS. Mr. President, I have obtained some inkling that this concurrent resolution involves a desertion of the historical attitude of the United States toward the Philippine Islands. We have been bound from the beginning by our utterances to turn the Philippines loose and to grant them ultimately their independence. We have at various times conditioned that in various ways, but we have never before left it and deserted it. There was always behind every public utterance the promise that ultimately we would not keep in subjection to the United States of America an unwilling alien people.

There are men here always interfering with Europe because some power in Europe, in their opinion, is keeping in subjection some alien and unwilling people, where some nationality desiring self-determination has revolted. Yet we are about to desert, in this, the position that the Filipinos are entitled, ultimately at any rate, whenever they are prepared for self-government, to self-determination. I could not interfere with this conference report. The conference report does not directly depend upon this concurrent resolution, but I wanted to enter my protest against this desertion of the historical American position with regard to these other people.

Mr. President, I do not take any interest in the United States Government interfering with foreign countries for the purpose of securing self-determination for their minorities. That is not my business as a United States Senator, nor is it a part of the business of the United States Government. We have no right to interfere with foreign Governments in the control of their domestic affairs. But I do enter my protest eternally against the idea that either in the Philippines or in Porto Rico or elsewhere the United States Government itself, of which I am a part, shall subject any unwilling community of a different and alien people to subservience to the United States, its flag, its traditions, or its ideals. Each people is entitled to its own ideals and its own traditions.

When I come to judge my own household, I judge it as a member of the household. When I am called upon to judge other households, I decline to judge at all, because of the fact that I am not a part of them and have no part or parcel with them or in their quarrels.

I can not stop the adoption of this conference report, nor do I want to do it, because it has nothing directly to do with the resolution, but I do want to protest against that part of this resolution which makes this change in what we have hitherto decided to do or pretended to do. This is the language:

That in the enrollment of the bill entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands,' approved August 19, 1916; and to amend an act entitled 'An act to establish a standard of value.'"

And so forth. That is not relevant to what I am talking about.

This comes down from an original announcement of the purpose to prepare the people of the Philippine Islands for independence to an announcement now that the purpose is, as to the future political status of the people of the Philippine Islands, to provide a more autonomous government."

That is not correct English, by the way. What was meant was "a more nearly autonomous government," because the government even now is not autonomous, and if it were autonomous it could not be more autonomous. A "more approximately" or "more nearly autonomous government" was what was intended.

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

Mr. WALSH of Montana. Mr. President—

The VICE PRESIDENT. The Senator from Indiana has the floor. Does the Senator yield?

Mr. NEW. I yield.

Mr. WALSH of Montana. I understand the sole purpose of this bill is to authorize the Philippine Government to contract in excess of the value limited by the act of 1916.

Mr. NEW. Certainly.

Mr. WALSH of Montana. It does not in anywise declare the policy or purpose of the United States with respect to the future disposition of the Philippine Islands.

Mr. NEW. Not at all. Mr. President, I was about to say that I think the Senator from Mississippi entirely misapprehends the whole subject under consideration. The concurrent resolution merely gives to the Clerk of the House authority to correct a printer's mistake in the printing of the date mentioned in this act. It should have read "August 29," whereas it appears in print as "August 19," and this concurrent resolution merely gives the Clerk authority to correct that error.

Mr. WILLIAMS. That may all be true; but the title of the so-called Jones bill sounded in terms of ultimate independence for the Philippine Islands, and this changes that title, and all other titles in the law books, to one sounding in terms of a more autonomous government.

Mr. NEW. Mr. President, this is simply the old title of the existing act, and I am sure the Senator from Mississippi is under a misapprehension.

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

The conference report was agreed to.

The VICE PRESIDENT. The question now is on concurring in the resolution of the House.

The resolution was concurred in.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. HEFLIN. Mr. President, I wish to say a word in favor of the Norris bill, which seeks to aid in exporting farm products. The bill proposes to give and I think will give some relief to the distressed farmers of America. The rapid deflation of the currency and the crazy curtailment of credits has cost agriculture alone many billions of dollars.

In times past the Federal reserve banking system functioned in a most pleasing and satisfactory manner. It rendered valuable service to commerce, to industry, and to agriculture. It was created for the purpose of serving the business needs of the people. For a long time it performed its duties and, to the gratification of the American people, fulfilled its useful mission well. We had a 3 per cent rediscount rate at one time, but, strange to say, at a time when money was most needed and the easiest and cheapest rate possible should have been granted, the Federal Reserve Board directed or sanctioned an increased rate of 7 per cent. That has now been reduced to 6 per cent on some agricultural paper, but that, under the demoralized conditions created by the board, is not low enough.

The legal rate of interest in North Carolina is 6 per cent. How on earth are the bankers of North Carolina going to borrow money from a Federal reserve bank at 6 per cent and reloan it at a profit when the legal rate in that State is 6 per cent? They are not allowed to make one cent in a transaction involving that situation, and that is wrong.

I am told that to-morrow the governors of the Federal reserve banks are going to meet in this city. A grave responsibility rests upon them and those who meet with them. I trust that they have been in close enough touch with the people and with real conditions to be able to tell the Federal Reserve Board just what its strangle hold upon money and credits is doing to the business of the farmer, merchant, and banker of the South and West. I trust that they come in the interest of the suffering and distressed people of the country, and I pray that they may be able to impress upon the Federal Reserve Board the necessity for lowering the rediscount rate and granting an extension of time on farm loans.

We all know that speculative interests of Wall Street get all the money they want for use in beating down the prices of farm

products. These same farm products are mortgaged. Farmers have borrowed money on them when the price was higher. Money is loaned to Wall Street and is now being used to beat down the price of these products on which the farmer has already borrowed. Through this evil process the farmer is so crippled and the value of farm products so depreciated by speculation that it is difficult for him to get additional loans.

I call upon this board when it meets to-morrow to reduce to 4 per cent the rediscount rate on farm paper and other paper backed by Liberty bonds. I have a right to ask that in the name of the farmers, merchants, and bankers of the South and West. I ask them to reduce the rediscount rate upon farm and mercantile paper in the South and West to 4½ per cent.

The Federal reserve system can well afford to do that. It made through its operations nearly \$100,000,000 last year.

Mr. President, we never created that system for the purpose of making money out of it. We created it for the purpose of rendering service to the large and the small business interests of the American people, and that system we boasted would go to the rescue of legitimate business in distress and put its arms around it and shield it from the wolves that sought to devour it, and permit it to get up on its feet and breathe the breath of life again.

It did that under Secretary McAdoo. It performed admirable service then to the people of the country, but now, strange to say, some strange power seems to have hypnotized the board and business is paralyzed. But some tell us that the Federal Reserve Board which now directs the system was appointed by President Wilson. When President Harding retains these men in the service, when he keeps them around his council table, they become his children. They belong to his official family, and he is responsible for their acts, and not only that, Mr. President, he acquiesces in and indorses their past conduct and administration of the system. He can not escape responsibility for their present policy, which is killing productive enterprises in America. That is a pretty severe indictment, but there are farmers and business men all over the country who will bear testimony to what I am saying.

The President of the United States must, and I am sure he does, assume responsibility for the Federal Reserve Board and its policies.

Then I appeal to the President to direct that board to reduce rediscount rates on farm paper and grant liberal extensions of loans on farm products.

I call upon the President and the Federal Reserve Board not to permit the prices fixed on farm products by designing speculators to obtain in the matter of loan extensions or the granting of new loans, but to permit the farmer to renew at the price accepted when he first obtained the loan.

I ask that the farmers, merchants, and bankers of the South and West be permitted to have a say as to what is a fair price for these products, rather than permit interested speculators to fix the price to suit themselves—a price that does not even cover the cost of production. I am talking now about the price upon which the farmer is going to be granted a loan or have a loan renewed and extended, if at all. If the board renews or extends loans on prices that exist under rapid deflation and speculation, the farmer is robbed literally and the Government is a party to it. The Senator from Missouri [Mr. REED] spoke about the law of supply and demand. The law of supply and demand, in the long run, of course, must have its way, but I have seen it suspended. I have seen it cease to operate until the man who produced certain farm products was slaughtered in the market place. Let me illustrate.

Here comes the farmer from the West. He has his wheat and corn. He is ready for market. The price suddenly goes down and down under market manipulation until it is below the cost of production. He says, "I do not want to sell. I am entitled to a price that will cover the cost of production and give me a profit." Here comes the farmer with his cotton. The market is open. The crop-moving season is on. The price falls from 40 cents a pound to 10 cents a pound under deflation and Wall Street speculation and he says, "That is \$100 a bale below the cost of production and I can not afford to sell. I will hold until the price comes up and the cost of production can be covered and I can derive a profit."

In a situation like that where is the law of supply and demand so far as the farmer is concerned? Here comes the fellow who holds the paper against the wheat and corn and the paper against the cotton, and he says, "I am pressed by the Federal reserve banks and you must pay me right away." The wheat and corn man turns to the Federal Reserve Board and says, "Can you help me to hold this wheat and corn until the demand is greater and until I can get a price that will give me

a reasonable profit?" They say, "No; we must deflate the currency; we must curtail credit as rapidly as possible."

The cotton man says, "Won't you let me hold this cotton and help me to arrange this debt until the demand for cotton is increased and I can make a profit?" They say, "No; we must beg to be excused. We are afraid that we will injure our deflation program if we do." So they do not go to the rescue of the wheat, corn, and cotton producers, and they are forced to sell when to do so means ruin to the business of the farmer of the South and West.

Then what happens? In a few weeks or a few months all three of these farm products rise in price and the farmer who sought aid that he might retain his produce and obtain that price sees the speculators get it by the aid of the Government.

By that action of the Reserve Board the farmer of the South and West was slaughtered and the speculator was aided.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER [Mr. ROBINSON in the chair]. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. HEFLIN. I am glad to yield to the Senator.

Mr. SIMMONS. I wish to call the attention of the Senator from Alabama, in connection with the argument he is now making, to the fact that the Federal reserve banks in the agricultural sections of the country, claiming that they were acting under a policy prescribed by the Federal Reserve Board, refused to advance money upon cotton or wheat held by farmers upon the ground that when a farmer withheld his wheat or his cotton from the market and sought to borrow money to enable him to do that he became a speculator, and that a loan made to him under those circumstances would violate that rule which they had prescribed for the purpose of deflating credits and currency and all that sort of thing and against making loans upon speculative paper.

In other words, if the Senator will pardon me, when a farmer was doing exactly what the Senator said a little while ago, holding his cotton because there was practically no market in this country for that product, he was classified by the Federal reserve banks of this country, under direction of the Federal Reserve Board, as a speculator because he was seeking to protect himself from absolute ruin and from sacrificing the product of his labor.

Mr. HEFLIN. I thank the distinguished Senator from North Carolina for his valuable contribution to the argument that I am trying to make. I am glad to have his suggestion. In line with his suggestion, here is a farmer coming to market. With the fruits of his year's investment and toil he says, "Market conditions will not justify me in selling my produce. If I sell now I shall lose all that I put in it. Will not the Federal Reserve Board come to my rescue and help me to hold it until I can obtain a little profit?" The Federal Reserve Board says, "No; you will be guilty of speculating when you do that." That is the most ridiculous idea that any body of intelligent men ever suggested since the dawn of creation.

Mr. President, the law of supply and demand is a beautiful thing, but how many thousands and multiplied thousands in the army of agriculture in America are slaughtered annually under the confusing and misleading plea that the law of supply and demand is responsible for the pillage and plunder of the farmers of America?

Mr. ASHURST. Will the Senator yield to me?

Mr. HEFLIN. In a moment I shall be glad to yield to my friend from Arizona. The law of supply and demand operates in the end, I say, but I am talking about the time between the time that the produce is obtained from the farmer and the time that the consumer must have it. They rob the farmer; they destroy him in the market place and permit others to flourish upon his misfortune, all in the name of the law of supply and demand. I want to see the farmer aided in holding his products until he and not the speculator can receive the price that the consumer ultimately has to pay.

Now I gladly yield to the able Senator from Arizona.

Mr. ASHURST. Mr. President, from advices I am receiving from the West, it is obvious that the farmer is growing very tired and disgusted with a system which distributes to him literature telling him how to work, how to plan, and how hard he should labor, and then, just as the harvest time comes and he is about to go to market to receive something for his 10 months' work and toil, that same system that has distributed so much literature to him, and has been paying so many farm bureaus allows his market to go to pieces and his labor to go for naught. I repeat that the farmers in my section of the West are growing very suspicious of that system.

I am going to support this bill or any other legislation that will have a tendency to afford the farmer a market for what he produces.

Mr. HEFLIN. Mr. President, the Senator from Arizona is entirely right in his suggestion. In other words, following the suggestion of the Senator from Arizona, the farmer as he goes out to till his soil in the springtime opens a batch of bulletins from the Agricultural Department. He is told by those who control the money supply and credits of the country, who fix the interest rates upon it, that there will be no hard times for the five years following the World War; that we shall have prosperity for five years. The farmer goes out and tills his soil. He reads the bulletins. He reads the suggestions about putting forth great efforts, and the advice to him to be enterprising and industrious and to make the earth to blossom as the rose, and that the world will need all that he can produce.

Then the farmer comes up to the market place with his produce and he says, "Here I am; I have complied with your request; I have followed your suggestions, and I am now ready to dispose of the fruits of my labor." The Federal Reserve Board say, "Well, we are very sorry, but the price is not so good as we thought it would be." The farmer replies, "No; I knew that when you announced your purpose to deflate currency and credits that hard times were coming; when you commenced to deflate the currency and to curtail the credit you tore the market to pieces; but here I am with my produce; I must have enough out of it on which to live, to pay my debts, and to support my family. Now, will you not help me to hold it, because market conditions do not justify me in selling it at this time? I ask you to put around me the arm of protection, as the Federal Reserve Board has in the past, and protect me from those who want to take my substance away and leave me helpless in the market place." The Federal Reserve Board say, "No; we can not do that. If we did we would be guilty of aiding you in speculation." Then the farmer turns back and says, "How about those millions of dollars you loaned in Wall Street? You loaned to four concerns up there more money in the crop-moving season than you were loaning to five regional banks in 21 agricultural States at the crop-moving time. Why can you not loan to me? They are speculating in stocks and bonds; they are keeping down the price of agricultural products; they are destroying the army of agriculture, the farmers of the country; they are hurting legitimate business; they are flourishing in rank luxuriance, and yet if you extend to me a helping hand in order to prevent suffering in my family and ruin to my business you say you are aiding the business of speculation."

How utterly ridiculous, inexcusable, and indefensible is such rot. It is just, it is right, and it is proper for the farmer to be aided in his efforts to obtain a price that will yield him a profit. This foolish, shortsighted policy of attempted deflation at such a time and under all the circumstances will go down in history as one of the greatest crimes ever committed against the business of the Nation. Personally, I have nothing whatever against the members of the Federal Reserve Board. One of them is from my State, a very clever gentleman personally, W. P. G. Harding; I served with one of them in the House of Representatives, Mr. Platt, of New York; but this is not a matter of retaining somebody in office because of personal friendship, and I would be unfaithful to the people that I represent if I should allow personal friendships to prevent me from doing what I know is my duty in the premises. The Federal Reserve Board machinery belongs not to the men who now misdirect it; it belongs to the people of the United States and they are entitled to have it function properly.

I helped to create that system and I know that I never dreamed that this great and helpful agency in the emergencies of the past would ever be used as an instrument of torture and tyranny.

A deflated dollar and high interest rates foisted upon the American people at one and the same time is a criminal act against every legitimate enterprise and industry in the United States.

I am hoping and praying that something will happen to bring about a change in the destructive, inexcusable, and indefensible policies that have caused so much suffering, so much financial distress and embarrassment amongst millions of people in the South and West.

Mr. EDGE. Mr. President, the hour is late, and I simply wish to give notice at this time that following the completion of the routine morning business to-morrow I should like to have the privilege of speaking upon the bill known as the Norris bill.

Mr. LODGE obtained the floor.

Mr. NORRIS. Will the Senator from Massachusetts yield to me for a moment before he makes a motion to proceed to the consideration of executive business?

Mr. LODGE. Certainly.

Mr. NORRIS. Mr. President, I have in my hand an article on this particular bill prepared by Mr. Louis Crossette, which, I think in a great many respects, is a good analysis of the bill. I ask unanimous consent that it may be printed in the Record.

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

The article referred to is as follows:

"THE FARMERS' EXPORT FINANCING CORPORATION BILL (S. 1915).

[By Louis Crossette.]

"Convinced as we are, those of us who fostered this measure of general relief, that the pitiless searchlight of publicity is the staunchest advocate of the bill, I am going to lay before you in the order of their importance the principal objections to the measure, brought out by the hearings of the committee, and then undertake to answer them separately.

"1. The loudest cry was 'class legislation.'

"2. Keeping the Government out of business for fear of destroying the initiative of private enterprise.

"3. Credit specialists who claim that all the farmer needs is more credit.

"4. The overlapping and duplication of powers.

"5. The same old crowd who advise that Europe does not need our food or aid.

"6. The element who claim that we can not get proper security—the credit bitter-enders.

"7. We have heard that all was being done that could be done.

"8. The ever-present warning of trouble with the Reparations Commission.

"(1) CLASS LEGISLATION.

"Because this idea was the product of agricultural minds—who, by the way, are not supposed to think—the general cry immediately went up that this was 'class legislation,' and therefore was bad. This is a very good point, and we were really glad it was brought out, for the development of the idea has built us a very beautiful case.

"There seemed to be no dissenting from the fact that we were holding over the greatest surplus of agricultural products in the history of the country. Also, most were agreed that agriculture represented about 50 per cent of our total productive wealth. And it was further agreed that on account of the natural law of supply and demand this surplus was ruining millions of farmers, and at any minute, if the bank examiners were to do their duty, it might close literally thousands of banks. The situation is just this: The banks have loaned vast amounts against this huge surplus and, unfortunate as it may seem—and not to their discredit, be it said—this money was loaned when the products were worth from four to ten times their present value. What was at that time considered a safe, conservative margin to-day represents from two to three times the actual market value. When the slump in prices came things happened so quickly that even those who would have liked to dispose of some of their products before it was too late could not get into the market in time and therefore soon reached the point where they dare not sell because it meant bankruptcy; it meant the loss of the live stock, implements, farms, and everything that was dear to them. The great contributing causes of this break will be brought out later on. As I have pointed out, the amounts advanced by the banks in most cases represented values that only a stimulated market will produce, and in creating this market we naturally expect a slight increase at least in values. We recognize, of course, that you can not legislate market values, but feel that anything that will help move the products will naturally have a tendency in this direction. This movement will enable the farmer to take up some of his paper at the bank and will allow the small bank to ease up on the big bank; and in this event, inasmuch as these prices can not hope to be stimulated even to the cost of production, but merely to a point where the bankable paper can be redeemed, at least partially, it looks almost as though this 'class legislation' were in favor of the banks.

"I can not take up the time to point out each item, but take corn, for instance, such as is produced in Illinois, Iowa, and Nebraska at a cost estimated by the Federal Government all the way from 85 cents to a dollar per bushel. The hearings before our committee showed that on the present market in these States—and Iowa alone has some 250,000,000 bushels of the 1919 and 1920 crops left on hand—which averaged 34 cents per bushel at the elevator, after deducting 14 cents per bushel,

which was the average cost per bushel for husking, shelling, and hauling after the corn had been placed in the crib, the farmers' net was 20 cents per bushel on an average. This 20 cents per bushel represents what the farmer had toward the cost of production, which in most cases represents about one-fourth of the actual cost. As against this 20 cents per bushel received by the farmer I am going to point out some more 'class legislation.'

"The average haul on this corn by the railroad to the seaboard from the States named would be 60 cents per hundred pounds, or 36 cents per bushel, to the railroad company. We realize, of course, that the railroads are very hard up. But if this 36 cents per bushel represents to them anything like what the 20 cents does to the farmers then they are in a bad way, for a 1,500-bushel carload would bring the railroad a gross receipt of \$540 per car and a 60-car train about \$32,000. And if the railroads could have even half the corn now rotting in the bins in Iowa to haul to the seaboard at half this rate they would not be begging Congress for \$750,000,000. This is some more 'class legislation.'

"We can go a step farther on this subject and say that this 'class legislation' will, if these products move to the seaboard, put to work some of the 502,000 idle freight cars, which in the common course of business will be worn out or crippled, so that they will have to be repaired, and besides offering employment for those men who cripple the cars it will also afford employment for repairmen, and these repairmen will have to have supplies from factories all over the United States with which to complete this work, and the increased buying power of these men due to this employment will greatly increase our domestic markets, and these freight cars that went to the seaboard with corn will return from the factories of the East loaded with supplies both for workmen and farmers whose buying power will be partially at least restored.

"I merely call attention to this fact so that some of our eastern Senators who do not think they represent agriculture and its buying power may be thinking up some excuse to offer their constituents for opposing this bill on the ground of its being 'class legislation.'

"This, of course, really only hits the high spots on the subject of 'class legislation,' and the details will have to be left largely to your imagination.

"(2) Now, about keeping the Government out of business and destroying the initiative of private enterprise. This subject will have to be covered rather fully in order that the representatives here of the banking interests may understand our position thoroughly.

"To quote from Mr. Hoover's testimony on the subject of the Government going into business, he said:

"I hesitate greatly at the Government going into any more business. We have the experience of the Shipping Board, etc.

"This statement coming from Mr. Hoover practically convinces me, inasmuch as this was the only real opposition offered that he is really not at all opposed to the bill but merely following instructions of the administration. That, gentlemen, was his main objection. And we who are for the bill feel very much encouraged, for that means absolutely nothing.

"For instance, to compare this proposed organization with the Shipping Board—established as a war measure and with over \$2,000,000,000 of dead weight overhead—is like comparing an antelope with an elephant. If Mr. Hoover had wanted to compare the proposed organization with about the only organization bearing any resemblance whatever, he would have selected the United States Grain Corporation or the War Finance Corporation, as either one of these organizations functioned along the lines of the one proposed. The United States Grain Corporation, through the efficient management of Mr. Julius Barnes and his associates, earned over \$80,000,000. The impression has gone out that this money was made at the expense of agriculture, which is a wrong impression. This money was earned largely by conditioning grain that would otherwise have been lost outright or sold off on account of grade, and had this grain been less efficiently handled instead of netting this profit the farmers of the country would have been forced to stand the direct loss of many times this amount.

"This is a sample, gentlemen, of the only governmental organization in anything like this kind of business.

"The War Finance Corporation, which has in a small way been effective, but which must within a year go out of business, is really too new or its activities so hampered and restricted by the banking mind that it can not well be compared. I do not wish to be considered as criticizing the War Finance Corporation for not having done more business, because they deserve a great deal of credit for the work accomplished, and I

want to compliment them on having spent a large portion of their time and moneys for the movement of agricultural products. It has been said by Mr. Meyer himself to our committee that, with the requirements of the War Finance Corporation complied with, any banker would be willing to take the same risk—all this because the director has his hands tied by legislation and the ever-present fear of permitting the Government to lose a penny.

"The War Finance Corporation has advanced to date \$21,143,000, and to their credit be it said \$18,218,600 has gone toward agricultural products. Of this \$18,218,600 just \$290,000 of it was advanced to exporters, the balance—\$17,928,600—was advanced to banks. Again, this statement is not made in the form of criticism, but merely to point out where these loans were going and to establish the necessity of the corporation we propose that will in reality go out and seek business and not leave it to the banks to find.

"Now, let me quote Mr. Hoover again, and this time from his speech before the meeting of the United States Chamber of Commerce at Atlantic City in April. He said, in part, 'We, the United States, are in the position as to foreign trade of a great general staff and an immense supply train loaded down with supplies, with no fighting men in the front lines.' Those words are more like the Hoover mind we have all heard so much about and ring true to the situation and speak with more force for the passage of this bill than all Mr. Hoover or anyone else can say against it in hours. One thing is certain, as Mr. Hoover pointed out, we have not the fighting men at the front, and as long as we penalize firms doing business abroad under our present methods of taxation we are not likely to have any fighting men at the front. It will take time to make the necessary tax changes, and in the meantime our farmers are being smothered with their surplus.

"A corporation such as proposed in this bill would not be handicapped as a private corporation, and would enable us to get in the field at once and be training men for this very important work in the export field. Then when the affairs of this corporation are wound up, as they will be at the end of five years, these men would gradually be taken over by private enterprise, and that is as it should be.

"I agree that this all leads back to the much-discussed point of subsidizing business, and personally I do not like the term, but it seems to be the only one that fills the bill. And, gentlemen, I say this to you, that so long as the United States of America produces agriculturally more products than she can consume this question of the encouragement of export business, instead of discouragement, is one we can not turn our backs on and get away with it. The farmers are looking to us for help, and that is what we are here for, and if we are going to waste time discussing policies and politics we might as well be men enough to pack up and go home and make way for some one who can fill this breach.

"No matter what we may think personally of Germany, we must admit she has always fostered and encouraged in the most efficient manner her foreign trade, even to sitting in conference with her exporters and aiding them in getting their business.

"England for centuries has handed down from father to son wonderfully well-organized export corporations that have been fostered and subsidized by the home Government, and for the past century at least the raw materials exploited were to a great extent produced in this country.

"At the best the farmers of this country will not have an even break on the foreign markets, for it takes years to build up corporations of this character, and if we did and abet this business for our farmers while times are hard—and these people are going to buy where terms are most favorable—perhaps we can make up with liberal credit terms what we lack in organization and experience, and business that would otherwise be lost might be gained for our farmers by those supplying the credit. It is safe to say further that these foreign purchasers will be more likely to pay our price with the credit advantage, whereas without it Australia, the Argentine, or some other well-organized governmentally controlled foreign organization will get the business, and in that event our surplus will be thrown back on the home markets to further demoralize the price.

"We have just passed through the most glaring example of the Government being out of this business when it should have been in the game in competition with others. This same Mr. Hoover, who now wants to keep the Government out of business, rose up in indignation when it was proposed to dissolve the United States Grain Corporation. He pointed out that it would be suicide for us to remove Government control as long as the foreign countries maintained their Government control. He said it would throw

our unorganized farmers on the mercy of the organized buyers abroad, and that, gentlemen, is exactly what happened, and it is one of the most important contributing causes of our present agricultural prices, and in order to protect themselves these foreign countries, as fast as they have discontinued governmental purchases, have established subsidized private enterprise to take its place, which is the very thing we are attempting to cover in this bill.

"A great part of the decline of our grain markets during the past year was caused by our lack of organization. The shrewdness with which some of our large grain operators took advantage of the difference in exchange between the United States and Canada caused England in an effort at self-preservation to retaliate against our grain and partially at least helped to break our markets. Forty per cent of all the wheat and flour dealt in on the Minneapolis Exchange was Canadian wheat and flour, and I will tell you why. With wheat selling in this country at from \$2.26 to \$2.50 per bushel and from \$2.30 to \$2.75 in Canada, and sterling at \$3.80, our grain men were able to buy Canadian wheat for American dollars and make from 40 to 65 cents per bushel on the difference in the rate of exchange alone. That is one of the reasons millions of bushels of grain stayed on the Northwestern ranches which normally would have gone to the terminal markets. Practically every grain buyer, instead of being sent out in our own States, was sent to Canada to buy grain on which this exchange difference could be taken advantage of. This condition caused the price of wheat to remain high in Canada, and England was being forced to buy her own wheat at what she considered exorbitant prices, and the only way she could protect herself was to aim a blow at our home markets, forcing down our prices by terrible leaps and bounds. I do not wish to charge England with deliberately short selling our market to break it, but to merely point out what governmental organization and control can and did do. In doing that, our private wire houses were tipped off when this export buying would take place, and when they were through for the time word would go out over the country that export demand was light and the gamblers were advised to sell short, which they would consistently do, breaking the market from 5 to 10 points at a time. When the exporters were coming into the field for their purchases, information was sent out that the export demand seemed strong and shorts were advised to cover, which they would promptly do, taking with them from 5 to 10 points gain on the downward trend. As soon as the export buying was over this stunt was repeated time and again, with the result that American wheat was broken from \$2.70 a bushel to \$1.20 a bushel.

"All this, gentlemen, is just exactly what Mr. Hoover had in mind when he wanted the Grain Corporation maintained to meet the governmentally controlled agencies abroad. And God only knows why we did not follow this advice, for in breaking the wheat market it has carried with it all other agricultural products, as it always does, and billions of dollars have been lost to American agriculture owing to this insane desire to get the Government out of business.

"This all applies directly in favor of the passage of this bill and it proves conclusively that we can not pit our unorganized agricultural interests against foreign subsidy and get anything but the worst of it.

"Not to hark back too much, but if I remember correctly one of Mr. Harding's campaign pledges was to put more business into the Government and less Government in business, and while that statement is filled with generalities my interpretation was that the Government would participate in any constructive legitimate business that would be helpful to our interests and business welfare, and any man that makes general statements and is not specific lays himself open to just such a comeback.

"This, I think, answers the critics of the Government in business as an objection to this bill, and I want to call attention again to the fact that the bill provides a 5-year term of life for the organization, retiring at that time in favor of private enterprise which in the meantime will have a chance to get on its feet and take over this line of business.

"(3) Replying to the assertion that our farmers need more credit: As a matter of fact, if the farmer's pockets were bulging with borrowed money he would not be better off, as in the long run he must pay. Mr. Meyer, the director of the War Finance Corporation, said to us: 'Credit is like a drug. Used intelligently and in moderation, it is most helpful and healing; but when used to excess, is very dangerous.' As I have pointed out before, in many cases the credits extended by the banks have been and are greater than the present market value of the products. Even if corn and other agricultural products would keep indefinitely, which they will not, we would not immediately benefit by more liberal credits alone, and the only thing

that is going to solve this question is ample markets for our surplus products; credits may help for a very short time, but that only. And the only way we can be sure of these is to go out and seek them and offer better terms or better prices to the purchaser. We do not propose to say to the farmer, 'Cut your price to get this business,' but we do propose to make better terms to the consumer so we can get the business at something like a fair price.

"No, gentlemen, further extension of credit will only put off the day of reckoning a little longer and put our farmers further in debt, for credit costs money. That is one of the things that is the matter with us now. If the Federal Reserve Board had made a careful study of world conditions from the beginning of the Napoleonic wars they would have observed that the only way to curtail speculation and keep prices from running riot to the skies is to advance the discount rate, and had this been done when prices began to soar a great many of our present heartaches at least would have been averted.

"To make this plain, let me explain that in England during the Napoleonic wars the discount rate at the Bank of England remained stationary at 5 per cent, and as a result prices went sky-high until it was not physically possible for them to go any further. Then the crash came and they went down just as suddenly, carrying with them almost the entire business fabric of England. They found by this lesson that the only way this could be averted the minute there was an undue tendency toward speculation and wildcatting was to advance the discount rate, which had the tendency of flattening out this condition, and which up to this time had prevented England from repeating the Napoleonic fiasco. The exchange problem which confronts her to-day is an entirely new one and consequently can not be compared to previous conditions. In this respect the Federal Reserve Board failed so utterly, and then to make matters worse, instead of gradually lowering the discount rate, knocked the props out from under our entire business fabric by the most unprecedented rate decline.

"All this points, not to the need of further credit alone but wider markets, and that is what we are trying to provide with this bill.

"(4) Now, as to the overlapping and duplication of powers of the proposed organization with the War Finance Corporation.

"This subject of duplication of powers is a dangerous one, and I am inclined to believe might act as a boomerang on some of those using the argument. The fact that the Province of Alaska is looked after and guided over by 34 separate bureaus does not seem to be causing any great deal of excitement here in Washington. The War Finance Corporation automatically ceases to exist one year from the date of the signing of peace, which has already been done. The security requirements of the War Finance Corporation are so rigid that of the two and a half billion dollars of export business done in the past 11 months the War Finance Corporation has done twenty-one million. It was not because the business was not there. It was simply because they could not do anything that any bank in the country could not do. The fact that seventeen and a half million out of the eighteen million of their loans went to banks proves conclusively that they are not able to function along lines helpful of exportation expansion. The fact that Mr. Meyer himself has made the statement that with their requirements met anyone else would be willing to put up the money on the same terms would indicate they were helpless as a relief measure.

"As I have said, the subject of duplication of powers is a dangerous one, for Washington reeks with it, and, as a matter of fact, taxpayers of the country would probably be better off to the extent of one billion dollars if we were to wipe out every bureau and department in Washington with the exception of the five major departments. They all start out modestly enough, but it does not take long until they are white elephants, and, in some cases at least, outlive their usefulness. So it occurs to me that this subject might start something that would be hard to quiet.

"The hands of this corporation are not to be tied if the bill is passed as reported, and its powers are broad enough so that it ought to be effective if properly managed, and the Secretary of Agriculture has assured us that he will give his best thought and effort toward making a success of the bill if it were passed.

"(5) Next in line comes the statement that Europe will not need our food this year. There is always some one who raises such a cry. Why, even when the Chinese were dying by the thousands of famine the press of the country carried the statement that conditions in China were greatly exaggerated. The cussedness of some people is almost pathological and the ignorance of others is tragic.

"The list below is a partial one, including food, cotton, and wool, that we were able to obtain:

	Tons.
Germany needs.....	2,500,000
Austria.....	1,500,000
Poland.....	500,000
Czechoslovakia.....	1,000,000
Switzerland.....	75,000
Finland.....	150,000
Estonia.....	50,000
Lithuania.....	75,000
France, bales of cotton, etc.....	500,000

"There are many others not listed, but this gives some idea, at least, of the possibilities for the coming year.

"The Polish commissioner pointed out to us that it would be possible for them to get through on a starvation basis with what food they have, but that it would be on a starvation basis. And with bolshevism so close to their doors they dare not attempt it, but must buy from the outside so that their people could be well fed and contented.

"Czechoslovakia pointed out the same thing.

"If these well-meaning critics would devote one one-hundredth part of the time to thought and study that the people have who have worked out these plans this world would be richer one hundredfold.

"(6) The subject of Europe's ability to pay.

"If, as some of these people contend, Europe is practically bankrupt, then we are in the same position as a large creditor with a bankrupt customer. If the customer has help, factories, and a market for his goods, it has been the custom to get together with him, supply him with further credit, and help put him on his feet. And if you think we are going to get a dollar out of Europe by any other methods you are badly mistaken.

"We do not like to claim too much for it, but if you only knew it this bill provides the best insurance policy against bolshevism, both abroad and at home, that we can think of. If we give these people a chance to go back to work, eat normally, live normally, and consume normally, some day they will be able to pay us. But if we cut off their credit, and through hunger and unrest bolshevism spreads all over Europe, I doubt if we will ever collect a penny.

"This would all be a very different matter if we were having to deny and ration our own people to send this food abroad, but this food and cotton is rotting in our granaries and warehouses and we can not give it away.

"A few months ago the farmers of the country, through Carl Vrooman, gave the starving peoples of Europe 500 carloads of corn, which was hauled to the seaboard by the railroads and their employees free of charge. This corn went to countries where corn had heretofore been considered only fit for cattle feed. And to show you how quick the reaction which we got on such a movement was, I want to tell you that I had in my own hands an offer from the Polish Government for 10,000 tons a month of American corn, on which they requested nine months' credit. If this is not casting your bread upon the waters and having it return quickly then I am mistaken.

"These people abroad have minerals, forests, natural resources, railroads, mills, and municipal securities, and they are willing to pledge any or all as a guaranty if we will only give them a chance to go to work.

"(7) Mr. Meyer, of the War Finance Corporation, went so far as to make the statement that all was being done that could be done, and if there was any more business he did not know where it was. And that is quite possible. I can furnish him with the names of people who want cotton, corn, wheat, and wool, and my information comes through cable advices from our own representatives abroad which I obtained through the kindness of Mr. Hoover.

"Mr. Meyer also testified before our committee that he had been told by a representative of the Poles that they could not spin any more cotton than they were at present getting. I took the trouble to look up this man who had been quoted and whose name was Faterson, and found out that he had been deliberately discouraging any cotton transactions going to Poland that did not go through certain channels in which he was financially interested, and that he was a completely discredited individual who had been practically sent out of his country. I merely mention this to show how some of our well-meaning people can be misinformed.

"(8) Now, as to the possible conflict with the Reparations Commission.

"To admit or even suggest that our State Department is not forceful enough to convince the Reparations Commission that their only hope of collecting is to allow these people to take our raw materials and go to work and be fed, and if these allies of ours can not see how they themselves can profit

by allowing these supplies to have preference over reparations payments, then it occurs to me that we had better discontinue the term 'allies' and call on them to pay up or shut up.

"Every person testifying before the committee was agreed that the seriousness of the situation could not be exaggerated, and even those who were opposed to this particular bill all prefaced their remarks with the same stereotyped friendly feeling for anything that would help better agricultural conditions. The truth of the matter is simply this: The farmers of the country are all fed up on sympathy and words and want some results, and the entire complexion of this legislative city is going to witness a mighty change if action does not speedily replace words. The old saying that you can fool some of the people part of the time, but not all the people all of the time is as true as anything ever quoted. There is another old adage that rings true to this case and that is 'Every cloud has a silver lining' and the silver lining in this case is the fact that 'misery loves company,' and the farmers are for the first time in their lives getting together, and those of us here fighting for them know and feel that we have our constituents behind us to a man, and while it does not seem to worry some of you, those of us behind this bill know that we are going to pass this bill now in an effective manner or see some new faces here in the near future with maybe more interest in the public at large than the dictates of a chosen few.

"Some of our opponents have pointed out that we will not be able to do any business with this corporation, and if that is so, and they sincerely believe it, why do they not forget the entire matter and say nothing, for if there is no business done, then this attempt will have been made, and with no business to transact no public moneys will have been used.

"Others have pointed out that even if we do any business, it would be a very small part of the export trade. In the last 11 months our export trade has amounted to \$2,250,000,000, and with the \$100,000,000 initial capital and the privilege of expansion of 10 to 1 the \$1,000,000,000 made available by this method would, potentially at least, represent almost one-half of our export trade.

"Some say these countries will find cash to pay for these products if we do not furnish them with credit. Another absurd statement. Czechoslovakia last year required a little over 1,000,000 tons of supplies and actually was able to secure less than 300,000 tons because she did not have the cash to pay and could not get the credit, and the same thing applies to other countries.

"To repeat, Mr. Meyer said, 'If there was any more business to be had, he did not know where it was,' and he was probably right. There is no other business to be had on the terms laid down by the War Finance Corporation. When a man sends for information to the War Finance Corporation as to credit requirements it is my humble guess that after looking over the printed form he usually has heart failure and wonders if anyone ever did actually comply with the requirements.

"We have further been advised, gentlemen, that this is not 'good business,' and rather than argue this point we will admit the charge and merely reply that we have been sitting around for almost two years waiting for 'good business' to do something, and it has failed to function, so we now propose to do it in an unbusinesslike way, if you please, but to at least try something. If we do not a million more farmers will be bankrupt by winter, and, gentlemen, the farmers will not take this 'sitting down.'

"We admit the charge that we do not know absolutely that it can be done, but are relying on the very apt saying that 'a thing that can't be done is usually done by the darned fool that doesn't know it can't be done and he goes ahead and does it.' That is the old Yankee spirit. Go out and meet it. We saw the outcome of the policy of 'watchful waiting,' and let us not have a repetition of its costliness."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, 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:

H. R. 5756. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; and to amend an act entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903;

H. R. 6573. An act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and

compensation on an equitable basis, and for other purposes; and

H. J. Res. 31. Joint resolution authorizing and directing the accounting officers of the Treasury to allow credit to the disbursing clerk of the Bureau of War Risk Insurance in certain cases.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, July 19, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 18, 1921.

DEPARTMENT OF THE INTERIOR.

RECEIVER OF PUBLIC MONEYS.

James H. H. Hewett, of Alliance, Nebr., to be receiver of public moneys at Alliance, Nebr., vice John C. Morrow, resigned.

REGISTER OF THE LAND OFFICE.

Jules Haumont, of Broken Bow, Nebr., to be register of the land office at Broken Bow, Nebr., vice Mack C. Warrington, term expired.

PROMOTIONS IN THE NAVY.

Capt. William A. Moffett to be Chief of the Bureau of Aeronautics in the Department of the Navy, with the rank of rear admiral, for a term of four years.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 18, 1921.

TREASURY DEPARTMENT.

COLLECTORS OF CUSTOMS.

Harry E. Murray to be collector of customs, customs collection district No. 32, Honolulu, Hawaii.

William B. Hanes to be collector of customs, customs collection district No. 44, Des Moines, Iowa.

ASSISTANT APPRAISER OF MERCHANDISE.

George O'Brien to be assistant appraiser of merchandise, customs collection district No. 11, Philadelphia, Pa.

DISTRICT OF COLUMBIA.

John Joy Edson to be member of the Board of Charities.

George M. Kober to be member of the Board of Charities.

HOUSE OF REPRESENTATIVES.

MONDAY, July 18, 1921.

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father and our God, Thou hast given us all things richly to enjoy. Be pleased to accept our expressions of gratitude and thanksgiving. Oftentimes in our vague longings and in our confused ignorance, our little appeals seem like a cry in the night. O give unto us the morning face, the morning courage, the morning outlook in the morning of the world. Render our lives worthy and sincere, that they may continue to give birth and breeding of reverence for Thy law and Thy precepts. Thus we shall feel the uplift of our high calling and be made bigger and better in the service of our Republic. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Saturday, July 16, 1921, was read and approved.

RUBBER TIRES.

Mr. BURTON. Mr. Speaker, I ask unanimous consent to be recognized for one minute.

The SPEAKER. The gentleman from Ohio asks unanimous consent to be recognized for one minute. Is there objection?

There was no objection.

Mr. BURTON. Mr. Speaker, I desire to introduce into the RECORD a telegram from the President of the Goodyear Tire & Rubber Co., of Akron, Ohio, Mr. E. G. Wilmer, in which he advocates levying a duty on rubber tires at 10 per cent, the existing rate, instead of increasing it to 20 per cent, as proposed in the pending bill.

The SPEAKER. Is there objection to the printing of the telegram in the RECORD?

There was no objection.

The telegram is as follows:

AKRON, OHIO, July 16, 1921.

Hon. THEODORE E. BURTON,

Member of Congress, Washington, D. C.:

Increased tariff on rubber tires as proposed by Ways and Means Committee ill advised in our opinion. Statistics show importations not materially increasing under present rate. Therefore no increase in rates needed for protection, and any increased rate can naturally be expected to produce less revenue. Imposition of duties or increase in tariff on rubber tires now in effect being strongly agitated in Great Britain and dominions, Spain, South America, and other places. This aimed principally at American competition. Protectionist factions in those countries will, we believe, be successful in having retaliatory measures adopted if our tariff rates increased. Importation of manufactured rubber products into the United States for 11 months ending May 30 amounted to \$1,250,000, exports from United States for the same period amounted to \$57,700,000. Goodyear Co. last year exported over \$17,000,000 alone. If tariffs of foreign countries increased, our exportations will materially decrease. We therefore strongly urge that you do everything possible to forestall any increase in the tariff rates on rubber tires into this country at this time.

E. G. WILMER,

President the Goodyear Tire & Rubber Co.

THE TARIFF.

The SPEAKER. Under the rule the House will resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, with Mr. CAMPBELL of Kansas in the chair.

The Clerk reported the title of the bill.

Mr. LONGWORTH. Mr. Chairman, I understand the pending question is the motion of the gentleman from Tennessee [Mr. GARRETT] that debate upon this paragraph and all amendments thereto be now closed. I offer as a substitute for that, that debate shall close at the end of three and one-half hours.

The CHAIRMAN. At the time the committee rose on Saturday there was a motion pending, offered by the gentleman from Tennessee [Mr. GARRETT], to close debate upon the amendment of the gentleman from Massachusetts [Mr. TREADWAY] to the paragraph and all amendments to the paragraph. The gentleman from Ohio moves as a substitute for that motion that debate close at the end of three hours and one-half.

Mr. HARDY of Texas. Mr. Chairman, would it be in order to amend the amendment by making it one hour and a half?

The CHAIRMAN. It would.

Mr. HARDY of Texas. Then, Mr. Chairman, I move to amend the amendment by making the time one hour and a half.

The CHAIRMAN. The question is on the amendment to the amendment, offered by the gentleman from Texas [Mr. HARDY], that debate close in one hour and a half.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs upon the motion of the gentleman from Ohio, in the nature of a substitute, that debate close in three hours and a half.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 56, noes 32.

Mr. GARRETT of Tennessee. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. GARRETT of Tennessee and Mr. LONGWORTH to act as tellers.

The committee again divided; and the tellers reported—ayes 65, noes 40.

So the amendment in the nature of a substitute was agreed to. The CHAIRMAN. The question now recurs upon the motion of the gentleman from Tennessee as amended.

The motion was agreed to.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the time for debate be equally divided between the gentleman from Michigan [Mr. FORBNEY] and the gentleman from Texas [Mr. GAENER].

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the debate on this motion be controlled equally by the gentleman from Michigan and the gentleman from Texas. Is there objection?

Mr. BLANTON. Mr. Chairman, I object.

Mr. UNDERHILL. Mr. Chairman, the attempt has been made to make it appear that the only, or at least the chief, opposition to the placing of a tariff on crude and fuel oils comes from New England, and more particularly from Massachusetts. This is not the situation, as the adverse effect of an import duty on these oils will sooner or later reach every business, every family, and almost every individual in the United States.

I will present to you some of the arguments against the tariff which applies with equal force to almost all sections of the country fully as well as they do to New England.

I do not approach the matter from the standpoint of a tariff, but from its economic effect. If effective, it will either increase the cost of fuel originating outside of this country or increase the demand upon our own fuel resources. Any increase in fuel costs will create a tax upon practically every individual and industry. It will also increase the cost of living; it will reduce materially our ability to compete in foreign trade by the increased cost of production. This applies to the West as well as to the East and to the South as much as to the North. It will necessarily result in an increased charge for gas, coal, and all oil products, affecting directly over 50,000,000 of our people. The steadily increasing use of oil for fuel lessens the demand for coal, and therefore keeps the price of coal lower and conserves the supply. Every person in the country is affected by fuel costs and is concerned in fuel conservation, whether it be oil or coal. The proposed tax on oil would be approximately equivalent to more than \$1 per ton on coal.

The people in the immediate district where this commodity is produced are particularly favored over the rest of the people of the entire country. As users of oil they are assured of a ready supply of light, heat, and power. They are not disturbed by the excessive high cost of transportation. They have been favored by the Almighty and they should not ask additional favors from Congress at the expense of by far the greater number of people less fortunately situated.

One of the advocates of this tariff duty stated on Saturday that if we were going to make financial nabobs, "Let us make them in this country rather than in some foreign country." I am opposed to making financial nabobs even in our own country at such a terrific expense to the rest of the people. Then he goes on to say, "Let us protect all of those who have commodities to sell, whether they be natural or manufactured products"; but what about the majority of the people, who have nothing to sell and who have to buy all they have; those whom I mentioned in my remarks last Friday, whose income is stationary, but which has been steadily declining and who will suffer severely if we impose a tariff on this natural product, which has become an absolute necessity of life.

I have little sympathy for these poor (?) oil producers who have experienced an unprecedented period of prosperity up to very recently. Why, the whole business of oil production is largely a gambling proposition, and because of a temporary reverse in the fortunes of the gamblers you now are trying to legislate a permanent profit for them.

Another thing which is an appeal to your prejudice rather than to your judgment is the statement that the Standard Oil Co.—used in the past by demagogues, socialists, and anarchists as an illustration to prejudice and poison the minds of the people—that the Standard Oil Co. is opposing this legislation. I think any analytical mind would come to the conclusion that the Standard Oil Co. and the bituminous coal operators might be back of a demand for a tariff on oil. If the proposed tax is actually assessed upon our importations of oil it unquestionably means that the general public as well as the manufacturers of the country must pay millions more for their fuel, both oil and coal.

I have received a letter from John L. Lewis, president of the United Mine Workers of America. I assume that every Member of the House has received this letter. It is very explicit, if not a very convincing argument in behalf of the proposed tariff on petroleum and fuel oil. This communication is entirely respectful. It is also entirely candid. It is a most timely and illuminating contribution to this discussion. I may say the letter is savagely frank. It lays the subject as bare as a scalping knife. Stripped to the bone, these are Mr. Lewis's arguments and conclusions: First, the proposed duty will keep crude and fuel oil out of this country. Second, the keeping of crude and fuel oil out of the country will raise the price of coal. Third, raising the price of coal would enable the mine operators to employ more men or pay better wages. In the main I agree with Mr. Lewis's reasoning and accept his conclusions. The proposed tariff is prohibitive. It will exclude crude and fuel oil from this country. The exclusion of these oils will raise the price of coal. The American people—the American consumers—will pay more for oil and they will pay more for coal. As to that, Mr. Lewis and I are in perfect agreement.

But Mr. Lewis does not establish his last conclusion, that the operators will employ more men or will pay better wages. In order to establish this conclusion he must demonstrate that there is to-day a shortage of coal. If the supply of coal equals or exceeds the current demand, the operators will neither employ more men nor pay more wages. If Mr. Lewis can dem-

onstrate that there is at present a shortage of coal he will at the same time provide himself with the best economic, automatic remedy for the evil of which he complains. A shortage of coal will automatically and necessarily result in increased production. The operators would need no other incentive to employ more labor or to pay better wages. There is the point where Mr. Lewis's conclusion falls short of certainty. He is, however, entirely correct in his conclusion that the proposed tariff, by excluding crude and fuel oils, will increase the price of coal. The price of coal will increase, even though there is no shortage. If we adopt this duty we invite the coal operators to increase the price of coal. They will undoubtedly accept the invitation. They would not be so rude as to decline it.

What does this mean? Let us analyze Mr. Lewis's figures. He says that 1 ton of coal is the equivalent of $3\frac{1}{2}$ barrels of Mexican fuel oil. The proposed tariff on fuel oil is 25 cents per barrel. For $3\frac{1}{2}$ barrels this would be 87½ cents. Including interest and incidentals, call it 90 cents in round numbers. This, then, would increase the price of coal at least 90 cents a ton if Mr. Lewis's dream should come true. Consumers would have this to pay.

What was the production of coal in the United States last year? Anthracite was 89,000,000 tons and bituminous was 556,000,000 tons. The aggregate was 646,000,000 tons. If the proposed tariff had been in effect last year, it would have added \$600,000,000 to the price of coal at the mouth of the mines. But that is not half what the consumers would have been compelled to pay. Coal retailed at three times the price at the mine's mouth, and it has retailed at four times the price at the mine's mouth. This \$600,000,000 which would have been added to the price of coal at the mouth of the mines last year would have cost the consumers of this country at least one and a half billion dollars. This is just what Mr. Lewis wants. He has both a personal and a class interest in bringing about an increase in the price of coal. He urges you to impose this tariff on oil as a means to that end.

It is perhaps natural that those who expect to become the beneficiaries of the increased price of coal should favor this duty. Those who expect to pay the increase, those who would be required to pay the increased price, should oppose it. The railroads of this country consume about 30 per cent of the entire output of bituminous coal. This would be something like 170,000,000 tons. But the tariff would add much more than \$170,000,000 to the cost account of the railroads. Many of our railroads are bankrupt. Many are in the hands of the receivers. Others are staggering on the edge of insolvency. Both freights and fares are high—high beyond all precedent, so high as to interfere with transportation, commerce, and industry, so high as to interfere with the revival of business and the return of prosperity. Yet you are asked in cold blood to levy a tariff on crude and fuel oil in order to increase the price of coal, notwithstanding this increase would add hundreds of millions to budgets of the railroads of this country.

Forty per cent of bituminous coal is used for industrial purposes, including coke, but not including gas and public utilities. This means two hundred and twenty-odd million tons. According to Mr. Lewis's figures the proposed duty would add \$200,000,000 to the price of this coal at the mine. This would mean an addition of approximately \$500,000,000 to the price of the coal in the furnace of the factory. This would add to the cost sheet of every industrial plant in America. Fuel is one of the chief items of the cost. This item would add enormously to the cost of production. Is that the path to prosperity? What we need is to cheapen production, so that the wages and profits of the people will go further in purchasing the necessities and comforts of life without impairing prosperity itself. I ought to add that this tariff will not only raise the price of fuel and raise the cost of production at home, but the Mexican oil, which we exclude from this country, will find a market in the industrial countries of Europe. It will cheapen the cost of production there and will make the difficulties of competition more serious if indeed it does not make competition impossible.

Anthracite coal is used principally for domestic purposes. The proposed tariff would add \$80,000,000 or \$90,000,000 to the price of anthracite coal at the mine. This would mean a quarter of a million dollars by the time it reached the homes of this country. This proposition is to lay a tax on the family hearthstone, to impose a tariff upon the warmth that drives away the frosts of winter.

And what is the object of this scheme to add a billion and a half dollars to the price of coal? In order that a few more miners may secure employment by some chance or possibility, or that the miners already employed may by some chance or possibility secure an increase in the prevailing rate of wages. To accomplish this we are to burden the railroads, burden the factories, and burden the homes of the land. By multiplying

our burdens we propose to win back prosperity. This miracle is to be wrought by means of tariff which will exclude from this country 100,000,000 barrels of Mexican oil. The total value of all the oil—crude, fuel, and refined—imported into this country last year was only \$66,000,000. To keep out \$66,000,000 worth of oil, you propose a tax which would add one and a half billion dollars to the coal account of the American people. This added expense would pay for the Mexican oil twenty times over. Better buy the Mexican oil twenty times over and sink it in the sea rather than adopt this burdensome tax. Let me add that while we imported last year less than \$66,000,000 worth of oil we exported more than \$549,000,000 worth of oil and its products. There was a balance of trade in our favor on oil alone of more than \$470,000,000. And yet this industry demands a prohibitive tariff, demands a tariff notwithstanding no tariff measures ever passed carried a duty on petroleum or its products.

The mid-continent producers are pleading for the little fellows and arguing that the proposed tariff would work to the disadvantage of the Standard Oil group. They also make the statement that four-fifths of all the oil that leaves Mexico is Standard oil. This argument is not sound, and the statement is not correct. Official figures prove that the Standard Oil Co., through its subsidiaries, exported for five months in 1921 less than 16 per cent of the oil leaving Mexico.

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

Mr. UNDERHILL. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. REAVIS. Mr. Chairman, reserving the right to object, I desire to submit a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REAVIS. Will the extra five minutes come out of the three hours and a half?

The CHAIRMAN. It will. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, American oil can not be sold for fuel oil in any part of the East in competition with bituminous coal, because of the prohibitive freight rates. Coal operators abrogated their contracts when foreign trade favored them with extremely high prices, and manufacturers saw the wisdom of protecting themselves against a tendency to exploit them by changing their boilers over and burning oil instead of coal.

Right here I would call to your attention that if you put this tariff on oil the Standard Oil Co. and other large companies will go down into Mexico, establish refineries, and bring into the United States the gasoline products, which carry no duty, and you will throw out of employment thousands and thousands of men along the Atlantic seaboard who are now employed in American refineries making the by-products of crude oil.

The availability of oil has helped to bring down the price of bituminous coal. Put a tariff on oil and the cost of coal will go up. There is no large country in the world that is not making a bid for all of the available or possible oil supply, and there is no country in the world that would consider for one moment the interest of a few producers wherever located as paramount to the interests of the general public.

The Federal Government, and almost every State and municipality, are preparing to spend enormous sums of money raised by taxation on the construction of highways. Highway construction and maintenance have been seriously handicapped by the high cost of road-building material, and it is almost impossible to believe that at this time, with the possible employment of thousands of men in the construction of highways, you are going to increase the cost 15 or 20 per cent and discourage the extension of this public work or penalize it with a tariff and throw more out of employment.

The effect upon the cost to the Government through the operation of naval and Shipping Board vessels has not been emphasized as strongly as it should. You not only tax all of the people of the country, which is the best little thing Congress does, but you tax the Government. It is a situation heretofore practically unheard of.

I do not possess a copy of President Harding's letter on this subject nor do I claim to be in his confidence, but when reputable newspapers of the country give what is purported to be his views in opposition to the imposition of this tariff—and their statements are not denied either officially or otherwise—I think I am justified in quoting him as having said:

To levy a protective tariff on crude petroleum would be at variance with all that has been done to safeguard our future interests.

And further—

is so thoroughly out of harmony with the larger policy which I have had in mind that I would be more than disappointed if Congress decides to levy a tariff on import oil.

And lastly:

I think it is vastly more important that we develop an abundance of resources rather than a temporary profit to a few producers who feel the pinch of Mexican competition.

Gentlemen, if he did not say this he surely ought to. It gives me a great deal of satisfaction to stand with the President and applaud his statements. I trust that this body, and particularly the Republican Members, will not disappoint not only the President but the millions of people of this generation and of coming generations who are and will be dependent upon a cheap and uninterrupted supply of crude and fuel oils.

This development is not a Massachusetts problem, it is not a New England problem. It is a problem of the whole country. There is hardly an individual in the country—farmer, worker, manufacturer, producer—who will not be adversely affected both at the present time and in the time to come unless the advice of President Harding is followed and our national resources conserved and developed.

What we all desire is the return of prosperity. What we need is to cheapen, not to increase, the cost of production. We ought to promote general welfare; we ought not to make the return of prosperity an economic impossibility.

Mr. HIMES. Mr. Chairman, I rise in favor of the amendment.

The CHAIRMAN. Will the gentleman permit the Chair to make this statement with respect to the matter of order? The Chair desires to see to it that the time is as really equally divided as may be. The Chair asks all gentlemen to aid him in accomplishing an equal division of the time, and when a gentleman rises the Chair wishes that he state whether he is for or against the amendment, so that the Chair may make an equal division of the time as near as may be.

When a Member speaking for an amendment closes let the next gentleman rise in opposition and vice versa. This will aid the Chair in doing a very difficult thing in seeing that there is division of this time.

Mr. GARRETT of Tennessee. There are two amendments pending. The amendment of the gentleman from Massachusetts was to strike out the paragraph and the amendment of the gentleman from Oklahoma was to perfect.

The CHAIRMAN. This debate—

Mr. GARRETT of Tennessee. The debate is upon the paragraph and all amendments thereto. I should think it would be necessary for gentlemen to state what they want to discuss, in order to keep the matter clear. I hope the gentleman from Texas will not object. It is so much more convenient to be able to arrange this time by gentlemen controlling it on the floor.

Mr. BLANTON. Well, Mr. Chairman, at the request of the minority leader I withdraw the objection.

Mr. GARRETT of Tennessee. I ask unanimous consent that the remaining time may be controlled by the gentleman from Texas [Mr. GARNER] and the gentleman from Michigan [Mr. FORDNEY], credit to be had for the time that has been used on the different sides.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the remaining time on the motion of the gentleman from Massachusetts and all amendments thereto be controlled by the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER]. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. FORDNEY. Will the gentleman yield some time?

Mr. GARNER. I will have to wait until I get my list.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. HERRICK].

Mr. HERRICK. Mr. Chairman and gentlemen of the committee, we have heard various debates pro and con on this subject here. We have heard from the gentleman from Massachusetts, I believe last, claiming that the industries in Massachusetts would suffer by the Standard Oil Co. setting up refineries in Mexico and bringing its products and gasoline in free. I can not agree with the gentleman from Massachusetts. In the first place, most of this Mexican oil is fuel oil, and therefore it would be impossible and impractical and illogical to set up a refinery down there for the purpose of refining fuel oil designed to get the gasoline contents. As a little further proof, I arose merely for the purpose of reading into the RECORD a few letters showing just what class of people are really asking for free fuel oil. I will first read this one:

MISSOURI, KANSAS & TEXAS RAILWAY,
LAW DEPARTMENT,
Muskogee, Okla., July 2, 1921.

Hon. MANUEL HERRICK,
House of Representatives, Washington, D. C.

DEAR SIR: According to the newspaper reports, the proposed new tariff bill will impose a duty of 25 cents on fuel oil.

We are now burning Mexican fuel oil on about half of our locomotive engines under a five-year contract with the producers.

If this duty is imposed it will no doubt result in a breach of this contract because of the failure of the vendor to sell, and if this is done we will have to change all of our oil burners back to coal burners, which would be very expensive, not only to ourselves but to the public, through freight rates.

Oil is much more economical than coal, and there is not enough domestic production, as most of the important roads in the Southwest are now burning fuel oil.

I hope you can consistently oppose this tariff, or if any tariff is to be placed on fuel oil that an exception be made in favor of fuel oil used by railroads in the operation of their lines.

Very respectfully,

M. D. GREEN.

Now, I think those gentlemen must have considerable cheek to come here and ask that a special exception be made in their favor. It might be interesting to read my answer to the gentleman, which is as follows:

Mr. M. D. GREEN,

Law Department Missouri, Kansas & Texas Railway,
Muskogee, Okla.

JULY 11, 1921.

MY DEAR MR. GREEN: Your letter of the 2d instant reached me several days ago, and I have delayed answering because I have been very busy.

I can not agree with your deductions. In the first place, your 5-year contract with Mexican oil producers, if made at high prices, is a bad contract, and you should welcome getting rid of it and should buy your fuel oil from Oklahoma, Kansas, and Texas independent producers, who patronize your lines, and I understand that you can to-day purchase fuel oil delivered in Muskogee cheaper than the transportation alone would amount to on Mexico imports.

I feel that the defeat of the tariff will not result in lowering the price of the refined product but will help to crush the independent refineries and so destroy the competition of the Standard.

I would not favor making an exception in favor of the railroads. I feel that they have already been the beneficiaries of too many exceptions. The farmers have not been so favored. Business conditions in Oklahoma have been injured by the depression in oil, and I could not give my support to a policy of making the situation worse.

Very truly,

Now, there is a great contention that the farmers are against a tariff on oil and want oil brought in on the free list. Let us see about that. I want to read this:

FARMERS' EDUCATIONAL AND COOPERATIVE
UNION OF AMERICA, OKLAHOMA DIVISION,
Oklahoma City, Okla., July 13, 1921.

Hon. MANUEL HERRICK, M. C.,
Washington, D. C.

DEAR FRIEND: There are 31 of the members of our organization here in the city this week attending an organization school. They come from about that many counties. I have canvassed every one of them on the question of whether or not the prosperity of the oil interests of the State is of a benefit to the farmers of the State, and they are unanimous that it is, and every one of them has told me that they believe that a protective tariff on oil would indirectly benefit the farmers of this State.

The farmers are now selling wheat of the new crop for 80 cents a bushel, oats at 10 cents a bushel, and potatoes at 30 cents a bushel. You must know that at such figures they not only receive nothing for their work but actually do not get back as much as they have expended in cash on these crops. When the oil business flourishes development work goes on and thousands and tens of thousands of our farmers have opportunity to lease their land. I know many farmers who would not be able to pay their taxes were it not for the dollar an acre they get from their oil leases.

Therefore I feel that I am voicing the sentiment of the farmers of the State when I say that we would be glad to see you support a tariff on oil.

Yours, sincerely,

JOHN A. SIMPSON, President.

JULY 16, 1921.

Hon. JOHN A. SIMPSON,
President of Farmers' Union, Oklahoma City, Okla.

MY DEAR MR. SIMPSON: I was very glad indeed to receive your letter of the 13th instant, in which you gave me the result of your canvass of representative members of your organization as to their views with reference to the effect of the depression in oil upon the interests of the farmers of the State.

Production of bituminous coal in the Southwestern United States and total production in the United States 1920 to April, 1921 (in net tons).

[The Southwestern group is comprised of Iowa, Kansas, Missouri, Arkansas, Oklahoma, and Texas.]

YEAR 1920.

	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
Southwestern group.	2,970,000	2,491,000	2,720,000	2,253,000	2,360,000	2,461,000	2,282,000	2,205,000	2,320,000	2,631,000	2,601,000	2,638,000
Total United States.	48,689,000	40,181,000	46,832,000	37,939,000	38,993,000	45,114,000	45,009,000	48,910,000	49,172,000	52,144,000	51,457,000	52,123,000

TOTAL 1920.

Southwestern group.	29,930,000
Total United States.	556,593,000

YEAR 1921.

	January.	February.	March.	April.
Southwestern group.	2,040,000	1,588,000	1,569,000	1,455,000
Total United States.	40,270,000	30,851,000	30,392,000	27,553,000

It may be argued that the conversion of industrial and electric utility plants and railroads to the use of Mexican oil will mean a cheaper coal fuel for the American domestic consumer but this reasoning will not hold good as industrial and utility plants were using the slack or

While I had been convinced from the beginning that it was my duty to support a tariff upon oil, I am impressed by your effective presentation of the matter, and I feel that I can use your argument to advantage.

I am glad to hear from you from time to time, for your suggestions and criticisms are of a constructive kind, and your presentation of the viewpoint of the farmers whom you meet as you go about in your work can not help but be a great assistance to anyone who is sincerely desirous of serving the class of our citizens who, in the final analysis, are the foundation of our State's prosperity.

I feel that this year is something of a crisis for the farmers of Oklahoma, and that anything that will tide them over until the readjustment has brought us more stable conditions will be worthy of consideration and support.

Very truly, yours,

The CHAIRMAN. The time of the gentleman has expired.
Mr. HERRICK. I would like to have about five minutes more.

Mr. FORDNEY. I can not yield any more to the gentleman.

Mr. HERRICK. Can the gentleman yield me two minutes?

Mr. FORDNEY. I can not.

Mr. HERRICK. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman has that privilege.

UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., July 14, 1921.

To the Members of the Senate and House of Representatives of the Sixty-seventh Congress, Washington, D. C.

GENTLEMEN: It is our most earnest desire that you give your fullest support to the end that the import tariff on Mexican oil contained in the original draft of the Fordney bill may be enacted for the protection of labor's interest and to better insure the possibility of employment of hundreds of thousands of workers now totally unemployed and to give them means of subsistence, of which they are now totally devoid.

It is estimated that there are at present approximately four and one-half million laboring men in the United States who are unemployed, including about 242,000 miners and many thousands of oil-field workers. When we presume an average dependency of three to one for each of the unemployed workers, the present condition of unemployment affects about 18,000,000 souls in this country, a situation that is appalling and almost beyond human conception.

We respectfully submit that one of the main contributing causes for the present condition of unemployment is occasioned by the unrestricted importation of Mexican fuel oil and the figures on this importation show a surprising increase since the year 1918, indisputable evidence of the activity of large corporate oil interests who invested their war-created profits in Mexico and are now exploiting American markets to the serious detriment of American industries and labor. This condition directly affects the employment of approximately one and three-quarter million workers who are ordinarily engaged in coal and oil producing industries, besides occasioning the unemployment of hundreds of thousands of men who were employed in interdependent and interrelated industries. Stagnation of community life in the vicinities where the production of coal and oil are the basic industries is now acute. Surely this can not be construed as contributing to the welfare and perpetuity of our Nation.

We reiterate that the unrestricted importation of Mexican fuel oil is one of the greatest factors in the throttling of American industry. We submit the following figures to show the seriousness of the situation. These figures show an abnormal increase in importations which we respectfully contend is proof of our assertions. The importation of Mexican oils jumped from something over 50,000,000 barrels in the year 1919 to 106,175,000 barrels in the year 1920, and, on the available figures of 1921 for the first three months of this year, the importation was 36,879,174 barrels, the average increase in 1921 over the same period in 1920 being 101.92 per cent, despite a stagnated trade condition. This importation displaced a like amount of American produced oil or occasioned the displacement of 61,162,865 tons of coal on the British thermal heat unit basis of three and one-half barrels of Mexican fuel oil being the equivalent of 1 ton of American coal, assuming that the ratio of increased importation is maintained for the whole-year period.

We also cite authentic figures compiled from the reports of the United States Geological Survey, showing the fluctuation in coal production for the year 1920, and available figures for 1921, showing as it does the marked effect of the importation of Mexican oil owing to the large number of consumers being converted to use of this oil during the last few months.

that are not closed for this reason, the loss of price sustained on smaller products is being charged on the larger or lump product to the burden of the domestic consumer.

The operations hit the hardest by Mexican oil competition are those west of the Mississippi River, although the whole of the coal field of the United States has felt the shock. In Southwestern coal operations we have men who have not had the opportunity to work since October, 1920, not a day. In many instances where coal operators have some lump orders they claim that they can not operate their mines because they have no sale for the slack product which in many instances approximates 50 per cent of the gross production.

Again the report of the United States Bureau of Mines will show that in many mines the total recovery of the entire coal area now being operated by these mines is 43 per cent, the other 57 per cent left as pillars to support the roof under the present advancing system of operation and development, but a much larger percentage of this coal area could be recovered on a retreating system. But it is argued that the instability of market conditions does not justify the extra amount of initial expenditure required under the system last named, and with the result that labor loses employment. The resources thus left in the ground can not be recovered after operation is suspended and is a complete economic loss which does not speak well of the stewardship and the duty we owe to posterity in the conservation of natural resources.

In view of these facts and in the interests of the workers and national prosperity, we earnestly request your support for the enactment of the provisions of the Fordney bill placing an import tariff on Mexican oil.

Respectfully, yours,

JOHN L. LEWIS,

President United Mine Workers of America.

Mr. FORDNEY. Mr. Chairman, I will yield three minutes to myself. I ask to have read at the Clerk's desk a letter from the President on this subject.

The CHAIRMAN. Without objection, the Clerk will read the letter in the time of the gentleman from Michigan.

There was no objection.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, June 30, 1921.

Hon. JOSEPH W. FORDNEY,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. FORDNEY: I understand that your committee is very soon to decide whether to include a protective duty on crude oil in the tariff bill to be reported to the House. I can not refrain from expressing the hope that your committee will take note of the foreign policy to which we are already committed, under which the Government is doing every consistent thing to encourage the participation of American citizens in the development of the oil resources in many foreign lands. This course has been inspired by the growing concern of our country over the supply of crude oil to which we may turn for our future needs, not alone for our domestic commerce but in meeting the needs of our Navy and our merchant marine.

To levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interests.

I am not unmindful of the oil industry within our own borders, and most cordially believe in its proper consideration. Would it not be practical to provide for such protection in some bargaining provision, which may be placed in the hands of the Executive so that we may guard against the levy of duties against us or the imposition by other nations of export tariffs which are designed to hinder the facilitation of trade which is essential to our welfare?

In the matter of crude oil, as in the case of lumber, concerning which we talked, our position will be stronger if the tariff levy is omitted in your bill and authority is given to the Executive to impose a duty in approximately stated circumstances. I hope your committee will find it consistent to give consideration to these suggestions.

Very truly, yours,

WARREN G. HARDING.

Mr. FORDNEY. Mr. Chairman, all I wish to say, gentlemen, is this: The gentleman from Oklahoma [Mr. CARTER] Saturday offered an amendment to reduce the rate on fuel oil from 25 cents to 20 cents per barrel, and from 35 to 25 cents on crude oil. Personally I am willing to accept that amendment. [Applause.]

Mr. BYRNES of South Carolina. Will the gentleman yield for a question?

Mr. FORDNEY. I will.

Mr. BYRNES of South Carolina. I want to ask the gentleman from Michigan whether he had another letter from the President on the same subject?

Mr. FORDNEY. I replied to this letter, and the President answered my letter, in which I stated that I would lay his letter before the committee, and the substance of that letter is simply his reply to mine. That is all there is to it.

Mr. BYRNES of South Carolina. The gentleman could not present us with the other letter?

Mr. FORDNEY. No; not the other letter—this is the gist of the thing from the President.

Mr. BYRNES of South Carolina. Would not the gentleman let the House have the benefit of the other letter?

Mr. FORDNEY. No; I do not care to produce the other letter. It does not affect the President's position at all.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARNER. How much time have I to control?

The CHAIRMAN. The gentleman from Texas has an hour and 45 minutes.

Mr. GARNER. I will yield five minutes to the gentleman from South Carolina [Mr. BYRNES]. [Applause.]

Mr. BYRNES of South Carolina. Mr. Chairman and gentlemen of the House, I made inquiry of the gentleman from Michigan [Mr. FORDNEY] as to the second letter from the President because the press of the country has published what purports to be the contents of the other letter from the President and inasmuch as the press could have access to it, it seems to me that the House should have the benefit of the views of the President. The other letter of the President to the chairman of the Ways and Means Committee is supposed to contain this paragraph:

The oil industry is so important to our country and our future is so utterly dependent upon an abundance of petroleum, I think it vastly more important we develop an abundance of resources rather than temporary profit to a few producers who feel the pinch of Mexican competition.

That statement is as good a Democratic statement as we could expect from this side of the House. The President realizes, as we realize, that this oil tax is to be levied in the interest of a few producers, and that the millions of people of this country are to be taxed for the benefit of a few producers. Of course, it is true that what he says of this schedule applies with equal force to every other schedule in the bill. My objection is that he has not for the same reason opposed the rest of the bill. But his failure to do so is no reason why we should refuse to agree with him when he is right. In this other letter he told the House, through the chairman of the Ways and Means Committee, though the chairman will not give it to you, if you enacted the tariff bill with this schedule it would be a great disappointment to him, the President of the United States. It will be a great disappointment also to the millions of people who use manufactured gas in this country, to the eight millions who use automobiles, to the half million men who own trucks, to all the farmers of this country who use tractors and have upon their farms gasoline engines.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BYRNES of South Carolina. I can not yield now.

It will be a direct attack upon the merchant marine of this country, for 1,700 ships of the Shipping Board use oil, as do 400 vessels of the Navy. Gentlemen from New England oppose this schedule because it lays a tax upon the people for the benefit of a few producers. That is sufficient justification for voting against the tax, but that argument can be made to every other schedule. I oppose it because of the position the President takes, that it hastens the exhaustion of the greatest of our natural resources at this time. The Director of the Geological Survey and the Director of Mines have told the Appropriations Committee for several years that our supply of oil will be exhausted in 18 years. Just as we have exhausted our timber, we have become spendthrifts in oil, consuming last year about 100,000,000 barrels more than we produced.

This presents a serious problem, because we must have an adequate supply of oil to insure our industrial progress and our national defense. We need 100,000,000 barrels per year for our Navy and merchant marine. Realizing this problem, our Government is now encouraging our nationals to seek oil in foreign fields. This Congress has not only appropriated \$350,000 for the Geological Survey to seek new sources of oil in this country, but you appropriated \$25,000 to the President and directed him to seek oil supplies in foreign fields. So that while we are spending the money of the taxpayers with one hand to develop oil fields abroad, with the other hand, through the instrumentality of this bill, you are levying a tax upon that oil should they ever attempt to bring it into this country. Our State Department is negotiating with Holland to protect the rights of our nationals to develop oil fields abroad, and yet this bill is seeking to restrict the importation of that oil. Departments of the Government are in conflict. Our duty is to vote to protect this great national resource so essential to our commercial prosperity and our national defense.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. HIMES].

Mr. HIMES. Mr. Chairman and gentlemen of the committee, as the representative of one of the largest oil-producing districts in my State, the district which gave to America that greatest of exponents of protection, the beloved McKinley, I urge the adoption of the amendment presented by the gentleman from Massachusetts and the defeat of any import tax whatsoever on crude petroleum and fuel oil.

This tax will yield no revenue. The world is demanding oil, and oil can always find a free market. Paragraph 89, if enacted into law, will absolutely cut off importation of oil into the United States.

The benefit of this tax to the producers of America is conjectural. Many of the great producers themselves are opposed

to such a tariff, as stated Saturday by the gentleman from California, who represents one of if not the largest oil-producing district in the United States. In fact, a recent referendum of the Midcontinent Oil and Gas Association, the chief proponent of a tariff on oil, resulted in a vote of 43 opposed to such a tariff out of 133 members voting.

Mr. CHANDLER of Oklahoma. Will the gentleman yield?

Mr. HIMES. I am not unmindful of the golden rule, but if the gentleman will permit, I think I will stop before the five minutes have expired, and then I will be glad to yield.

The proponents of this tax frankly state that it is higher prices that they seek. I say to you that foreign oils are not now in competition to any extent with American production areas. Foreign oils are used almost exclusively for supplying the United States Navy, the merchant marine and Atlantic seaboard communities remote from our own areas of production. Accordingly the United States Government and our shipping interests, which other nations subsidize rather than handicap, would necessarily have to pay the bill.

Permit me to call your attention to another phase of this question. The foreign oils imported into the United States are from American-owned wells. There may be some little competition with foreign resources, but there is absolutely none with foreign capital. Great Britain, Holland, and other world powers are urging and aiding their people to seek oil throughout the world for their own consumption. Gentlemen of the Congress, England realizes the value of oil, and I thank God for the far-sighted policy on this question of our President and his Cabinet. A tariff on oil threatens no producers but Americans. It may be that some American capital invested in this country will benefit, but the greatest financial benefit will accrue to foreigners engaged in the exhaustion of American oil fields, looking toward the time when we will have to import from the oil fields now being conserved by Great Britain and Holland.

I yield to no man in my Republicanism. I yield to no man in my desire to protect American industry and business, not even the distinguished gentleman, the chairman of the Ways and Means Committee, who reported this bill to the House, but when I am called upon to cast a vote against the national welfare and safety, then I call a halt. Especially do I protest against the protection of foreign corporations, who are among the largest producers and refiners of the midcontinent field, and who are engaged in a British and Dutch effort to exhaust American oil fields and place the American public in vassalage to European producers of petroleum abroad.

I would place the protection of this natural resource above the protection of capital, and especially foreign capital.

Petroleum is power. Petroleum is economic power. The nation which could control the sources and supplies of petroleum could establish and maintain industrial and commercial ascendancy over all rivals and competitors. Petroleum is sea power. The nation which could control the sources of petroleum could control the seven seas. Its navy would be the mistress of the seas. Lord Curzon recently stated that the World War was won on a sea of petroleum, and that sea of petroleum, gentlemen, flowed from the wells of Mexico, the control of which is now being sought by British capital. [Applause.]

It may prove of interest if I insert the following statement:

Figures on production and consumption of petroleum in the world and the United States compared.

	1920.	Barrels.
Total world production (American Petroleum Inst.)—		688,474,000
Total United States production (domestic) (U. S. Geological Survey).....		443,402,000
(64½ per cent of world production.)		
Total United States consumption¹ (U. S. Geological Survey).....		531,186,000
(77 per cent of world production.)		
Total imports to United States, crude (U. S. Geological Survey).....		106,175,000
Total imports to United States, refined (Department of Commerce).....		2,618,000
		108,793,000
(Virtually all from Mexico.)		
20½ per cent of United States consumption.		
Total world resources (U. S. Geological Survey).....		43,055,000,000
Total United States resources (David White—Geog. Sur.).....		6,740,000,000
(15½ per cent of total world resources.)		

With but one-sixteenth of world's resources available within her borders, the United States is furnishing two-thirds of the world's total production. We are consuming over three-fourths of the world's total production, necessitating development abroad and import of 25 per cent over our total domestic production.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HIMES] has expired.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. HAWES]. [Applause.]

Mr. HAWES. Mr. Chairman and gentlemen of the committee, the great unsolved problem confronting this administration is that of transportation.

It is apparent to everyone that the railroads must be assisted either directly by the Government or by a loan, or the big systems of the country will soon be placed in bankruptcy and certainly in the hands of receivers.

The only practical supplement of transportation by rail is transportation by highway, and this Congress will soon be called upon to pass appropriations for a 4-year highway building program of \$400,000,000.

If we add to this the assistance which must be given to the railroads, we find that we are facing a national investment in transportation by land of approximately \$1,000,000,000.

Transportation affects every avenue of trade; public health is conserved by it; and certainly in the matter of highway development it will be the greatest possible aid to the rural school. Its benefits are too many to be even mentioned, let alone discussed, within the period allotted to me.

We find, according to United States statistics for 1920, that there are 9,278,361 motor vehicles, with a valuation of \$3,594,814,620. They paid in taxes and license fees to the various States of the Union \$101,104,019 in the year 1920.

My own State—Missouri—has 297,000 machines, which pay into the good-road fund of my State annually nearly \$3,000,000.

In addition to motor vehicles there are approximately 400,000 tractors and 2,500,000 stationary engines used on the farms of our Nation, approximately 95 per cent of which use oil or gasoline as their motive power.

Our consumption of gasoline to move these motors and tractors amounts to 4,256,428,005 gallons, which is about 355 gallons for each automobile, tractor, and stationary engine, or approximately a gallon a day for each machine.

Thirty-three per cent of all the motor vehicles in the United States are located on farms and in towns of less than 1,000 population; 22 per cent are in towns of 1,000 to 5,000, many of which are owned by farmers.

It is safe to say that nearly one-half of the automobiles in this country are therefore owned by farmers, and the farmer will be the greatest sufferer if the gasoline tax is imposed.

When we add 239,102 motor cycles to the motor cars and trucks, we find that this a direct tax placed upon a special class of our citizens, who number 9,500,000 persons, or nearly 1 person out of each 10 men and women of the total population of the United States.

Seventy-seven million five hundred thousand dollars of motor revenue is applied to road work under State departments, and over \$20,000,000 is applied to county road work under local subdivisions.

Paragraph 89 provides for a duty of 35 cents for a 42-gallon barrel, and for fuel oil 25 cents for the same-sized barrel.

It will be surprising if this tariff does not permit the oil monopoly to increase its prices at least 4 cents a gallon for gasoline; but, trying to be conservative, I will place the approximate increase at 2 cents a gallon. At this rate, there being 4,256,428,005 gallons consumed in the United States, at 2 cents a gallon it would cost the users of motor vehicles, tractors, and farm engines \$85,128,560.10 a year.

This increase may not come immediately, but it provides an excuse too compelling, too attractive, for the monopoly to resist, so I am confident that in this one item the United States will pay \$85,000,000.

Eliminating for the time being the question of conservation of natural resources; eliminating our State controversy with Mexico and with Holland, where we are demanding equal rights with the citizens of those countries; eliminating the increased cost of roofing materials in building; eliminating the increased cost to the Navy, which burns oil, and the great ships on our lakes and sea whose engines burn oil; eliminating all possible increase of cost of lubricating 10,000,000 automobiles and hundreds of thousands of machines of all kinds; eliminating the cost of fuel oil used by a large number of our railroads, and confining this contention solely to the matter of motor transportation we find that during the year 1920 a little over 100,000,000 barrels of Mexican petroleum and petroleum products were imported into the United States.

Placing all this not on the 25-cent basis but on the high basis of 35 cents, we gamble on securing from this item in this law a revenue of \$35,000,000, as against which a slight increase of 2 cents a gallon which this tariff will undoubtedly create, it will cost our citizens \$85,000,000; or, in other words, in order to secure a revenue of \$35,000,000 our citizens must expend \$85,000,000, a foolish business venture from any point of view.

Let me reduce the direct cost of this schedule to the State of Missouri and the States which surround it.

¹ Domestic production plus imports minus exports plus stocks on January 1 minus stocks on December 31.

Missouri motor vehicles consumed 98,903,664 gallons of gasoline in 1920. If the increase comes at only 2 cents a gallon, this will cost the State of Missouri each year \$1,978,073.28. It will cost Kentucky, \$676,000; Iowa, \$2,900,000; Illinois, \$3,800,000; Kansas, \$1,900,000; Arkansas, \$393,000; Nebraska, \$1,400,000; and Oklahoma, \$1,400,000.

All a direct tax of these various amounts on a transportation system which is growing by leaps and bounds, and is the only prospect open to supplement the present impaired railroad transportation.

The tax of \$85,000,000 on the motive power of motor transportation is to be added to by a direct tax on highway construction.

There are used in the United States 800,000 tons of hard and soft asphalt for road purposes, over which these 9,000,000 motors travel.

In 1 mile of an 18-foot road there are about 10,000 square yards of asphalt. The cost of this, under paragraph No. 207, will be added to by at least 1½ cents a square yard, or about \$150 a mile. As asphalt in some form or other enters largely into the construction of our roads both in the cities and in the country, this will mean an additional tax on highways of many millions of dollars, and will enable the manufacturers of cement and other road-building materials which now compete with asphalt to raise the price of their products.

If we build only 20,000 miles of road in the United States in the next year and the tariff tax on asphalt would amount not to \$150 but only to \$50, it will cost the Nation and road-building States \$1,000,000, or occasion a loss of \$1,000,000, and the \$900,000,000 voted for bonds in the States will have shrunk to only \$800,000,000.

I can not be exact in these figures, but they are approximately correct, quite enough so to put the proponents of this tax upon inquiry. So that highway transportation under these two schedules is required to pay:

1. A motive tax on fuel of \$85,000,000 and an approximate tax on the construction of highways of \$1,000,000, or approximately \$86,000,000, taxed upon highways and motor transportation by the two sections of this bill.

The various States in the Union in 1920 passed bond issues for good roads amounting to \$900,000,000, which will be largely increased this year, and added to which will come \$400,000,000 from the National Government in the 4-year building program, making immediately in sight the building of roads and highways in the United States a building program of certainly \$1,300,000,000, and this, supplemented by city and county construction, can reasonably be assumed to run up to at least \$2,000,000,000.

Every dollar of this enormous sum will lose its purchasing power by the increased cost of highway building material, so that it is reasonable to assume that in order to secure from oil an approximate revenue on imports of \$35,000,000 and an approximated revenue on asphalt of \$5,000,000, or a total of \$40,000,000, the highway and motor transportation of the country will have to pay the enormous sums of approximately \$86,000,000.

This is not good patriotism; it is not good business; it is not even common sense.

The remedy of the independent oil operator is not to be found in a tariff, but in presenting their complaints to the office of the Attorney General.

Their trouble is not competition with foreign oil, but competition with a great trust which controls the price of oil in America. [Applause.]

Mr. CHANDLER of Oklahoma. Will the gentleman yield? Will you tell the committee who informs you that that would raise the price of gasoline?

Mr. HAWES. My friend, it is the history of monopoly in this country. This tariff means that the Standard Oil Co. can, and therefore will, raise the price of gasoline to any sum it pleases, and the remedy of the gentleman from Oklahoma for the independent oil consumer is not a tariff wall, but is to be found in the office of the Attorney General of the United States, and in that office there is an able and courageous man, and the independent operators in oil can safely take their story to him. [Applause.]

I insert herewith a letter addressed to me by the Federal Highway Council, which reads as follows:

FEDERAL HIGHWAY COUNCIL,
Washington, D. C., July 15, 1921.

HON. HARRY B. HAWES,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: The Federal Highway Council is not interested in any fight between oil producers of this or other countries, who are demanding or opposing a tariff on crude and fuel oils.

It is not interested in any proposition as described in a recent letter mailed to the stockholders of such companies, urging the adoption of

such a tariff, and in which we find the following: "It is of the highest importance that every corporation send out an immediate letter to every stockholder asking that he immediately get in touch with his Member of Congress, urging him to support a tariff on crude and fuel oils from Mexico and other places."

In the interest of the general public, however, the council is definitely opposed to the proposed tariff on oil. The Federal Government, together with the several States and counties, are now expending and preparing to spend vast sums of money on the construction of highways. Additional appropriations will be necessary to meet the highway traffic needs of the country. Requests for these appropriations are now before Congress. For several years highway construction and maintenance have been seriously handicapped by the high cost of road-building materials. The public demands a reduction in the price of these materials rather than an increase. If the proposed tariff should be adopted by Congress, its effect would be to increase the price of oil and its by-products, used in such construction and maintenance, from 15 per cent to 20 per cent.

It seems impossible to the general public that Congress should appropriate large sums of money to assist in meeting the economic needs of the country in highway construction and maintenance and then penalize it with such a tariff.

Speaking for our membership, which includes representatives in your district, may we ask for your views on this matter?

Very truly, yours,

FEDERAL HIGHWAY COUNCIL,
S. M. WILLIAMS, Chairman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. McKENZIE].

Mr. McKENZIE. Mr. Chairman and gentlemen of the committee, all my life I have had an unflinching faith in the wisdom of the doctrine of protection as enunciated by the Republican Party and as approved by the great majority of the people of this country, including thousands of Democrats. When properly applied, in my judgment, it results in benefit either directly or indirectly to all the people of our country. In short, it is a policy for the benefit of Americans. But I am not unmindful of the fact that when misapplied it may result in injury and injustice to a part, if not all, the people of our country. In the proper application of protection it is constructive in effect. The proper application of it puts the great herds of cattle on the almost boundless plains of Texas, keeps the flocks of sheep on the farms and ranches in this country, has built up all along the Atlantic coast and all over our land, great, strong, permanently lasting industrial plants, where the labor of the country is employed, and has insured the investor in American enterprise a fair return for his money and a living wage for the man who toils. But, gentlemen, while I realize all that, I am not unmindful that the enthusiasm of some of our citizens to apply the policy in an improper way has inflicted injustice, on the people.

I am one of those who believe that when applied to the handicrafts of man or to the cultivated products of the soil it is just. But when you undertake to say that the great natural products that were placed in the earth, as on its surface, by the Creator, products such as oil and lumber and potash and coal, should be subjects upon which there should be levied a protective tariff, I say it is a subversion of the doctrine of protection. [Applause.]

Why is it that such a policy on the one hand builds up, is constructive, and on the other is destructive? A tariff applied to timber or to oil or to coal or to the potash of our country means that we will use up our own natural products. We ought not to think of but to-day, or to-morrow, or next year, but we should think and so legislate that we will conserve these great natural resources, not only for this generation, but for the generations to come.

No man needs to do more than to look back into history and read of the forests we once had, of the great forests primeval that Longfellow spoke of all over this country, which to-day are nearly all gone, and of which we have only a small portion left in the Northwest and Southeast. And yet even in this bill, that pretends to say it is for free lumber, there is a provision whereby we undertake to say to Canada, "Unless you let us take our lumber into your country, away from the people who want to build homes in this country and sell it in Canada, we will not let you bring your lumber in here free."

Oh, my Republican friends, believing in the wisdom of this great policy, a policy that has made us the greatest country on the face of the earth, I hope in the Senate they will take out all these provisions that lay a tariff on such products as I have named. [Applause.]

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

Mr. GARNER. Mr. Chairman, I yield three minutes to the gentleman from Arkansas [Mr. OLDFIELD].

The CHAIRMAN. The gentleman from Arkansas is recognized for three minutes.

Mr. OLDFIELD. Mr. Chairman, Abraham Lincoln, I believe, said repeatedly in his speeches, using the Scriptural quotation, that "a house divided against itself can not stand." It

seems that the President of the United States is against this petroleum tax, and that the gentleman from Michigan [Mr. FORDNEY] is for it. Therefore it seems that your house is divided, and I feel sure that it will not stand. The gentleman from Michigan [Mr. FORDNEY] is always a protectionist; hence he is consistent and always wrong. The President is not always consistent, therefore he is sometimes right.

Now, gentlemen, the independent oil producers of this country did not appear before the Committee on Ways and Means asking for protection on petroleum, but they have depended on propaganda. The facts are, gentlemen, they started here to ask for a duty on petroleum, but they did not come. We thought they were coming, but one day while the committee was having its hearings we saw in the newspapers of the country a statement that the independent oil producers in the mid-continent field had had a meeting and that 90 of those persons attending that meeting voted to have representatives come here to urge a protective tariff on oil and 43 voted against it; hence the independent oil producers themselves therefore were unable to get together on the proposition, and so they did not come before our committee and produce testimony but depended upon propaganda, and our mail has been flooded with it for the past two or three weeks.

Now, as I said, this, of course, is a tax upon all the 110,000,000 consumers of this country for the benefit of the mere handful of independent oil producers. That is all there can be to the proposition. Of course, the oil business is depressed. But it is not depressed any more than is the business of the farmers of this country or any other business in the country. Why, then, do you want to tax all the people for the benefit of a relatively few independent oil producers? There are 50,000,000 people in the country and villages in America to-day who use kerosene. All the people of America use petroleum and its by-products. Therefore, why should a Republican, even—and the President does not want to—why should any Republican or Democrat want to tax all the people of America for the special benefit of a few thousand people scattered over certain sections of the country? I say it is not fair to the people of the country. You ought not to do it. In the last 11 months we have imported \$65,000,000 worth of petroleum, and at the same time we exported \$27,000,000 worth—that is, of crude oil. But at the same time we exported \$500,000,000 worth of gasoline, naphtha, and other products of petroleum.

The trouble about this proposition is that the gentleman from Michigan [Mr. FORDNEY] and the Republican Party are always willing to rob the poor and give to the rich. The gentleman from New York [Mr. LONDON] and the Socialist Party would rob the rich and give to the poor.

Mr. LONDON. I deny that. [Laughter.]

Mr. OLDFIELD. The Democratic Party, however, believes in equal rights to all and special privileges to none, if you please. [Applause.]

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

Mr. OLDFIELD. No; I regret that I can not. I have not the time to yield.

Now, gentlemen, I hope that this proposition will be voted down. I hope that no Democrat will vote for this duty on petroleum; because when you do it, gentlemen, you tax all the people of America for the benefit of a few people who are depressed, whose business is depressed. The business of the cotton farmer, of the wheat farmer, of the stock grower is also depressed. You want to increase the price of a prime commodity, of an absolute necessity of all the people of the country. That is what you want to do. And how do you expect the people, those whose business is depressed also, the farmers and business men generally—how do you expect them to pay the increased prices that you lay upon them by means of this tax and many of the other outrageous taxes included in this bill?

I thank you, gentlemen. [Applause.]

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

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. GENSMAN.]

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

Mr. GENSMAN. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Oklahoma [Mr. CARTER], which I ask to have read.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment to the amendment offered by Mr. CARTER, which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. GENSMAN for the amendment offered by Mr. CARTER: Page 35, line 9, after the word "crude," strike out "35" and insert "75." In line 10 strike out "25" and insert "50."

Mr. GENSMAN. Mr. Chairman and gentlemen, to begin with I am not altogether certain that this substitute of mine will meet your approval. I am in favor of letting the bill stand as it is at this time. I am for it first because of the fact that the farmers of the Middle West are for it, notwithstanding what other gentlemen may have said here to-day. The farmers of Oklahoma and the farmers of the entire Middle West are for this bill, just as it was brought here upon the floor of this House. In support of that proposition I would like to have you listen to the following letter:

FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,
Oklahoma City, Okla., July 13, 1921.

HON. L. M. GENSMAN, M. C.,
Washington, D. C.

DEAR FRIEND: There are 31 of the members of our organization here in the city this week attending an organization school. They come from about that many counties. I have canvassed everyone of them on the question of whether or not the prosperity of the oil interests of the State is of a benefit to the farmers of the State and they are unanimous that it is and everyone of them has told me that they believe that a protective tariff on oil would indirectly benefit the farmers of this State.

The farmers are now selling wheat of the new crop for 80 cents a bushel, oats at 10 cents a bushel, and potatoes at 30 cents a bushel. You must know that at such figures, they not only receive nothing for their work but actually do not get back as much as they have expended in cash on these crops. When the oil business flourishes, development work goes on and thousands and tens of thousands of our farmers have opportunity to lease their land. I know many farmers, who would not be able to pay their taxes were it not for the dollar an acre they get from their oil leases.

Therefore, I feel that I am voicing the sentiment of the farmers of the State when I say that we would be glad to see you support a tariff on oil.

Yours, truly,

JOHN A. SIMPSON, President.

From this letter it appears that the farmers of 31 counties of Oklahoma are unanimously in favor of a tariff upon oil. If that is the case, gentlemen, it goes without saying that the farmers of Kansas are in favor of a tariff on oil, and that the farmers of the entire Middle West are also in favor of it. Who else is in favor of it? This morning every Member of this House received a letter from the United Mine Workers. These men are interested in it. Labor is interested in it. There is absolutely no question but what the common people are in favor of this tariff on oil, regardless of the fact that some gentlemen here may have said that it is going to hurt the common laborer and the common people of the country.

Mr. WYANT. Will the gentleman yield for a brief question?

Mr. GENSMAN. Yes.

Mr. WYANT. I understand there are 204,000 producing oil wells in the United States.

Mr. GENSMAN. Yes.

Mr. WYANT. That those wells average 2.4 barrels each per day, whereas in Mexico the wells average 2,600 barrels per day. Now, what effect will the free importation of Mexican oil into the United States have upon the successful operation of these 204,000 wells in the United States?

Mr. GENSMAN. It will absolutely ruin the independent operators. It will absolutely ruin the oil business in the United States. Regardless of what anybody may say to you, it will absolutely ruin the oil business in the United States.

Now, gentlemen, you have heard some of the gentlemen over on the Republican side of the House take the opposite side of this question. Why, the other day we heard a man here who is supposed to be a Republican—a member of the Committee on Ways and Means—and I want to say to you that when the gentleman from Massachusetts [Mr. TREADWAY] got through making his speech it was one of the best Democratic speeches I ever heard fall from the lips of any Democratic soap-box orator in the city of New York. I have heard a good many of them get up on soap boxes and make Democratic speeches, and I want to say to Mr. TREADWAY that so far as I am concerned he "takes the cake," without the question of a doubt. He is absolutely inconsistent. If a man is going to be a Republican, I say to him be a consistent Republican. [Applause.]

Mr. WYANT. Will the gentleman yield for another question?

Mr. GENSMAN. Pardon me, I have so little time I can not do it now. If you are going to be a Republican, be a consistent Republican. If you are going to be a Democrat, go over on that side of the House, where you belong. [Applause.] And to the Democrats over on the other side of the House I want to say that the sonorous voice of my good friend Mr. TREADWAY may fit in over there. I do not know anything about that, but I do say that if his sonorous voice does not fit in well over on the other side of the House it is an absolute lead-pipe cinch that his logic does. [Applause and laughter.]

It has been said that the price of gasoline is controlled by the price of crude. Why, gentlemen, that is just a joke. The Standard Oil Co. and its subsidiaries control the price of gasoline. Have you not learned that early in the game?

Six months ago crude was selling for \$3.50 to \$6 and gasoline sold for 30 cents a gallon; to-day you can buy from the independent producer in the Lawton field all the crude you want for 50 cents a barrel, and if you attempt to fill your gasoline tank on your car in Washington you pay 27 cents per gallon. I paid that price last evening for gasoline on the streets of your city.

Mr. FORDNEY. Will the gentleman from Texas use some of his time?

Mr. GARNER. I yield to the gentleman from Arkansas [Mr. TILLMAN]. [Applause.]

Mr. TILLMAN. Mr. Chairman, I want to congratulate my good friend from Oklahoma [Mr. CHANDLER] on his sturdy consistency. He is wrong on many, if not all, of these schedules, and yet he is consistent, and I am inclined to indorse what has just been said by the other gentleman from Oklahoma [Mr. GENSMAN] when he asserts that a man ought to be either a Republican or a Democrat. He insists that Mr. TREADWAY, the gentleman from Massachusetts, has been converted to Democracy. If that is true, I insist right here that we open the doors of the Democratic church and allow FINIS GARRETT to baptize Brother TREADWAY, and may the Lord purge all Republican sin from his saved soul.

Mr. LANKFORD. I object. [Laughter.]

Mr. TILLMAN. Objection is made, and the invitation is withdrawn. [Laughter.] The gentleman from Massachusetts [Mr. TREADWAY], however, did make a good Democratic speech upon one schedule, to wit, the oil schedule.

The State of Oklahoma is to be congratulated on the fact that her able delegation, both Democrats and Republicans, are to-day wielding keen blades in the spirited battle now on to take care of her leading industry—the great oil business. They are right when they charge the Republican President and Republican Congressmen with ridiculous inconsistency on the different schedules in this bill. I never could understand why if protection sauce must be had for the textile goose of Massachusetts protection sauce should be denied the petroleum gander of Oklahoma; but the discussion here this morning illustrates better than anything else the inherent vice in this monstrosity—the Fordney tariff bill. As I took no time whatever in discussing this bill while general debate was going on, I will ask indulgence to use some time to give my views generally upon the subject of this bill.

In the early days of the Republic the first suggestion of a tariff was based on the avowed purpose of producing needed revenue, but even then the protection spirit in Massachusetts and Pennsylvania was so strong that their representatives caused to be inserted in the first tariff act—that of 1798—the protective principle. How modest were these early protectionists. In this first act a general duty of 5 per cent was imposed upon all the goods not specifically enumerated, and the largest ad valorem rate fixed in this bill was a duty of 15 per cent on carriages. For 20 years after this date only moderate increases were allowed by legislation. The tariff act of 1816 was but a mild one, the duties averaging about 20 per cent. From 1830 to 1860 high tariffs were followed by low tariffs and low tariffs by high tariffs. During all these years the duties were not high as compared with later bills, and certainly low as compared with the present iniquitous measure. The tariff act of 1832, passed by the Whigs and National Republicans, had an average rate of dutiable articles of about 30 per cent.

INFANT INDUSTRIES.

In the beginning the most plausible argument in favor of protection was expressed in the phrase, "Protection to infant industries." Mill himself approved this idea, as did early German economists. It was generally believed that it was better to give protection to men with capacity and capital to start industries where there were none rather than to allow the people to continue to purchase necessary articles from foreign producers. None of us are insisting on free trade; all believe in establishing and maintaining legitimate manufacturing industries in this country and all are willing to grant these manufacturers every reasonable protection until they are able to compete with foreign manufacturers; but Democrats do not believe that tariff duties should be so high that those engaged in the manufacture of any article can charge and receive an unreasonable bounty on the same, which bounty accrues to him because of the fact that foreign producers of the same product are kept practically and often entirely out of the American market, because the duties levied are such as to sometimes exclude entirely any competing articles from a foreign field.

Now, as to infant industries, most of them are fully grown and yet the Fordney bill now pending proposes to still treat them as if they were sightless, toothless babies "mewling and

puking in their nurses' arms." What a lusty infant is the American Woolen Co., and yet it must still be coddled and protected. What a bearded child is the Steel Trust, and yet it must be fed by Uncle Sam with a golden spoon. What Sampsonlike kids are many of the great cotton-mill factories, and yet they must be sustained and soothed with Fordney high protection lest they perish. The sober truth is, many of these infants are "bearded like the pard" and have pockets on them like meal sacks, filled with gold and silver and profiteering profits wrung from the sweaty hands of tired but patient consumers all over the land. Some of these tariff favored youngsters stalk about in 7-league boots. Most of them are infants like the one described in First Samuel 17, whose height was 6 cubits and a span; who had an helmet of brass upon his head and was armed with a coat of mail, and the weight of the coat was 5,000 shekels of brass; who had grooves of brass upon his legs and a target of brass between his shoulders. And the staff of his spear was like a weaver's loom; and his spear's head weighed 600 shekels of iron. [Applause.]

THE FORDNEY BILL.

This bill has 346 pages and repeals something like 200 sections of the present tariff laws. This measure was born not in a manger but in a gilded cradle in the northeast corner of the star chamber occupied by the Republican members of the Ways and Means Committee, to wit: Messrs. FORDNEY, GREEN, LONGWORTH, HAWLEY, TREADWAY, COPLEY, MOTT, YOUNG, FREAR, TILSON, BACHARACH, HADLEY, TIMBERLAKE, BOWERS, WATSON, HOUGHTON, and CHANDLER. These Members were engaged in incubating this Fordney baby from the 6th day of January, 1921, until the sad day of its birth on the 21st day of June following at low tide. No Democratic member of the committee—and some of them, particularly KITCHIN, GARNER, COLLIER, OLDFIELD, and CRISP, are more or less experts in the business of incubating tariff babies—were permitted to even glance past the polished doors shutting them and other good and lawful men out from this rich star chamber, while the skillful Republican accoucheurs, the secretive, deft he-midwives aforementioned were incubating and producing this ugly monstrosity, this cross-eyed abortion of a tariff youngster, and yet claimed by its fathers to be the most sacred, the best constructed, the liveliest, and the most promising of all the baby tariffs brought forth since 1798.

Mr. YOUNG. Will my colleague yield?

Mr. TILLMAN. I shall be glad to do so.

Mr. YOUNG. I should like to ask the gentleman whether there were any Republicans present at the time the Underwood bill was prepared.

Mr. TILLMAN. I was not here at that time.

Mr. YOUNG. I will tell the gentleman that there were not.

Mr. TILLMAN. Old members of the Ways and Means Committee say that they extended more courtesies to the Republicans than you did to your Democratic colleagues in framing this bill.

Mr. CLARKE of New York. Will the gentleman yield for a question?

Mr. TILLMAN. Yes.

Mr. CLARKE of New York. Can the gentleman tell me the difference between the export and import prices of oil for the last year?

Mr. TILLMAN. I am not advised about that.

It is said that Richard the Lion Hearted was born with a full set of teeth. This baby has teeth also, and will at once begin to kick and scream and chew, to the delight of the 17 obstetricians who brought it forth and to the detriment, if not to the destruction, of a hundred million consumers among the American people. [Applause.]

Whilst many of the schedules of this bill are vicious and unconscionable, the dye monopoly, the gentleman from Wisconsin [Mr. FREAR] justly says, is "fundamentally indefensible," and this gentleman, one of the clearest-headed and strongest members of the majority, claims that many other schedules are objectionable and can not be defended. To my mind, the measure will bring untold suffering to consumers, and its repeal will be demanded by nine-tenths of the American people within a year from its enactment.

It professes to be drawn in the interests of the farmers, whose occupation is to garner "a husky harvest from the grudging ground." God help the farmer, because of the kind of help it will give him. Like all other Republican tariff bills, it was drawn in the interest of the manufacturer and not the farmer. Almost at the beginning there began a sectional struggle for political power in America, having its origin in opposing economic policies, in a struggle between the agricultural people in the South and West, desiring wide markets with the whole world,

and a commercial manufacturing faction in the North and North-east, who sought and obtained protective tariffs under which that section was able to buy cheaply the foodstuffs and the raw materials of the South and West, while the latter sections were compelled to pay high prices for the manufactured articles produced in the North and East. This system fostered in this wicked bill imposed and will continue to impose an unjust burden of taxation far in excess of any burden imposed on us by the British Government prior to 1776, and because of which burden so imposed by the British Government young America sprang to arms and fought for American independence.

Examine a few of the schedules and you will find that they really do nothing for the farmer or the ordinary consumer. They profess to levy a duty on hides which will benefit the packers and not the cattlemen, and as an offset they want more, more, more protection on shoes, harness, and all kinds of leather goods. It was amusing to listen to a short colloquy between the gentleman from Kansas [Mr. TINCHER], Republican champion of the farmers, and the gentleman from Massachusetts [Mr. TREADWAY], also Republican and champion of the protected manufacturers. Listen to this colloquy:

Mr. TREADWAY. Will the gentleman yield?

Mr. TINCHER. I will be glad to yield, because I think you are one of the gentlemen I want to yield to.

Mr. TREADWAY. In view of the gentleman's information as to the need of a duty on hides, does he go to the extent of a compensatory duty on manufactures?

The gentleman from Massachusetts could not bear to think of a duty on hides unless coupled with a still higher duty on New England shoes, harness, and leather goods.

The manufacturers are willing to throw a little sop in the direction of the farmer in the way of an alleged tariff which does not protect and then claim 2 or 3 cents for one as a compensatory duty on the product manufactured from the farmer's raw material. This specious claim that they are protecting the farmer's corn, wheat, cotton, and various things like that produced on the farm is the rankest sort of nonsense, because the farmer exports a large surplus of these products and is not injured because of the inferior and unimportant imports of like nature that come into this country. The only way to help the farmer is by encouraging trade abroad, by giving him not only a home market but a foreign market as well, and this bill will destroy his best market—the foreign market. This can be done only by a reasonably high tariff wall, one low enough to let the products of other countries come in in exchange for ours. How are we to sell our products abroad if we shut out imports? We have almost half the gold of the world, over three billions, as against a world total of about seven billions, and foreign countries can not pay for our products in gold, and we will not take their depreciated currency, but must get our pay from them in goods; that is to say, imports must pay for exports. Aside from this, we are now the creditor nation of the world. Our late allies owe us \$10,000,000,000 and interest, borrowed money, and in addition to that the nationals of other countries owe our nationals \$5,000,000,000 more. How is this money to be paid or how is the interest even to be paid unless our tariff wall is low enough for these amounts to be paid in goods? Right now in America are men, as has been stated before in this debate, who are not only willing but anxious to cancel Europe's debts to us in order to discourage the importation of foreign goods to be sold in competition with American goods produced by them and their friends. For one, I shall never consent to the cancellation of a single penny of the debts that Europe owes to us.

BLOWING HOT AND COLD.

It is amusing to hear some of our friends representing manufacturing districts insisting on protection to goods manufactured in their section and demanding free raw materials out of which to make those goods. The gentleman from Massachusetts [Mr. TREADWAY] wants protected cotton, leather, and woolen goods, and yet he wants no tariff on imported oils. Right here I think of another bit of sectional inconsistency. Many gentlemen living in the great section often referred to by them as north of the Ohio and east of the Mississippi claim to be very solicitous about the welfare of the South and want to help us and save us, in spite of ourselves, as they term it. They say they are protecting our raw wool, and yet, as a matter of fact, we are paying them two or three times the amount of its protection, if indeed it is any protection at all to us, for much higher protected woolen clothing. They say they are protecting our cotton, the bulk of which we export and which will not be benefited by this alleged protection, and for this alleged protection they are trimming us half a dozen cents for one on their manufactured cotton cloths. They are merely juggling with us. They are merely

tricking us. They are promising us something that we never get. How well Shakespeare expressed the thought when he said:

And be these juggling fields no more believ'd,
That palter with us in a double sense;
That keep the word of promise to our ear
And break it to our hope.

Referring again to the opinions of men representing different interests and living in different sections, I recall a reference I made earlier in the debate to what I consider a rather prevalent inconsistency on the part of many of the friends of protection. Now, my friend from Oklahoma [Mr. CHANDLER] is a consistent protectionist. I hear quote a colloquy from the RECORD of July 14, proving that all protectionists are not:

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

Mr. CHANDLER of Oklahoma. Yes.

Mr. TILLMAN. I take it for granted that the gentleman from Oklahoma heard the gentleman from Massachusetts [Mr. TREADWAY] this morning when he stated that he estimated that the rate of 35 cents a barrel on crude oil and 25 cents a barrel on fuel oil would mean at least 1 cent a gallon extra in the cost of oil in New England. Did not the gentleman hear the gentleman from Massachusetts insist that almost all raw materials and manufactured products competing with articles produced up there should be compelled to pay a duty, and does the gentleman regard the gentleman from Massachusetts as consistent in his opposition to a tariff on oil and his advocacy of a tariff on cotton goods?

Mr. CHANDLER of Oklahoma. I do not.

Mr. TILLMAN. I will ask the gentleman from Oklahoma if he has read the statement of Gov. Cox, of Massachusetts, where he said, "It would be a serious blow to New England industries, a large number of which are to-day consuming oil, as well as an injury to the several new oil refineries recently built in Massachusetts," and "It would tend to raise the price of coal in New England, and also to increase the price of gasoline"? Is that good Republican doctrine or good Democratic doctrine?

Mr. CHANDLER of Oklahoma. It is pretty good Democratic doctrine; at least it sounds to me like what you gentlemen have always asked for in the past.

How very anxious they are to help the South, so they claim. In order to demonstrate their benevolence southwardwise they propose in schedule 15, paragraph 1634, to impose a duty on potash, used largely in the South as a fertilizer by the cotton and tobacco farmers. This fertilizer is absolutely essential for the lean lands of our older cotton States. I happened to be on the Committee on the Public Lands during the war, and our committee was charged with the duty of passing measures to develop on the public lands of the Nation, if possible, potash production. I ascertained during that time that this country had been producing very little potash; that the principal source of supply lay at Strassfurt, Germany, and in Alsace. Prior to the war potash had been costing the southern farmer \$40 per ton. During the war the supply was cut off, and it rose to \$500 per ton, and but little could be had at that figure. Potash is used not only as fertilizer but in making explosives, and the Kaiser, knowing that we had but a limited supply of potash, said that if America went into the war she would go into the struggle with a rope around her neck, because of this dearth of potash. So our committee set to work to ascertain if we could produce sufficient potash locally to fill American needs. We found about the only available sources of supply to be Searles Lake in California, a small supply in Nebraska, and some potash could be produced from kelp or seaweed along our northwestern coasts, but we come to the conclusion that we would have to depend largely upon importations from other countries if the necessary amount of this fertilizer could be forthcoming. Now, the authors of this bill are proving their great attachment to the South but putting \$50 per ton on all potash imported in bulk. The farmers of the Southern States use more than 75 per cent of all the potash consumed and must pay under this schedule something like \$10,000,000 a year for this necessary fertilizer. Instead of getting potash for \$40 or \$50 per ton, they will be compelled to pay under this bill about \$100 per ton. One trouble about the meager amount of customs money that goes into the Treasury because of high protective tariff is that for every dollar that reaches the Treasury the millions of consumers throughout the country must pay to the protected profiteering industries three or four dollars.

THE TARIFF AND WAGES.

The gentleman from Michigan [Mr. FORDNEY], and such other zealous champions and friends of the laboring man, insist that bills of this character make a home market, and they say that they are for this measure largely because of the fact, and that the maintenance of a high protective tariff is the main factor in making the rate of wages high for the laboring man. Hear what Prof. Taussig, teacher of economics at Harvard University, author and lecturer on economic subjects, says on the subject of tariff and wages:

No economist of standing would maintain that a protective tariff is the one decisive factor in making high a country's rate of wages. There are familiar facts in plenty which run counter to the argument.

They are familiar, but as is often the case, people fail to see the significance of that which stares them in the face.

A plain fact universally known is that we regularly export from the United States goods to the value of billions of dollars. How can this be, if low-paid labor can always undersell high-paid labor? Wages in terms of money, and in terms of commodities also, are higher in the United States in all occupations of whatever kind, yet we know that not all employers of every kind are undersold by their foreign competitors. The simple existence of an export trade proves that they are not; nay, that so far as there is any underselling, it is the Americans who undersell the foreigners.

We export an extraordinary quantity and variety of articles. Agricultural products, like cotton and wheat; crude and semimanufactured products, like mineral ores, timber, and copper; and all sorts of manufactured goods; cotton fabrics, iron and steel in all stages, machinery, and tools. All the laborers who are employed in making these exported articles get higher wages than those employed in making similar articles abroad. Yet the very fact of exportation proves that the articles are sold at least as cheaply as the competing foreign product.

Wages in agriculture are higher here than in Europe; Canadian wages are about the same; but notwithstanding this sustained higher rate of pay in the United States and Canada, American and Canadian farmers meet foreign competition in its own home. The same thing is true of copper. It is sold all over the world, notwithstanding wages in American smelting and refining plants are higher paid here than elsewhere. The same thing is true of agricultural implements, sewing machines, structural steel, rods, rails, and wire. In these the total exports rose to hundreds and hundreds of millions in the years 1912 to 1914, years preceding the war, which were not affected by abnormal war conditions.

The explanation of all such facts is simple. Turn to the most familiar fact of all—the continuing exports from the country of high wages to those of low wages. The workman whose labor is embodied in the exports is paid more, but he also produces more. The labor is more effective, and the employer can therefore afford to pay more for it. Sometimes, as in the case of wheat and iron and copper, the same exertion produces a greater quantity of identically the same article. Sometimes, as with our exported cottons, it produces a greater quantity and also a better quality. Sometimes again, as in the case of our sewing machines and agricultural implements, the greater effectiveness consists in producing an article which is better made and better adapted to its purpose. The greater (or better) product yields a larger gross return to the employer, even though not a larger sum per unit, than the return from similar labor elsewhere, and the employer is able to pay higher money wages. Not only is he able to do so, but he must, for thousands of employers compete with each other for laborers, and the result must be that wages will be high in some proportion to the productiveness of the laborers. Beyond doubt this is the fundamental explanation of the differences that prevail in the various parts of the world.

The general proposition that a high rate of wages is the result of a high productiveness of industry is simple and undeniable.

THE FREE LIST.

The gentleman from Michigan [Mr. FORDNEY], many times a millionaire, we are told, chief godfather of this tariff baby, chief defender of the laboring man, champion in chief of the farmer, friend, benefactor, and lord protector par excellence of the downtrodden, has provided a free list in this bill that I shall discuss briefly. By reason of his kindness, there is still something free for Americans besides salvation. Sandwiched and hedged in between devices and subterfuges and pitfalls and jokers and traps is now and then an article on the free list. Some chemicals, and here is one of them: Sulphide of arsenic; also valerianic acid. The consumer is taxed for everything he wears, from the hat on his head to the shoes on his feet, but asafetida, cocculus indicus, annatto, cudbear, gambier, osmium, and kieserite can leap over the tariff wall, higher than the wall that grim old Romulus built around Rome, and kieserite et al. do not have to pay for the privilege of the leap. The poor old American consumer must be taxed for his collar and his coat, his shirt and his socks, but there comes to him galloping through the wide breach Mr. FORDNEY made through his tariff wall such necessities as civet, musk, arrowroot, bones (crude, steamed, or ground). Many a good woman will complain because of the duty on baby clothes and a shroud for her dead husband, but Mr. FORDNEY provides that she shall have coir yarn, dividivi, and fish skins (both raw or salted) without any duty. Handkerchiefs are taxed, but lava is free. Neckties are on the dutiable list, but leaches crawl in untaxed. Boys, Mr. FORDNEY makes you pay two prices for your suspenders, but pulu is not taxed, and so on ad libitum, ad nauseum. [Applause.]

AGRICULTURAL PRODUCTS.

I greatly admire men and women of independent spirit. What few contests that I have had with my fellow man, I have not asked that he be handicapped in any way in any contest that I might have with him. I greatly admire the pioneer spirit of our people, who left good homes with pleasant surroundings and went out and helped to win the West. Sturdy, self-reliant, bold, and hardy individualists, who did not ask the Government to do more for them than to give them a square deal, an even chance. Unaided they wrought a wonderful development by felling the forest, by opening up mines. They wrought with their good right arms, asking no man any odds, asking no paternalistic favors from their Government, asking no neighbor to contribute to their support, taxing no man or set of men by exacting small amounts here and there and yonder that they might thrive

beyond their just deserts. And so I think the well-organized, wealthy, firmly established manufacturing corporations, trusts, and monopolies in this great country should be content with a modest tariff, based on the difference caused by the cost of production here and abroad, and they should not clamor for prohibitive duties or embargoes like this bill provides. I would not destroy the industries of this country. I want them to prosper, but I do not want to see a tariff wall build so high as is the one build by this measure, so that our carrying trade will be destroyed, our merchant marine banished from the seas, the privileged few made richer, and the consuming public everywhere made poorer, a thing which this bill, in my opinion, will accomplish.

This bill will not help the farmer, and I do not believe it will deceive him. I submit expert opinion on this immediate issue, and quote the foremost American economist, Dr. Taussig, in support of my position:

A duty on a commodity which is produced within the country as cheaply as without, and sold as cheaply, ordinarily has no effect whatever. Of such levies there has been a plenty in our tariff history. Those on the staple agricultural products are the most familiar and conspicuous. In the logrolling which is an almost universal concomitant of protective tariffs the notion that a duty will surely be of benefit to domestic producers has caused our farming sections to insist on "their share" of the going favors, and to accept, nay, demand, duties on wheat, corn, meat, and meat products, which yet have been quite without industrial effect. There has been no more striking illustration of the average farmer's naïve state of mind on this subject than the bitter opposition aroused by the reciprocity treaty with Canada which the Taft administration proposed in 1910-11. The free admission of wheat contemplated by that treaty was supposed to portend disaster to the wheat growers of the Northwest, though it was known to all the world that wheat was exported both from the United States and from Canada and that it was the same in price (allowing for cost of transportation) in these two countries and in England. The range of commodities subjected to duties yet not at all affected by them, has been very wide, including not only agricultural staples, but many manufactured articles.

[Applause.]

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman, I think this Congress ought to understand that the pretended opposition of the Standard Oil Co. to a duty on oil is a myth, invented or imagined by some advocate of such a duty, in the hope that the opposition or alleged opposition of the Standard might cause other people to favor it. The Standard may be indifferent about it. So far as I know they have taken but little part in the controversy and I can see why they might feel that they are not greatly interested, because they export oil and its products in greater quantity than they ever import. If oil on the free list means a lower price for oil here, or if a duty on oil means a higher price for oil and oil products here then the Standard Co. have a greater interest to having a duty than any other people in the United States, because they have greater production, and a greater board of crude and refined oil than all other producers put together. If a duty of 25 cents per barrel means an increase in the price of 25 cents on every barrel of their stored oil it means perhaps \$100,000,000 to them, just as it means an added 25 cents on every barrel owned by so-called independent producers. In fact, they would be more certain to benefit by the duty than anybody else, since the price paid to independent producers of crude oil is generally fixed by the pipe line under local conditions. But the Standard is a great exporter as well as producer and refiner, and perhaps exports more products of oil than it imports, and under the drawback would get back 99 cents on every dollar of taxes it may pay. That being so they might use imports if they saw proper to beat down the price of crude or refined oil, whether there was a duty on it or not, whenever they wanted to beat down the price of the domestic oil in order to buy it cheap. On the other hand independent producers export but little, and their sole interest would be in having a duty, unless they also own Mexican production, in which case they might want no duty.

The situation with reference to these interests is this: The Standard and its associate companies produce perhaps 30 per cent of all the oil produced in the United States, and they buy through their pipe lines perhaps 60 per cent of the independent production as soon as it comes out of the ground—generally at their own price—and refine it or store it in tanks for future disposition or ship it to foreign markets. They have their warehouses and their oil prospectors in all quarters of the globe and their own oil tankers for shipping it. You can not make them pay a duty on the oil they import unless you strike out section 316 of this bill, which provides that on the exportation of articles made in the United States in whole or in part from imported products 99 per cent of any duty paid is refunded. This section is a general section inserted for the

protection of manufacturers generally, and it will stay in the bill. It protects the mill man and makes the pretended duty on wheat a sham and a fraud. It makes the duty on hides, voted into the bill last Saturday, a sham and a fraud. It will stay in the bill.

Many of our oil producers in Oklahoma and Texas believe that they are now receiving low prices because of free oil from Mexico, but I remember when oil from Mexico was not free and we sold many millions of barrels at 5 cents per barrel at Beaumont in 1901. In times like 1901 and in new fields generally the man who could not store and hold his oil had to take what he was offered. The man who can store and can hold and can ship is the man who gets the cream of every big oil field in the United States. If the duty on oil imports helps anyone, as I am sure it does, it helps the great companies who are strong and dominate the oil fields and oil prices. It does not help the small producer, even. But if it raises the price to the consumer of the crude oil or its products—gasoline and kerosene—it injures almost every farmer and every poor man in the land.

It does not help the laborer. If there is a new field and a rush to it, the laborer gets possibly \$10 per day, head driller perhaps \$15. When the rush subsides and there are more rigs on the ground than can find drilling, the wages and the price per foot for drilling goes down. Men will go into the gamble for oil if they can not get 25 cents per barrel. All Texas and Pennsylvania and Ohio did it at Beaumont, Sourlake, and Humble, Tex., in 1901 and 1902. We will do the same thing again. All speculation has stopped now. Money can not be had for gambling, and our Oklahoma and Texas oil prospectors think that wildcatting is stopped and oil has gone down because there is no duty on oil from Mexico. They do not stop to think that there was a duty when we sold oil at Spindle Top, Sourlake, and Humble for from 15 cents to 3 cents per barrel, and that oil was on the free list last June when oil was selling at the well in north Texas for \$3.75 per barrel. They do not think about the Mexican export tax that exists to-day and did not exist then.

But if a duty of 25 cents a barrel would give no special bounty to the owners of vast hoards of oil like the Standard, nor give any special advantage to the big exporters, and would exclude every barrel of Mexican oil from the United States and add 25 cents a barrel to the price of the oil of every small owner, every man on whose farm oil had been found, or every well driller who had drilled a well, I still would not vote for the duty.

Let me tell you why. Oil is the great fuel for our Navy and our merchant marine. It gives the former speed and the latter both speed and economy of operations, both necessary for us if we compete in transoceanic transportation. Our Government is anxious—is moving heaven and earth—to get an assured supply of oil for the use of the Navy.

The other day we passed an embargo against chemicals and dyestuffs in order to provide a supply of that material in case of war, and here we are—some of us—seeking by a tariff to help deplete the natural resources that God has given us to defend ourselves in time of war, and your President wisely warns you not to put a duty on crude oil. [Applause on the Democratic side.]

Gentlemen, the Government of the United States would spend \$100,000,000 in order to find an increased supply of crude oil sufficient to supply our Navy for 20 years. The Senate ratified a treaty with Colombia giving them \$25,000,000 largely because we wanted to encourage friendly relations that we might have a supply of oil for the United States Government. The truth is this material ought to have no duty either for revenue or for protection, because we want to preserve the limited natural resources of our country for times of need, resources which will be, according to experts, very soon exhausted. Every barrel of oil we use is gone forever. If Mexico would pump oil in here free for five years and give it to every consumer we would be asses if we did not accept it. [Applause.]

Why, Mr. Chairman, if we should discover an island out in the Pacific or Atlantic where oil was more abundant than anywhere else in the world our Government to-day would give a billion dollars for it, hard as times are. And yet such a find would amount to the same thing as allowing imports of oil free of duty—because our own labor and our own capital are producing most of the oil in Mexico. I will conclude, Mr. Chairman, by printing a letter to Hon. JOSEPH W. FORDNEY, a copy of which was sent me. While I do not vouch for the specific accuracy of all its statements they are, I believe, substantially true. They are worth considering by every man, woman, and child in the United States.

HON. JOSEPH W. FORDNEY,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: Our attention has been called to a letter and a news item from the New York Herald recently addressed to the Members of the House by Wm. N. Davis, president of the Mid-Continent Oil & Gas Association. The letter and clipping were preceded by the following typewritten caption: "Standard Oil opposes import duty on petroleum!" This letter, clipping, and caption had but one design. That design was to create the impression that the Standard Oil Co. would be the chief beneficiary of the continued importation of Mexican oil duty free. The Mid-Continent Association has a perfect right to present its cause with all appropriate facts and arguments to the membership of the House. Mr. Davis has a perfect right to present the views of a majority of the association of which he is president. It may not be unworthy of mention here that a referendum was taken in March last to ascertain the views of the Mid-Continent producers, respecting a tariff on petroleum. The vote stood 43 against the tariff, 90 for the tariff. This reveals a serious division of views among the Mid-Continent producers themselves as to the necessity and propriety of a tariff on oil.

Permit us to say that the caption "Standard Oil opposes import duty on petroleum" does a serious if not an intentional injustice to our company. It does an injustice not only to our company but to all the independent companies which have ventured their capital in the Republic of Mexico. It does an injustice not only to the independent producers in Mexico but it does grave injustice to President Harding himself. It impeaches both the motives and object, it impeaches the good faith of the President, as set forth in a recent letter. It virtually accuses the President of being an ally and an accomplice of the Standard Oil Co. It implies that the President is a minion of monopoly and not the representative of the whole people and the best interests of the Nation at large. In his letter the President said: "To levy a protective tariff on crude petroleum would be at variance with all that has been done to safeguard our future interest."

And the President added: "I should be more than disappointed if Congress decided to levy a tariff on imported oil."

The caption above quoted is, of course, a display of the familiar scarecrow—the Standard Oil Co. It assumes, however, that the chosen Representatives of the people charged with the solemn responsibility of legislation will be so much affrighted as to be deterred from an investigation of the merits and demerits of this extraordinary, this unprecedented tariff on petroleum. The proposed tariff is unprecedented both as to principle and as to detail. Unprecedented in this: No tariff measure, whether framed for protection or revenue, ever imposed a duty on petroleum. Unprecedented in this: The proposed duty approximates 100 per cent ad valorem; it would be prohibitive, not protective. It is unprecedented in this: The duty is imposed on raw materials—on crude oil and fuel oil—whereas refined oils are admitted duty free. Under the proposed tariff crude and fuel oils produced by the independent companies in Mexico would be excluded. Refined oils produced by the Standard would be admitted without tax or duty. If it be desired to enable the Standard to monopolize the Mexican oil fields, nothing more effective than such a discriminating duty can be either devised or imagined.

The Island Oil & Transport Corporation has no Standard affiliations, either past or present, either direct or indirect. We took the hazards of the Mexican situation. We invested our capital in good faith. We are American citizens. We have built up a substantial business in Mexico. The Mexican oil fields are now controlled by independent oil companies. The Standard Oil Co. proper controls only 15 per cent of oil exports from Mexico. The Standard and its former subsidiaries control but 26 per cent of such exports. The independents control 74 per cent. The proposed tariff would make it impossible for the independents to maintain this proportion, to maintain their ascendancy. Would it be distributive justice to visit destruction on the independent producers who have themselves avoided and resisted monopoly?

We do not undertake to exploit it as a virtue, but we are entitled to mention it as a significant coincidence. Our opposition to the proposed tariff on petroleum is coincident with President Harding's petroleum policy, conceived not in a partisan spirit but in the interest of the general welfare and national security.

Our opposition is coincident with the enlightened and far-sighted policy of Secretary Hughes, with his efforts to secure for American citizens the right to exploit foreign oil fields in behalf of America's future.

Our opposition is coincident with the best interests of all American producers, either of raw materials or of finished products. It is coincident with the best interests of the farmers, who now own 400,000 tractors and 2,500,000 stationary engines. It is coincident with the best interests of all manufacturers, regardless of whether they use oil or coal in the production of power. An increase in the price of oil will react on the price of coal.

Our opposition is coincident with the best interests of all the consumers in the United States. It is coincident with the best interests of the 46,000,000 consumers of manufactured gas. The proposed tariff would add 5 cents per 1,000 feet to all gas consumed in the country. Our opposition is coincident with the best interests of the more than 8,000,000 owners of automobiles and motor trucks. Our opposition is coincident with the best interests of all American shippers or payers of freight, whether by land or sea. It is coincident with the best interests of every railroad in the United States, as well those that burn coal as those that burn oil. It is coincident with the best interests of our merchant marine. It is essential to the existence of our merchant marine, since without the use of oil, competition with oil-burning vessels will be an economic impossibility.

We need hardly add that our opposition to the proposed tariff on oil is coincident with the best interests of the American Navy. It lays a burden not only on the sacred right, but even on the capacity for self-defense. It lays tribute upon one of the paramount objects of the Federal Government as recited in the preamble to the Constitution.

Against this undivided array of American consumers and independent American producers stand the divided membership of the mid-continent oil producers. The isolated majority of the mid-continent producers lacks the support even of the independent oil producers of California, the leading oil producing State of the Union, who have filed formal protest against a tariff on oil.

Yours, very truly,

ISLAND OIL AND TRANSPORT CORPORATION,
By M. J. MURPHY,
Vice President.

JULY 14, 1921.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS of Tennessee. Mr. Chairman, I am opposed to a tariff on oil because I am unwilling by my vote to tax millions of consumers, including farmers, manufacturers, and business men of this country, for the benefit of a few or any particular class. It has been amusing to me to hear some of these high protectionists, particularly those from New England, who stand for other high protective features in this bill and past tariff bills, oppose this provision on the ground that they are doing so in the interest of the consumer. I am not going to permit their inconsistency in this respect to prevent me from opposing this provision and other protective features in this bill, for they are right now, even though they are wrong in other respects. The pending tariff bill was not drawn in the interest of the consumer. Those who have defended it have declared that it was drawn with the purpose of protecting American industry and labor. The chairman of the committee said the other day that it would restrict imports, and of course that is the whole object of a protective measure, and hence it will inevitably increase the cost to the consumer of articles carrying a high protective rate, and I take it that labor and the millions of consumers of this country are vitally interested in the cost of what they must buy. If this bill does not have the effect of increasing the cost to the consumer of practically everything he wears and uses in life, then the chairman and those whose high protective ideas have fashioned this bill have utterly failed in their object. I regard this bill to be indefensible as a whole because it will inevitably increase the already high cost of living in the country for the further enrichment of the favored few who benefit by a protective tariff. It is indefensible because it ignores the fact that we are a creditor Nation, and if we close the doors of our markets to our debtor nations we will retard, if not wholly defeat, the collection of the huge debt owing to our Government.

I am opposed to this tariff on oil, because it is proposed as a protection to what, in a certain sense, is a monopoly because of the limited amount of oil in this country. I heard the Chief of the Bureau of Mines and the Director of the Geological Survey say to a committee not many months ago that if the present rate of consumption of oil in this country should continue, our entire known supply would be exhausted in about 20 years.

And yet, by this tariff, you propose to restrict the importation of foreign oil and increase the demand on our domestic supply. As the President says, in this day when every nation is seeking to conserve its oil supplies it is not the time to restrict the importation of foreign oil and increase the demand on our own domestic supply. And you propose to do this for the benefit of the oil producers and at the expense of the masses of the people.

I have said that this tax will serve to take from the pockets of millions of consumers in this country for the benefit of a certain class. I have heard gentlemen on this floor talk about giving relief to the farmer. Congress passed a farmers' emergency tariff bill, and time has demonstrated that it has given no relief to the farmer in the way of even maintaining the price of his products. Here you propose to increase the price of what he must buy to operate his farm. The farmers own 3,000,000 automobiles out of the 10,000,000 in the United States, and they own something like 400,000 tractors used in the preparation and cultivation of their land for their crops. There are in use about 700,000 stationary engines, and I do not know how many motor trucks. We propose by this provision to place a duty on oil and increase the cost of fuel, adding millions to the burden of the consumers. One gentleman stated this morning that fuel oil could be obtained cheaper in Oklahoma than by importing from Mexico. If that be true, there is no need for a tariff on oil to protect the producer.

A friend of mine, a producer of oil, rather in favor of this tariff, very frankly told me last week that if this tariff was imposed it would undoubtedly increase the cost of fuel; and that, of course, is the result anticipated and expected by those who are advocating the levying of this tax. In addition to that, it will increase the cost of road building and street paving in this country. We are appropriating great sums for road building. How can we justify ourselves by voting to increase the cost to the people.

I have a letter in my hand here from Mr. S. H. McKay, clerk of the city of Nashville, in which he states that the board of public works of the city of Nashville, with the approval of the mayor of that city, went on record as vigorously protesting against the proposed tariff on crude oil. I quote from the letter:

As this crude Mexican oil is largely used in the manufacture of asphalt cement, which is being used in the construction of street paving in nearly all of the southern cities, it would mean an additional cost of from \$4 to \$5 per ton in the finished asphalt cement, thereby also increasing the price of street paving of other materials.

I submit that in view of the fact that every nation in order to maintain its independence commercially and its own defense in future years is now seeking to conserve its oil supply and to secure supplies of oil throughout the world, this is not the time for America to undertake to place a tax upon oil which will serve to keep out foreign importation and diminish our own supplies, which, as the Chief of the Bureau of Mines and the Director of the Geological Survey say, are rapidly diminishing. [Applause.]

Mr. FORDNEY. Mr. Chairman, 50 minutes' time have been used in support of the amendment and only 13 minutes against it. We shall now have to divide the time equally, half the time for the amendment and half the time against the amendment. I yield five minutes to the gentleman from Kansas [Mr. BIRD].

Mr. BIRD. Mr. Chairman and gentlemen of the committee, a great deal of the trouble about this question comes because the oil industry is not understood. Can anyone tell how much oil there is under the ground in the United States? What happens to an oil well that is a gusher after it has passed its flush condition if it is not pumped? It goes back and becomes a nonproducer and whole fields go back in the same way. This is not alone a question of protection or of tariff, it is a question of the oil supply of this country. It may be there, but if you do not get it, it is not worth anything to you either in time of war or in time of peace. This country produces 66 per cent of the world's supply. Of that 66 per cent the Standard Oil Co. and its subsidiaries produce 60 per cent and the independent oil producers 40 per cent. The Standard Oil Co. has its storage facilities and the independent producers do not. Let me say here that a few years ago Mexico produced 12 per cent of the world supply in one year and doubled her production the next year, when 184 wells produced 163,000,000 barrels, and her import to this country increased 610 per cent.

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

Mr. BIRD. I have not the time to yield. The trouble is this: The American industry involves hundreds of thousands of skilled laborers and billions of capital, and is facing the flush production of Mexico. Unless this Congress meets that situation—and meets it right now—you will not have any oil in this country except that owned by the Standard Oil Co. If we have one of two things, this country supplied by foreign fields, or if we are supplied by fields in this country owned by one monopolistic corporation, then we are going to have 50-cent gasoline in this country within three years. [Applause.]

From the standpoint of military protection to this country we are treading on mighty dangerous ground. The way to develop oil, the way to find out what oil we have in this country, is by development, and only by development. You can not count on the statement from a particular oil field. You tell me who owns the production and I will tell you what their attitude is on this tariff. [Applause.]

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

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from West Virginia [Mr. GOODYKOONTZ].

Mr. GOODYKOONTZ. Mr. Chairman, in the Wall Street Journal of yesterday there appeared the following article:

An intensive fight is being waged at Washington between conflicting oil interests over paragraph placing a duty on imported oil. Independents, or those producing from American wells, argue that to put oil on free list would be driving them out of business, and larger producers would have the whole market to themselves. New England manufacturers support Standard and other large interests producing in Mexico and South America, who claim a duty would increase price of coal and gasoline.

I have not been one of those who have criticized the power and influence of the Standard Oil Co. for good in this country, and yet I am not one of those who would be willing to stand here for legislation in support of the interests of the Standard to the detriment and exclusion of the independent producers of this country. [Applause.]

It is true that the Standard Oil Co. has installed a big refinery in Massachusetts and that the manufacturers of that State and elsewhere in New England would like to have cheap fuel. Everything these people buy they want placed upon the free list. Everything they have to sell they want well protected. This is a selfish, and in the end will prove a disastrous, view to take. Members from the oil-producing sections of the country, as believers in protection, stand ready to vote for a reasonable protection on whatever the manufacturers of the Northern and New England States require, whether it be pots

or pans or wooden nutmegs, but we expect the Representatives of these great sections to come forward and support the rest of the country as respects their demand for protection on their products, such as oil.

The Mexican oil wells average in daily capacity over 2,500 barrels. In the United States there are 200,000 wells which average less than 5 barrels per day. Of the 200,000 wells 150,000 average less than one-half barrel per day. The rule is that an oil well must be operated. Failure to operate the well causes the salt water to come in and under hydraulic pressure the oil is forced back into the interstices of the rock, and as a result the production from that rock is forever lost. Therefore I come here in the interest of conservation of the natural resources of the country and insist that something be done to save our little wells and to protect the investment of the people who are producing oil from such little wells. [Applause.] West Virginia once stood second in rank in the States of the Union in the production of oil. Her great fields around Sistersville and elsewhere in the State have gone down in production until they have reached a very low capacity. Unless oil sells at a price sufficient to justify the pumping of small wells, the wells must be abandoned and go out of existence and the oil they would produce be forever lost.

Had our great and good President known of these facts and circumstances, I very much doubt if he would have written the letter read at this session of the House.

On January 1 last fuel oil sold at \$3 per barrel. Fuel oil is now selling at prices ranging from 25 cents to 60 cents per barrel, and yet certain people whose greed is greater than their generosity come here and demand free oil, and with the help of the Representatives of the South, even from Texas, Arkansas, and Kentucky, oil-producing States, will likely be able to throttle the voice of a majority of the Republicans in this body and get free oil.

If there be any people in this country who are entitled to protection, it is the independent oil producers of this country.

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

Mr. GOODYKOONTZ. I will.

Mr. BARKLEY. I do not know whether the gentleman has time, but I would like some explanation of the discrepancy between the price of refined, crude oil, and the export price of gasoline.

Mr. GOODYKOONTZ. I regret to say to the gentleman that I am not an authority upon the phase of the question involved in the gentleman's question.

In conclusion, Mr. Chairman, I desire to place in the Record a letter received this morning from Mr. John L. Lewis, presi-

dent of the United Mine Workers of America, demanding a tariff on oil. Mr. Lewis speaks as the representative of several hundred thousand men engaged in coal mining, who know very well that Mexican fuel oil sent into this country free of tariff duty will have a strong tendency to put the coal miner out of work, the coal operator out of business, and the independent oil producer in a court of bankruptcy. [Applause.]

The letter from Mr. Lewis is as follows:

UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., July 14, 1921.

To the Members of the Senate and House of Representatives of the Sixty-seventh Congress, Washington, D. C.

GENTLEMEN: It is our most earnest desire that you give your fullest support to the end that the import tariff on Mexican oil contained in the original draft of the Fordney bill may be enacted for the protection of labor's interest and to better insure the possibility of employment of hundreds of thousands of workers now totally unemployed and to give them means of subsistence of which they are now totally devoid.

It is estimated that there are at present approximately 4,500,000 laboring men in the United States who are unemployed, including about 242,000 miners and many thousands of oil-field workers. When we presume an average dependency of 3 to 1 for each of the unemployed workers, the present condition of unemployment affects about 18,000,000 souls in this country, a situation that is appalling and almost beyond human conception.

We respectfully submit that one of the main contributing causes for the present condition of unemployment is occasioned by the unrestricted importation of Mexican fuel oil, and the figures on this importation show a surprising increase since the year 1918, indisputable evidence of the activity of large corporate oil interests who invested their war-created profits in Mexico and are now exploiting American markets to the serious detriment of American industries and labor. This condition directly affects the employment of approximately 1,750,000 workers who are ordinarily engaged in coal and oil producing industries, besides occasioning the unemployment of hundreds of thousands of men who were employed in interdependent and interrelated industries. Stagnation of community life in the vicinities where the production of coal and oil are the basic industries is now acute. Surely this can not be construed as contributing to the welfare and perpetuity of our Nation.

We reiterate that the unrestricted importation of Mexican fuel oil is one of the greatest factors in the throttling of American industry. We submit the following figures to show the seriousness of the situation. These figures show an abnormal increase in importations which we respectfully contend is proof of our assertions. The importation of Mexican oils jumped from something over 50,000,000 barrels in the year 1919 to 106,175,000 barrels in the year 1920, and, on the available figures of 1921 for the first three months of this year the importation was 36,879,174 barrels, the average increase in 1921 over the same period in 1920 being 101.92 per cent, despite a stagnated trade condition. This importation displaced a like amount of American-produced oil or occasioned the displacement of 61,162,865 tons of coal on the British thermal heat unit basis of 3½ barrels of Mexican fuel oil being the equivalent of 1 ton of American coal, assuming that the ratio of increased importation is maintained for the whole year period.

We also cite authentic figures compiled from the reports of the United States Geological Survey, showing the fluctuation in coal production for the year 1920 and available figures for 1921, showing as it does the marked effect of the importation of Mexican oil owing to the large number of consumers being converted to use of this oil during the last few months.

Production of bituminous coal in the Southwestern United States and total production in the United States, 1920 to April, 1921 (in net tons).

[The southwestern group is comprised of Iowa, Kansas, Missouri, Arkansas, Oklahoma, and Texas.]

YEAR 1920.

	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
Southwestern group.	2,970,000	2,491,000	2,720,000	2,253,000	2,360,000	2,461,000	2,282,000	2,205,000	2,320,000	2,631,000	2,601,000	2,636,000
Total United States.	48,680,000	40,181,000	46,832,000	37,939,000	38,993,000	45,114,000	45,009,000	48,910,000	49,172,000	52,144,000	51,457,000	52,123,000

TOTAL 1920.

Southwestern group.	29,930,000
Total United States.	556,563,000

YEAR 1921.

	January.	February.	March.	April.
Southwestern group.	2,040,000	1,588,000	1,569,000	1,455,000
Total United States.	40,270,000	30,851,000	30,392,000	27,553,000

It may be argued that the conversion of industrial and electric utility plants and railroads to the use of Mexican oil will mean a cheaper coal fuel for the American domestic consumer, but this reasoning will not hold good, as industrial and utility plants were using the slack or screened product whereas the domestic consumer mostly uses the lump product. Conversion to oil of railroads, electric utility, and industrial plants has restricted the market facilities of the small product to such an extent that it has closed down many mining operations, and at those that are not closed for this reason the loss of price sustained on smaller products is being charged on the larger or lump product to the burden of the domestic consumer.

The operations hit the hardest by Mexican oil competition are those west of the Mississippi River, although the whole of the coal field of the United States has felt the shock. In southwestern coal operations we have men who have not had the opportunity to work since October, 1920—not a day. In many instances where coal operators have some lump orders they claim that they can not operate their mines because they have no sale for the slack product, which in many instances approximates 50 per cent of the gross production.

Again, the report of the United States Bureau of Mines will show that in many mines the total recovery of the entire coal area now being operated by these mines is 43 per cent, the other 57 per cent being left as pillars to support the roof under the present advancing system of operation and development, but a much larger percentage of this coal area could be recovered on a retreating system. But it is argued that the instability of market conditions does not justify the extra amount of initial expenditure required under the system last named, and with the result that labor loses employment. The resources thus left in the ground can not be recovered after operation is suspended and is a complete economic loss, which does not speak well of the stewardship and the duty we owe to posterity in the conservation of natural resources.

In view of these facts and in the interests of the workers and national prosperity we earnestly request your support for the enactment of the provisions of the Fordney bill, placing an import tariff on Mexican oil.

Respectfully, yours,

JOHN L. LEWIS,
President United Mine Workers of America.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC].

Mr. McCLINTIC. Mr. Chairman, if I am correctly informed, the independent oil producers of the United States at this time are practically bankrupt. This situation has been brought about by the rapid decline in price of fuel oil and certain of its by-products. If the independent producers and refineries are forced to continue selling their products at a price below the cost of production, it will be only a matter of time until their properties will have to pass into the hands of others. Should the Standard Oil Co., or their subsidiaries, acquire possession of these properties it means the creation of a complete monopoly on petroleum, and in my judgment the citizens of this country would then be compelled to pay the highest prices ever charged for gasoline and other by-products of oil.

To-day the independent producers of oil are the only competitors of these large oil corporations. They are pioneers that open up and develop practically all of the oil fields of this

country. This competition is absolutely necessary to protect the Nation and its many industries for if the time ever comes when a group of oil companies are able to gain complete control over the oil industry, then every citizen of the Nation will be forced to directly or indirectly contribute to the monopoly.

It has been stated on this floor that the Standard Oil Co. and its subsidiaries are opposing the placing of an importation tax on oil. On the 24th day of June I introduced resolutions directed to the Secretary of the Navy and the chairman of the Shipping Board, requesting all available information relative to contracts made for the purchase of fuel oil from July 1, 1920, to May 1, 1921. I have here a reply to each of these resolutions, which contains information that shows that the Standard Oil and other large companies have made profits of many millions out of these contracts, and, because of the low price of Mexican fuel, I estimate that these companies will make an additional \$30,000,000 of profit on the oil yet to be delivered on these uncompleted contracts:

Statement showing the number of barrels of fuel oil purchased by the United States Shipping Board for period July 1, 1920, to March 31, 1921.

Name of contractor.	Date of contract.	Period of deliveries.	Quantity.	Ports.	Price per barrel.	Remarks.
			<i>Barrels.</i>			
Atlantic Refining Co., 3144 Passyunk Avenue, Philadelphia, Pa.	July 24, 1920	Calendar year 1921.....	3,000,000	Philadelphia, Pa.....	\$2.30	Reduced June 1, 1921, to \$1.765.
Atlantic Lobos Oil Co., 3144 Passyunk Avenue, Philadelphia, Pa.	July 31, 1920	Aug. 1, 1920, to Mar. 31, 1921.	1,000,000	Port Lobos, Mexico...	1.55	Buyer pays taxes.
Atlantic Gulf Oil Corporation, 11 Broadway, New York City.	Aug. 19, 1920	Calendar year 1921.....	16,000,000	Tecomate, Mexico.....	1.25	Seller pays all taxes.
Gulf Refining Co., Frick Building Annex, Pittsburgh, Pa.	July 31, 1920	Oct. 1, 1920, to Mar. 31, 1921.	125,000	Port Arthur, Tex.....	2.10	
Standard Oil Co. (N. J.), 26 Broadway, New York City.	July 28, 1920	Oct. 1, 1920, to Sept. 30, 1921 ¹ .	15,000,000	New York.....	2.30	Reduced Apr. 1, 1921, to \$1.80.
				Baltimore.....	2.27 ¹	Do.
				Norfolk.....	2.60	Do.
				Charleston.....	2.15	Reduced Apr. 1, 1921, to \$1.71.
				New Orleans.....	1.90	Reduced Apr. 1, 1921, to \$1.55.
Midwest Refining Co., Denver, Colo....	May 25, 1920	July 1, 1920, to Oct. 1, 1921....	3,421,875	(San Luis, Calif.....)	()	In exchange for this oil the Shipping Board delivers 2,161,230 barrels of royalty crude oil at the wells in Wyoming and Montana, which oil it purchases from the Interior Department at the ruling market prices. Up to June 1, 1921, this oil had cost the board approximately \$1.11 per barrel.
	Mar. 31, 1921		500,000	(San Luis, Calif.....)	()	In exchange for this oil the Shipping Board delivers 428,568 barrels of royalty crude oil at the wells in Wyoming and Montana, which oil it purchases from the Interior Department at the ruling market prices.
	May 31, 1921		1,000,000	(San Luis, Calif.....)	()	In exchange for this oil the Shipping Board delivers 1,000,000 barrels of royalty crude oil at the wells in Wyoming and Montana, which oil it purchases from the Interior Department at the ruling market prices.

¹ Fuel oil.

² Crude oil.

³ Coincident with reduction in price on Apr. 1, 1921, period of deliveries were extended to Jan. 31, 1922.

⁴ See remarks.

Prepared in the office of the assistant to chairman, Washington, D. C., June 30, 1921, in response to H. Res. 132, of June 24, 1921.

I wish to bring to your attention a letter I have received from the Shipping Board, which shows that 17,550,000 barrels of fuel oil are yet to be delivered at prices ranging from \$1.25 (buyer paying taxes amounting to approximately 47 cents) to \$1.80 per barrel.

UNITED STATES SHIPPING BOARD,
Washington, July 8, 1921.

Hon. JAMES V. McCLINTIC,
House of Representatives,
Washington, D. C.

DEAR MR. McCLINTIC: As per request contained in your letter of the 2d instant, I give you below in round figures the amount of fuel oil yet to be delivered under the contracts covered by the statement which I forwarded to you with my letter of June 30, 1921:

	Barrels.
Atlantic Refining Co.....	2,300,000
Atlantic Lobos Oil Co.....	250,000
Atlantic Gulf Oil Corporation.....	10,000,000
Gulf Refining Co.....	
Standard Oil Co. of New Jersey.....	4,000,000
Midwest Refining Co.....	1,000,000

I trust that this gives you the desired information.

Very truly, yours,

J. C. O'LAUGHLIN,
Assistant to the Chairman.

I also wish to direct your attention to the contracts made by the United States Navy for the purchase of fuel oil:

Fuel-oil deliveries to United States Navy July 1, 1920-May 31, 1921.

Contract No.	Supplier.	Contract period, 1920.	Barrels fuel delivered, 42 gallons each.	Unit price per barrel at terminal.	Terminal point.	Total value of deliveries. ¹
51597	Standard Oil Co. of California.....	July-Sept. 30.....	196,441.03	\$2.00	San Pedro.....	\$417,074.91
52110	.....do.....	Oct. 1-Dec. 31.....	436,949.67	2.00	Port Richmond and San Pedro.....	909,161.56
51721	Associated Oil Co.....	July 1-Sept. 30.....	125,647.10	2.00	Avon-Port Costa.....	253,987.99
52101	.....do.....	Oct. 1-Dec. 31.....	202,017.96	2.00	Monterey-Gaviota.....	408,524.58
N6197	Shell Co. of California.....	July 1-Sept. 30.....	64,832.74	2.00	Port Costa.....	151,484.52
52067	.....do.....	Oct. 1-Dec. 31.....	79,632.28	2.00	Martinez.....	162,536.07
51598	Union Oil Co.....	July 1-Sept. 30.....	184,619.00	2.00	San Luis.....	369,651.00
				2.00	San Pedro.....	

¹ Includes transportation cost from terminals to points of consumption.

Fuel-oil deliveries to United States Navy July 1, 1920–May 31, 1921—Continued.

Contract No.	Supplier.	Contract period, 1920.	Barrels fuel delivered, 42 gallons each.	Unit price per barrel at terminal.	Terminal point.	Total value of deliveries.
52159	Union Oil Co.	Oct. 1–Dec. 31.	261,980.00	\$2.00	San Luis.	\$549,714.00
51600	General Petroleum Corporation.	July 1–Sept. 30.	57,682.71	2.10	do.	115,979.03
52189	do.	Oct. 1–Dec. 31.	56,448.58	2.00	San Pedro.	113,299.21
Total deliveries, west coast.		July 1–Dec. 31, 1920.	1,666,251.07			3,451,412.87
51088	Texas Co.	July 1–Dec. 31.	1,042,042.04	2.85	Port Arthur.	3,199,122.90
60953	Gulf Refining Co.	do.	424,976.22	2.85	do.	1,264,767.56
51129	Standard Oil Co. of New Jersey.	do.	261,063.78	3.258	New York.	1,200,756.61
51128	Standard Oil Co. of Louisiana.	do.	237,564.70	2.85	Baton Rouge.	1,407,819.32
Total deliveries, east coast.		July 1–Dec. 31, 1920.	2,065,646.74			7,072,466.39
1921						
52458	Standard Oil Co. of California.	Jan. 1–Mar. 31.	374,650.68	2.00	Port Richmond.	\$55,685.48
53134	do.	Apr. 1–May 31.	213,922.73	2.00	San Pedro.	527,363.72
52461	Associated Oil Co.	Jan. 1–Mar. 31.	97,565.10	2.00	Port Costa.	199,134.25
53138	do.	Apr. 1–May 31.	417,068.60	2.00	San Pedro.	976,402.75
N5349	Shell Co.	Jan. 1–Mar. 31.	98,189.35	2.00	Martinez.	203,872.05
53141	do.	Apr. 1–May 31.	67,869.89	2.00	do.	137,510.02
52460	Union Oil Co.	Jan. 1–Mar. 31.	240,868.00	2.10	San Pedro.	563,839.90
53136	do.	Apr. 1–May 31.	61,939.00	2.15	San Diego.	127,222.09
52463	General Petroleum Corporation.	Jan. 1–Mar. 31.	72,851.67	2.00	San Luis.	145,703.31
53140	do.	Apr. 1–May 31.	131,889.48	2.00	San Pedro.	263,778.96
Total deliveries, west coast.		Jan. 1–May 31.	1,776,814.50			4,090,511.57
52457	Texas Co.	Jan. 1–May 31.	815,329.12	2.47	Port Arthur.	2,398,646.72
52477	Atlantic Refining Co.	do.	137,700.83	3.185	Philadelphia.	462,780.94
52456	Gulf Refining Co.	do.	522,266.16	2.45	Port Arthur.	1,292,387.33
52476	Tidewater Oil.	do.	203,093.17	3.17	New York.	649,863.59
2853	Northeastern Oil Corporation.	do.	787,651.86	3.246	Fall River.	2,551,992.02
Total deliveries, east coast, Jan. 1–May 31, 1921.			2,466,041.14			7,255,670.60

RECAPITULATION.

	July 1–Dec. 31, 1920.		Jan. 1–May 31, 1921.		Total.	
	Barrels.	Value.	Barrels.	Value.	Barrels.	Value.
West coast deliveries.	1,666,251.07	\$3,451,412.87	1,776,814.50	\$4,090,511.57	3,443,065.57	\$7,541,924.44
East coast deliveries.	2,065,646.74	7,072,466.39	2,466,041.14	7,255,670.60	4,531,687.88	14,328,136.99
	3,731,897.81	10,523,879.26	4,242,855.64	11,236,182.17	7,974,753.45	21,760,061.43

At this time Mexican fuel oil, including the export tax and transportation charges, costs approximately 82 cents per barrel to land the same in the United States. According to the recapitulation relating to contracts with the Navy the average cost per barrel is \$2.73. The average cost to the Shipping Board is approximately \$1.65 per barrel. At this figure the Standard Oil and other large companies will take from the Government a great many millions of dollars that they have a legal right to take—yet they can not escape the brand of being profiteers. The smaller independent oil companies in the United States are not in a position to compete for this class of business—yet they are in a position to bring about a sufficient amount of competition to give some protection to small consumers of gasoline and other by-products of oil.

It is very evident to my mind that a few large companies and subsidiaries can put into effect a monopoly on Mexican fuel oil, and the contracts here given speak for themselves. It is fair to estimate that only about 50 per cent of the contracts with the Navy and Shipping Board has been completed. If this is true and an import tax of 35 cents per barrel on crude oil is levied, then the oil companies holding uncompleted contracts will be compelled to pay a tax of approximately \$8,000,000 on the amount of oil yet to be delivered.

My distinguished colleague, the gentleman from Oklahoma [Mr. CHANDLER], called attention to the fact that the Standard Oil Co. has contracted for 50,000 barrels of Mexican crude oil daily for a period of two and one-half years, and a tax of 35 cents per barrel would bring into the Treasury a sum exceeding \$13,000,000.

Inasmuch as these contracts are in effect, the tax will have to be paid by the oil companies. In other words they will have deducted from their profits the amount of import tax which is proposed in this bill should the same become a law. I can readily understand why this opposition has appeared, and I am of the opinion that the item will be stricken from the bill.

The Democratic Party has declared itself in favor of a tariff for revenue only. The Government has already paid many mil-

lions of profit to these large oil companies and will continue to do so until these contracts are completed. I have shown how this tax will increase the revenue of the Nation and at the same time cause certain contract holders who are making enormous profits to return a small portion as a contribution toward the maintenance of the Government; therefore I intend to vote for the perfecting amendment introduced by my colleague, Mr. CARTER, the gentleman from Oklahoma.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. McCLINTIC. I will be glad to yield.

Mr. BYRNES of South Carolina. The gentleman is in favor of this tax upon oil?

Mr. McCLINTIC. I am for the reason that I have named.

Mr. BYRNES of South Carolina. Can the gentleman tell me if the Republican members of the Ways and Means Committee who framed this bill were sincerely in favor of giving this tax, why did they not tie it with the other hundreds of provisions of the bill instead of having a separate vote on it. Can the gentleman answer me?

Mr. McCLINTIC. I realize if the Republican members of the Ways and Means Committee really wanted to help this situation in Oklahoma they would have tied it up in their caucus and it would not have been subject to discussion at the present time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman and gentlemen of the committee, I have listened patiently to the different speeches and arguments on the tariff bill under consideration and have been greatly entertained and instructed. The tariff question has been a bone of contention between the two great political parties for many years, but should not be a political question. Many great men of both parties say that the tariff laws of this country should be formulated and administered by a nonpartisan tariff commission, and I agree with that doctrine. A government and its laws that are good for the people of one party are good for

the people of the other political faiths. I can not agree that because some Democrat votes for a certain schedule in this bill that he has his Democracy on wrong, for there are valid reasons for supporting this oil duty. I do not hesitate to say that if this Republican majority would bring in a tariff bill that was equitable and just in its provisions, I would vote for the bill regardless of what party wrote it, and if a Democratic majority should write a bill as vicious in its nature and as unequal in its schedules as this one, then I would vote against the bill. I will say, however, that a Democratic majority has never yet reported a bill so unfair as the bill before us, and it never will, for it would be undemocratic and against the principles of that great party.

It is the duty of a Member of Congress to oppose any measure reported to this committee when he conscientiously believes it to be unfair, unequal in its provisions, and discriminating. I do not believe in obstruction, as those tactics were used during the two or three years past in a preceding administration. There was never a time in our history when we needed a successful administration as now. We should all be interested in good and wholesome laws beneficial to the great masses of our people. We have had too much criticism and hate in some years gone by, and not very far in the past. During those years I was reminded many times of the words of Byron:

He who ascends the mountain top will find
The loftiest peaks wrapped in clouds and snow.
He who surpasses or subdues mankind
Must look down on the hate of those below.

Mr. Chairman, the principal difference between the Democratic and Republican Parties is that the Democratic Party believes in "equal and exact justice to all men from whatever country or persuasion, religious or political," while the Republican Party is the party of "special privilege," as is so aptly shown in the Fordney tariff bill. The distinguished Republican member of the Ways and Means Committee, Mr. FEAR, of Wisconsin, in his report says:

A platform pledge under which this bill is prepared reads that tariff rates "should be reasonable in amount and so adjusted as to prevent undue exactions by monopolies and trusts." By that standard the bill will be considered. Whenever tariff duties are placed so high that foreign-made articles can not be imported so as to compete with American-made goods, then the tariff becomes prohibitive in fact, and to that extent debtor nations are prevented from paying their debts to us in trade.

Mr. FEAR says that portions of the bill contain provisions fundamentally indefensible, and I agree with him.

I could not vote for any tariff bill that contained as vicious a provision as the dye schedule, which creates an absolute monopoly and further enriches the American Dye Trust and the Du Pont interests. As Mr. FEAR says, this unjust burden of millions of dollars annually in excess profits from indigo is levied on overalls, caps, shirts, dresses, carpets, and other items that use indigo dye. This dye provision of the bill should condemn the whole structure and defeat its passage, but there are many more valid objections and reasons why I can not vote for the document. Why, the proponents of this measure would tax almost everything from human hair to gun wads, and these two articles are on the protected list. It even places a tax on toothpicks and window blinds. We need to have the channels of commerce and trade opened with the different nations of the earth that we may have a place to sell the output of our farms and factories. This is not a time when we should have a high-tariff wall around the United States and thereby restrict our exports as well as the imports. Europe has products that we want, and we have much that they need. The plan outlined and provided for in this bill will almost prohibit imports and thereby restrict our foreign trade.

It is true that whalebone, broken bells, dried blood, bristles, bird eggs, spunk, rawhide rope, fossils, and leeches are all on the free list, which articles no doubt the Republicans will claim are for the good of the people and to keep down the high cost of living, but it takes but little investigation to find that almost all articles entering into the necessities of the home are on the duty list, and this will cause the people of the country to pay more for what they eat and wear and further enrich the manufacturers of the East at the expense of the consumer.

Mr. Chairman, we know that a tariff bill will be enacted this session of Congress, and what shape it will be in after it goes through the Senate we can not tell at this time. While I can not vote for the bill as a whole, I am going to support the amendment on the oil schedule, offered by my colleague from Oklahoma [Mr. CARTER]. There is a difference in the views of Members on both sides of the Chamber on the oil schedule. I have heard speeches made for and against this provision by gentlemen on both sides. Of course, I can not understand how any protection Republican can fail to vote for this amendment even if he is against the rate proposed in the bill. As a Democrat, I have considered this question from all angles and have

given it serious thought to enable me to arrive at a proper conclusion on the oil rate. I do not believe in a tariff law that will enrich the few at the expense of the many, as this bill provides. I do, however, believe in the principle of a tariff for revenue for the purpose of collecting money with which to run the Government and to pay its expenses. We need revenue for that purpose as we have never needed it in all our history. This is one reason that I favor a duty on oil at this time. I do not even believe that the duty on oil carried in the bill—that is, 35 cents per barrel on crude oil and 25 cents on fuel oil—would be prohibitive at all, and the amendment offered carries a much lower duty. According to reliable estimates that I have examined and the information I have received, we are now importing oil from Mexico at the rate of from 12,000,000 to 13,000,000 barrels per month. At that rate we would import about 150,000,000 per year, which under the terms of this amendment would yield over \$35,000,000 revenue and about \$50,000,000 revenue per year at the rate provided in the bill. I do not question any Democrat who votes against the oil schedule nor his honest intentions, and I reserve the same right to myself. I can see no valid Democratic objection to this tax as a revenue producer, and especially at the present time, when we are in such great need for funds.

There are about 258,600 producing wells in the United States, according to the Geological Survey, and the average production per well per day is 4.9 barrels, while in Mexico the average production is about 2,500 barrels per well per day from about 190 wells. Oil can be produced much cheaper in Mexico than in this country. It flows from the great pressure and is carried to the tankers in the same manner. Labor is cheaper in Mexico than in the United States. Mexican wells produce oil much faster than ours and therefore the cost per barrel is much less than in this country. One barrel of domestic crude oil is equal to nearly four barrels of Mexican crude in the production of gasoline. We have seen the price of oil fall in this country from \$3.50 per barrel to \$1 per barrel in a few months. Some say that we should vote against this schedule that our oil supply may be conserved. I do believe that to be a valid objection, for the reason that the independent operators are the largest producers of crude oil, and if they are put out of business many of these producing wells will have to be abandoned. If a producing well is abandoned for a few months, its production is gone forever and can not be restored. Another reason that I am for a duty on oil in addition to those already given is that I am convinced that the Standard Oil Co. is opposing the duty, and from purely selfish purposes, as is its usual custom. We know that John D. Rockefeller and his interests do not favor one thing or oppose another thing from purely philanthropic purposes. [Applause.] Of course, he will build a college or make some other donation occasionally, and then there will be a little advance in oil. By shipping in this Mexican oil he can absolutely put the independent and little oil men out of business if it comes in duty free. I do not believe that this duty would materially raise the price of gasoline, for it has not dropped in price in proportion to the fall in the price of crude oil.

If, however, the Standard Oil Co. obtains control of the production of oil in this country, then God only knows what the price of oil would be and to what dizzy heights it would go. When it comes to my making a choice between the Standard Oil Co. and the little producers, you can count me on the side of the little fellow. I have no fight to make with those who disagree with me, but I am giving my reasons for supporting this amendment to the oil schedule. There is no question but what this duty will greatly assist in our revenue. Very little "wildcatting" is done by the Standard Oil Co., but this is done and the oil found and the great fields opened by the little oil men and the independent producers. If oil production is to continue in this country we must not permit the Standard Oil Co. to control our production, for it controls too much already. When a well is started in a community the farmers make some money selling their leases even if the hole is dry. Then they must employ labor, and if the independent operators are destroyed much of this great industry must stop, as is the case now; it will throw many more idle men on the country, and these men want employment in order to support their families. I heard President Harding's letter read opposing the duty on oil, but that has not changed my opinion, and I would like to hear his opinion on some of the other schedules.

I wish to submit a letter from Hon. John A. Simpson, president of the Oklahoma division of the Farmers' Educational and Cooperative Union of America. It is as follows:

OKLAHOMA CITY, OKLA., July 13, 1921.

Hon. F. B. SWANK, M. C.

Washington, D. C.

DEAR FRIEND: There are 31 of the members of our organization here in the city this week attending an organization school. They come from about that many counties. I have canvassed every one of them on

the question of whether or not the prosperity of the oil interests of the State is of a benefit to the farmers of the State, and they are unanimous that it is, and every one of them has told me that they believe that a protective tariff on oil would indirectly benefit the farmers of this State.

The farmers are now selling wheat of the new crop for 80 cents a bushel, oats at 10 cents a bushel, and potatoes at 30 cents a bushel. You must know that at such figures they not only receive nothing for their work but actually do not get back as much as they have expended in cash on these crops. When the oil business flourishes, development work goes on, and thousands and tens of thousands of our farmers have opportunities to lease their land. I know many farmers who would not be able to pay their taxes were it not for the dollar an acre they get from their oil leases.

Therefore, I feel that I am voicing the sentiment of the farmers of the State when I say that we would be glad to see you support a tariff on oil.

Yours, truly,

JOHN A. SIMPSON, *President.*

I also wish to call your attention to the two following telegrams:

JULY 14, 1921.

F. B. SWANK, M. C.,

House Office Building, Washington, D. C.:

Heavy importations of cheap Mexican fuel oil has greatly injured the oil and coal industry in the Southwest, causing much unemployment. Those who ordinarily favor a tariff are opposing it in this instance, probably because the present condition is favorable to large financial interests in Mexican properties and the Standard Oil Co. I have been requested by many members of our organization to request that you support a tariff on oil.

EDGAR FENTON,

President Oklahoma State Federation of Labor.

JULY 13, 1921.

Hon. F. B. SWANK, M. C.,

Washington, D. C.:

Acute unemployment situation affecting oil-field labor, building and construction laborers, and mechanics throughout all sections of Oklahoma, and in my opinion you will be assisting very materially in improving these conditions by supporting the tariff on Mexican crude oil.

CLAUDE E. CONNALLY,

State Commissioner of Labor of Oklahoma.

Oklahoma produced over 106,000,000 barrels of oil in 1920, valued at \$371,000,000. This exceeds the value of oil produced in 1919 by \$174,000,000. She is first in oil production among the States.

Mr. Chairman, in addition to the telegrams and letter quoted, I have received letters and telegrams from individual business men and chambers of commerce asking that a duty be placed on oil. This is not a local question, for the production of oil affects the whole Nation. I shall support this amendment for the reasons given, to raise revenue and for the purpose of not further permitting the Standard Oil Co. to fasten deeper its poisonous and monopolistic fangs into the people of the country, paying what they desire for leases and for labor and further controlling our oil supply.

I am for what I think is for the best interests of the people of my district, State, and Nation; for the weak as against the strong; for the helpless as against the powerful; am always opposed to monopoly in any line of business and hope to see a reasonable duty on oil adopted in the bill when it is enacted into law. [Applause.]

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. UPSHAW].

Mr. UPSHAW. Mr. Chairman and gentlemen, both my conscience and my constituents urge me to put crude oil on the free list. [Applause.] In voting this way I frankly tell you that I do not enjoy the pain of parting company with some of my best friends on the floor of this House, who represent oil districts. But it is a wholesome thing, I think, to remember that government must proceed on the idea of the greatest good to the greatest number. And it is a good thing, I think, for us to remember that America, all of America, is bigger than the State of Louisiana, bigger than the State of Oklahoma, bigger than oil-enriched Pennsylvania, and startling and hard as it is to comprehend, America is bigger than the State of Texas with all of her wide plains and all her gushing wells. And America, all America—and I utter the declaration with warning prophecy—America is a "leetle" bigger than the Republican Party. [Applause.] We must protect not a few thousand here and there but more than a hundred millions of the American people. Our friends in the oil-producing States have had their day of victory and prosperity, and I want their prosperity to continue, but they can continue to produce and function, with oil coming free from the hand of God, without this discrimination against the masses of the people of America. Remember the wide practical interests wrapped up in this fundamental necessity. The question of good roads is largely at stake. Crude oil products are essential to the completion of good roads, and you know that good roads mean better schoolhouses, better churches, and greater prosperity and happiness for the plain American people.

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

Mr. UPSHAW. Yes, sir.

Mr. LAYTON. Now, I take it from your remarks that you want to be consistent, and that inasmuch as in a very short time you will be called to vote for \$25,000,000 for Colombia on account of the tariff question, you do not see any sense in having a tariff wall between those undeveloped fields and America?

Mr. UPSHAW. I consider the gentleman's question a little bit irrelevant, but I will settle that question when I reach it. I want to get back to the plain, everyday people. I want to remind you gentlemen that putting a high tariff on gasoline, for instance, is almost like putting a tariff on bread, for gasoline, if you please, is the food and the fuel of the poor man's commerce. It is vital to his domestic necessities, his social pleasures, his community activities, and his agricultural progress. Gentlemen, putting crude oil on the free list is being true to the principle of the greatest good to the greatest number, and that is good government and good common sense. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. Chairman, I am not a protectionist, and therefore I shall not vote for this tariff on oil, but if I were a protectionist and a Republican I would have some difficulty explaining why I voted for an embargo on dyes, produced by a monopoly, that affects everybody, and at the same time voted for free oil, that is at present, at least, not produced solely by a monopoly. [Applause.]

Now, the gentleman from Delaware a moment ago asked the gentleman from Georgia [Mr. UPSHAW] something about the ratification of a \$25,000,000 treaty with Colombia. The other night in discussing the oil subject I injected a little bit of diplomacy in it, based on the letter of the President. The President in his letter to the chairman of the Ways and Means Committee has asked that oil be permitted to remain on the free list, because it had entered into our diplomatic relations; it has become a matter of importance in negotiating treaties with foreign countries. A few years ago we heard a lot about "dollar diplomacy." We all rejoiced that dollar diplomacy was abolished, but I wonder if we are going to fare any better if the new diplomacy of oil has appeared on the scene than in the matter of dollar diplomacy?

Mr. NEWTON of Minnesota. Was dollar diplomacy abolished in Santo Domingo or Haiti?

Mr. BARKLEY. I do not think it ever got its grip on Santo Domingo or Haiti as much as on other nations. I am informed that the Standard Oil Co.—I do not know whether it be correct or not, but the information has come to most of us—is in favor of free oil, and the reason it is in favor of free oil is because it controls a large part of the production in Mexico and desires to bring its own oil in from Mexico free of duty. The Standard Oil Co. controls, I believe, 16 per cent—

Mr. REAVIS. Will the gentleman yield?

Mr. BARKLEY. I am sorry; I can not.

It controls 16 per cent of the production of the United States, and 60 per cent of the refining. By bringing this oil into the United States free of duty and refining it in its own refineries, where it controls 60 per cent, it has been able to bring the price of crude oil down in six months from \$3.75 per barrel to \$1 now. But gasoline has not been reduced in the same proportion as the price of crude oil has been. And if I were a Republican in favor of protection I would not give protection to American producers where they produce only in America and put upon the free list a commodity that is produced in foreign countries where men from the United States happen to have money invested in it. I am unable to understand how you will explain to the Republicans of Oklahoma who voted last year for putting more business in government and less government in business why you protect everything produced in New England and at the same time ignore them.

Mr. BURKE. The gentleman said the price of oil was \$3.75.

Mr. BARKLEY. I said six months ago.

Mr. BURKE. It was \$6.25.

Mr. BARKLEY. In certain places. Pennsylvania oil was that much. But in Oklahoma and Texas it was \$3.75 per barrel. Mr. BURKE. Do you know how much gasoline sold for then?

Mr. BARKLEY. Thirty-six cents in some places. It sold for 30 cents here in Washington.

Mr. BURKE. How much to-day? Twenty-six cents, 10 cents off on gasoline and \$4 on oil.

Mr. BARKLEY. What does that same oil sell for now that sold for \$6.50?

Mr. BURKE. Two dollars and twenty-five cents.

Mr. BARKLEY. I am speaking of crude oil.

Mr. BURKE. Two dollars and twenty-five cents, Pennsylvania crude oil.

Mr. BARKLEY. So that the reduction in the price of crude oil has not been reflected in the price of gasoline.

Mr. BURKE. I do not think it has anything to do with it. That is a matter which is controlled by one concern, the Standard Oil Co., and you know it. [Laughter.]

Mr. BARKLEY. That is what I am talking about. The Standard Oil Co. has driven the price of crude oil down and kept the price of gasoline up.

Mr. BURKE. Have you ever known of any man working at drilling or tool dressing outside of an American?

Mr. BARKLEY. I did not catch the gentleman's question.

Mr. BURKE. You are familiar with the oil business, are you not?

Mr. BARKLEY. No.

Mr. BURKE. Did you ever know a man working at drilling or tool dressing outside of an American?

Mr. BARKLEY. I am not familiar enough with the oil business, not being in it, to know anything about that. But my information is that the men who produce oil in this country are practically all Americans.

Mr. BURKE. I have worked in the oil country and been connected with the oil business since the time when this industry was in its infancy, and I must say that I have never known yet a tool dresser or a driller of an oil well who was not an American. I say that for the benefit of the gentlemen who are for protection on dyes, on iron, and other industries, that you do not find the same condition there with the workingmen.

Mr. BARKLEY. Yes. I appreciate that fact, and that is why I am addressing the gentleman's side of the House. I think the gentleman's remarks are very pertinent. We were told last year, when the people voted for a change, that we were going to have more business in government and less government in business. Now, I think, in view of recent history, we are to have less government in big business and more big business in government.

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

Mr. FORDNEY. I yield five minutes to the gentleman from Ohio [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman and gentlemen of the House, it seems that some gentlemen on this side of the aisle are wabbling very badly to-day and that they deserve some of the things that some of the sharp-tongued, big-brained men on the other side of the aisle are saying about them. They ought to point out your inconsistencies; you deserve it as you never deserved it before. Why? Because you lack courage and are afraid to go out and look in the face of the farmer who owns an auto, thinking he may have to buy a few gallons of gas, and you fear that he is going to find fault with you if you vote for a tariff on oil. Do not worry; the farmer is wise to-day and is not easily fooled. Did you ever stop to think that just one year ago the price of oil in the United States was from \$3.50 to \$6.25 per barrel and the price of gasoline was from 27 to 30 cents per gallon? To-day some grades of oil are selling for 60 cents a barrel and as low as 30 cents a barrel in some of the States that you gentlemen represent, and the selling price of gasoline here in Washington is from 24 to 27 cents per gallon. During the four months ending April 30, 1921, Mexican crude oil totaling 46,924,000 barrels was shipped into this country. The cost of producing Mexican crude oil is less than 10 per cent of the average cost of producing oil in the United States. The importation of this large quantity of Mexican oil has virtually displaced American fuel oil, which is largely a residue from refineries. The result is that gasoline is almost the only product which our independent refiners are selling, and gasoline must therefore carry the entire cost of refining. It is obvious that if there was a tariff on Mexican oil our own refiners could sell their fuel oil and thus afford to reduce the price of gasoline. In 1913 no oil was imported, and gasoline sold at 17 cents in New York. It is now selling at 24 cents. Then why should you be afraid to be identified with the protection of American oil?

As a matter of national defense you ought to vote for protection on oil. [Applause.] I do not know how many Members here know very much about an oil well. We have oil wells in my district that produce but one barrel of oil a day; but once the hole is put in the ground you must take care of that oil, you must keep the well in order, or, as the gentleman from West Virginia told you awhile ago, the salt water will choke it off. But then you say "We are going to protect big rich men." Oh, tell me what this country would be if we did not have some rich

men in it. Just a few years ago, or just a few months ago, these same rich Americans were poor Americans. In the seats on both sides of the aisle in this House are men who have burned the midnight oil, men who never saw the inside of a schoolhouse, who are here because of the opportunity that this great land gives to those who have the courage and the will to do. That is the way it is with the American oil producer. Let us take care of him. Remember that this tariff on oil will not hurt very much the man who buys a few gallons of gas. You need not be afraid of the votes back in your district on that account, but you had better think of the American men, with 100 per cent American brains, who direct the drilling of these wells. You had better think of the men who dig the coal that furnishes the heat to melt the iron that makes the tubing to go down into these wells, to the end that American industry may continue to produce the tubing to put into our own wells. Oh, men; think first of America to-day in a big, broad way. Conserve her resources by taking care of what we have. Suppose you put all the small wildcaters out of business and suppose we should go to war with England. What would happen to us? Where would our United States get the oil which would be so badly needed for our ships? Answer that question for yourselves. Anybody who knows anything of oil knows you have got to have men of courage to go wildcatting for it. It takes men who are courageous with their capital and courageous with their health, too, to go out into the wild places of the earth seeking the treasure that is now so necessary to the comfort of mankind and the safety of our Nation. So I say to you wabbling Republicans that if you vote to-day against the tariff on oil you would feel more comfortable on the other side of the aisle, because you then would be consistent. [Applause.]

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

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLACK].

Mr. BLACK. Mr. Chairman, I shall vote for the Treadway amendment to strike out the duty on oil. I will endeavor to point out that this effort to levy a tariff on crude oil and fuel oil is in violation (1) of the Democratic doctrine of a tariff for revenue; (2) it is in violation of the Republican doctrine of protection as heretofore announced by their ablest leaders; and (3) the proposed tariff will negative the deliberate policy of both the Wilson and the Harding administrations with regard to the acquirement of foreign located sources of supply by United States citizens. Therefore this duty should be opposed by both Democrats and Republicans.

Now, the best argument that can be offered in support of my contention that this tariff is not justified from the Democratic standpoint of a tariff for revenue is that the only two tariff bills that the Democrats have written in this generation, to wit, the Wilson tariff bill under President Cleveland's administration and the Underwood tariff law under President Wilson's administration—in both of those bills petroleum and petroleum products were placed on the free list. The reason for that is easily explained and that reason is that oil is one of our great natural resources. Its supply is definitely limited. Its consumption is proceeding at an enormous rate and nature is not storing up any more. The geologic age that put this great product into the bosom of the earth to be brought forth in this oil age, to be harnessed for the service of mankind—that geologic age has gone to join the years before the flood, and no more oil will ever be made, and when it is exhausted we must find a substitute, and thus far we have not developed a substitute. This is the oil age and that nation which husbands and conserves its oil resources will lead the world in shipping and commerce. Therefore the Democratic Party has always stood for a reasonable conservation of this great natural resource and has always regarded it as both unwise and illogical to impose a tax which might have the effect to hasten the depletion of our oil deposits. Now, as to my second point that this tariff on oil can not be justified from a Republican standpoint, the best evidence of that fact is that the two Republican tariff bills that have been written within the active memory of men who are here now in this House, to wit, the Dingley bill and the Payne-Aldrich bill, both had these products upon the free list.

The Republican justifies a protective tariff on the basis that it is necessary to protect an infant industry, to let it grow by this means of legislative favoritism until it will be strong enough to take care of itself, but here we have this oil industry which has grown under free trade in the Dingley bill, the Payne-Aldrich bill, and the Wilson bill and the Underwood bill—has grown from an infant industry until last year it produced more than 400,000,000 barrels of oil, 70 per cent of the production of the world.

Mr. REAVIS. Will the gentleman yield?

Mr. BLACK. I will.

Mr. REAVIS. This infant industry has produced among other things the richest man in the world.

Mr. BLACK. That is very true. It has brought riches to very many men.

Mr. BURKE. Will the gentleman yield?

Mr. BLACK. I will yield to the gentleman.

Mr. BURKE. When these bills were written into law was Mexico producing any oil?

Mr. BLACK. I presume there was some production in Mexico, although the large production in Mexico is of comparatively recent origin. But, gentlemen, the point I want to emphasize is this: That under the policy of free trade in the products of this industry, under both Democratic and Republican administrations, it has grown to where the Director of the Geological Survey says that if production continues at the same rate as during the last few years all of the oil resources of the Nation will be out of the ground in 18 years, while on the other hand the other nations of the world are only taking it out at a ratio that will exhaust their supply in 250 years.

In commenting upon this very situation former Secretary of the Interior John Barton Payne said in part on June 2, 1920:

With four months' figures before me, I feel warranted in estimating this year's production at 420,000,000 barrels and the year's consumption, including exports, at 500,000,000 barrels.

The welfare of the Nation demands that these figures be reduced.

So the whole truth of the matter is that the present depression in the price of oil is due very largely to the same depression which has deflated most all other commodities, and when that deflation runs its course and the industry gets on a new basis of production costs it will be prosperous and remunerative again and the depletion of our oil resources will be quite as rapid as the safety of the Nation will permit.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and gentlemen of the committee, I find myself out of harmony with my distinguished colleague from Ohio [Mr. MURPHY], who preceded me. If you men are acquainted with Ohio you know that it is not unusual to find two men from the same State of a different belief. The other day I gave five minutes talk on the tariff on hides, and I made the assertion that it was an economic maxim that the whole country prospered in proportion as every unit prospered. In order not to be inconsistent, or leave you with the inference that I do not know the statement I made, I find myself to-day compelled to be against the tariff on oil. My reason is this: Oil is a natural resource that is not reproduced and you can not increase the production of oil. I mean that you can not increase the quantity of oil that is to be had by any process known to man up to date. For every barrel of oil that is taken out of the ground there is one barrel less.

Now, I want to ask you men advocating a tariff on oil, in order to save the consumption of American oil, to preserve American oil, how do you square your attitude with this fact, that one-sixth of the natural resources of the oil of the world are found within the United States, according to best estimates and the geological experts, and two-thirds of the consumption of the oil comes from the United States?

Mr. LAZARO. Will the gentleman yield?

Mr. BEGG. I am sorry but I can not yield at this time. In other words, there is twice as much oil used from the United States in relation to the consumption of the world as we have of the commodity. Now, I want to ask you men if you are helping the American workmen if you use the natural resources twice as fast as the rest of the countries of the world?

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

Mr. BEGG. I can not yield. If the gentleman will get me five minutes from his side, I shall be very glad to yield to him. The United States is now consuming three-fourths of the world's output, and in connection with that let me read you a statement from one of the greatest scientists England has ever produced:

The British position is impregnable. We will have to wait a few years for the harvest, but eventually to the tune of many millions of pounds annually, America will have to purchase from British companies and pay dollar currency for oil. She can not do without it and she is able no longer to furnish it from her own stores.

We estimate that if the present curve of consumption—

And, that is what I mentioned a moment ago when I said we own only one-sixth of the resources and consume three-fourths of the world's output.

We estimate that if the present curve of consumption, especially of high-grade products, continues America in 10 years' time must import 500,000,000 barrels a year.

At \$2 a barrel—a very low figure—this means an annual payment of a billion dollars, most if not all of which will find its way to British pockets.

I ask you men who are advocating the using up of American oil and permitting the foreign oil to go unused, what is your

answer when the time comes when we must produce or import 500,000,000 barrels of oil in order to allow the tractors on the farms to run, in order to run the gasoline stoves in the homes, in order to keep our merchant marine and Navy on the high seas?

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

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

Mr. BEGG. I can not yield—in order to run the 9,000,000 automobiles in this country. I ask you what is your answer, when you are compelled to import 500,000,000 barrels of oil a year at their price? Will you then maintain that you have protected the American interests?

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

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. BRINSON].

Mr. BRINSON. Mr. Chairman, the gentleman from Ohio [Mr. MURPHY], who immediately preceded the gentleman who has just spoken, extended a very cordial invitation to his Republican brethren to come over into the Democratic ranks if they voted for the free importation of oil. I want to ask the gentleman if he will also extend that invitation to the President of the United States, the amiable gentleman who now occupies the White House, and who, as I understand, in recent days suggested that all importations of oil should be free. [Applause on Democratic side.] I believe his letter has been placed in the Record. If the gentleman will yield the President to us, we will be very glad to receive that amiable, splendid gentleman into our ranks.

The distinguished chairman of the Ways and Means Committee, in opening debate on this bill, sought to justify it by a Bible quotation. With a solemn air he recited Timothy (5-8), "But if any provide not for his own, and specially for those of his own household, he hath denied the faith and is worse than an infidel"; and the faces of the gentlemen on the Republican side beamed approvingly, although the pious words of approval were unuttered.

I am sure it must have been fear that levity might invade this solemn assembly which restrained the utterance of solemn "Amen" as the distinguished chairman quoted scripture wholly unrelated to the subject matter to bolster up a cause which does violence to the fundamentals of all scripture teaching.

Having pulled this verse from Timothy from its context and connection, the distinguished gentleman from Michigan gives it a meaning foreign to that of the writer and uses it as a sanction for things altogether at variance with Bible teaching.

Paul, in the passage quoted, is contrasting two types of people—one class, those who zealously regard their obligations, and the other, the flippant, thoughtless, profligate, and wasteful, and he impresses upon the young minister Timothy the obligation to safeguard and protect that home which then—as now—is the fundamental thing in our civilization, the cornerstone of decent and orderly society.

The chairman of the committee meant no sacrilege and without doubt thinks that the economic policy to which he is wedded is grounded in sound morality and has abundant scriptural warrant.

It seems to me, however, that this policy offends against morality and does violence to basic scriptural principles and teachings.

"Bear ye one another's burden" does not square at all with a policy which places a grievous burden upon the great mass of toilers and consumers in order that a few might enjoy a larger measure of prosperity.

No tariff is placed on labor in this bill. No restriction whatever is placed in this or any other tariff bill on the importation of cheap foreign labor. On the contrary, a short time ago, when I and nearly every other Democrat voted to restrict foreign immigration, many of the gentlemen on the other side, who are now demanding protection for the American manufacturers, were then protesting against closing our doors to the foreigners with their cheap labor. Protesting their zeal for the protection of American labor, many of them voted against the measure which provides the only rational means for this protection.

So it is with agriculture. Professing special guardianship of and very jealous concern for the agricultural interests, they passed some weeks ago what is known as the emergency tariff, providing rates of duty for many agricultural products.

What farmers have profited by these rates? Cotton was placed on the dutiable list, and we know that cotton has steadily declined in price since then. So it has been with wheat and corn and all other agricultural products on which a so-called protective duty was placed. Seven cents was put on cotton, and it has reached its lowest level since 1914. A recent increase was due to the report of the Secretary of Agriculture showing

that 10,000,000 less acres of land are now devoted to its raising than last year.

Articles which must be exported, whose total production in this country far exceeds the domestic needs, can not be helped by an import duty on like articles which are imported. Their price is fixed in the markets of the world where they come in competition with like articles produced in other countries.

Rather, in case of this sort, the imposition of a tariff by this country is hurtful, because usually the retaliatory duty is placed on articles shipped by this country abroad. This is indicated by the decrease in our exportations, or sale of our goods abroad under the various Republican protective tariff laws. This has been markedly manifest after the passage of each one of these protective tariff laws. Under the Underwood-Simmons bill our exports exceeded our imports by about \$3,000,000,000 per year. In 1914 imports from Europe were \$895,000,000. In 1920 they had increased to \$1,179,000,000, an increase on an average of only about \$45,000,000 per year for the six years.

Our exports to Europe in 1914 were \$1,486,000,000 and in 1920 they were \$4,864,000,000, showing an increase on an average of about \$563,000,000 per year for six years.

The average excess annually of exports over imports under the Democratic tariff law was \$518,000,000—in other words, we sold abroad each year over a half billion dollars' worth of goods more than we bought from them. This was a foreign commerce four times as large as that of the last year of Republican control. This foreign commerce has steadily decreased until now it is only about one-half of what it was one year ago. It is not a mere coincidence but a very significant fact that—as stated by the gentleman from Mississippi [Mr. COLLIER] during 80 years, from 1840 to 1920, "the only two decades in the history of the Republic when the general wealth of the United States increased over 100 per cent were the two decades when the Democracy was in control and the tariff had been reduced."

An invariable rule of trade and commerce is that a people buy only where they sell. The farmer carries his produce to town, sells it, and then makes his purchases. This fact is pronouncedly true now as regards our trade with foreign nations because they can not pay us for our produce except with their own. To raise the tariff wall now is to close foreign markets to our farm products. This means, of course, an oversupply at home and a continuation of low prices for agricultural products.

I have time only to refer to a few of the agricultural products which have been placed upon the dutiable list, with the view of impressing the farmer with the friendship of the Republican Party for him. These cases will indicate clearly how little of intelligence our Republican friends credit the American farmer with possessing. Only a slight familiarity with the educational progress made in the rural sections of the United States during the past 20 years would discourage the effort made in this bill to fool the farmer. As an illustration, consider the tariff on cotton. How can a tax on cotton be of any value to our farmers? Of the twelve or thirteen million bales raised annually in this country, only about 500,000 are of the long-staple variety. This is about one twenty-fifth of the total crop of cotton and this is the only kind which has competition from abroad. This is raised in small quantities and only in Mississippi, Arkansas, Louisiana, Arizona, California, and a few places on the South Atlantic coast. None of it is raised in North Carolina. We have only the short-staple cotton. How will this tax benefit our farmers when it can not shut out one bale of short-staple cotton? Our cotton—more than 60 per cent of it—is exported and the price is of course fixed in the market in which it is sold. Not one cent will be added to a bale of North Carolina cotton. The Republicans know this, but they use this tax as a pretense and justification for placing a compensatory duty on the goods manufactured from cotton.

The manufacturer will not pay a cent more for his cotton, but will add considerably to the price he charges for the clothes manufactured from the cotton.

In legislative parlance this is a "joker." I think when the American farmer finds that all the cotton clothing and other cotton goods used by himself and family have increased in price while the raw cotton from which the goods are made has not increased by reason of tariff, the joke will be turned, and turned with some violence, on the Republican Party, which has rashly presumed on his stupidity to rob him of the fruits of his toil.

Another illustration of the solicitude of our Republican friends for the farmer is shown in the proposed tariff on potash. Potash, as we know, is useful as a fertilizer, and especially so in the South. The States of Virginia, North Carolina,

South Carolina, Georgia, Florida, Alabama, and Mississippi use 75 per cent of the potash, and will, of course, pay 75 per cent of the cost of it. In 1913 the price of potash ranged from \$38 to \$48 per ton. During the war the German potash was shut out and the plants in Nebraska and California charged \$500 per ton. They are now demanding a tariff of \$50 per ton. They have never been able to produce more than 20 per cent of the amount consumed in this country. Their full output will thus supply only 20 per cent of our needs, and for this we in the South, who use three-fourths of all the potash consumed, must pay an exorbitant price, which will include well-nigh prohibitive freight rates across the continent, and the other 80 per cent we must get from Germany at a price practically doubled because of the high tariff. The whole South must pay tribute to the gentlemen who have invested in the potash plants of Nebraska and California.

Judge LARSEN, of Georgia, after careful study estimates the amount the farmers of the seven Southern States I have mentioned will have to pay as \$9,375,000 per year.

Farmers of the country are in sore straits, their crops selling for much less than the cost of their production. Their debts (mortgages) have increased from \$1,726,172,851 in 1910 to \$4,012,711,213 in 1920. This is the measure of relief afforded them by this generous Congress. For every economic or financial ill our Republican friends propose "more tariff." Their nostrum is the same now as always, viz, "more tariff." The only refuge they offer is "a national hermitage," with a tariff wall so high that importations can never scale it.

Another effort to mislead the farmer is the tariff proposed on hides. The tax proposed is very small, but along with it comes the announcement by the chairman of the committee that a compensatory duty must be placed on shoes and every other article made from leather. The "joker" here is the moderate tax on hides and the additional high tax on shoes. The farmer will get a few cents more for his hides, but will spend many dollars more for shoes for himself and family, for the harness he must buy, and for every article of which leather or hides forms a part. The little child romping and skipping in his play will in a few months wear away in his shoes the added value this tariff will give his father's hides.

One of the most indefensible provisions of this bill is the tax proposed on crude oil of 35 cents per barrel and fuel oil of 25 cents per barrel of 42 gallons. Our supply in America is quite limited. Natural resources of this sort can not be renewed as other things may—as, for instance, agriculture—but when exhausted we must look elsewhere for a supply. Conservation of this limited supply is dictated by common prudence and wise forethought.

Just beyond our borders is a very large supply of oil. Our need of oil is increasing with astounding rapidity. Gasoline is a necessity in business and a great contribution to the comfort and happiness of the people. Every automobile owner must have it. Four hundred thousand tractors and 2,500,000 stationary engines on our farms require oil. In 1920 our consumption of crude oil exceeded our production by almost one-half. Mexican oil is of a comparatively low grade and contains about 9 per cent gasoline. It is, however, a good oil for road surfacing, and we all know how vast is the need for good roads. The State of North Carolina is now preparing to spend many millions of dollars on its roads and this proposed tariff on oils will add greatly to the cost of our road-building program.

Our National Government will have a much larger fuel bill if this bill as now written becomes a law, for all the large new vessels of the Navy and merchant marine use oil for fuel. I sincerely hope that the plea of the few who are interested in the development of our limited oil fields will not avail against the urgent need of our people generally and the farmers whose needs seem to be the most urgent.

Mr. Chairman, I can not believe that the American people, when they have learned the provisions of this bill and have felt its cruel effects, will fail to register their condemnation of this, as they have every other piece of high-protection-tariff legislation. This bill is the extreme of protective legislation and indicates clearly that the experiences of this country have taught the Republican Party nothing as respects this economic fallacy. This tariff system, however, is wholly in line with the traditional Republican policy of national aloofness. Isolation has characterized the attitude of the party as respects its relations with other nations, and that historic policy must be adhered to if its tariff system is to be maintained.

No thought of America, happily and contentedly exchanging its products with the rest of the world in friendly commercial intercourse, could enter the mind of the normal Republican

without awakening grave fears that the "home market" would be endangered.

Our country barns and city warehouses may be crowded to bursting with the surplus crops of our farms seeking markets abroad, but the wise men on Capitol Hill, who modestly proclaim themselves the sole exemplars of "pure Americanism," wave our country's flag at a disquieted people and run the tariff rates up still higher.

This tariff bill is merely another expression of that fundamental Republican policy of narrow provincialism which has gradually been changing the world's attitude toward us from that of enthusiastic and grateful friendship at the close of the World War to a speculating and rather suspicious feeling now respecting our national aims and purposes.

National aloofness has its train of evils, economic and otherwise, just as individual aloofness has.

Had our Nation, with the leadership of the world in its grasp, been true to the promptings of a higher and nobler sense and continued its fellowship and comradeship with the rest of the world, compensation of a material sort in commerce and trade would have been ours.

Instead, taking counsel of fears and yielding to the pressure of political exigency, we pulled our garments about us and left the world grappling with the largest problems which have taxed the wisdom and patriotism of all the ages.

The fruitage of that policy we have reaped in crippled commerce, closed markets abroad, the desperate condition of agriculture, and withal a general distrust of our intentions on the part of a large part of the world.

This bill makes harder the task of world reconciliation and world stabilization, because of its drastic interference with the orderly processes of world commerce.

Mutually profitable commerce is the surest guaranty of friendly relations and the most certain promoter of happiness and contentment among all peoples.

I sincerely hope, Mr. Chairman, that another body will materially moderate the harshness of this measure, especially as it affects the American farmer.

Mr. COLLIER. I yield five minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Chairman and gentlemen of the committee, I regret exceedingly to be out of harmony with so many Republicans who have spoken upon this bill with reference to the schedule now being debated. For those who are familiar with my political life and whose good opinion I covet, I do not believe it is necessary for me to offer any endorsements of my Republicanism nor as to which side of the aisle I am entitled to occupy. With reference to this schedule now under consideration, it seems to me that a tariff would do violence to every principle of protection, as I understand it. I could never vote for a tariff upon any exhaustible natural resource. I am in favor of building up American industry as much as any man within the sound of my voice. I believe that one can do more for his country, that one can stand better for America, as the suggestion has been repeatedly made this morning, by conserving our natural resources for use in occasion of need and extremity and emergency, than we can by building up a few temporary profits for those who by good fortune or chance happen to be in possession of these resources. I feel this way about a protective tariff; my idea of a protective tariff as applied to a given commodity is to stimulate that industry so as to increase its supply and thereby make necessary additional labor at American wages.

But whenever you put a tariff upon an exhaustible national resource, the result of your tariff is to stimulate the demand, which results in diminishing the supply.

Mr. CHANDLER of Oklahoma. Will the gentleman yield?

Mr. REAVIS. With pleasure.

Mr. CHANDLER of Oklahoma. Does the gentleman know that there are more than 200,000 men employed in the production of oil, and that these small wells that are liable to be abandoned will lose over 300,000 barrels a day production?

Mr. REAVIS. I do not know that, I will say to the gentleman; but I do know that if you put a tariff on oil that will make the American demand for oil center upon the local supply, it will not be very many years before the men that are employed in these oil wells will be permanently out of employment, inasmuch as the present supply will thereby be exhausted.

A statement has been made here, I think by the gentleman from Kentucky [Mr. ROSSON], that he had voted for a tariff upon the products of the farmer—upon wheat, upon corn, upon hides. He probably intends to vote for a tariff upon cotton. So do I; but if the wheat and the corn and the cotton were the primary commodity instead of the usufruct of something else, I would not vote for them, because I would vote for no measure

that would centralize the demand upon wheat and corn and cotton if the supply was limited and to which additions were impossible. It is the principle I stand for. I am not making any application with reference to this commodity as to how many men are working in the business, as to how much is being produced, as to the disaster that will come to isolated individuals if this tariff is not put on. My personal judgment is that the depression is merely temporary. Certainly it did not exist before the war; certainly it did not exist during the war. But everything is depressed now. But I feel this: That if it is a temporary condition, as I believe, in addition to utilizing the supply of a natural and exhaustible resource by putting a tariff on it, you are writing into permanent law a remedy for a temporary condition, which I believe to be unwise. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. I yield five minutes to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Chairman, I am not a tariff expert nor am I familiar, as are the gentlemen of the Ways and Means Committee, with the various provisions of this bill and the arguments for and against the various schedules which it contains. But it only requires a little common sense and common honesty for a man to understand that it is morally wrong to tax one set of people in order to enrich or afford profits to another set of people, no matter where they may be or who they are. [Applause on the Democratic side.]

This country is suffering from a breakdown of international commerce, and yet the remedy which it is proposed to give to the American people for that condition is to build further barriers in the way of the extension of commerce throughout the world. Reference has been made to a statement of the Secretary of Commerce, Mr. Hoover, in which he emphasized the wisdom and necessity of adopting a most liberal policy in developing and reviving our foreign trade. There can be no doubt of the correctness of his views. I want to read just a line or two from one of even higher authority than Mr. Hoover, an authority which seems just now not quite so well regarded in this House as he was very recently by the Senate of the United States. In his recent address to the Senate President Harding said:

The slump which is now upon us is an inevitable part of war's aftermath. It has followed in the wake of war since the world began. The only sure way to normalcy is over the paths nature has marked throughout all human experience.

I hold in my hand an address recently delivered by Mr. Crisinger, the Comptroller of the Currency, another man in high place and in close touch with the financial and commercial affairs of the world. He says:

I think we will be wise if we carefully consider, therefore, whether international commerce may not be considered somewhat by itself and provided with special financial facilities of its own, independent and apart from the money systems of the different countries. For myself, I may say frankly that I have become convinced that the exigencies of these times must be dealt with by processes more or less new and adapted to deal with international trade. Many countries which are to-day peculiarly in need of international trade would in normal times be comparatively independent of it. As to our own country, it is certain that we never have known a time when there was so universal a realization of the supreme importance of opening foreign markets for our wares, and particularly our agricultural products.

These gentlemen have but voiced the cry that is to be heard throughout the length and breadth of the land and to which Congress has time and again attempted to give legislative expression for the revival of our foreign trade and for the development of markets abroad. Yet the answer which Congress now proposes to give to this appeal is to build a tariff wall that will further restrict and hamper our trade with the nations to whom we must export the products of American mines and farms and factories. I can not see the wisdom of such a policy. The masses of the American people know the folly and injustice of it. They will not be fooled or misled by the occasional benefits to be conferred here and there upon a few farmers and producers and which is being thrown out as bait to control the farmer vote of this country. For every crumb that falls to the farmers of the country the fattened favorites of the indefensible system of protection will gather in their millions. It is the same old scheme to enrich the few at the expense of the multitude—to take from the masses of the poor to give to those already enriched by governmental favor.

I despise the principle of protection. No man can defend it before the bar of enlightened and conscientious judgment. It is enough to levy tariff duties for the purpose of raising revenue to support the Government as advocated by the Democratic Party. Even that system involves enough of injustice and unfairness to call into question the wisdom of the policy. My father was a southern farmer and country doctor and reared a large family. For 50 years under our tariff system he contributed more to the support of the Federal Government than

the average millionaire. The case is but typical of the average farmer and producer of the country. This bill is in line with the protective bills which have preceded it. In fact, it is the most iniquitous tariff bill ever written, and the proposed tax on crude oil is probably the most indefensible provision which it contains. No man need take the trouble of going into the figures respecting the amount of oil imported or the amount exported. We all know that no excuse can be found, even from the standpoint of a protectionist, in placing this proposed tax on the people of the country for the benefit of further enriching the producers of oil and those who have in storage large amounts of oil and oil products. There is one argument alone which ought to enlist the earnest opposition of every thoughtful patriotic man in this House. Experts agree that so far as can be ascertained our supply of crude oil is fast approaching the point of exhaustion. How any man can justify a vote to handicap our people in the opportunity of drawing on the supply of other nations before exhausting our own is something I can not understand. I have seen the great forests of the South taken over by outsiders and our supply of lumber practically exhausted and our children robbed of their just inheritance that a few men might make large profits temporarily. I will not cast my vote in support of any law that encourages the same practice in regard to the oil supply, with which nature has blessed us and which means so much to the welfare of our children and the safety of the Republic.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Chairman, several times during the debate those on this side of the House have been charged with being free traders. Of course, no one seriously entertains that opinion. There is no free-trade party in this country today, and in view of the long period in which the doctrine of encouragement of American industry has been applied, it is a very safe prediction that there never will exist in the life of the youngest man here a free-trade party. I recall what the distinguished chairman of the Ways and Means Committee said in his opening address about the attitude of early statesmen. He mentioned several great Virginians of the old days who were distinctly not advocates of free trade. They stood for revenue duties, but were in favor of reasonable incidental encouragement of domestic industries. Some of us who are their political descendants are opposed to free trade, and recognize, as they did, that it is proper to extend protection to our own industries within fair and reasonable limits.

But there is at least this difference between the parties: The minority party believes, or many of them believe, as the most of the statesmen in the beginning believed, in a tariff for revenue with incidental protection, while it has been demonstrated during this debate and demonstrated in previous revisions of the tariff that the majority party in this country believes in a policy of extreme and unreasonable protection, with revenue as an incident, and very often with revenue entirely forgotten. There has been a shining absence all during this discussion of any reference to the matter of revenue. The chairman of the committee is unable to make an estimate of the revenue which this bill will produce in case it is enacted, and that ignorance envelops us at this moment in the same fog as prevailed when the discussion started.

A gentleman a moment ago indorsed the proposition that the entire matter of revising or modifying tariff schedules or individual rates ought to receive better consideration than is possible under present methods. There are those who antagonize that view. There is in existence a Tariff Commission charged with the duty of exploring constantly the whole tariff situation, and yet there are influential gentlemen who for some reason are reluctant to allow that commission even to make a recommendation to Congress as to schedules or as to individual rates.

Why should we not at some time—and there is no more favorable time than when we will be fresh from the unhappy experience of a general revision—so amend the statute as to untie the hands of the Tariff Commission and breaking its silence by authorizing the commission not only to ascertain facts by investigation but to make recommendations which it conceivably might prove of great value or tend to make the tariff less a partisan question and have it dealt with more as an economic question, a business question. My time is expiring. There is no opportunity to say anything about the pending question except that I regard a duty on crude oil and fuel as utterly inexpedient and indefensible.

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

Mr. MOORE of Virginia. Mr. Chairman, I shall try to find an opportunity hereafter to discuss the pending question. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. BARBOUR].

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

Mr. BARBOUR. Mr. Chairman, as I look at this proposition before us to-day I regard it not as a question of protection, but as one of conservation, and when my good friend from Ohio [Mr. MURPHY] gets up here and says that any Republican who is not willing to support this tariff on oil had better go over and sit on the other side he is not talking to me. I will take one chance on most propositions, but I will not sit on the Democratic side on account of my position on this question, even at the invitation of my friend from Ohio, FRANK MURPHY. I do not believe that in order to be a consistent Republican one must support a tariff on oil. If we must support every proposed tariff duty, then why have a free list in this bill?

There is a condition existing in the Mexican oil fields that has not been touched upon here. The export tax of 25 per cent placed upon Mexican oil by the Obregon government has resulted in the shutting down of many of the Mexican wells, and I am informed by those in position to know that if this condition continues for a month or two longer the existing surplus of oil east of the Rocky Mountains will be practically exhausted. Why should we, in addition to that export tax of 25 cents ad valorem placed on oil by the Mexican Government, put another tax on the oil as it enters the United States, when, as we know, this is a conservation measure and the question of protection is not involved?

We know that the supply of oil is limited. When you place a tariff duty upon oil coming from foreign countries the only result can be to further limit the supply in this country, and when you do that you are going to raise the price to every consumer of oil in the United States, to every farmer who uses a tractor, to every man who uses a gasoline engine, to every person who uses an automobile or an automobile truck. You are going to raise the price of electric light and power, because a considerable part of the power and light in this country is produced by oil.

You are going to further increase the rates on our railroads, because many of our railroads are to-day using oil as fuel, and the cost of operation always enters into the question of rates. There is going to be no limit to the field in which this increased price of oil is going to be felt.

I can not see, gentlemen, that the question of protection enters into this matter at all. You can not compare oil with any other item in this bill. Oil stands on an entirely different basis. [Applause.]

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

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

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

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen, a few minutes ago the gentleman from Ohio [Mr. MURPHY], in speaking in favor of a protective tariff on oil, used this language:

The American oil producer—let us take care of him.

Mr. Chairman, that piece of Republican scripture, "Let us take care of him," embodies the very essence in the theory of the protective tariff. Let us take care of him—the American oil producer. Let us take care of the manufacturer who is our friend; let us take care of this special interest, and that special interest, and the other special interest, because we "believe in a protective tariff and in reciprocity." If we take care of him he will take care of us. Those interests who subscribe to the Republican campaign fund must be subsidized and given special privileges even if all the rest of the people are taxed for that purpose.

But I wonder what the oil producers of the United States, especially those in Oklahoma, are going to say when it is known over the country that the President of the United States and a large part of his party are opposed to a tariff on oil? I wonder what the associates of the late Jake Hamon, who supported the Republican ticket in Oklahoma last winter—both Democrats and Republicans—who supported your ticket because they thought you would give them a tariff on oil, will say when they know that your party repudiates the doctrine of a protective tariff when it reaches the oil schedule? I am opposed to a protective tariff on oil, just as I am opposed to a protective tariff on other articles included in this bill.

The protective-tariff theory embodies the very essence of selfishness. The gentleman from Massachusetts [Mr. TREADWELL] and others from that section stood on this floor on Satur-

day—and I am addressing the Republican Representatives of Massachusetts now, if they will give me their attention—the gentleman from Massachusetts [Mr. TREADWAY] and others stood on this floor on Saturday of last week and espoused the doctrine of protection, but not for hides. They want a duty on their manufactured products, but not on hides. Neither do they favor a duty on oil. Can the answer be that New England produces neither hides nor oil, but consumes both? It is as though they said, "We believe in the doctrine of protection when you take care of me and my wife and my son John and his wife, us four and no more"; but when it comes to the rest of the world they do not believe in protection. If I were in favor of protection on one article, I would believe in passing protection around somewhat so as to equalize the burdens of the tariff. [Applause.] Taxes ought to be equalized, because the tariff is a tax. Last year the United States produced 18,622,884,000 gallons of oil.

Mr. ROSENBLUM. Barrels or gallons?

Mr. CONNALLY of Texas. Gallons, of a value of \$1,360,000,000. There was exported mineral oil of the value of \$520,366,768.

Such an enormous production will ultimately drain the available fields and a tariff will bring exhaustion more quickly.

Petroleum is a natural resource whose supply can not be replenished at the will of man. It can not be reproduced by labor or machinery. Its sources are exhaustible, its springs are not perpetual. It would be unwise to place a duty on imported oil to retard its importation. Such a course would stimulate the quick consumption of our domestic supply, while it would conserve the foreign supply. Is it not wiser to permit foreign oil to be imported? Its consumption will measurably conserve the stores of oil that generous nature holds for our future use.

Great Britain is reaching out for the oil fields of Mesopotamia, Holland is jealously guarding her oil interests in East India, the fields of Russia and Rumania are looked upon by the covetous eyes of the rest of Europe. This struggle for control of the oil supply of the world is not simply for immediate consumption, but for naval and military purposes 25 or 50 years from now. The United States has been bounteously blessed with oil resources, but our future needs—naval, military, industrial, commercial, and agricultural—demand that we save, that we husband well, these unsurpassed resources, that they may be ours in times of peril and danger, that our children and our children's children may not be the inheritors of our waste and prodigality.

A duty on oil will increase the price of gasoline and oil to the owner of every motor vehicle, every automobile, every farm tractor; the price of kerosene will be higher to every user of an oil lamp.

In 1920 there were 7,904,271 automobiles in use in the United States. The automobile is no longer a toy, it is no longer merely a pleasure car. Trucks and tractors and commercial cars have become necessities. Thousands of trucks and tractors help the farmer perform his work. Millions of homes are lighted by kerosene. All must pay higher prices if a tariff on oil is levied. Where will the money spent for higher oil, higher gasoline, and higher kerosene go? It will go into the pockets of the oil producers. The many—and in this case the many means almost everyone in the United States—must pay a bounty, a tax, a gratuity to the few. Such is the mean, selfish, and sordid story of the tariff.

Republicans, such is the fruit of your protective tariff not only on oil but on the products of your districts. If you believe in protecting your industries, consistency and fairness would suggest that you protect the industries of other sections. If you believe in protecting anything, why not protect all products—and I see the gentleman from New Hampshire [Mr. BURROUGHS] smiling at that. The gentleman from New Hampshire believes in protecting the dye manufacturers.

Mr. BURROUGHS. He does not.

Mr. CONNALLY of Texas. I beg the gentleman's pardon. Does he not believe in a protective tariff on dyes?

Mr. BURROUGHS. Yes.

Mr. CONNALLY of Texas. Well, that is what I said. I said the gentleman believed in protecting the dye manufacturers, and he denied it.

Mr. BURROUGHS. No embargo.

Mr. CONNALLY of Texas. I did not say an embargo; but the purpose of every protective tariff is to create an embargo, to stop imports; maybe not a complete one, but a partial embargo. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I appreciate the courtesy of the Democratic leader in giving me time to speak in favor of my own amendment. In view of the fact that during the process of this debate I have been classified as a Democratic soap-box orator, I have no doubt that it is proper I should get my time from the Democratic side. [Laughter.] Having been given that very euphonious title by one of my colleagues from Oklahoma [Mr. GENSMAN], I can only add that it is very delightful to be in such fine company as that of the President of the United States. Only a few moments before that statement was made about me, a letter was read from the President of the United States, advocating the same position that I advocate on this floor in connection with the oil proposition, so I certainly am in most excellent company. Further than that, it has never seemed to me to be necessary to get our orders from a new Member from Oklahoma about the kind of Republicanism we in New England shall preach. Therefore I particularly appreciate the unintentional courtesy shown me in the kind of designation the gentleman gave me.

But, of course, these personalities have nothing to do with the merits of the case. We have been accused of being sectional in New England in asking for free oil. Is it sectional if the President of the United States issues a letter advocating that same doctrine? Is it sectional when the maritime interests of the country everywhere ask for free oil? Is it sectional when every manufacturing industry throughout the country takes that position? It is not a sectional issue at all, Mr. Chairman. By a duty on oil we add \$5,000,000 to the cost of the production of the industries of the State of Massachusetts alone; and when you multiply that throughout the country you increase the cost of production immensely. I would not dare to try to estimate the increased cost of production if you lay a duty on this natural resource. It is no great credit to anybody that he has discovered oil on his farm.

It is a natural resource that God Almighty put there. The kind of a tariff that we lay is on industry, on the results of your labor, not on the results of what the Ruler of the universe has placed there as a natural resource. That is the difference between putting a duty upon a natural resource and taxing production, the result of the brains of the manufacturer. So it seems to me that you can not classify this issue as a sectional or local one. It is national in its scope and affects the entire industry of our Nation. Add the cost of fuel oil to the cost of material and the consumer will pay the bill. A tariff on a natural resource is fundamentally wrong.

I yield the remainder of my time, if I may be allowed to do so, to the chairman of the committee [Mr. FORDNEY], who will add a few minutes for another speaker. Is that agreeable to the Democratic leader?

Mr. COLLIER. Yes.

The CHAIRMAN. The gentleman from Massachusetts yields back one minute.

Mr. FORDNEY. I yield two minutes to the gentleman from Massachusetts [Mr. ROGERS], making three minutes in all.

Mr. ROGERS. Mr. Chairman, paragraph 89 of the pending Fordney tariff bill reads as follows: "Petroleum, crude, 35 cents per barrel of 42 gallons; fuel oil, 25 cents per barrel of 42 gallons." I frankly can not see any conceivable reason why the Committee on Ways and Means should have included this item. Indeed, I can not imagine why any sensible American, unless swayed by avarice, should advocate the duty proposed in this paragraph.

I thoroughly believe in the protection of American industry, whether or not the particular industry is found in my section of the country. But oil is not a commodity comparable to most other commodities. It is a natural resource. It is not the product of human hands. It is a gift of Heaven. It is subject to exhaustion, and when exhausted can not be renewed. As it is a vital necessity in modern industrial life, the moment of exhaustion should be postponed as much as possible. The total oil supply of the United States now discovered or likely to be discovered will at the present consumption rate be totally exhausted in 18 years. It may be exhausted in 15 years. The curbing of the consumption rate is apparently impracticable. The only way to conserve the oil supply of the United States is to import as much as possible from other countries. In this case the true policy of protection—and, of course, the United States as a Nation must be protected in preference to any producer or group of producers—demands legislation to permit the introduction of the maximum quantity of oil into the United States. In the case of oil, a natural and exhaustible resource, true conservation and true protection require a lessening of the burdens upon our domestic supply. To put a duty on oil enormously increases this burden.

The vessels of our Navy, the fleet of our Shipping Board, our industries which have become oil burning because of the difficulty of obtaining coal, our millions upon millions of oil-burning motors and gas engines, all cry aloud for oil and yet more oil. The scope and extremity of the disaster, if the supply should be shut off, are manifest.

The international policies of the world depend largely upon the race for oil fields. It has been authoritatively stated that the policies of Great Britain at the Versailles conference were controlled and dictated to a very large extent by the British determination to control the oil of the world. Much the same situation prevails in Holland, Japan, and other countries. Our State Department under the supremely able guidance of Secretary Hughes has taken full cognizance of this fact. The administration realizes fully that America must not be outstripped in the race for oil. With but one-sixth of the world's resources available within her borders, the United States today is furnishing two-thirds of the world's total production. We are consuming over three-fourths of the world's total production. Our domestic demand exceeds our domestic production by over 100,000,000 barrels. Virtually all of this is today imported from Mexico. Mexican oil production is mainly by American capital and American brains. It is admitted that the duty under paragraph 89 is practically prohibitive. If the paragraph should be carried in the law the American oil producers, now operating in Mexico, would be forced to sell to other nations, rivals of the United States, who greedily watch for their chance. It is because of President Harding's recognition of this unquestioned fact that he wrote his strong letter of opposition to the provisions of paragraph 89. World history would change to the terrifying disadvantage of the United States if the Republicans in this House did not come to the valiant support of the President of the United States in the oil controversy.

The patriotic and the righteous thing is to protect and conserve our domestic oil supply by encouraging the bringing in of oil from any other country which can sell to us. What is the political effect of such a course?

The proposed tariff on crude oil of 35 cents per barrel will have to be absorbed by its gasoline content—equivalent to 5 gallons per barrel. The fuel residuum content will bear little or none of the tax because of the keen domestic competition. Crude oil is made up of approximately 11 per cent gasoline and 89 per cent of fuel residuum. I repeat that all or nearly all of the tax must be borne by the 11 per cent gasoline. This means an increased cost of gasoline of from 5 to 7 cents per gallon attributable directly and solely to the Republican Party.

This 5 to 7 cents difference in the price of gasoline would be borne by the 9,212,000 operators of licensed motor vehicles, the 400,000 farmers who own tractors, and the more than 2,000,000 operators of stationary gasoline engines and motor boats. Each owner speaks for from three to five members of his immediate family. It is safe to say that from forty to fifty millions of American citizens will be personally interested by the enormous jump in the price of gasoline. I should venture a confident prediction that the Republican Party would be swept from control of the Nation if this oil tax were to be retained in the Fordney bill. It is certain political suicide.

Considerations of politics should never outride considerations of right or wrong. As a matter of fact, they are seldom in conflict. I think the right thing is usually the politically wise thing. But in this case it is absolutely certain that politics and righteousness unite in condemning the projected duty.

It must be remembered that the use of gasoline is not a perquisite of the rich. It is an adjunct of business, trade, and industry on which the wage earners of America are economically dependent. It is true that a considerable percentage of gasoline is consumed in the pursuit of pleasure. But by far the greater part goes to promoting the industrial supremacy of America.

The great oil refiners of America, such as the Standard Oil Companies, are said to favor this duty, for the very reason that it means higher prices and larger profits. The midcontinent oil producers, of course, favor it for the same reason. But outside these two narrow classes, numerically almost negligible, every American citizen, rich and poor alike, would find his cost of living materially increased by the imposition of a duty on oil. Internationally the proposal is filled with menace to the world position of the United States. Governmentally the proposal means extreme embarrassment to our Navy, to our Shipping Board vessels, and to almost every useful activity of the Federal Government. Domestically the proposal means direct hardship to 14,000,000 people who personally use gasoline, and to at least 40,000,000 others who are indirectly but vitally interested. From the standpoint of conservation the proposal aims to exhaust with the utmost rapidity the vital oil wells of the United

States which at best will run dry in 15 to 18 years. Politically the proposal spells suicide for the Republican Party. In my five terms as a Representative in Congress I think I have never known a single proposal advanced by either party which rivals the folly of this. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. CLOUSE] five minutes.

Mr. CLOUSE. Mr. Chairman, after the expiration of eight years under what is commonly known in America as free trade, we see history repeating herself and more than 4,000,000 honest sons of American toil out of employment. I am here to-day advocating this measure and a tariff upon oil because I believe that it will give employment to a few of the millions that are now roaming the streets of your cities in the vain search for employment. We have heard the argument advanced here that no tariff on oil is a means to the conservation of the natural resources of this country. Do you know that all told in the United States the territory has not been marked in the way of prospecting for oil. I venture the assertion that there has not been all told as much as 100 square miles of American soil tested for oil, and yet you say that the end of the supply is in sight. I deny it.

Mr. BARBOUR. Will the gentleman yield?

Mr. CLOUSE. I will.

Mr. BARBOUR. Does not the gentleman know that in the United States we are not producing from day to day anywhere near the amount of oil we are consuming?

Mr. CLOUSE. Yes; and that is the reason why I want to protect this great industry. [Applause.] I will say that if you open the ports to Mexican oil, in 10 years you will not produce enough oil in America to burn a lamp for a night. Conservation! Some gentleman says that we will be confronted with another war. Let me call attention to the fact that if you open the ports of the United States to free oil from Mexico the inevitable result will be to drive this important industry from America. It will close the doors of the factories, and a hundred thousand American citizens who are to-day earning good wages will be driven from the field when the crisis comes. If you are confronted with war, you need fuel. We are having trouble with our southern neighbor, Mexico, from which you are now advocating that her oil shall be admitted free, and if she closes her doors to your demands, I ask you, then, what are you going to do in that exigency to carry your vessels over the seas and carry on your war?

Mr. BARBOUR. Will the gentleman yield further?

Mr. CLOUSE. Yes.

Mr. BARBOUR. Would not it be a good idea to then have our own supply of oil?

Mr. CLOUSE. It would; and that is why I am saying that we should have a tariff on oil, to encourage the enterprise, so that the people can go forth and seek for the oil, and I say to you that in the United States, without doubt, they will find it. [Applause.]

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

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from West Virginia [Mr. ROSENBLUM].

Mr. ROSENBLUM. Mr. Chairman and gentlemen of the committee, I find myself in what might be termed an anomalous situation. I agree to a considerable extent with arguments that have been made on both sides of the question. These arguments can be divided into two groups: First, those whose purpose it is in putting oil on the free list to conserve American deposits of oil; and, second, those whose purpose in putting oil on the free list is to protect the consumer of gasoline particularly.

It was for this purpose that the gentlemen who spoke against a tariff on oil came to the conclusion that in order to accomplish the results mentioned they would vote to put oil on the free list.

Personally I shall vote for a tariff on oil in order to bring about the identical result that these gentlemen desire—the result they claim will be secured by admitting oil free of duty—as my conviction is the same object will be achieved by placing a tariff on oil.

In this country at the present time there are about 260,000 oil wells, with an average production of five barrels per day; of these 260,000 wells there are 150,000 wells with an average daily production of only one-half barrel. To enable these wells of small production to operate at a profit sufficient to insure a continuation of their operation, the price of oil must be maintained by placing a tariff on imported oil. In this way the oil from the 260,000 wells, heretofore mentioned, will be produced; otherwise this immense quantity of oil must forever be lost to the consumer. It is an established and universally accepted fact that wells of this production are known as "settled" pro-

duction, and are very capable of producing for a great number of years. To permit a deflection in the price of oil by the admission of oil duty free would mean the abandonment of thousands of producing wells upon thousands of farms, and this would also deprive the farmer owner of the farm from the revenue which he derives as royalty from the production of the wells.

It is for the purpose of conserving this wealth in these wells of small production that I believe it imperative that necessary protection be afforded.

The second argument advanced by those who favor oil on the free list is to protect the users of gasoline. This argument is not appealing to me, for the reason that the price which the ultimate consumer pays for gasoline does not satisfactorily reflect the cost of production. In May and June of this year the producers of gasoline—and there are thousands of them—were receiving 20 and 21 cents per gallon for their product. To-day the same producers are receiving but 7 cents a gallon, and have sold their product for as little as 6 cents per gallon, which is less than the cost of production. But there has been no corresponding variation in the price of gasoline to the consumer. The price he pays to-day is virtually the same as he paid in May and June.

Because of the nature of the crude oil and the locations where it is found it is necessary that it be transported through pipe lines to refineries, there to be refined before being in marketable condition. This condition puts both producer and consumer at the pleasure of the owner of the distributing facilities. The Standard Oil Co. and its subsidiaries almost entirely control the distribution of oil and gasoline and are therefore in position to dictate the price at which the producer must sell, if he wishes to sell at all, and as well the price at which the consumer must buy.

It is further a fact that this same corporation and its subsidiaries control the Mexican oil fields where the average production per well per day is about 2,500 barrels. It must be apparent to you gentlemen what a difference there must be in the cost of producing oil from wells which yield 2,500 barrels a day in Mexico and the cost of producing oil from the 260,000 wells in this country whose average production is but 5 barrels per day. This is not the ordinary situation where the imported product would compete with the oil produced in the United States. The principal distributor in the United States is the principal owner in Mexico, and if we permit them to bring the Mexican product into the United States free of any duty, there will be no reduction in the price of gasoline to the ultimate consumer; it will inevitably bring about the abandonment of the 260,000 wells which are now operated for this small production, the farmer being deprived of his royalty from the production of this oil, and the revenue that might be acquired by the United States from the proposed tariff to be paid by the importer will be lost to the United States, and will go to swell the profits of the producer of Mexican oil. A further result of permitting oil to come into this country free of duty would be to discourage production in this country, thereby affording the Mexican producer a monopoly on the production of oil, and give into the hands of the Standard Oil Co. and its subsidiaries almost the entire production in Mexico and the entire distribution in the United States.

I am confident that even with the proposed duty there will be an extensive importation of this Mexican oil, and I believe the United States should collect the amount of duty recommended by the Ways and Means Committee, which, I am told, would amount to \$100,000,000 annually, and it would be possible to reduce it by this amount whatever revenue must be raised from the citizens of this country.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. VARE].

Mr. VARE. Mr. Chairman, I sincerely regret that the Ways and Means Committee, in their wise judgment, did not immediately consider and report a bill to revise war tax legislation at the beginning of the present extra session of Congress.

It is my opinion that the first step toward the return of prosperity should be the elimination of the excess-profits taxes and the establishment of a tax code upon which the average business man could base his future progress. Delay in the establishment of the tax policy of the Government under the Republican administration only adds to the uncertainty caused by natural conditions in the business world.

If there is one thing, above all others, necessary to encourage men to invest and again become active in all branches of business endeavor—to take the necessary risk or gambling

chances, particularly at this time—it is the repeal of these excess-profits taxes.

During the war the people of this country were filled with patriotic fervor and devotion to the country. Business men did not hesitate to pay enormous taxes and contribute heartily into the Treasury of the United States. At that time, however, there was little risk in business. It was not a question of selling goods, irrespective of price; it was a matter of their ability to manufacture and produce.

Conditions have changed. Prices of raw material and labor are unsettled. It is therefore a much greater risk or gamble on the part of business men. Now there is little or no incentive. The removal of the excess-profits taxes will furnish that incentive.

I am of the opinion that if the tax revision law had been passed when this session convened it would have greatly advanced the time for the return of prosperity throughout the country.

However, we are now considering the Fordney protective tariff bill. I wish to congratulate the members of the Ways and Means Committee for the manner in which they have worked out this great problem. It is to be expected, however, that the committee could not perfect a measure which would be best for all communities. With some of the provisions of this measure I can not agree.

We have before us the Treadway amendment to strike out the provision which would levy a tariff on oil imported into this country. I favor protection of American industries. I might add that it is for this very reason I must oppose the proposed petroleum tariff as reported from the committee.

The tariff is one placed on a raw commodity. Large refineries are located in the United States giving employment to many thousands of men every day. In the congressional district which I represent there is a plant employing several thousand men. If the import tariff is placed on crude oil it is not only possible but more than probable that our petroleum products will be refined in foreign lands, throwing this vast army of refinery workers, efficient Americans, out of employment.

The objections to the proposed tariff on oil, however, are not centered only in local conditions. The import duty on oil will increase the cost of operation of every oil-consuming plant in the United States. It would in many instances increase the cost of operation to the point where the present users of oil and oil products would be thrown to the mercy of the coal men for fuel. The Navy Department and the great American merchant marine are users of oil. This consumption will increase as years go on. Against this it is proposed here to levy a tax on the energy and foresight of manufacturers, shipping men, and others who have equipped their plants to consume oil rather than coal.

The Government has encouraged the oil industry, large and small, to exploit for new fields in foreign lands, knowing that the supply in the United States is limited. To this end I am informed the oil-producing companies of this country have responded in an admirable way. The real purport of the situation is best outlined by President Harding in his message to the chairman of the Ways and Means Committee.

"To levy a protective tariff on crude petroleum would be at variance with all that has been done to safeguard our future interests," President Harding declared. In short the administration, after a close study of the Nation's needs knows, that the development of foreign fields is necessary to "safeguard our future interests" and an effort is being made here to penalize those who are expanding their activities according to the best judgment of those in command of the administrative branch of the Government. Let us support the President in this commendable task of protecting the Nation's future.

There is a grave question in my mind if there is any need for this tariff on the grounds of foreign competition. I am informed by one of the highest authorities that the crude petroleum imported from Mexico is not used in the same refining processes as the oil from the midcontinent fields. If that be so, and those whose business it is to refine oil should know, I can see no reason for the passage of this provision and think it should be stricken from the bill.

My colleague from Pennsylvania [Mr. WATSON] spoke in favor of this provision on the floor of the House last week. I fear that in his close attention to the bill in general and in his study of all matters pertaining to the measure, he has been unable to spend sufficient time to gauge the sentiment of eastern Pennsylvania on this subject. He can not but know, however, the large number of oil-consuming machines operating in Pennsylvania and the extra burden this tariff will place on such operation.

I would feel recreant in my duty if I should fail to protest against this proposed tariff. I trust that the House will recog-

nize the wisdom of confining this bill to matters of actual protection of great American industries and eliminate the crude petroleum.

I will read a telegram I have just received from a prominent business man and expert:

HON. WILLIAM S. VARE,

House of Representatives, Washington, D. C.:

PHILADELPHIA, PA., July 18, 1921.

We respectfully call your attention to proposed import tax on petroleum in pending tariff bill. This company is a producer, through associated companies, of crude petroleum both in the midcontinent fields of the United States and in Mexico, having larger investment in the former than in the latter. It is also a manufacturer of petroleum products from nearly all grades of crude petroleum. It can therefore intelligently advise you there is no essential competition between the products of midcontinent and Mexican crude petroleum, as the latter furnishes principally asphalt and fuel oils to American industries dependent upon the same, which products the former can not economically supply. The proposed duty is therefore a device which will unnecessarily burden many American industries, and if persisted in will transfer to Europe and Mexico the business of refining Mexican crude petroleum, which is now carried on in great volume in the United States, and the products from same distributed to foreign countries. Your earnest and energetic opposition to this measure is urged.

THE ATLANTIC REFINING CO.,
W. M. IRISH, Vice President.

Mr. FORDNEY. Mr. Chairman, I now yield two minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I have listened to the telegram which has just been read by my colleague from Pennsylvania [Mr. VARE]. I might say that I have received a similar telegram this morning, and I might add that it reads very much like the telegrams that he and I used to receive at Harrisburg, when we were members of the house and senate, from these interested corporations. I do not blame them for their interest in the side that they have taken on this question, but I want to say that the oil situation in Pennsylvania presents a better prospect for the future than at any other time in its history. I direct the attention of the Members of the House to a new method by which oil is secured from pools that were originally worked, and it is claimed by scientists that only about 25 per cent of the oil was originally taken from these pools, and that now by a method of water and gas pressure the remaining portion will be secured, and a very superior quality of oil.

Let us not be fooled by allowing free oil to come into this country from Mexico. If as much will come in as has been claimed here, then the business will be abandoned in this country, with the inevitable result that the price of oil hereafter will be fixed by Mexico, and you will pay any price that they want to charge. [Applause.] That is the living, everlasting, fundamental principle of protection. Let us not be deceived. As a Pennsylvanian I stand here in opposition to the position of the gentleman from Pennsylvania [Mr. VARE], and I advocate at least a reasonable measure of protection for oil.

Mr. ROSENBLOOM. Is it not a fact that the Atlantic Refining Co. is a large distributor of oil, much more so than a producer?

Mr. FOCHT. Oh, yes; it is the old story of the Standard Oil Co. We know all about it in Pennsylvania. Why be deceived? Certainly, we are not here as an eleemosynary institution to take care of that impoverished corporation or trust—it has its uses, but do not worry about John D. going broke, no matter what is done here. [Applause.]

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

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. CHANDLER].

Mr. CHANDLER of Oklahoma. Mr. Chairman, I was somewhat amused at the telegram the gentleman from Pennsylvania [Mr. VARE] read, signed by the Atlantic Refining Co. Everyone knows that company is a part of the Standard Oil Co. Again, the gentleman is a large user of certain kinds of oil and he buys those oils from that company.

This morning the statement was made that in the referendum by the Mid-Continental Oil & Gas Association, composed of over 2,100 members—and I am a member—43 votes were cast against this proposition. I admit that, and here is the source of the 43 votes: Twenty of them were memberships held by the Standard Co., 12 by the Tidewater Oil Co., which is one of the Standard subsidiaries, and the remainder were held by the Texas Co. and the Magnolia Co., and everyone knows that they are subsidiaries of the Standard.

There is another matter to which I wish to direct your attention, and that is this bunch of propaganda that has been going around here, such as I hold in my hand. Every Member got a copy of this this morning. It has nobody's name signed to it. It is a bunch of junk, made up of all kinds of assertions and nobody is sponsor for it. I called attention in my remarks the other day to this being sent all over the

country. I ask gentlemen here if they have received a single document from the advocates of a tariff on oil that somebody has not stood responsible for; that has not had somebody's name signed to it. I have here a copy of a telegram sent out by Mr. Curtis, of the State of New York, in which he advocates the tariff on oil and I am going to take a few minutes' time to read it. That telegram is as follows:

JAMESTOWN, N. Y., July 12, 1921.

WARREN G. HARDING,

President of the United States,

Washington, D. C.:

I see by the press you oppose tariff on oil. I represent many stockholders of Wyoming operations, where I am engaged in oil and gas business. For references inquire of Senators WADSWORTH, SMOOT, WARREN, and LENROOT, First Assistant Secretary of Interior E. C. Finney, and Commissioner Spry, of General Land Office. Secretary Hughes will remember the undersigned. In Wyoming the people who have been the main factors to cause overproduction have the power to fix prices, and they have lowered the price from \$2.75 per barrel in January to 50 cents per barrel now, and this oil is equal to Pennsylvania crude. These big interests have bought the most of this oil themselves. This is the present legal means of crushing the small producers, and legal means should prevent it. Protection should protect one American industry as well as another. The flood of foreign oil will ruin small producers in the United States and leave the whole industry in the hands of a few big interests. Let us now have an oil tariff to protect all of our oil producers and let us remove it when it is no longer needed. That is our regular tariff policy. I am personally figuring on the oil business in South America, as Secretary Fall knows, but I will not expect to ask United States producers to equally compete with oil shipped in here from foreign lands.

FRANK G. CURTIS,
President New York Oil Co.

Also, I insert here, under general leave to print the following telegrams, resolutions, letters, and editorial:

TULSA, OKLA., July 6—11:55 a. m.

HON. THOMAS A. CHANDLER,

Member of Congress, Washington, D. C.:

The Association of Natural Gasoline Manufacturers, consisting of operators who manufacture gasoline by what is known as casing-head method, respectfully urge that the tariff provision of the Fordney bill relating to oil be supported. Our operators derive their gas supply from small oil wells, and the older the wells the richer the gas. If tariff is not placed upon imports of cheaply produced Mexican crude over one hundred thousand of these domestic oil wells from which we derive our casing-head gas will be abandoned and the casing-head gas industry seriously embarrassed. Casing-head gasoline in the United States exceeds in volume and amount the total gasoline derived in this country from Mexican crude. It would therefore be a serious loss to the gasoline supply of the United States if continued imports are allowed to put the small domestic oil well out of business. You may read this wire to Republican caucus if you desire.

ASSOCIATION OF NATURAL GASOLINE MANUFACTURERS.
By A. V. BOURQUE, Secretary.

HOUSTON, TEX., July 5, 1921.

OMER K. BENEDICT,

Washington, D. C.:

Am reliably informed that big importers of Mexican crude will cut off imports for one month, hoping thereby to bring about popular demand on Congress to deny tariff. This for your information.

R. L. YOUNG,
President Gulf Coast Oil Producers' Association.

WANN, OKLA., June 2, 1921.

HON. T. A. CHANDLER, M. C.,

Washington, D. C.:

Conditions in the oil business very bad. Must have relief. We are overwhelmingly in favor of a tariff on Mexican oil. Don't let the United States become a dumping ground.

CHAMBER OF COMMERCE.

PAWHUSKA, OKLA., June 1, 1921.

HON. BERT CHANDLER,

House of Representatives, Washington, D. C.:

Failure to provide an adequate import tax on Mexican crude oil would be calamitous to the oil counties of Oklahoma, including Osage County. The Junior Chamber of Commerce earnestly asks your strongest support for such a measure. Without such tax hundreds of the limited number of oil wells in Oklahoma now operating at a loss will be shut down.

JUNIOR CHAMBER OF COMMERCE,
MILLARD H. MOORE, President.

PAWHUSKA, OKLA., June 1, 1921.

HON. BERT CHANDLER,

House of Representatives, Washington, D. C.:

The chamber of commerce, with 300 members and expressing the sentiment in Osage County, respectfully ask you to give your strongest support to a measure providing an adequate import duty on petroleum for the following reasons: First, the flood of petroleum from Mexico has so demoralized the oil industry in the United States that the market price on crude is below the average cost of production; second, many thousands of men have been thrown out of employment in Oklahoma and hundreds of the wells now being operated at a loss must soon be abandoned unless the market conditions improve; third, the shrinkage of over \$2,000,000 a day or at the annual rate of more than three-quarters of a billion dollars in the receipts of oil production in the United States, bringing about demoralization of all business in oil-producing districts throughout the entire country and especially in Oklahoma oil counties. We are confidently looking to you for relief from this intolerable situation.

PAWHUSKA CHAMBER OF COMMERCE,
D. T. CASPARY, President,
W. T. LAMPE, Secretary.

Hon. BERT CHANDLER,
House of Representatives, Washington, D. C.:

The Retail Merchants' Association respectfully requests that you lend your support to a measure providing adequate import duty on petroleum. The flood of oil from without our borders has demoralized the industry in this country, thus reducing the market price on crude below the cost of production. Thousands of men have been thrown out of work and wells will be forced to shut down unless market conditions improves. Demoralizing business throughout all the oil-producing districts of Oklahoma. We are confidently looking to you for relief from this situation.

RETAIL MERCHANTS' ASSOCIATION,
H. W. McLAUGHLIN, President,
C. P. NOE, Secretary.

BARTLESVILLE, OKLA., July 5, 1921.

Congressman CHANDLER,
House of Representatives, Washington, D. C.:

It is vital to the existence of the independent oil operator and small producer, the backbone of the industry, that we be protected by an adequate tariff against the flood of cheap Mexican crude. Labor in the oil country will be destitute this winter if protection is not granted.

GERALD S. COBURN.

RESOLUTIONS BY THE PURCHASING AGENTS OF TULSA, OKLA., IN REGULAR CONVENTION ASSEMBLED.

That this association, while strictly adhering to the principle of non-participation in political or public questions and controversies, are firmly of the opinion that the question of a reasonable tariff on importation of crude and fuel oil has gotten to be, and is, an economic question vitally affecting not only the business of producing, transporting and refining oil, including the manufacturing and supplying the oil fields with material, machinery, and supplies, directly affecting more than 2,000,000 wage earners and workers dependent upon such employment for the necessary means of livelihood for themselves and families, including the individual members of this association, as well as thousands of our friends and acquaintances in various departments of the oil business, many of whom we have seen and know now to be without employment, and many more working for greatly reduced wage or pay. That to at least a considerable extent the recent cuts in the price of oil, the prorating of runs of oil, has been caused by a very large and increasing amount of crude oil being imported from Mexico, where it can be, and is being, produced so much below the cost of production in the United States. That our producers can not pay the high taxes demanded by our local State and National Governments and reasonable wage and salaries to the many thousands of men and women employed by our producers in the United States and compete with this cheaply produced Mexican oil that is being delivered by cheap transportation (ocean steamers) into this country without paying a penny toward the upkeep of any locality or State or of the United States.

That by reason of the fact that this Mexican oil is of low gravity, containing but a small amount of gasoline, but flooding the fuel-oil market, has resulted incidentally in reducing the price of oil in the United States from \$3.50 and \$4 and above to \$1; but by reason of having killed the market for fuel oil the refiner is being required to carry the load of his refinery, and the price of gasoline has not been reduced perceptibly to the consumer, and if continued will likely result in causing thousands of small wells producing a small amount of high-grade oil, as well as casinghead gasoline gas, to be abandoned, losing forever such products and most likely causing the price of gasoline to increase; because if the production in the United States should to any great extent be abandoned, Mexican production while it would be possible to keep the fuel-oil market overflooded at all times, would not produce enough gasoline to furnish the United States in normal times.

We therefore believe that a tariff should be placed on crude and fuel oil for the following reasons:

First, that said oil should help pay part of the expenses of running this Government.

Second, that it should act as a protection to the producers of United States crude oil and to the millions of workmen and employees directly or indirectly dependent upon the oil industry as a means of livelihood for themselves and families.

Third, that it would act as a stabilizer, with effect, against temporary surplus of production in adjoining and foreign countries.

Fourth, that it is necessary that the United States oil industry be preserved and kept running intact that in case of war we might have crude oil and its ingredients, especially gasoline, sufficient for the Government's use, which we would not have if the oil industry should be completely destroyed, or even badly crippled.

For these reasons we deem it not only wise and prudent but for the best interest of all concerned and the duty of our National Congress to place a reasonable tariff on the importation of crude oil and ask and urge that they do so.

The foregoing resolution was passed at a regular meeting of the Purchasing Agents' Association of Oklahoma, June 28, 1921.

H. M. COSGROVE, President.

THE TARIFF ON OILS.

[From the Springfield Republican.]

In the absence of indubitable corroborative proof, here is one always consistently Republican newspaper that must continue to discredit the recent rumors having their rise in Washington to the effect that the Harding administration is secretly, and in the final test will be found openly, opposing the committee's recommendations for a duty on imported petroleum products in the Fordney tariff soon to be enacted into law. It is "unthinkable"—to employ a favorite term with President Harding—that a real Republican administration should even seem to favor unrestricted, which in this case means ruinous, competition for an industry that affects so many people and is so vitally related to the prosperity of the Nation as is the oil industry in America.

To argue that more people are interested in the consumption of petroleum products than in the production and distribution thereof is wholly beside the question. The same thing is true of every other protected industry. There are more meat eaters than there are cattle raisers; more eaters of pork than there are pork producers; more consumers of mutton than there are sheep herders; more wearers of woollens than there are persons interested in the production of wool; more wheat eaters than there are wheat harvesters; more eaters and drinkers of corn than there are farmers engaged in raising it.

Recent developments in the oil industry in this country have been all to the bad. The price of crude oil is down to \$1 a barrel, whereas less than a year ago it commanded ready sale at \$3.50 a barrel. One doesn't have to be much of a mathematician to figure out widespread disaster for the industry on any such a decline as that. The one sure way to avert such disaster is by placing a reasonable tariff on petroleum products which would in a measure at least, though not fully, protect American producers with their high labor costs of bringing in wells and operating them against the producers in Mexico with their low-labor costs. There are approximately 275,000 oil wells in the United States, 160,000 of which yield 5 barrels per day or less. In Mexico there were fewer than 200 producing oil wells during the last month. But these latter, which are mostly owned and operated by American capitalists, the Standard Oil among them, have been able to ship in enough oil, duty free, into this country to drive the American price down to the point where absolute ruin for the oil industry in this country seems not only imminent but unavoidable unless the party of protection now in power at Washington shall early apply its remedial treatment in the form of a tariff that will really protect.

Under present conditions thousands of American oil wells are producing no profit for their owners, which means that they are likely to be allowed to fall into disuse, and anybody familiar with oil wells knows that once drilled they must be continuously operated—that temporary suspension means ruin.

The oil industry is among the biggest and most far-reaching in America to-day, not alone in the matter of money investment, but in the number and character of people directly and indirectly interested therein, from the farmer or landowner with his royalties to the laborer in the sinking of wells, the operating of the innumerable refining and manufacturing plants, and last, but by no means least, to the hundreds of thousands of stockholders all over the country.

With the number of people interested in or affected by oil conditions in the United States, the Republican Party, through its Representatives in Congress and its Chief Executive, can not afford to assume an attitude of indifference toward this, one of the most important as well as most far-reaching of American industries.

HOMAOILA OIL Co.,
Abilene, Tex., July 13, 1921.

Hon. T. A. CHANDLER, M. C.,
Washington, D. C.

DEAR SIR: This is one letter that I hope gets and holds your closest interest from first to last. It shows how poverty and ruin for hundreds of thousands of honest investors, unemployment and want for millions of laborers, and greatly diminished revenues for the United States Government are staring us in the face and will become serious realities unless you as a Member of Congress do all within your power, and do it promptly, to avert the calamity that is upon us. It is already too late for many, but others can be saved by prompt action.

I refer to the disaster that has overtaken the independent oil producers, independent refineries, the hundreds of thousands of honest but small stockholders in these industries, and millions of laborers depending upon these industries for bread, brought about by the unprecedented importation of low-grade cheaply produced Mexican oil.

In addition to the suffering already occasioned and that will follow these people, the farmers of the United States will also lose millions of dollars from the lapsing of leases, because the oil companies can not continue paying rentals and buying wildcat leases under present conditions; banks and other creditors of companies forced into bankruptcy will lose millions; and other millions will be lost by steel mills, lumber companies, drilling contractors, and others who furnish material, etc., for oil fields; and there will be other millions of men heretofore employed by these steel mills, lumber companies, and drilling contractors who must go without employment.

Because of greatly diminished incomes of many persons and the complete cutting off of incomes of thousands of small investors, the receipts of the National Treasury from income taxes will be seriously impaired.

Your own State will lose millions that have heretofore been collected from gross production taxes. Your State educational and eleemosynary institutions will sorely feel the need of the revenues they have been deriving from this source.

The price of mid-continent oil has been cut from \$3.50 down to \$1 per barrel since the first of this year. Heavy fuel oils are now bringing only 60 cents per barrel. In addition to this distress, the flood of oil from Mexico is rapidly filling up the small amount of available storage in America, and we are now almost surely facing a curtailment of pipe-line runs, which means forcing the producers to build more storage, or, in many cases, completely shutting in and ruining their wells.

Just a handful of Americans, some English lords, and a few others own this flood of Mexican oil which has already practically ruined the American markets and is bankrupting thousands of its most worthy citizens.

Is this a Government "of, by, and for the people," or is it "for and by" a handful of international oil plungers and wreckers? I believe the great majority of the Members of Congress and of the American people want to see the rights of the independent oil producers and refineries upheld. Why should these people who helped produce the oil that won the World War, made great sacrifices, and who have developed an industry that has blessed millions of our people, be singled out to be offered as martyrs on the political altar of America?

Will you not promptly investigate the distressing condition of the independent oil producers and refineries and those dependent upon them for a living and cooperate with other Members of Congress for the preservation of these much-needed industries before it is too late? It will be a comparatively easy matter for you to ascertain the present status of production, consumption, importation, and exportation of oil, and an examination of these figures will convince you of the precarious condition of the oil and refinery industries in America.

I know of your good work in behalf of justice and appreciate it.

Sincerely, yours,

W. J. MILBURN, President.

LYONS PETROLEUM Co.,
Okmulgee, Okla., July 15, 1921.

Hon. THOMAS A. CHANDLER,
House Office Building, Washington, D. C.

MY DEAR MR. CHANDLER: President Harding in a letter to Chairman FORDNEY states as follows:

"I can not refrain from expressing the hope that your committee will take note of the foreign policy to which we are already committed, under which the Government is doing every consistent thing to encour-

age the participation of America in the development of oil resources in many foreign lands."

It is perfectly proper and adequate that we have a foreign oil policy, and it should be vigorously prosecuted. However, it should be in addition to and for the protection of our home oil industry and not at the expense and bankruptcy of same.

In the second paragraph of his letter the President states:

"This course has been inspected by the growing concern of our country over the supply of crude oil to which we may turn for our further needs, not alone for our domestic commerce but in meeting the needs of our Navy and our merchant marine."

If the President is sincere in this thought to conserve a supply of crude oil for the future use of our Navy and merchant marine, he should be instituting a program of conservation directed by the Federal Government which would include the acquiring of the vast undeveloped oil lands in the United States and Alaska, together with interests in foreign lands directly through a Federal institution and not through the Standard Oil Co.

The President further states:

"To levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interest. I can readily recognize the claim of some of the oil producers for a protective tariff on their product, but such a course of temporary relief would be so thoroughly out of harmony with the larger policy which I have in mind that I should be more than disappointed if Congress decides to levy a tariff on import oil. The oil industry is so important to our country and our future is so utterly dependent upon an abundance of petroleum that I think it is vastly more important that we develop an abundance of resources rather than temporary profit to a few producers who feel the pinch of Mexican competition."

From the above it is apparent that the President is unfamiliar with the true oil situation. He is probably not aware of the fact that the whole oil industry of the United States is threatened with destruction if an adequate protective tariff is not imposed on imported crude oil. He is probably not aware of the fact that the Mexican petroleum imported into the United States at this time is produced from a few hundred wells where cheap labor and transportation permit the dumping of an inferior grade of oil on the American seaboard at a price per barrel below the cost of producing the high-grade American crude. He is probably not familiar with the fact that in the United States there are approximately 300,000 producing oil wells, and that the investment in these wells is approximately \$5,000,000,000. He is probably unaware of the thousands and thousands of American citizens thrown out of employment and the general chaotic condition in the American oil fields because of his attitude toward this, one of the great American industries. It is apparent that the President is unfamiliar with these facts when he states:

"I think it is vastly more important that we develop an abundance of resources rather than temporary profits to a few producers who feel the pinch of Mexican competition."

If the President would act likewise for the protection of all other industries of the United States, he would soon bankrupt the country and junk our great industries with inferior and foreign imports produced at a low labor cost.

Yours, respectfully,

JAMES G. LYONS.

Mr. Chairman, I call attention to the statement made by the gentleman from Massachusetts [Mr. TREADWAY]. I have said here on this floor time and again that I am a consistent protectionist. I am a protectionist not only for the articles and products that are produced in my own part of the country, but for all the rest of the country I am a protectionist all the way through. I am ready and willing at all times to protect the industries of New England. They are the industries that have reaped more benefit from a protective system than any other in the United States, and I say to the gentlemen from New England that they are not consistent when they come here and oppose this great industry which is represented by hundreds of thousands of workmen. If their argument is correct, we should have free trade upon the milling products of the wool factories of New England; we should have free trade upon everything that is produced up there in their cotton mills. They can not come here and blow hot and cold. If it is good for one, it is good for another. We should either have free trade on everything or we should have a protective tariff on everything that is produced here in the United States.

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

Mr. CHANDLER of Oklahoma. Yes.

Mr. WYANT. Could the gentleman advise us as to the percentage of oil brought into the United States from Mexico and elsewhere which was brought by the Standard Oil Co. or its affiliated companies?

Mr. CHANDLER of Oklahoma. Every barrel that was brought in last year, except 1,000,000 which were brought in by the Shipping Board, was brought in by the Standard Oil Co. and its subsidiaries.

Mr. WYANT. Is it not true that the history of the industry shows that more than 65 per cent of our imported oils have been brought into this country by the Standard or its allied companies?

Mr. CHANDLER of Oklahoma. The fact is that except for this 1,000,000 barrels to which I referred 99 per cent has been brought in by the Standard and its subsidiaries.

Mr. COLLIER. Mr. Chairman, I understand about 15 minutes more time has been used in favor of the amendment, so I yield the balance of my time to the gentleman from Michigan.

Mr. FORDNEY. I thank the gentleman.

The CHAIRMAN. The gentleman from Mississippi yields 10 minutes to the gentleman from Michigan and the gentle-

man from Michigan has 13 minutes, so the gentleman from Michigan is recognized for 23 minutes.

Mr. FORDNEY. Mr. Chairman and gentlemen of the committee, I have great confidence in the judgment of our good President. On receiving his letter in reference to this matter I presented it to the Republican members of the Committee on Ways and Means. I wrote the President that I would lay it before the committee. Now I have presented it to the House. I do not agree with the President that we should have this great product on the free list. [Applause on the Republican side.] Gentlemen, we imported into this country last year 107,000,000 barrels of oil. The United States Shipping Board imported 1,000,000 barrels of that number, turned it over to the Waters-Pierce Oil Co., a subsidiary of the Standard Oil Co., so I am informed, and took crude oil in its place. The Standard Oil Co. imported 106,000,000 barrels of oil from Mexico last year.

Mr. HIMES. Will the gentleman yield?

Mr. FORDNEY. Very briefly, because I have only a few minutes. If the gentleman will make it brief, otherwise I can not yield.

Mr. HIMES. Does the gentleman mean to say that the oil imported from Mexico was imported by the Standard Oil Co.?

Mr. FORDNEY. Why, yes; my information is that out of the 107,000,000 barrels imported from Mexico last year the Standard Oil Co. imported 106,000,000 barrels. That is my information. Now, to go further—

Mr. HIMES. If the gentleman will permit.

Mr. FORDNEY. My information is that there is in the United States right now 1,000,000,000 gallons of surplus gasoline, and the production of gasoline is 50,000,000 gallons a month more than consumption.

Mr. MILLS. Will the gentleman yield?

Mr. FORDNEY. No; I decline to yield, because my time is too limited. Let me say further, since the 26th day of January last the price of crude oil in Kansas, Oklahoma, Texas, and Louisiana has dropped from \$3.50 per barrel to \$1 per barrel, and the price of gasoline has declined 20 per cent in that time; crude oil dropped 70 per cent, gasoline 20 per cent. The Standard Oil Co., my information is, owns 18 per cent of the production of crude oil in the United States and the independent companies own 82 per cent. The States of Kansas, Oklahoma, Texas, and Louisiana collect a tax upon the production of crude oil in those States. Will you say in all sincerity that the people of those great oil-producing States of this country should pay a tax on oil production and let the Mexicans bring into this country free of tax crude oil in competition with the products of those people of those great States? [Applause.] If you do, you and I disagree and part company right there on that question.

Mr. LAZARO. Will the gentleman yield for a short question?

Mr. FORDNEY. A very short question, please.

Mr. LAZARO. The statement has been made if you remove one barrel of oil from the earth it will not be replaced. Now, is it not true if you destroy the independent producer, finally you discourage and deter the man who may find a supply that would not be found otherwise?

Mr. FORDNEY. Yes; that is true. One gentleman stated a few minutes ago that the good Lord placed oil in the ground and no man was entitled to credit for producing oil. Does the gentleman know that down in that southwestern country it costs \$25,000 to \$35,000 to put down one well, and not one-half of the wells are successful; no, not 25 per cent of the wells put down find oil. Does the gentleman understand that it costs money to test for oil? My good friend from Texas the other day pointed out that the Texas farmer purchased a razor made in the New England States and paid a duty on it; he purchased a plow and harness; he purchased, this, that, and the other, shoes, clothing, hats, and all those things, and they were all on the protective list; he had but little to sell.

Now, that is true except this: Where in the name of goodness does he sell his products? Where does he get the money to buy these things produced in New England and the Northern States? Ninety-two per cent of the farmers' products are sold to the American people in the United States. [Applause on the Republican side.] He has to sell something to get money to buy with. We are protecting him by this bill in everything he produces, everything but oil, if you please. Is he to have no protection at all on one of his great products when the people of the North have protection? No. I agree that the men of the South should equally be protected with the men of the North, and therefore they should have protection on everything produced in the Southern States.

Mr. ROSENBLOOM. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. ROSENBLOOM. Is it not a fact that if there was free oil it would not be reflected for the benefit of the consumer of gasoline—

Mr. FORDNEY. Let me give an illustration as to the perfect correctness of the gentleman's question.

Mr. ROSENBLOOM. Just a minute—

Mr. FORDNEY. Just a minute, brother. In my State in one of the counties a Standard Oil man sold some gasoline to a man in the county seat. He used a match and it exploded and burned his face badly. He sued the Standard Oil Co. for \$3,500 damages on the ground that he purchased kerosene and the man sold him gasoline. This case went into court and the Standard Oil man produced a receipt from this man for gasoline at the price of gasoline, then selling at 15 cents, while kerosene was selling for 9, as conclusive evidence that the man knew that he did buy gasoline, but the jury awarded him \$3,500.

The Standard Oil Co.'s attorney wanted to carry the case to a higher court, but the Standard Oil Co. said no. They paid it the next day and put up the price of gasoline 2 cents until they got the money back—the \$3,500. Do you mean to say that the Standard Oil Co. does not control? Oh, pshaw, you know better and so do I. Even though they have by law been broken up into subsidiary companies, they fix the price and hold it there, and the independents do not dare to undersell and they can not sell for more. That is why they all sell at one price.

Let me say to my good friends over here on the Democratic side, when you came into power in 1913 there was a Government debt of \$1,000,000,000 and that was all. When you went out of power there was a Government debt of \$25,000,000,000. You are not responsible for all of that. The war is responsible for a part of it, but the extravagant use of money accounts for some of it.

Mr. GARRETT of Tennessee. Mr. Chairman—

Mr. FORDNEY. Just a minute, please. When you came into power there was required to run this Government each 12 months or a year, in round numbers, \$1,000,000,000. When you went out of power it took \$6,000,000,000 to pay the running expenses of this Government 12 months. Now, during the war every Republican on the floor of this House went with you and your President and cheerfully voted a tax upon the people of this country to get money with which to carry on the war—loyal to our Government to a man. Now, a great debt is put upon the shoulders of the Republican Party, and we must have the money to liquidate it or become insolvent. Why not join with us, my good friends, in raising this money in a way that, in our opinion, is least burdensome upon the people? This Congress voted \$200,000,000 for the maintenance and construction of good roads in the United States. Good roads—do not forget it, please. Now we are trying to get the money with which to pay the running expenses of this Government and pay the interest upon our great public debt, and why not fall in line and help us, gentlemen, and not all the time knock, knock, knock at us? You gentlemen do the talking and the Republican Party is now doing the thinking, and it is our duty to raise this money, and we must raise it, gentlemen. [Applause on the Republican side.]

Mr. GARRETT of Tennessee. Can the gentleman inform the House what the exportations of the Standard Oil Co. in by-products and refined oil were upon which they would have obtained a drawback during the time in which they imported the 106,000,000 barrels?

Mr. FORDNEY. I can not. I have not looked it up, but I can say to you that if we put this tax on imported oil it would not reflect itself to the fraction of a penny on gasoline. [Applause on the Republican side.] My good brother, if you are correct that the duty is always imposed upon the article to the consumer, tell me why in the world it is that the things on the free list have gone up in the same proportion to those on the dutiable list? [Applause on the Republican side.] Butter is paying 2½ cents a pound duty under the Underwood tariff bill, and it has gone to 70 cents a pound. There was no duty on wool, and wool went to a dollar a pound. Never in the history of the country were prices so high. No duty on flour, and flour went to \$18 a barrel. Was the duty responsible for it? No. I contend, my friends, that nine times out of ten when an import duty is placed upon an article the duty is paid by the foreigner, and if I only had time I could prove it to you.

Mr. GARRETT of Tennessee. I was interested in the revenue appeal which the gentleman made, and it is a fact, of course, that the Standard Oil Co. is a large exporter of oils and oil products. That is true, is it not?

Mr. FORDNEY. Oh, I do not know. I have not looked it up. The gentleman can get the exact figures. It does not make any difference in this discussion. I have tried to be courteous to the gentleman, but I have not the time to yield. Why have they not reduced the price of gasoline in proportion to the reduction in the price of crude oil? They are the importers of Mexican oil. You tell me that, will you, and I will show you a white blackbird.

Mr. CARTER. Will the gentleman yield?

Mr. FORDNEY. I decline to yield now. I have just said that we are doing the thinking and doing the work, and you are doing the talking half of the time, and you are only one-third of the membership of the House. There are 300 items in the Underwood bill on the free list, and we have transferred 110 of them to the dutiable list in this bill. Why is it not true, then, if the duty cuts such a figure in the price, that those 300 articles have gone up in price the same as the articles on the dutiable list? Tell me that, will you? You can not do it and you know you can not. What is the use? You have said for every dollar of duty put upon an article there were \$3 that went into the pockets of the manufacturer. Prove it if you can. It is easy to say I am a thief, but prove it. That is the next thing. It is a common thing to make general statements, broad statements, and all this and that, but to bear out those statements with facts is another proposition.

Mr. COCKRAN. Will the gentleman yield?

Mr. FORDNEY. I yield to my beloved friend.

Mr. COCKRAN. How much revenue is derived from the taxation on steel?

Mr. FORDNEY. I do not know.

Mr. COCKRAN. There is interest paid on a billion dollars of water. That is what is paid.

Mr. FORDNEY. State it to the House in your own time, please. It does not make any difference. American labor is employed by the steel producers. One million five hundred thousand citizens of the United States are employed by the steel industry of this country, supporting five or six millions of our population with bread and butter earned in these industries. Great God, man, do not transfer any American industry to a foreign country. That is not what I have been elected for.

No foreigner elected me. [Applause on the Republican side.] Citizens of the United States, men and women, voted for me and for you. [Applause on the Republican side.] It is your duty and my duty to legislate for our people at home before we turn our attention to the Jap and the Chinaman. [Applause on the Republican side.]

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. FORDNEY. We should turn our attention first to questions at home. Yes; I yield to the gentleman.

Mr. HARDY of Texas. If the tariff does not increase the price, how is it going to help the Oklahoma oil producers?

Mr. FORDNEY. It will keep out that flood of oil that has been coming in here and making the price lower; and, in addition to that, if this provision is enacted and that oil from Mexico after the bill goes into effect keeps on coming in, Uncle Sam will get more than \$50,000,000 revenue in the next 12 months out of the Mexican oil producers, and we need the money. [Applause on the Republican side.] You shouldered this great debt upon us. I did not do it alone. [Applause on the Republican side.]

Mr. HARDY of Texas. Do I understand the gentleman to say that it affects the price of the oil by preventing it from being lowered?

Mr. FORDNEY. Usually, my friends. That is the Republican principle, and it is my belief that the duty is paid by the foreigner; and I am going to show that it is so, and prove it to you, but you are so confoundedly blind on that proposition that you will not see. [Applause.] You know, brother, that under the Payne-Aldrich law, with \$1,800,000,000 imports, we collected \$330,000,000 into the Treasury on imports, and last year, with \$5,300,000,000 imports, we collected less money. Can you justify that? If under the terms of this bill imports keep on coming as they have done, and as they are now coming under the Underwood tariff law, we will get a billion dollars a year revenue. But, thank God, it is the purpose of this bill to produce in the United States the things that American labor, American brain, American brawn, and American money can produce. [Applause on the Republican side.]

Let me give you one illustration, my friend, that you can take home with you. I do not know how you can answer it. In the early days there was a blacksmith down in Virginia who, in that particular neighborhood, when the country was new, began to make plows and sold them to his neighbors in exchange for flour and butter and eggs produced by them. Finally an English plowman came along and one of this blacksmith's customers bought from him an English-made plow at \$2 less than the blacksmith charged, and the whole neighborhood began buying English plows. One day that farmer brought in his butter and eggs to sell to the blacksmith, and the blacksmith said, "No; I have not the money to buy them." The farmer said, "I will trust you." The blacksmith said, "No; why don't you sell them to Great Britain? Why don't you sell them to the fellow over in Great Britain from whom you purchased your plows? If you buy my plows, I can buy your butter and

eggs." The farmer said, "My friend, forgive me, and so help me God, I will never buy another plow abroad. I will deal with my people at home, to whom I expect to sell my products." [Applause on the Republican side.]

So it is with the people of the South. Ninety per cent of all you have to sell you sell to citizens of the United States, and why not have protection on that as against the foreigner? Why not protect the fellow who buys your stuff, buys your products, so that he can find employment and so have money to buy the things he needs and furnish bread and butter to his little ones, instead of sending your money across the ocean to employ an Englishman or a Jap or a Chinaman? [Applause on the Republican side.]

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

Mr. FORDNEY. How much time have I, Mr. Chairman?

The CHAIRMAN. The gentleman has one minute remaining.

Mr. FORDNEY. I have only one minute remaining.

Oh, gentlemen, let us sum it up in this way: Here we are a family of citizens in the United States. We are the most prosperous people in the world. Our labor is the highest-priced labor on the face of God's green earth. Our workmen and their families, their wives and their children, are better housed, better schooled, and better clothed than any other laboring man or his wife or children that God's sun shines on. Why not keep it so? In order to do that, gentlemen, we can not, as the gentleman from New York [Mr. COCKRAN] said the other day, lift up to our standard of living the whole world; but under free trade we are sure to come down to a common level. [Applause on the Republican side.]

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time for debate on the amendment of the gentleman from Massachusetts [Mr. TREADWAY] and all amendments thereto has expired. The question is on the motion of the gentleman from Oklahoma [Mr. GENSMAN] as a substitute for the amendment offered by the gentleman from Oklahoma [Mr. CARTER].

Mr. GENSMAN rose.

The CHAIRMAN. For what purpose does the gentleman from Oklahoma rise?

Mr. GENSMAN. I rise to ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to withdraw his substitute for the amendment of the gentleman from Oklahoma [Mr. CARTER]. Is there objection?

Mr. WINGO. I object.

The CHAIRMAN. Objection is heard.

Mr. LONGWORTH. Mr. Chairman, may we not have the amendment read again?

The CHAIRMAN. Without objection, the substitute offered by the gentleman from Oklahoma [Mr. GENSMAN] will be again reported.

The Clerk read as follows:

Amendment offered by Mr. GENSMAN as a substitute for the amendment offered by Mr. CARTER: Page 35, line 9, after the word "crude," strike out "35" and insert "75"; in line 10 strike out "25" and insert "50."

The CHAIRMAN. The question is on agreeing to the substitute.

The question was taken, and the Chair announced that the "noes" appeared to have it.

Mr. WINGO. Mr. Chairman, I demand a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 0, noes 183.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Oklahoma [Mr. CARTER] to the motion of the gentleman from Massachusetts [Mr. TREADWAY].

Mr. FORDNEY. Mr. Chairman, may we have the amendment again read?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CARTER to the motion of Mr. TREADWAY: Page 35, line 9, after the word "crude," strike out "35" and insert "25," and in line 10 strike out "25" and insert "20."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. As I understood, the Chair stated that this was an amendment to the amendment. Of course, it is an original amendment to perfect the text.

The CHAIRMAN. The motion of the gentleman from Massachusetts was to strike out.

Mr. CARTER. This is a perfecting amendment.

Mr. MANN. This is an amendment to perfect the text.

The CHAIRMAN. Yes; this is an amendment to perfect the text. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 143, noes 47.

Accordingly the amendment of Mr. CARTER was agreed to.

The CHAIRMAN. The question now recurs on the motion of the gentleman from Massachusetts [Mr. TREADWAY].

Mr. KINCHELOE. May we have that read?

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. Treadway: Strike out lines 9 and 10 on page 35. Insert on page 200, line 10, after the word "petroleum," the words "crude, fuel, or."

The CHAIRMAN. The question is on the motion of the gentleman from Massachusetts.

The question being taken, the Chair announced that he was in doubt and ordered a division.

The affirmative vote was taken.

Mr. FORDNEY. Mr. Chairman, a parliamentary inquiry. I believe some gentlemen have not understood this. Is this a motion to carry the amendment as amended?

The CHAIRMAN. The amendment of the gentleman from Oklahoma [Mr. CARTER] was a perfecting amendment to perfect the paragraph. The motion of the gentleman from Massachusetts [Mr. TREADWAY] is to strike out the paragraph.

Mr. BLANTON. It ends the tariff on oil.

The negative vote was taken.

The Chairman announced the result of the division—ayes 187, noes 79.

Mr. FORDNEY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. TREADWAY and Mr. CHANDLER of Oklahoma.

Mr. BURKE. Mr. Chairman, a parliamentary inquiry. A vote "aye" means a vote for free oil?

SEVERAL MEMBERS. Sure.

The committee again divided; and the tellers reported—ayes 196, noes 86.

Accordingly the amendment of Mr. TREADWAY was agreed to.

Mr. FORDNEY. Mr. Chairman, for the purpose of allowing the gentleman from Iowa [Mr. TOWNER] to present a concurrent resolution 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. CAMPBELL of Kansas, Chairman of the Committee of the Whole House of the state of the Union, reported that that committee having had under consideration the tariff bill (H. R. 7456) had come to no resolution thereon.

FUTURE POLITICAL STATUS OF THE PHILIPPINES.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent for the present consideration of a concurrent resolution to correct an error in a bill that we passed last week.

The SPEAKER. The gentleman from Iowa asks unanimous consent for the present consideration of a concurrent resolution which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 24.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 5756) entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide for a more autonomous government for these islands,' approved August 19, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903," the Clerk be authorized and directed to enroll the title so as to read as follows:

An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; and to amend an act entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903.

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

There was no objection.

Mr. TOWNER. I move the adoption of the concurrent resolution.

The concurrent resolution was agreed to.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted as follows:

To Mr. DOMINICK, for one week, on account of illness in his family.

THE TARIFF.

The SPEAKER. Under the rule the House again resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will resume the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill (H. R. 7456), with Mr. CAMPBELL of Kansas in the chair.

Mr. LONGWORTH. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. LONGWORTH. By direction of the Committee on Ways and Means I offer the following committee amendment to the tariff bill.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. LONGWORTH: Page 2, line 13, after the word "acid," strike out the figure "10" and insert in lieu thereof the figure "12."

Mr. GARNER. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. GARNER. To make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GARNER. Under the special rule under which we are considering this bill an amendment by the Committee on Ways and Means is in order. The Committee on Ways and Means has had no meeting for the purpose of authorizing the amendment sent up by the gentleman from Ohio.

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

Mr. GARNER. I will.

Mr. LONGWORTH. Is it the contention of the gentleman that the majority of the committee have not the right to offer amendments unless a formal meeting of the committee has been called and all the members of the committee invited to be present?

Mr. GARNER. I certainly do.

The CHAIRMAN. The Chair is anxious to hear this statement. Will the gentleman from Texas again state his point of order?

Mr. GARNER. My point of order is that the Committee on Ways and Means has not authorized this amendment; that there has been no meeting of the Ways and Means Committee, to which the minority at least have been invited or had an opportunity to attend, that authorized the offering of this amendment under the special rule.

Now, I do not say, Mr. Chairman, that there has not been an assumed meeting of the committee composed of the majority, but I do say to the Chair, and I think the majority will not contend otherwise, that there has been no notice of a meeting to the minority and no opportunity to attend, and we know nothing about the authorization of this amendment. My understanding of the proper conduct of a meeting of committees in the House of Representatives is for the minority to be notified and have an opportunity to attend the meeting, where it may take part in matters of this kind and authorize amendments. How you can have a committee meeting without notifying the minority and giving them an opportunity to participate in the authorization of it I do not understand.

Mr. LONGWORTH. Mr. Chairman, I am willing to concede that a technical construction of the rule would probably justify the contention of the gentleman from Texas, but let me call the attention of the House to this fact: Ever since the tariff bill was reported the majority of the committee has been meeting daily to perfect the paragraphs of the bill. We have agreed upon a very large number of committee amendments—I should say perhaps 200, some of them purely technical and some of them changing certain duties up or down, as the case may be. Now, if the gentleman from Texas and his colleagues assert that the majority of the committee, acting as they have acted, have not the right to bring in committee amendments our only alternative is to at once meet as a committee with all the formalities that the gentleman from Texas demands, take up again some 200 amendments, and vote on all of them separately. Under such conditions I fear that but little time can be devoted to the reading of the bill in this House. In view of the position taken by the gentleman from Texas it might be proper to suggest, considering the immense delay that there may be in acting upon amendments, that the gentleman from Michigan move that the committee do now rise and call a meeting of the

Ways and Means Committee to immediately consider these amendments.

The CHAIRMAN. Does the gentleman from Ohio concede the point of order made by the gentleman from Texas that there has been no meeting of the Committee on Ways and Means in which the amendments referred to were considered?

Mr. LONGWORTH. I concede that a strict construction of the rule would justify the contention of the gentleman from Texas.

Mr. TOWNER. Mr. Chairman, I desire to discuss the point of order raised by the gentleman from Texas. Notwithstanding, Mr. Chairman, the concession made by the gentleman from Ohio, it occurs to me that if the Chair should make a ruling in accordance with that concession it would be a most unfortunate ruling. As I remember the precedents, which I can not take time to call to the Chair's attention, which however I am justified in saying exists, there could not be a challenge made on the floor of the House at this time regarding the action of the committee. It was not stated by the gentleman from Texas that there had not been action of the committee; it was stated by the gentleman from Texas that the Democrats had not been allowed to attend and that there had not been a full meeting of the committee, and therefore there had not been a meeting of the committee. The point has been raised a good many times as to whether or not a quorum was present when action was taken, as to whether or not action was taken at a regular meeting, and whether the members of the committee were duly notified. When these objections were made during the progress of a bill's consideration in Committee of the Whole, it has been held that it was too late to raise that objection. We are acting now under a special rule.

Mr. GARNER. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. GARNER. I want to ask the gentleman, who I know is a just man and wants the precedents of the House on a high plane, if he thinks it is proper and fair to call a meeting of a majority of the committee without any notice to the minority to attend, and call that a meeting of a committee of the House?

Mr. TOWNER. I am not making the point upon that ground.

Mr. GARNER. I have just said that it has not been controverted that there has been no meeting of the committee of which the minority had any notice. If the gentleman considers that a meeting of the Committee on Ways and Means, it is not from a viewpoint fair and honest.

Mr. TOWNER. If gentlemen who constitute the majority have excluded the minority in any way, that is a question to be determined upon other grounds, and I have no doubt that the Democrats will go to the country on that proposition. But we are discussing now not that question but the proposition as to when the majority of the committee act and bring in a report after several days' proceedings have been held upon it, whether that action can be challenged in the Committee of the Whole during the consideration of a bill.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. GARRETT of Tennessee. Does the gentleman from Iowa think that the Ways and Means majority could have had a meeting and reported this bill to the House originally without notifying the other members of the committee, and if it had done so, would that have constituted an action of the committee?

Mr. TOWNER. If that had been the case, if there had been action taken by the majority of the committee in the absence of the minority, it was an objection that ought to have been raised on the report of the committee to the House. If that objection could be made now in this instance it could be made on every occasion where the majority had taken action and the minority had not been present.

Mr. Chairman, let me call attention to a precedent in Hinds, section 4594:

It being shown that a majority of a committee had met and authorized a report, the Speaker did not heed the fact that the meeting was not regularly called.

In other words, the action of the committee can not be impeached in the middle of the proceedings in the Committee of the Whole.

Mr. MONTAGUE. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. MONTAGUE. I understood the gentleman, in answer to a question by the gentleman from Tennessee, that the report of the committee originally made could be challenged on the presentation of the report?

Mr. TOWNER. I think so.

Mr. MONTAGUE. Then I ask the gentleman if the amendment offered is not now originally presented to the House? By

analogy, is not this a report, and is it not challenged upon its first presentation—that is, the first possible moment upon which it could be challenged?

Mr. TOWNER. I think it must be clear to the gentleman from Virginia, that the objection that the committee had not been legally constituted ought to have been made before we went into the Committee of the Whole under the rule. It would certainly not be expected that when a committee has a bill in charge, and during its consideration in the Committee of the Whole, and its chairman or a member of the committee offers a committee amendment, that the question could then be raised as to whether the committee ever had taken action authorizing the offering of such an amendment as a committee amendment. The report was made in which these matters were agreed to by a majority of the House. There was no question regarding the report. Among other things it said that the committee could bring in privileged reports and make privileged amendments. The committee now does this.

Mr. MONTAGUE. Does not the gentleman beg the whole question? Was it the action of a committee? The gentleman has assumed that it was the committee, and that is the question for decision by the Chair. I contend that there is no committee until it is lawfully organized and lawfully called—that is, either by the rules of the House, by notice by its chairman to all members of the committee, or by a meeting of the committee reassembled in pursuance of adjournment.

Mr. GREEN of Iowa. Mr. Chairman, I am somewhat surprised at my friend from Tennessee [Mr. GARRETT], who the other day was so anxious to have the bill read and complaining so much because it was not read, that he should now use every possible opportunity to keep it from being read. The other day he said that this bill would not be read, but he also said that the minority would have no delays to interpose. Now, at every possible opportunity, the minority is preventing the reading of the bill.

Mr. HARDY of Texas. Is it not the deliberate purpose of the majority of this body to prevent the reading of the bill by offering amendments to take up all of the time?

Mr. GREEN of Iowa. No. We started to read the bill, but the gentleman from Tennessee would not permit the reading to go on. I was present at the time the Underwood bill was presented to the House. I never was called into any committee meeting at that time except the original committee meeting which reported the bill. That was the only meeting the committee held.

Mr. GARNER. The Underwood bill was passed under the general rules of the House and we did not have to make any committee amendments. We passed them under the general rules of the House and anyone could offer an amendment who desired to.

Mr. GREEN of Iowa. That is not so easily disposed of. You had amendments to the bill; they were offered as committee amendments. In this particular case the majority of the committee has met and passed on these amendments. Most of the gentlemen on the other side have them already in their hands and have been considering them, so that there is nothing in the contention that they have had no opportunity to examine the amendments.

Mr. GARRETT of Tennessee. Mr. Chairman, this is entirely too serious a matter to be cast lightly aside by such intimations as those just made by the gentleman from Iowa [Mr. GREEN] that the minority is seeking to delay the passage of the bill.

All of the record made by the minority during the consideration of this bill is a complete refutation of that. Every time a motion has been made on this side to close debate at a particular time a motion has been made on the other side to continue for some hours longer. We have forced no roll calls that delayed the bill, but even if we had delayed the bill, or had sought to delay it, that is not the question here presented. The question here presented is the right of a minority in a parliamentary matter. It is conceded that from the time this bill was reported out there has not been a meeting of the Committee on Ways and Means. Certain members of the committee have gotten together, we are to understand from the statement made by the gentleman from Ohio [Mr. LONGWORTH], and they have agreed among themselves, but it is conceded that there has been no meeting of the committee. Do you mean to tell me that it can possibly be held in the face of a point of order that a portion of the membership of a committee can meet and agree among themselves upon amendments without even an informal meeting of the full committee?

Mr. MONTAGUE. If it does not interrupt the gentleman from Tennessee, will he permit me to read the rule?

Mr. GARRETT of Tennessee. I yield.

Mr. MONTAGUE. I read from section 400 of Jefferson's Manual, page 157 of the House Manual and Digest:

A committee meet when and where they please, if the House has not ordered time and place for them; but they can only act when together, and not by separate consultation and consent—nothing being the report of the committee but what has been agreed to in committee actually assembled.

And, of course, that means legally assembled.

Mr. GARRETT of Tennessee. Mr. Chairman, to overrule the point of order made by the gentleman from Texas [Mr. GARNER] would set a precedent here which, if followed, might absolutely destroy parliamentary government. The minority have a right to look to these amendments. We know nothing of them now.

All knowledge of them reposes in the bosoms of the few who got together and consulted concerning them. The question of what course the minority shall pursue in respect to them when they have an opportunity to look at them is another matter, but their right is indisputable. This committee has the right as a whole to have them examined by the minority at a regular meeting of the committee.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. GREEN of Iowa. If this is not for delay, will the gentleman state for what purpose it is that this point of order is made? It will accomplish nothing else, and the gentleman knows it.

Mr. GARRETT of Tennessee. It is in order to give the minority an opportunity to examine the amendments, a right which they have. If the contention of the gentleman from Iowa is correct, why were the minority members called in when you reported the bill originally?

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

Mr. GARRETT of Tennessee. There has been a sharp division here upon some of these matters. Compensatory duties are about to be brought in, I assume, as well as technical amendments that are to be made. I yield to the gentleman from Michigan.

Mr. FORDNEY. If the gentleman is correct, I am ready to leave it with the Chair or to a vote of the House right now, and whatever the House decides upon I shall cheerfully acquiesce in, so that we may proceed to something else. I think the Chair is ready to rule.

Mr. GARRETT of Tennessee. It seems to me that the gentleman from Iowa [Mr. GREEN] and the gentleman from Michigan [Mr. FORDNEY] do not realize the seriousness of this proposition.

Mr. FORDNEY. Oh, yes; I do.

Mr. GARRETT of Tennessee. This is a fundamental thing affecting for all time to come the rights of what we sometimes call the greatest parliamentary body in the world.

The CHAIRMAN. The Chair is ready to rule.

Mr. MONDELL rose.

The CHAIRMAN. For what purpose does the gentleman from Wyoming rise?

Mr. MONDELL. To discuss the point of order. I think there is something in the contention of the gentleman from Tennessee [Mr. GARRETT]. It is true that the minority seems to have embarked upon a policy intended to prevent the House or the committee from having an opportunity to vote on amendments to the paragraphs in the bill. On Saturday the Clerk proceeded to read a paragraph of the chemical schedule of the bill. The gentleman from Tennessee [Mr. GARRETT] did not allow the Clerk to conclude the paragraph, in order that an amendment might be offered to it, but insisted instead on offering one of the preferential amendments—I assume that is what he had in mind.

Mr. GARRETT of Tennessee. That was in the interest of expedition. I wanted to get those out of the way. Will the gentleman yield for a question?

Mr. MONDELL. The House was proceeding in an orderly way to consider the bill for amendment.

The gentleman did not intend to offer an amendment to the paragraph. He proposed to offer one of the so-called preferential amendments, and he did not wait until a paragraph was read. He attempted to offer an amendment foreign to the paragraph and before the Clerk finished reading it.

Mr. BANKHEAD. Mr. Chairman, I make the point of order the gentleman is not discussing the point of order.

Mr. MONDELL (continuing). Up to this time the minority have prevented the House from considering the paragraphs in the bill or offering amendments to them.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MONDELL. I will yield.

Mr. GARRETT of Tennessee. Mr. Chairman, by proceeding now to read the bill under the 5-minute rule it lies within the power of any gentleman under the general rules of the House to offer an amendment to each paragraph that is read, and it does not have to be a committee amendment. Is the gentleman willing to proceed with that?

Mr. MONDELL. The gentleman from Tennessee on Saturday declined to allow us to do that or to give any Member of the House an opportunity to offer an amendment to the bill. He would not allow the Clerk to conclude the reading of the first paragraph in order that there might be opportunity to offer an amendment to it. He insisted in the very center and midst and bowels of the paragraph on injecting a proposition entirely foreign to the matter then under consideration.

Mr. BANKHEAD. Mr. Chairman, I insist on my point of order, that the gentleman is not discussing the point of order.

The CHAIRMAN. The gentleman from Alabama makes the point of order—

Mr. LONGWORTH. Will the gentleman from Wyoming yield? It is not in the power of any Member of this House to offer an amendment to this paragraph until the reading is completed, and therefore the action of the gentleman from Tennessee prevented the offering of an amendment.

Mr. MONDELL. Mr. Chairman, I am rather inclined to agree with the gentleman from Tennessee touching these so-called committee amendments. If the gentleman from Tennessee and other gentlemen on the minority side of the House will not object I shall ask the gentleman from Ohio to withdraw his offered amendment in order that we may proceed with preferential amendments to the bill.

[Cries of "Rule!"]

The CHAIRMAN. There is a point of order pending at this time.

[Cries of "Regular order!"]

Mr. MONDELL. I ask unanimous consent that the gentleman from Ohio may be allowed to withdraw his amendment in order that preferential amendments may be offered.

Mr. GARRETT of Tennessee. Mr. Speaker, I think we might just as well have a decision upon this matter, and I object.

Mr. LONGWORTH. Mr. Chairman, I offered the amendment largely to test the question as to whether that technical point of order was to be made. Now I am willing to do either one of two things, to have a ruling of the Chair or withdraw the amendment.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Ohio [Mr. LONGWORTH] sent to the Clerk's desk, and the Chair directed that there be read, what purported to be a committee amendment from the Committee on Ways and Means. The paper read at the desk as a committee amendment was objected to by the gentleman from Texas [Mr. GARNER] as not being a committee amendment and stated as his reason for making the point of order that the Committee on Ways and Means had not met and had not considered the amendment in question. The gentleman from Ohio concedes that the gentleman from Texas stated the facts with reference to the matter. The gentleman from Ohio further stated that the majority members of the committee had met informally and agreed upon the amendment in question.

Mr. GREEN of Iowa. And a majority of the committee.

The CHAIRMAN. That constituting also a majority of the committee.

Mr. BANKHEAD. Mr. Chairman, I challenge that statement. I do not think the record shows such a statement was made.

Mr. GREEN of Iowa. Whether the gentleman made it or not I now make it as a fact.

Mr. BANKHEAD. The gentleman stated it had been made, whereas it had not.

The CHAIRMAN. There are 17 majority members on the Committee on Ways and Means. That would constitute, if they were all present, a majority of the committee. But can 17 members of the committee of 25 assemble informally and constitute a committee in session and act for the committee? That is the question which is presented. The Chair thinks the question is fundamentally important in its relation to the proceedings of the House.

In the limited time the Chair has had in which to investigate the matter he finds that informal reports have frequently been presented by committees of the House. Back as far as 1846 an informal report was presented by a committee. Objection was made that it did not represent committee action. That question was submitted to the House for its consideration. Recently informal action was taken by one of the committees of the House. A majority of the members of that committee, a numerical majority, signed what purported to be a report of the committee and what purported to be the action of the com-

mittee. A point of order was made, when that action was brought up for consideration in the House, that the purported report was not the report of the committee such as is contemplated by the rules for the guidance of committees in the House of Representatives. Speaker Clark made a decision in that case in which he held—

That the authority of a committee to call up a bill from the Speaker's table must be given at a formal meeting of the committee.

The Chair quotes from Hinds' Precedents, as follows:

Committees can only agree to a report acting together. On January 9, 1905, Mr. JOHN S. WILLIAMS, of Mississippi, asked unanimous consent for the present consideration of House resolution No. 415, relating to statistics of the ginning of cotton, and the following paper was presented. Mr. WILLIAMS spoke of it as a unanimous report from the Committee on the Census.

COMMITTEE ON THE CENSUS,
January 9, 1905.

We, the undersigned members of the Committee on the Census, agree to a favorable report on House resolution No. 415, and further agree that its author, Mr. WILLIAMS, of Mississippi, may call up same when the opportunity presents itself.

That was signed by a majority of the members of the committee. The point of order was made, and Speaker CANNON said:

The Chair understands that, in point of fact, the formal report has not been made from the Committee on the Census, although there is a paper on the Clerk's desk signed by a majority of the members of that committee.

To make a ruling that would cover one bill and let this one in would not do very much harm, but to rule that this kind of a paper may take the place of a report or authorization from a committee at an authorized meeting—because the Speaker does not rule in one case only, for the rule is made for all similar cases—would open the doors so wide to a proceeding not authorized by the House that the Chair must hold, in order to preserve the integrity of the proceedings of the House, that the point of order made by the gentleman from Illinois [Mr. FOSTER] against this paper which the gentleman from Alabama [Mr. HEFLIN] presents, is well taken.

The Chair in this case can not hold, though it would do but little harm to do so in itself, that a majority of the members of the committee really acted. But the Chair is of the opinion that the committees of this House can only act when they meet formally with such notice as advises the members of the committee of the proposed meeting, and that the amendment offered by the gentleman from Ohio [Mr. LONGWORTH] was not authorized by the Committee on Ways and Means at such a meeting of the committee, and therefore sustains the point of order made by the gentleman from Texas [Mr. GARNER].

Mr. LONGWORTH. Mr. Chairman, in view of the decision of the Chair, with which I am in hearty concurrence, would the Chair be prepared now to state what constitutes the necessary formality? Does it consist of a written notice to the members of the committee?

The CHAIRMAN. The Chair thinks that if the chairman of the Ways and Means Committee would say that there was to be a meeting of the Committee on Ways and Means at 3.50 this afternoon, that would be sufficient notice.

Mr. FORDNEY. I state to the House that at 10 o'clock tomorrow morning there will be a meeting of the full committee in the room of the Ways and Means Committee. [Applause.]

Mr. BOWERS. Mr. Chairman—

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

Mr. BOWERS. To offer a preferential motion.

The CHAIRMAN. The gentleman from West Virginia offers a preferential motion, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BOWERS: Page 192, paragraph 5537, line 15, after the comma, insert the words, "not specially provided for." And on page 113, between lines 9 and 10, insert a new paragraph, as follows:

"Cotton having a staple of 1½ inches or more in length, 15 per cent ad valorem."

Mr. FORDNEY. Will the gentleman from West Virginia yield long enough for me to make a statement?

Mr. BOWERS. Yes.

Mr. FORDNEY. Let me say that I have just learned that there will be a meeting of the committee on committees tomorrow morning at 10 o'clock, and the Ways and Means Committee will meet immediately after adjournment to-night in this room in the corner here. Or make it 8 o'clock, if the gentleman from Texas prefers.

Mr. GARNER. Mr. Chairman—

Mr. FORDNEY. I will make it immediately after adjournment.

Mr. BOWERS. Mr. Chairman and fellow members of the committee, I have been brought up in politics under the idea that protection to American industry and American labor by the broad shield of American law has been, and is now and will always be, correct. [Applause.]

It is not my purpose to discuss any matter in relation to this amendment, except to briefly submit some statistics. We have asked that a duty be laid on cotton of a staple of 1½ inches. This is to prevent competition principally of Egyptian and Peruvian cotton. The length of the staple of the upper Egyptian cotton will range from 1½ to 1¾ inches, and that of the Sakelardis variety will measure from 1½ to 1¾ inches. The length of the Peruvian cotton imported is 1½ to 1¾ inches. The length of the bulk of the Mexican cotton imported will range from seven-eighths to 1 inch, and in a few cases 1½ to 1¾ inches, and the length of the staple of the Chinese cotton will range from five-eighths to three-fourths inch.

In 1920 there were imported to this country 468,582 bales of Egyptian cotton of 500 pounds to the bale; of Peruvian cotton, 59,177 bales; of the Chinese, 41,407 bales; of the Mexican, 64,256 bales; and of all other countries, 23,169 bales.

This, gentlemen, will show that, of the 651,000 bales admitted, 522,000 were of the long-staple variety.

Unmanufactured cotton has been classed as a "raw material" in all tariff bills. The duty of 7 cents a pound on long-staple cotton in the emergency tariff law is the only exception.

The doctrine of "free raw materials" has been the bulwark of the free traders with a leaning toward "incidental protection." Most of them want their raw materials free and their manufactured products protected.

What is raw material?

Obviously the only "raw materials" in the world are the ores in the ground, the trees in the forest, the wealth and treasures of nature untouched by the hand of man. The moment human labor touches or is applied to these articles, transforming them even in the slightest degree, that moment they become finished products to that extent. Nothing suitable for man's use or valuable in the process of material progress and development is raw material.

The principle of protection is founded on the proposition that whatever material is grown or produced or manufactured or assembled to the actual or possible extent of our wants is entitled to protection against unfair competition in the American markets. The fact that we produce and export a surplus or produce less than our needs does not relieve us from the obligation of applying the principle.

The United States has been the world's great producer of cotton. In 1919 the United States produced about 60 per cent, in 1920 about 50 per cent, of the world's supply. "Cotton is king" has been the statement of an economic truth as well as a slogan of sectional security.

For 44 years following 1870 there was a steady increase in the production of cotton in the United States—from 4,024,000 bales in 1870 to 16,991,000 bales in 1914. At 500 pounds a bale this means 2,012,000,000 pounds in 1870 and 8,495,500,000 pounds in 1914. In 1919 production fell off to 5,710,000,000 pounds, and in 1920 to 6,682,000,000 pounds. The estimated crop this year will be only 4,216,000,000 pounds.

The recent war stimulated the production of cotton and raised the average export price from 5.9 cents a pound in 1898 to 35.9 cents a pound in 1920. Since then the price has dropped to the prewar level. The southern cotton growers are complaining bitterly because prices are below the cost of production and because forced sales to pay overdue debts at the banks may ruin many cotton growers.

Doubtless the recent war period saw the maximum of cotton production in the United States, at least for many years. Exports have decreased during the last two years:

	Pounds.
1919	3,367,000,000
1920	3,179,000,000
11 months 1920	3,420,000,000
11 months 1921	2,559,000,000

Of the 6,600,000,000 pounds of cotton produced in the United States in 1920, 54 per cent was consumed at home and 46 per cent exported. In 1900, before the war, 67 per cent was exported and 33 per cent consumed at home. Between 1900 and 1920 imports of unmanufactured cotton have increased from 67,398,000 pounds to 299,994,000 pounds.

American cotton mills have doubled their consumption of domestic cotton and increased their consumption of imported cotton almost five times since 1900.

It can not have escaped attention that Great Britain is taking steps to increase the production of cotton in many of her tropical possessions. The avowed purpose is to be less dependent on the United States for unmanufactured cotton. This undertaking is backed by the British Government. If it succeeds, it will be a strong competitor with the cotton product of the United States, even in the American markets. In the face of such a situation it is obvious that the cotton producers of the South can not compete with the cotton producers of India

and other British possessions, where labor is cheap and living conditions among the masses deplorably backward.

The time has arrived for serious consideration of this problem which the United States must face soon. Rapidly the South is changing its views on the tariff. The hard facts of experience are compelling. The principle has taken a strong hold on the population, and the Southern Tariff Association, representing 18 Southern States, on the 20th of April, 1921, presented to the Ways and Means Committee a memorial asking for protection on 19 agricultural products of the South, 20 manufactured products made in the South, and 20 mineral products found in the South.

These industries—

Says the memorial—

represent two-thirds of the wealth of the South and have directly dependent upon them two-thirds of all the inhabitants. Unless these industries function and prosper, the 18 States in which they are situated must rest commercially stagnant, their business inert, and their progress definitely halted. * * * The South comes into competition agriculturally with the cheapest labor on earth. Her products are the products likewise of the Orient and semitropical nations, where living conditions are such that labor is the cheapest of all things. * * * The disaster is progressive. * * * Our people are convinced that it is within your power by the imposition of equalizing tariffs at once to control the catastrophe and restore economic vitality.

Before the recent war imports of unmanufactured cotton averaged 60,000,000 to 70,000,000 pounds. Once it reached 75,000,000 pounds. Recently imports have been:

	Pounds.
1918 (calendar)	112,684,000
1919 (calendar)	175,358,000
1920 (calendar)	299,994,000
January, 1921	12,000,000
February, 1921	14,000,000
March, 1921	18,000,000
April, 1921	9,365,000
May, 1921	5,270,000
Total	54,235,000

These imports largely come from Egypt, Mexico, China, Peru, and British India.

In 1920, 179,894,000 pounds of long-staple cotton came from Egypt alone. Long-staple cotton is produced in Arizona, Oklahoma, South Carolina, Texas, and some in California.

The freight rate from Egypt to Boston is 70 cents per 100 pounds. The freight rate from California to Boston is \$1.88 per 100 pounds. Freight rates from India and China to Boston are less than from the southern cotton fields to Boston.

Should the production of staple cotton in Egypt, India, Mexico, and the Orient increase in the next 20 years as present efforts would seem to warrant, the time is not far distant when southern staple cotton, not long staple alone but all cotton, will come in direct and serious competition with imported foreign cotton, produced for less than one-half the cost of production in the South.

A reasonable protective duty on cotton is in harmony with the principle of protection, and will prepare the cotton growers of the South against a possible, if not probable, competition in the American markets, spelling disaster to the great American industry, and degradation to wage earners engaged in that industry.

The value of the average American cotton crop in normal times is approximately a billion dollars. The wages paid in the cotton industry are estimated at \$100,000,000 annually.

This industry is too vast and too important to be jeopardized by unfair competition from the cheap labor of India, Mexico, and the Orient. For the first time, such competition is imminent.

If the principle of protection is good for the North and East, it is equally good for the South and the West. This principle is national in scope, and the South asks for its equitable and just application. I hope the committee will agree to this amendment.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that debate upon this amendment and all amendments thereto close in 55 minutes, or 1 hour including the time occupied by the gentleman from West Virginia, and that that time be divided one-half for the amendment and one-half against.

Mr. GARRETT of Tennessee. I object, Mr. Chairman. I move that all debate close now.

Mr. FORDNEY. As an amendment, I move that all debate close in 55 minutes on the amendment and all amendments thereto.

The CHAIRMAN. The gentleman from Tennessee moves that all debate on this paragraph and all amendments thereto close now. The gentleman from Michigan moves as a substitute that debate close in one hour. The question is on the substitute of the gentleman from Michigan.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. GARRETT of Tennessee. Division, Mr. Chairman.

The committee divided; and there were—ayes 103, noes 51.

So the substitute was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee as amended by the gentleman from Michigan.

The motion as amended was agreed to.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having taken the chair, a message from the Senate, by Mr. Craven, one of its clerks, 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. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for these islands," approved August 29, 1916.

The message also announced that the Senate had passed the following concurrent resolution without amendment:

House concurrent resolution 24.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 5756) entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for these islands,' approved August 19, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903," the Clerk be authorized and directed to enroll the title so as to read as follows:

"An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,' approved August 29, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903."

THE TARIFF.

The committee resumed its session.

Mr. WALSH rose.

The CHAIRMAN. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. To offer an amendment to the amendment offered by the gentleman from West Virginia [Mr. BOWERS].

The CHAIRMAN. The gentleman will send up his amendment.

Mr. WALSH. It is to strike out "one and one-eighth" and insert "one and seven-eighths."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts.

The Clerk read as follows:

Amendment offered by Mr. WALSH to the amendment offered by Mr. BOWERS: Strike out the word "one-eighth" and insert in lieu thereof "seven-eighths."

Mr. WALSH. Mr. Chairman, I would like to ask the distinguished gentleman from West Virginia [Mr. BOWERS] if it is his intention to offer an amendment proposing any compensatory duties if his amendment is agreed to?

Mr. BOWERS. Personally that is not my idea, but that is a matter that the Committee on Ways and Means will probably handle.

Mr. WALSH. I would like to ask the gentleman from Michigan [Mr. FORDNEY] if it is intended to include in the amendments to be offered by the committee any compensatory duties, provided the amendment of the gentleman from West Virginia is agreed to?

Mr. FORDNEY. I will say to the gentleman from Massachusetts that that is for the committee to determine, and it will be done immediately when the committee meets to-morrow morning at 10 o'clock; perhaps this evening. Personally I believe we ought to have a compensatory duty on cotton goods made from long-staple cotton.

Mr. WALSH. Mr. Chairman, I yield back the balance of my time.

Mr. WINGO rose.

The CHAIRMAN. For what purpose does the gentleman from Arkansas rise?

Mr. WINGO. Under the rules, to oppose the amendment.

The CHAIRMAN. The gentleman is recognized.

Mr. WINGO. Mr. Chairman, the pending amendment is to put a tariff on $1\frac{1}{2}$ -inch cotton and over, and to that the gentleman from Massachusetts [Mr. WALSH] offers an amendment to change it from $1\frac{1}{2}$ to $1\frac{3}{4}$. The amendment to the amendment is no more ridiculous than the original amendment. There is just as much sense in undertaking to impose a tariff on cotton of a staple of $1\frac{1}{2}$ and over as there is on the other.

Of course, I appreciate, Mr. Chairman, the real object of offering this amendment by our Republican friends. In the first place, some of them seem to have the mistaken idea that it is embarrassing to a man from a cotton State to vote on that kind of an amendment, and it is for that reason that they offer it. Another reason is—and that is the principal one; I will not mention the third one—if they can get a tariff on raw cotton, then that would justify them in offering an ironclad rule to increase the tariff rates on cotton manufactured goods by way of a compensatory rate to cover the tariff on the raw cotton. That is the milk in the coconut.

The gentleman from Michigan [Mr. FORDNEY], in winding up his wonderful speech made this afternoon—not an argument, but a speech—said that 92 per cent of the products of the people of the South were consumed in this country. That is about as correct as other arguments he has made in favor of the tariff bill. He knew, if anything, that 65 out of every 100 bales of cotton produced in the South have to find a market outside of the United States.

I noticed not long since one of the leading writers in the official organ of the Republican Party in the South—I forget what they call it, that tariff organ in the South—in discussing the emergency tariff bill, said, "Of course, a tariff on cotton is not worth anything to the cotton grower." The gentleman from Iowa [Mr. GREEN], I think will admit, as he has done on the floor before, that it is absolutely absurd, even from the standpoint of the protectionist, to even intimate that there can be any possible benefit to the producer of cotton by putting a tariff tax on it. It is absurd and ridiculous.

There are several things that are now troubling the cotton farmer as well as the wheat grower, and they are in common. We have got to have the markets of the earth in which to sell our surplus products. That market is stagnant at this time. Another curse that has been visited on the cotton farmer at the present time is that the customary credits by which he could hold his crop for a market have been denied him in the last 11 months, and to-day I am getting protests from my district against the proceedings of the Federal reserve bank of St. Louis in refusing to renew cotton paper unless they put up other cotton than that which secured the original note. Now, the lack of a market and the lack of credit to the cotton farmer and his inability to get a stable market or a more stable market, those are the things that are hurting the cotton farmer of the South, and you can not cure them with your cure-all tariff. You can not find half a dozen Republicans in my district that are so ignorant as to think that a tariff on cotton would help them. In fact, I have never found more than one man in my district, and he was a Republican, and he thought that it would help on long-staple cotton. [Applause.]

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

Mr. BYRNES of South Carolina rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BYRNES of South Carolina. To oppose the amendment offered by the gentleman from West Virginia [Mr. BOWERS].

Mr. LAZARO. Mr. Chairman, I desire recognition. I am in favor of the amendment.

The CHAIRMAN. The Chair is considerably embarrassed. The Chair would like to see a unanimous-consent agreement reached at this time. The Chair does not think that he can fairly, in this situation, make an equitable distribution of the time.

Mr. FORDNEY. To save embarrassment to the Chair, Mr. Chairman, I will ask that the time be equally divided between the gentleman from Texas [Mr. GARNER] and myself.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the time be equally divided between the gentleman from Texas and himself. Is there objection?

There was no objection.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

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

Mr. TREADWAY. Mr. Chairman, in some remarks that I made last week I referred to the impossibility of any gain to be had from a duty on cotton when we export such a large amount, our production in this country being so much greater than our home consumption.

I also stated that if there was any excuse for a duty on cotton of any kind, it was limited to long-staple cotton, which is practically the only kind that is imported into this country. According to the statistics of the Department of Commerce, importations of cotton are practically limited to the long-staple variety. Now, I am not sufficiently familiar with details of definitions, or with the length of the staple used in the

manufacture of certain lines of goods, to be able to state this definitely. We have had more or less discussion in the committee as to the length which should or should not be designated for duty, if any duty was to be put on cotton. My own understanding was that for a practical solution of the definition of long-staple cotton it should be specified as an inch and three-eighths, but the gentleman from West Virginia [Mr. BOWERS], who is much more familiar with this subject than I am, has offered an amendment which practically defines long-staple cotton as an inch and one-eighth. Now, if that takes long-staple cotton out of the category of ordinary cotton, what we know as raw cotton, I for one am willing to support the amendment.

Mr. CRISP. Will my colleague yield?

Mr. TREADWAY. I will yield to my colleague from Georgia.

Mr. CRISP. I would like to ask my colleague if the majority members of the committee have considered what compensatory duty they would want on manufactured cotton if this amendment should prevail.

Mr. TREADWAY. I was just coming to that point. I am glad my colleague referred to it. The entire cotton schedule is written on the basis of free cotton. The moment you take out any portion of cotton at all and put a duty upon it you must establish a compensatory duty. I am afraid it is going to be extremely difficult to write that compensatory figure. I am afraid we are getting into a difficult complication in asking that a duty be put on one class of cotton and not on another. I am absolutely opposed to any duty being put upon cotton as a general proposition, but I am willing to support the amendment of the gentleman from West Virginia [Mr. BOWERS] provided the House sees fit to establish a satisfactory compensatory duty for the lines of manufacture made from the long-staple cotton. It is the only logical place to lay a duty in connection with raw cotton. The kind that actually is imported into this country comes in competition with certain cottons grown in this country, namely, in sections of Arizona and in sections of California. It is the only logical course we can take if we desire to put a duty of any kind whatsoever on cotton. I can see no argument in favor of making a general tariff provision upon cotton as a whole, but there may be a logical argument for a duty on long-staple cotton.

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

Mr. STEVENSON. Mr. Chairman—

The CHAIRMAN. The time is under the control of the gentleman from Texas.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry. How much time have I to control?

The CHAIRMAN. The gentleman from Texas has 25 minutes and the gentleman from Michigan has 20 minutes.

Mr. GARNER. Mr. Chairman, if the gentleman will permit me, I have 25 minutes. I have had requests for 1 hour and 30 minutes. I propose to yield 12½ minutes to those in favor and 12½ to those opposed to the amendment on this side.

Mr. FORDNEY. On this side I will divide the time, 10 minutes for the amendment and 10 minutes against it.

Mr. GARNER. That is the only way I know of to get out of a very embarrassing position. It is impossible for me to give gentlemen time who have asked for it, and I know of no way to do except to divide the time equally between those who are in favor of the amendment and those who are opposed to it.

Mr. HUMPHREYS. Will the gentleman yield for a suggestion?

Mr. GARNER. I will.

Mr. HUMPHREYS. Five minutes have already been taken on this side against the amendment.

Mr. GARNER. That is correct, and I will yield 15 minutes to those in favor of the amendment and 10 minutes to those against it, if that is satisfactory. I state this so that the membership of the House will understand that it is impossible for me to comply with the requests that have been made of me.

I yield 3 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, I want to call the attention of the House to the fact that this proposed amendment is merely directed at Egyptian cotton. That is the only long staple that comes in here. The Egyptian cotton that was imported in the cotton year 1920 was 485,000 bales, because it was bringing \$1.50 a pound. The Egyptian cotton that has been imported into this country this cotton year, 10 months of which have already gone, is 79,000 bales. You will see very readily that it does not amount to anything. The cotton with which it competes is less than 80,000 bales. There is no cotton of an inch and three-eighths except about 75,000 bales made in

California and in Arizona, and the competition is practically nothing. The long staple that is 1½ inches in length constitutes about 1,000,000 bales. My friend from Massachusetts will find that his mills consume a very large part of that 1½-inch cotton, and that is what it is contemplated to protect by the amendment of the gentleman from West Virginia [Mr. BOWERS], but there is nothing to protect it against except 80,000 bales of Egyptian cotton, which is being imported for special purposes. For the first 20 years of this century we produced 248,954,015 bales of cotton of all kinds, or an average of 12,447,700 bales per annum. We exported of that cotton 160,318,354 bales, or an average of 8,015,917 bales per annum, and we imported an average of 230,116 bales per annum, and of the long staple, protected in this amendment, for the first nine months of this cotton year we have imported only 70,145 bales this year as against 456,692 bales for the same period last year, when the price was over a dollar a pound. There is practically no competition in these imports, and certainly none for at least 11-500,000 bales of the cotton crop which does not measure 1½ inches, and which competes with the Mexican, Chinese, and other cotton, of which we have imported this year 132,000 bales.

Mr. GARNER. Mr. Chairman, I yield two minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, there is absolutely no justification from any standpoint of a duty on 1½-inch cotton or any other cotton. What it is going to result in is this: I understood the gentleman from Michigan and the gentleman from West Virginia to state that there would be no compensatory duties offered. But I understand from the gentleman from Massachusetts that compensatory duties will be necessary. If it is provided in the bill for high enough duties without compensatory duties, then the duties ought to be lowered, but here is going to be the result: If the bill finally becomes a law, the consumer of all cotton goods in this country, no matter what the staple cotton they are made from, is going to have an undue tax levied at the customhouse upon that character of goods. It will be utterly impossible, in my judgment, if my information from the Treasury is correct, to work out a compensatory duty on the goods from 1½-inch cotton, and the result is going to be what it always has been, that the cotton, as well as the woolen schedule, which has always made the greatest trouble, is going to be filled with jokers until the consumers of cotton goods will bear the burden and not get the benefit of one cent of it. There is not a gentleman here from the long-staple cotton section who will pretend even that it is going to do the grower of cotton any good. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. PRINGEY].

Mr. PRINGEY. Mr. Chairman and gentlemen of the committee, in the brief time allotted to me for the discussion of this question of placing a duty on lint cotton, I shall only be able to advance a few concrete thoughts.

There are 17 States in the American Union that produce cotton; last year there was imported into the United States 651,591 bales. Egypt contributed 468,582 bales 1½-inch to 1½-inch lint. Peru shipped us 59,671 bales with an average lint of 1½ inches. The Chinese shipped us 41,407 bales, her lint five-eighths of an inch.

Mexico shipped us 64,256 bales, her lint seven-eighths of an inch.

Other countries shipped us 23,196 bales, making a grand total of 651,591 bales.

It is a conservative estimate that the United States received annually from other countries a million bales of cotton.

These figures I have obtained from the Agricultural Department. Would any gentleman upon the floor of this House attempt to argue that the American farmer should come in competition with the cheap labor of these southern countries—for instance, Egypt and Peru and Mexico—men whose chief garment is a breechclout; whose chief diet is a bowl of rice soup; and who receive as a reward for their labor 20 to 30 cents a day, or \$2 per week. That class of citizenship will come in competition with the American farmer with our present scale of wages and living.

Much is being said about a compensatory duty on the manufactured article if we should place cotton on the dutiable list.

This little suit of clothes that I have on I believe contains about 3 pounds of cotton. Our cotton in Oklahoma, on the market to-day, is worth about 12 cents per pound; by placing an ad valorem duty of 20 per cent on cotton, I wish some statistician would figure out how much additional compensation the manufacturer should receive who made this suit of clothes for \$25.50.

There are 17 States in the American Union that produce cotton. Cotton has always been on the free list, due to one fact, largely.

The South has always been Democratic and has protested against the principles of protection, consequently the tariff schedules that have been made up for the last half a century have allowed the South to have her free cotton.

In the drafting of the Underwood tariff law all agricultural products were placed on the free list. This, it appears to me, set our southern brethren to thinking, and the Southern Tariff Association has done a valuable work for the principle of protection by demanding that their Representatives shall place agricultural products, and especially cotton, on the dutiable list.

And now you men from the South, I want to appeal to you especially. You say that you voted for a duty on hides, but also declare that you will vote against the bill. Now, all that I will ask of you is to vote for a 20 per cent ad valorem duty on cotton and we will see to it that you get it.

And you Representatives from the East should remember that for a century we have been sending our raw material to your factories. You have built up wonderful cities and villages and wonderful manufacturing institutions supplied by the raw material that the farmers of the West have furnished.

I simply want you to remember that the bale of cotton is the finished product of the farmer as much as a suit of clothes or any other garment that might issue from your Massachusetts or New York factories.

I wish to especially appeal to you northern Representatives. You, possibly, feel that you are not interested in the cotton of the country. You should remember that you are interested in the success of the Republican Party, a party that pledged protection, one of the fundamental principles of our Government. All that I ask of you to do is to be liberal. We were willing to give you a duty on hides or anything else that you produce, but do not draw the line on us on the item of cotton, one of the chief articles of commerce of the world. [Applause.]

There is only one criterion by which to judge the future, and that is by the past. The principle of protection was one of the things that first attracted the attention of our colonial fathers. Old free-trade England was determined that our colonial fathers should not be allowed to manufacture, consequently the enactment of their stamp act.

We all remember when Dr. Franklin went before the English Parliament in begging for the repeal of the stamp act; that he told Parliament:

You have made a burden upon the American Colonies that you would not touch with one of your fingers.

The Colonies were loyal to the old country; but when patience ceased to be a virtue, when they realized that they would always be hewers of wood and drawers of water, that England was determined that they should produce the raw material and allow England to furnish the manufactured goods, Washington, with the rest of them, drew their swords for independence, and that was settled at Yorktown when Lord Cornwallis surrendered his sword, red with the blood of American patriots, to the great chieftain, Washington, and the American independence was established. [Applause.] One of the first acts was the enactment of a protective tariff law, signed by Washington. And from that time on up to 1830 the American Government went by leaps and bounds, and from 1830 to 1860, under the leadership of John C. Calhoun, the idea of free trade was sprung.

From 1830 to 1860 we were under a low-tariff period, which period marks one of the darkest records in American history.

In 1862, under President Lincoln's term, a tariff law was enacted and we began the progress and development that we have enjoyed for the last half century.

I would like for any man to stand on this floor and argue from the standpoint that the tariff is a tax, that from the time of the enactment of the tariff law under Washington it was added to the cost; but on the other hand proved to this body of men that prices advanced on the manufactured article instead of diminishing.

We know of our own observation that with the establishment of protection in 1862 the competition between the American mills brought down the price of the manufactured article.

The other side of the House when they have a sick patient, or a bad case to defend generally send for the Hon. Dr. BOURKE W. COCKRAN. When I listen to his address, with his charming eloquence and beautiful oratory, it appears to me that it lacks but one sentence to make it complete. "God save the King," and the hoisting of the British flag in the place of the American flag.

I believe that the advocacy of free trade for the American people is as disloyal as it would be to pull down our Old Flag and plant in its stead the British colors.

I am for America against the world, and anything that we do not produce in this country it is time enough to throw down the bars and admit the products of the Old World.

Now, gentlemen, in conclusion allow me to say that the history of the country reveals the fact that as we have approached free trade in some of our administrations we have in every instance embraced disaster.

Upon the other hand, when a sufficient duty was placed on imports to protect American labor we have gone by leaps and bounds in developing our country.

The farmers of this country are standing at the halls of Congress knocking and we had better open our hearts and admit them. The cotton growers of the South are here from 17 cotton-growing States and we can not afford to ignore their earnest supplications.

NEAR FAMINE HITS RURAL SOUTH, SAYS UNITED STATES HEALTH BOARD—THOUSANDS UNDERFED WHEN FARMERS EXHAUST ABILITY TO BUY.

"While the American people have been spending money lavishly to save the Chinese and the Europeans from starvation, a veritable famine has been developing in the rural districts of the South and particularly in those of the cotton belt, which stretches from eastern Texas to the Carolinas," the United States Public Health Service said last night. "The tenant farmers, most of whom devote all their land to cotton and allot none to kitchen gardening or for the use of a cow or for poultry raising, have been forced by the failure of the cotton market to adopt a starvation diet that is rapidly decimating them," the statement says.

"The latest reports to the United States Public Health Service shows that pellagra, which results the world around from famine conditions, will this year claim about 100,000 victims, of whom at least 10 per cent will die; and that unless radical relief measures are taken it will take a still heavier toll from the already enfeebled population in 1922."

The emergency tariff act that passed some time ago provided for a 7-cent duty on long-staple cotton, and many of the members of the Ways and Means Committee argued with me that we imported no short-staple cotton, while the record shows that the great majority of the cotton coming to this country is short-staple cotton. I would like for some one to explain here on the floor why we should make any distinction between the man that grew inch and a half lint or an inch lint, why there should be any distinction.

I am proud that to-day the two old parties are closer together on the principles of protection than ever before.

There never has been a time in the history of this Nation when 24 Democratic governors invited a Republican President to address the Cotton Growers' Association of the South, as they did this year, when they invited President Harding to address them in their convention at Atlanta, Ga.

The principle of protection is as broad as the domain over which the American flag waves, and the Representatives sitting here in this House should be equally as broad.

In the name of common reason, men, give the American farmer the recognition that he is asking to-day, and to you southern Representatives, when you have protected the cotton industry of the South, when you return home your constituency will call you blessed. May God help you to do the right thing. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Arizona [Mr. HAYDEN].

Mr. HAYDEN. Mr. Chairman, I desire to offer a substitute and have it pending.

The Clerk read as follows:

"Substitute offered by Mr. HAYDEN: Amend page 192, line 15, by inserting in paragraph 1557, after the words 'cotton and cotton waste,' the words 'not specially provided for,' and by inserting a new paragraph between lines 9 and 10, page 113, as follows:

"PAR. 900. Cotton having a staple of 1½ inches or more in length, 20 cents a pound."

Mr. HAYDEN. Mr. Chairman, to save anyone on the Republican side of the House from the necessity of making the banal remark that, as a Democrat, I am inconsistent in advocating a high tariff on long-staple cotton, let me say at the outset that this is announced and conceded to be a protective tariff bill and that the scheme for American valuation makes it the highest tariff bill ever presented to Congress. With that for a premise, there can be no inconsistency in my pointing out, Democrat though I be, that as the bill stands it does a most serious injustice to the American producers of long-staple cotton. It has been repeatedly asserted that this measure is to be passed for the benefit of all sections of the country, which gives me the undoubted right to demonstrate that as the bill stands the North-eastern States get the cream and that the States of the South-west do not even get the milk after they have skimmed it. We are told that this bill is to protect the factory laborers from the competition of the pauper labor of Europe. Then why should

I be denied the right to say that it does not protect the Arizona cotton farmer from an economic conflict with the Egyptian fellah, who works from sunrise to sunset in the valley of the Nile for what is equivalent to 40 cents a day in American money?

When the emergency tariff bill was under consideration on December 22, 1920, I said in support of an amendment which I offered providing for an import duty of 30 cents a pound on long-staple cotton:

I have demonstrated that section 14 in its present form will produce very little revenue and is practically useless for even incidental protection. It now costs 4 cents a pound in the seed, or at least 15 cents per pound of lint, to pick Pima cotton with Mexican labor in my State. A duty of 7 cents will not equal half the expense of picking and will offer no encouragement to farmers who saw consigned cotton from Arizona sell at \$1.26 a pound less than a year ago. If the majority who are in control of the House have any real desire to benefit the producers of long-staple cotton in the United States, they will abandon this camouflage provision and accept my amendment.

The duty of 7 cents a pound on long-staple cotton which went into effect on May 28, 1921, as the result of the approval of the emergency tariff act has been of no practical benefit to the Arizona cotton growers. The market price of Pima cotton has nominally advanced during the last 40 days from an average of 28 cents per pound to 32 cents at present or about one-half of the duty, but the total sales have been small. The Egyptian-grown cotton that competes with it has declined about 5 cents a pound on the Alexandria market during the same period. These changes in prices merely demonstrate that a low hurdle was erected over which the Egyptian cotton can easily vault and come into the American market in as great a volume as the spinners may require. That a tariff of 7 cents a pound is no serious obstacle to importations is proved by the fact, of which I am reliably informed, that Egyptian cotton has recently been offered for sale at 7 cents less than the American market price.

The emergency tariff of 7 cents per pound has not only proved to be as valueless as I said it would be but the advance in railroad freight rates in the United States and the decline in ocean shipping rates have served to further handicap the American cotton growers. The railroad rate on a bale of cotton from Arizona to Boston is \$10.40, but 500 pounds of cotton can be shipped from Alexandria to Boston for \$2.38. There appears to be no relief in sight for the high railroad tariffs which are stifling the American producers and neither does the end of the rate war on the ocean appear to be in view. It is said that the Shipping Board has recently directed that no matter what kind of charter was offered by the English, the price was to be met. When I pointed out the evil effect of such a policy upon the market for Arizona-grown cotton delivered in New England, I was advised that there was no alternative, because otherwise the cotton from Egypt would be carried to this country in British bottoms.

By the amendment offered by the gentleman from West Virginia [Mr. BOWERS], it is proposed to reduce the present import duty from 7 cents a pound to 15 per cent ad valorem, which, at the present American price, would be about 4½ cents per pound. Even if American-grown Egyptian cotton should advance to 40 cents a pound, as I hope and pray it will, this 15 per cent duty would only amount to 6 cents. As conditions now are, such a duty will do but little more than offset the difference between the ocean and the rail rates and offers absolutely no inducement for any American farmer to plant a single acre of such cotton.

Let nobody say that the majority of the Committee on Ways and Means have not been fully informed as to the exact facts of the long-staple cotton situation. First, they had the data submitted by the Bureau of Plant Industry of the Department of Agriculture, which was printed in the report on the emergency tariff bill. I stated the case to the best of my ability last December when that measure was under debate in the House and have been harping on it ever since. When the emergency tariff bill was considered by the Senate, Senator ASHURST, of Arizona, presented all of the facts and figures in complete detail. When this general tariff bill was being framed by the Republican members of the Ways and Means Committee I presented Mr. Dwight B. Heard, of Phoenix, Ariz., who made a strong argument and filed an exhaustive brief which demonstrates the absolute necessity for a duty of 20 cents a pound. Mr. Frank R. Stewart, a Republican presidential elector from Arizona, and Mr. F. A. Ried, president of the Salt River Valley Water Users' Association, also appeared before the chairman of the subcommittee having in charge the cotton schedule. Recently Mr. Sims Ely, secretary of the Arizona Resources Board, came to Washington, and in addition to personal interviews he has furnished every member with a written statement which can not be refuted in any particular and which supports every

contention that has been made for a tariff of 20 cents a pound on long-staple cotton. Supplementing all such personal efforts numerous letters and telegrams have been sent to members of the committee by citizens of Arizona who know the facts.

Therefore none of them can plead ignorance as an excuse for leaving this cotton on the free list or for offering so inadequate a duty as 15 per cent ad valorem.

Speaking for the cotton growers of Arizona, I want to know what a pledge made by the Republican Party amounts to? The Republican platform adopted at Chicago in June, 1920, contains these words:

The farmer is the backbone of the Nation. National greatness and economic independence demand a population distributed between industry and the farm, and sharing on equal terms the prosperity which is wholly dependent upon the efforts of both. Neither can prosper at the expense of the other without inviting joint disaster. The Republican Party reaffirms its belief in the protective principle and pledges itself to a revision of the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry.

Warren G. Harding, then a candidate for President, said at Baltimore on September 27, 1920:

Proper protection, American industry and American labor have the right to expect. This much they should properly receive. It would be an intolerable thing if we stood by and beheld our enterprise impaired and our labor injured. If it be placed in responsible control in the November election, the Republican Party solemnly engages that this shall not come to pass. The stability of American industry, the prosperity of American agriculture, the security of American labor—these shall be its purpose—to be achieved by deliberate tariff revision, protective revision, whenever and wherever the necessity exists.

Standing squarely upon the Republican platform, the leaders of the Republican Party in Arizona, many of them men whose word in any business transaction is as good as their bond, solemnly assured the farmers who grow this cotton in my State that the election of a Republican President and a Republican Congress would mean, beyond the shadow of a doubt, that a protective tariff law would be enacted which would equalize the cost of production between Arizona and Egypt. No one who knows the facts will deny that this promise was one of the chief causes for transferring a normally Democratic State into the Republican column. Such positive and unequivocal assurances explain in a large measure why the electoral vote of Arizona was cast for Harding and why there is a Republican United States Senator from that State at the other end of the Capitol.

I made no such promise. I told everyone who asked me that tariff bills are pork barrel bills and that the interests with the most votes in Congress always received the most protection. I said that political expediency and not justice had framed every Republican tariff bill that had ever been written and that the cotton growers of the Southwest were not in position to demand consideration because they could count on only 4 votes in the Senate and 2 votes in the House from the States and congressional districts where cotton having a staple of 1½ inches or longer is grown.

I predicted then, and I repeat now, that any general tariff bill written by a Republican Congress will give the manufacturers more protection than is granted to the producers of raw materials. I further stated, and time has proved it, that the Arizona cotton growers would get as much protection, and no more, than the New England spinners of tire fabrics and the Ohio tire makers would, out of charity, permit them to obtain. I do not know and do not question the motives of the Republican members of the Committee on Ways and Means, but results speak louder than words. They have presented a tariff bill to the House with cotton on the free list and every article made of cotton protected. Now comes the gentleman from West Virginia with his pitiful apology in the way of an amendment for a duty of 15 per cent ad valorem. In the name of the cotton growers of Arizona, I thank him for his good intentions. I know that his heart is right and he would do more for them if he could. But as for the Republican Party, it promised them bread; it first offers them nothing, and now it brings them a stone.

The adoption of the amendment that I have offered is the only thing that can be done to keep the Republican pledge made to the cotton growers of Arizona. Twenty cents a pound, and no less, must be the duty levied to equalize the cost of production at home and abroad. Any duty less than that has just that much repudiation in it. The Republican Party has a two-thirds majority on the floor of this House. It is within your power now to make good your pledged word. I have pointed out the way. The responsibility is upon you, and you have the power to act before the sun goes down to-day. Will you do it?

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

Mr. HAYDEN. I regret that my time is so limited that I can not.

The gentleman from Massachusetts [Mr. WALSH] and his colleague [Mr. TREADWAY] have inquired about a compensatory duty on cotton manufactures. My father was born in New England, his ancestors lived there for seven generations, and he taught me that the way to answer a Yankee question was by asking another. I want to know who gave the New England spinners a vested interest in a compensatory tariff? Who first made any such law? Was it handed down from Mount Sinai or was it made by selfish men who wanted the highest possible import duty on their manufactures and no duty on the raw materials?

A compensatory duty? It is not the cotton manufacturer who should mention such a thing in connection with this bill. By the rates already fixed and the American valuation he now has more protection than he is justly entitled to have. Knowing this to be true, it is the producer of long-staple cotton who feels outraged at the discrimination. It is the American cotton grower who is demanding a compensatory duty on his finished product, the cotton in the bale, which will place it on an equality with the products that are made from it. I shall print in the RECORD an extract from the cotton schedule as now written in this bill that will show the measure of protection which has been granted and will further prove with what poor grace this request for a compensatory duty is made.

SCHEDULE 9, COTTON MANUFACTURES.

PAR. 901. Cotton yarn, including warps, in any form, not bleached, dyed, colored, combed, or plied, of numbers exceeding No. 120, 28 cents per pound or not less than 25 per cent ad valorem.

Cotton yarn, including warps, in any form, bleached, dyed, colored, or plied, of numbers exceeding No. 120, 34 cents per pound or not less than 27 per cent ad valorem.

PAR. 903. Cotton cloth, not bleached, printed, dyed, colored, or woven-figured, containing yarns the average number of which exceeds No. 40, 16 cents per pound, and in addition thereto fifty-five one-hundredths of 1 cent per average number per pound for every number in excess of No. 40 or not less than 29 per cent ad valorem.

Cotton cloth, bleached, containing yarns the average number of which exceeds No. 40, 18 cents per pound, and in addition thereto three-fifths of 1 cent per average number per pound for every number in excess of No. 40, or not less than 33 per cent ad valorem.

Cotton cloth, printed, dyed, colored, or woven-figured, containing yarns the average number of which exceeds No. 40, 22 cents per pound, and in addition thereto sixty-five one-hundredths of 1 cent per average number per pound for every number in excess of No. 40, or not less than 33 per cent ad valorem.

PAR. 907. Cloth in chief value of cotton, containing silk or artificial silk, 8 cents per square yard and 17 per cent ad valorem.

PAR. 915. Hose and half-hose, fashioned, seamless, or mock-seamed, finished or unfinished, composed of cotton, valued at more than \$5 per dozen pairs, 35 per cent ad valorem.

PAR. 916. Underwear and all other wearing apparel of every description, finished or unfinished, composed of cotton, valued at more than \$20 per dozen, 40 per cent ad valorem.

Long-staple Egyptian cotton is used in only the highest-priced cotton cloths. Listen to these names and then ask your wives if anything more expensive in the way of fabrics made of cotton are to be found in the dry-goods stores: Sateen; plyvoile; semivoile; dimity; transparent organdy; cotton mull; sheer nainsook; French lawn; batiste; chiffon mull; poplin, warp-print; fine shirting poplin; fancy piqué vesting; fancy striped voile; sateen brocade; thread stripe organdy; fancy leno voile; Jacquard; clip spot lawn; fancy swivel voile. These trade names are taken from a list made up to show the kinds of fine fabrics which are manufactured from that cotton. Will anyone say that the prices at which these goods are sold justifies a further raise by way of a compensatory tariff?

Permit me to say in all sincerity to my Democratic colleagues that each and every one of them can vote for my amendment with a clear conscience, because it comes strictly within the terms of a tariff for revenue. The average annual importations of long-staple cotton from Egypt amounted to 100,000,000 pounds, and the production in the United States is about 50,000,000 pounds. A tariff tax of 20 cents a pound will therefore amount to approximately \$30,000,000, of which \$20,000,000 will be paid into the Treasury and \$10,000,000 will be incidental protection to the American growers of long-staple cotton.

I hold in my hand a copy of the Underwood Tariff Act of October 3, 1913, and anyone who examines it will find that every manufactured product of long-staple cotton bears a duty. Over 80 per cent of this cotton is used in the manufacture of automobile tire fabric, principally cord fabric, which is dutiable under the Underwood law at 30 per cent ad valorem. The cotton schedule of that act provides a duty of 27½ per cent ad valorem on cotton thread and carded yarn exceeding No. 99, and it is well known that this long-staple cotton is exclusively used in manufacturing the finer yarns and threads. Unbleached cotton cloth containing yarns exceeding No. 99 carry the same rate of duty, which is advanced to 30 per cent when the cloth has been bleached or dyed. Every Democrat who voted for the Underwood Tariff Act and who supports it now can consistently vote for my amendment, because it does not carry as great a measure

of incidental protection as the rates on cotton manufactures which I have quoted.

If this import duty of 20 cents a pound is levied, who will pay the tax? Principally the users of cord automobile tires, but the tax will be so small that it will hardly be noticed. A 30 by 3½ pneumatic tire contains about 5½ pounds of this cotton and sells at \$28. The adoption of this tax would increase the price by \$1.10. All of the other articles made from long-staple cotton are semiluxuries, upon which the purchasers can well afford to pay a reasonable tax.

I feel that I am fortunate indeed in being able to offer an amendment which can be honestly supported under either of the tariff theories upon which the two great political parties are divided.

I have shown that from a revenue point of view the Treasury will receive twice as much as the cotton growers, and that every manufacture of long-staple cotton is now taxed in the Underwood law, which was passed by a Democratic Congress. Upon the other hand, there is no argument in favor of a protective tariff which does not fully and completely apply to long-staple cotton grown in the United States. It is an infant industry which sadly needs to be placed on a prosperous basis, and the difference in the cost of production at home and abroad can only be equalized by the tariff rate that I have proposed. Whatever his political principles may be, every Member of this House can consistently give it his approval, and I hope that a majority of you will. [Applause.]

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

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. LAZARO].

Mr. LAZARO. Mr. Chairman, do the cotton farmers of the United States need protection? In my judgment, I say yes; and here are my reasons, which I do not believe any practical business man will deny:

We imported, mostly from Egypt, 690,000 bales, valued at \$160,000,000, during the fiscal year ended in 1920. This was principally long staple, which competed with our long-staple varieties, produced by very high-priced labor, as against the cheap labor of Egypt and India.

Now, let us see about our short-staple cotton. A bale of this cotton weighing 500 pounds gives 1,000 pounds of cotton seed, 1,000 pounds of cotton seed gives 13 gallons of oil, and the price of the farmer's cotton seed is based on the price of the oil. There was imported into this country during the fiscal year ending in 1920 over a billion pounds of cheap foreign vegetable oil in competition with our cottonseed oil. This, of course, lowered the price of our cotton seed. The present tariff law admits raw textile fibers free, but levies a duty against all manufactured fibers. Raw cotton is not only unprotected, but every substitute on the face of the earth which comes in competition with it has been put on the free list. This brings every man who toils in the cotton field and who herds the sheep upon the plains in direct competition with cheap land and cheap labor of other countries.

The more I study the tariff question the more I am convinced that it should cease to be the football of politics. It is an economic question, and what we need in this country is a stable tariff policy. No property is safe while in a state of perpetual friction between protection and free trade. No industry can prosper protected half the time and free half the time, and no country can prosper half protected and half free. We need a uniform and permanent tariff policy that equally distributes its burdens and its benefits among all industries without discriminating against any section, class, or product. A policy of alternate waves of legislative free trade and protection compels an industry to lead a turbulent and reckless life. No conservative and capable investor cares to own property that depends entirely upon the ballot for its value. The history of every political establishment in which a principle of uncertainty, discrimination, and change has prevailed is a history of impotence, perplexity, and disorder from the contagion of common passions and interests. Nothing but an invincible aversion to common sense can prevent us from finally adopting a permanent business policy in dealing with the tariff. That is why the farmers of the United States are getting out of their old rut and thinking for themselves, and that is why they are organizing on sound business principles and demanding that their products receive the same consideration and protection as that given to manufactured products. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. WARD].

Mr. WARD of North Carolina. Mr. Chairman, I rise to say to you Republicans that you can not fool North Carolina with your deceptive word "protection." We know that it ought to

be called "deception." We know that your sweet, nice, gentle arm is thrown around our necks for the purpose of trying to call us into your fold, to strengthen the forces of protection and plunder, and that that is the only reason that the Republican Party ever adopted as a policy a tariff on raw materials. We feel your friendly arm about our necks, coddling, cajoling, and feigning fondness and affection, but we know that you have a knife in your hand with which to cut our throats, and we would not let you do it if we could help it. That knife is the compensatory duty you are preparing to levy on every fabric into which cotton enters in even the slightest degree. You hold high your claims of protective-tariff prosperity, and loudly do you proclaim depression in the wake of low tariff, but, under what you call this Democratic free trade, let me read you just a few figures that I wish you would think of after this debate. With one exception North Carolina has beaten any State represented in this hall in her progress under the Underwood-Simmons tariff. With one exception she has excelled you all.

She has paid you out of her profits on cotton and tobacco, which you here pretend needs your protective tariff, every lock and leaf raised under what you call that free-trade tariff, \$162,665,942.25 for the fiscal year 1919, and for 1920, though I have not the authentic figures, they are reasonably estimated at \$179,000,000, to help run the Government. If you will let her alone 10 years more, keep the oppressive hand of tariff taxation off, and give her fair showing, unfettered in the race, and reasonable Government assistance, she will support the paupers of this Nation, which you have so loudly acclaimed as growing out of Democratic tariff.

When that Underwood-Simmons tariff fell upon the cotton planters of North Carolina, they were listing only \$382,775,953 in real estate, \$243,626,571 of personal property, and \$121,098,098 in what the Census Bureau calls "all other property," and in 1919 they listed \$1,029,993,778 worth of property, and we beg you to let us alone, keep the hand of oppression off, and stand by and see North Carolina march by all of you in her progress to the high and lofty destiny that awaits her.

Mr. FORDNEY. Does not the gentleman know that one Northern State paid more income taxes than all of the 13 Southern States?

Mr. WARD of North Carolina. But it was not progress. You started bigger. You have been helped by this protective tariff for your manufacturers while we paid the tribute, and notwithstanding that, we have about caught up with you, and if you will keep your oppressive hands off us, we will overtake you and surpass you in the march of progress. [Applause.]

Mr. FORDNEY. We are bound to save you in spite of your efforts.

Mr. WARD of North Carolina. That is your deception; you are trying to seduce, but we are on to your racket, and you can not fool North Carolinians. They can do nothing now but beg, but do not forget that retribution, though she treads with a leaden heel, strikes with an iron hand. North Carolina is going to be standing around here in this hall and will see the lick that retribution will strike you for the cruel oppression of taxation that you are laying upon her and her sister States, pretending all of the time that you love her better than anything you ever saw, when we know you are simply trying to strengthen the forces of privilege by fooling her.

Your citations of the history of American tariffs and your construction of their effects upon the industrial life of the country are as unreal and imaginary and as unfit to support the real truth of its effect upon the country as are the adventures of Baron Munchausen to support the veracities of authentic history, and by their constant use and the contortions of facts to support your contentions you establish the virtues of a protective-tariff program, false both in reason and in fact. [Applause on the Democratic side.]

It can not be forgotten, in answer to these deceptive citations and contentions, that it was under the Underwood-Simmons tariff that farmers sold their cotton at 40 cents a pound, or, conservatively speaking, from 30 to 40 cents for a whole season, and that for the next former season from 20 to 25 cents, while the lowest mark that the cotton market ever touched was between September 10 and October 20, 1898, when the Dingley tariff was in force, and, although raw cotton was, I think, on the free list then, the general tariff rates were as to all time then past unprecedentedly high, with its boasted opportunities to give life and energy to the general industrial conditions of the country.

This compensatory duty, which I described as the knife in your hand, is, by your admissions made on this floor, the duty to be laid on every product into which cotton of any kind enters, taking back from the cotton raiser in the prices he pays

for the things he must buy more and more tribute money to fill the treasuries of the manufacturers, who are the main object at last of your legislative favors. Already under the low rates of the Underwood law, and as it was before that law was superseded by your emergency tariff, which went into effect the 28th of May, 1921, the difference in the cost of raw cotton and the manufactured article was far beyond the bounds of human understanding and common justice. A bale of cotton selling in North Carolina for \$50 in October goes through New England mills and back to the shelves of the merchant in North Carolina by Christmas and sells for more than \$1,000. Your tariff here gives a duty on \$50 and takes back a duty on \$1,000, leaving the advantage twenty times to the favor of the manufacturer and the jobber, and this you call Americanism—protecting the high markets of America against the cheap markets of the other nations of the world.

We export 8,000,000 bales of cotton and import of the same kind 200,000; these being fair conservative figures. The protective argument is, that as the markets where the 200,000 bales come from are so much lower than our market here, a duty should be imposed on the 200,000 to bring it up to the price of our 8,000,000 bales here. It is certain that no country raises enough for its own consumption except the United States, and if the market in the foreign country is so much lower than here, it is to be wondered why at the cheap price the people do not consume it instead of buying in this market and paying ocean freight. This 200,000 bales imported is purchased here principally because of its difference of quality and texture, to be introduced with ours into a fabric that can only be made by the blending of the two. A market producing its full supply of cotton for its own home consumption and shipping abroad 8,000,000 bales can not be protected by a tax imposed on 200,000 bales imported, and to pretend otherwise is to practice the art of deception. That deception is held out to support the compensatory duty on the manufacturers, as I have stated, because the facts above stated do not apply to him for the reason that foreign nations are manufacturing our cotton and shipping it back here in competition with the American manufacturer. Now, to deal with full justice and fairness to our manufacturer it would seem that as he buys here in the home markets without an ocean freight, he could compete with the foreign manufacturer who is paying two ocean freights in addition to the American market price, besides the commissions, ocean insurance, and storage and cost of a second sale in his home market. But up steps the manufacturer, his lobbyist, and legislator with his swag bucket in hand and says: "Look how much more I pay my laborer. If you reduce me to the level of European prices you force me to reduce the wages of my laborer to the European level." Right here is met the bloody angle of the general tariff debate in its application to commodities generally, but not so as to raw cotton because, as stated, there is no appreciable amount of raw cotton imported and none practically to be imported. In answer to this wage proposition, it is undoubtedly true that taking in review the whole scope of mechanical industry the American laborer, though paid more money for his wages, is the cheapest laborer in the world.

The price of labor is tested by the intelligence and energy and strength and skill and appliances and methods and expertness of direction and supervision of the laborer, and measured at last by its output—its results. How plain it is to everybody that the cheapest laborer is not the one paid the lowest wages, but often the one paid the highest. Never was there a more fallacious and absurd contention invoked to support any doctrine on earth than that the trained, artful, energetic, skilled, well-fed, and well-directed American laborer, with all his superior appliances of invention and ingenuity, is a higher priced laborer than the less efficient and less advantaged laborer of the foreign world.

The real source and cause of high wages are natural resources, skillful leadership and direction, good health and strength, an ambition to accomplish, and an intelligence and understanding of the demands made by the duty assigned upon the brain of the laborer. Given these you will always have high wages; and the dull and stupid intellect, the unambitious and unaspiring character of the Asiatic and, very generally speaking, European laborer, in his loathsome surroundings, and lack of advantages of machinery and leadership can no more successfully cope with the higher type of the American laborer than can their generals and private soldiers cope with us on the fields of war. The strong need no protection against the weak any more than those who see need to be led by the blind. It is only a fraudulent pretext and excuse—this argument of holding up the wages of the American laborer by protective tariff—to levy a tax at the customhouse on the imports of the foreign world, in order to keep the American buyer and consumer from

the advantage of competition in the world's markets and to enable the manufacturer to raise his price to the amount of world market prices plus the tariff duty, which said plus is in addition to the fair and honest profit which industry, sense, and capital are always able to make. This excess profit, this plus, is the tribute laid on the consumer and piled up in the coffers of the rich, reduced only by the levy made each recurring campaign by the Republican campaign committee; and this policy has resulted in the conditions of which the gentleman boasted when he reminded me that one Northern State paid more taxes than the whole South.

If you think you can fool the farmers of North Carolina with the pretension that you are protecting them against the efforts of their Congressmen, as suggested by the remark of Mr. FORDNEY, what answer do you expect them to make, if you assume they are sensible men, to your duty in this bill on the potash that enters into their fertilizer?

North Carolina farmers use nearly 700,000 tons of commercial fertilizer each year. From 3 to 7 per cent of this is potash. From the State board of agriculture of my State I have a telegram begging your mercy against the imposition of this tariff; but what can I do for them? If I kneel in prayer at your feet, I am mocked. If I reason, I am scorned. If I contend and protest, I am overwhelmed by your majority force. So my farmers must pay. Nothing else is left to them, unless they are to ignore the fertilizer markets and see their crops dwindle away to the point that there is no profit in them.

Your paragraph 1634 imposes a duty of 2½ cents per pound on this essential element of their fertilizer for the first two years, 2 cents for the third, 1½ cents for the fourth, and 1 cent for the fifth. Thereafter it is free. God grant there may be no thereafter with you and this bill. In your emergency bill you pretended to recognize the fact that there was an emergency for immediate farmer relief; yet not having paid this tax heretofore they must for five years bear this increased burden to help your manufacturer get on his feet. Mr. Chairman, when he gets on his feet the farmer will find those feet on his own neck, and that is where this paragraph in this bill is intended to put them—on the farmer's neck.

It is, I think, generally recognized that this is the highest tariff bill ever enacted by the American Congress. It is the first in the history of this Government to impose the duty upon the basis of the American market price rather than upon the purchase price, and in this particular must be admitted to be the most inviting one to the home manufacturers to combine and hold up prices.

Your whole bill threatens a burden to the farmer, like the sufferings of Cain, "too grievous to be borne," and it wrings my soul with anguish to contemplate them thus at the mercy of one who has no mercy except for one who needs no mercy.

Mr. COLLIER. I yield five minutes to the gentleman from Mississippi [Mr. HUMPHREYS].

Mr. HUMPHREYS. Mr. Chairman, the gentleman from Michigan [Mr. FORDNEY] a few days ago read into the RECORD the tariff planks in the Democratic platform of 1892 and 1912. Those planks declared it to be a fundamental principle of the Democratic Party that Congress had no power or right under the Constitution to levy tariff taxes except for the purpose of raising revenue.

I personally subscribe to that doctrine, and during my long service in this House I have never consciously, certainly never intentionally or deliberately, voted for any tax, tariff, or excise which did not have for its purpose the raising of revenue. Of course, the only power Congress has in the matter of taxation is given in the Constitution, which provides that—

The Congress shall have power to levy and collect taxes, duties, imposts, and excises, etc., but all duties, imposts, and excises shall be uniform throughout the United States.

In another section it provides that—

Direct taxes shall be apportioned among the several States according to population.

The sixteenth amendment exempts income taxes from the rule of apportionment.

These are the only provisions in the Constitution which give Congress any power to collect any sort of tax. Whatever limitations hedge about the power to levy taxes or limit the purpose for which they may be laid and collected limits equally, and, of course, the power to levy excises as well as duties and imposts. In other words, if Congress has no power to provide a tariff except for the purpose of raising revenue it has no power to provide an excise tax for any other purpose. Both such taxes are collected under the same grant, which is contained in the single sentence—

Congress shall have power to lay and collect taxes, duties, imposts, and excises, etc.

I have been criticized, I do not mean harshly; perhaps I should say I have been twitted by some of my Democratic colleagues for having voted last December for the emergency tariff, which was manifestly not primarily for the purpose of raising revenue.

Strangely enough these criticisms have usually come from men who had voted to exercise the taxing power not for the purpose of raising revenue, but for the purpose of regulating child labor in the several States, for the purpose of preventing the manufacture of phosphorus matches, for the purpose of regulating cotton exchanges, and other similar measures in the face of our platform declaration that it is a fundamental principle of the Democratic Party that Congress has no constitutional right or power to levy taxes except for the purpose of raising revenue. I did not vote for that bill, however, until, and I would not have voted for it unless, the Supreme Court had upheld the constitutionality of the Volstead Act, the war-time prohibition section of which had been enacted some six months before the eighteenth amendment became effective.

In view of that decision, of course there could be no question of the power of Congress to lay and collect tariff duties for a purpose other than revenue so long as we remained technically in a state of war. A short while after I had voted for the emergency tariff I received a letter from a constituent complaining of my vote, and as I set forth very fully in my reply the reasons which had led me to support that bill I will, with the permission of the House, insert that letter in the RECORD instead of restating those reasons.

I still believe that had that bill been written upon the statute books as it passed the House and without delay it might have helped, but it was not enacted until about the 1st of June this year, and then in such form as prevented me giving my support to it. Under these circumstances it accomplished no good purpose.

If I were drawing a tariff bill for the purpose of raising revenue, I think I would include in it a reasonable tariff on hides and a reasonable tariff on crude and fuel oil and a reasonable tariff on cotton.

Both of the great political parties of this country are in favor of a tariff. The Republicans favor a tariff and the Democrats favor a tariff, and they both take particular pains to declare their belief in a tariff whenever they hold their national conventions and write their platforms. There is only one political party in this country represented on this floor which is in favor of free trade—the Socialist Party, represented here, and very ably represented, by the distinguished gentleman from New York [Mr. LONDON].

I understand, of course, that this bill is written solely for the purpose of protecting American producers from any sort of competition in our home markets with the producers of other countries. What revenue is produced will be incidental. The purpose of the bill, therefore, being not to raise revenue but entirely foreign to that purpose, I shall vote against it.

I do not follow the logic of the gentleman from Michigan [Mr. FORDNEY], however, when he insists that no man can consistently vote for an amendment to the bill and then vote against the bill if the amendment is agreed to. I have voted many, many times for amendments which I believed would improve the bill to which they were offered, although I was convinced that even if so amended the bill should still not become a law. It occurs to me that every Member here ought to try to improve every bill that is brought up for consideration, and in so doing make a bad bill less harmful.

Now, if, as I stated a moment ago, I would write into the tariff bill, if I had the privilege of drawing one, a revenue duty on hides, petroleum, and cotton, how could I justify a vote against those provisions when they are proposed as amendments to the pending bill? I confess that I can not answer that question. A low duty on these items will produce many millions of revenue, and surely there was never a time when we needed revenue more sorely than to-day. Our people are literally burdened with taxation. The Nation owes some \$25,000,000,000 in bonded indebtedness, the interest on which runs up beyond a billion dollars annually. Every State, every county, every city, and every town has its bonded indebtedness. In addition to these, bonds are issued by road districts, by drainage districts, by levee districts, by reclamation districts, by all sorts of improvement districts, and the interest on these bonds, to say nothing of the principal, must be paid by taxes.

I do not know how it is in other States, but I assume that it is true everywhere as it is in my district, and there I know that taxes are a most serious burden and the problem of adjusting taxes to meet the burden is most perplexing.

Now, if we are to raise a part of our revenue by laying tariff duties on imports, what peculiar reason can there be why the

man who imports cotton or oil or hides should be exempt from the burden which is laid upon everybody else? If we are to raise six or eight hundred million dollars by a tariff on imports, it is perfectly certain that the general level of rates must be higher in proportion to the number of articles which we admit free of duty. If 4,000 articles come into the customhouse and we let half of them in free, then rates must be placed sufficiently high on the other half to make up for the revenue thus lost. This does not appeal to my judgment as a wise policy to pursue. If we fail to collect the fifty or seventy-five million dollars which would be paid into the Treasury upon the imports of hides, oil, and cotton, which are now coming in free, we will have to collect it on something else.

I believe in the lowest tariff rates that will produce the revenue required, and in order to get these low rates we must exempt as few articles as possible from bearing their share of the burden.

I think the tariff ought to be on all cotton imported into this country instead of being limited to long-staple cotton. Several reasons have been advanced why this should not be done. First, because more than half of our cotton crop is exported and only a relatively small amount is imported. It is urged that for this reason a tariff would do the American cotton producer no good.

I can understand the force of this objection when made by a Republican who is thinking about protection, but I fail to catch the point when made by a Democrat. It will raise revenue, and that, as I understand the Democratic theory, is the purpose for which tariff duties should be imposed. The fact that we export much more than we import is no reason why an article should be put upon the free list, and it has never been regarded as a good reason by Democrats.

The Underwood tariff bill is certainly an expression of the Democratic view. My colleague [Mr. COLLIER], for whose opinion on such matters I have the highest respect—and I quote him because I think he is high authority—said the other day that the Underwood tariff was the best tariff law ever written, not even excepting the Walker tariff of 1846.

Referring to schedule G—agricultural products and provisions—of the Underwood Act, the very first item is a tariff of 10 per cent ad valorem on animals, on horses and mules. This law was enacted in 1913. By reference to the Statistical Abstract, I find that in 1912—and these were the latest figures to guide us when we framed the Underwood Act—there were imported 8,333 horses, whereas our exports of horses for that same year were 29,229, nearly four times as many as our imports, yet we levied a tariff of 10 per cent on horses.

During that same year we exported 4,940 mules and imported none. Still we levied a tariff of 10 per cent on mules. During that year we imported 3,125,000 bushels of oats, but we exported more than 30,000,000 bushels, about ten times as much as our imports. Yet the Underwood bill, in the face of these figures, provided a duty of 6 cents a bushel on oats.

From this, and I could cite a number of other items equally as illuminating, it is perfectly clear that the mere fact that our exports were larger than our imports has never been considered sufficient reason to admit an article free of duty when Democrats were writing a tariff for revenue only.

Last year we imported into this country 700,000 bales of cotton, 500,000 bales of which were long staple—1 $\frac{1}{8}$ inches and over. We produced in this country about that same number of bales of long staple. A duty of 15 per cent ad valorem would certainly have yielded a very substantial revenue, but as it was we permitted this cotton to pass through the customhouse absolutely free of duty.

Much of the short-staple cotton which comes in is of a different type from any short staple produced in the United States and it will continue to come in even if a duty of 15 per cent is imposed upon it.

Cotton imported from China, for instance, is very short. It is what is called "rough cotton" and is used not as a substitute for nor in competition with our short cotton but as a substitute for wool. This is largely true of the cotton that comes from Peru also, though it is of longer staple. The short cotton from India is, practically all of it, very low-grade cotton, and it, of course, does take the place of our low-grade cotton.

Why should this cotton be permitted to come in without paying some revenue at the customhouse if we are going to resort to the tariff at all for the purpose of raising revenue?

The pending amendment, however, limits the tariff to long-staple cotton—that is, cotton having a staple length of 1 $\frac{1}{8}$ inches and over. We have never for many years imported less than 100,000,000 pounds of long-staple cotton and usually very much more than that annually. Last year it amounted to some 250,000,000 pounds. This will continue to come in and will add

from \$5,000,000 to \$25,000,000 annually to our revenue if importations continue as they have in the past.

I do not believe there is any merit in the contention that a tariff should not be levied on articles which are exported in larger quantities than they are imported. I have just shown that the Underwood tariff, in the matter of horses, mules, and oats, did not proceed upon any such theory. But so far as long-staple cotton is concerned, the imports are very much larger than exports. In fact, last year we imported about as much as we produced in this country, in round figures 500,000 bales.

Ever since the days of the Walker tariff Democrats have pointed to it as a model, and one of its suggestions was that tariff duties should be highest on luxuries.

The Bureau of Markets, in a report which they made to the Ways and Means Committee at the request of the Secretary of Agriculture, states that "long-staple cotton is required for certain specific purposes, such as the manufacture of automobile tire fabrics, for mercerized hosiery and underwear, for sewing thread, for lawns and ladies' dress goods, and for the finer numbers of yarn." This is particularly true of cotton which has a staple length of 1 $\frac{1}{8}$ inches and over, and nearly all of the so-called long-staple cotton imported into this country runs from 1 $\frac{1}{8}$ inches up.

I believe that a tariff is a tax and that the consumer pays it. The consumers of long-staple cotton are the manufacturers of the highest-priced cotton fabrics. I seriously doubt if this tariff will be reflected in the retail price of these manufactured articles. Four or five cents per pound on the cotton which is used in the manufacture of mercerized hosiery and underwear, which looks like silk and is usually sold as silk, would have to be spread over perhaps a dozen pairs of stockings or 10 or 15 yards of cloth.

Prior to the war, when times were normal, the fluctuations in the price of long-staple cotton varied during the course of every season very much more than 15 per cent without affecting the retail price of the manufactured articles. But suppose 5 cents per pound is added to the retail price of a pound of silk stockings or a pound of the higher-priced dress goods, is it not a tax on luxuries?

Frankly, I can not fully comprehend the solicitude manifested by gentlemen on this side of the House for the consumers of these high-priced articles.

Every tariff law ever written by a Democratic Congress provided a tariff on manufactured cotton goods. This is true of the Underwood law, and yet our exports of cotton manufactures greatly exceed our imports. In 1919 we imported in round figures \$52,000,000 of cotton manufactures and exported \$273,000,000.

In 1920 we imported \$137,000,000 of cotton manufactures and exported \$402,000,000.

If rates on cotton manufactures are now too high, as has been suggested by several gentlemen on this side, the best way I know of to reduce them would be to collect this revenue on imported cotton which goes into high-grade automobile tires and mercerized hosiery and underwear, and take it off of the cheaper cotton fabrics, which are consumed by the masses.

We have now become a creditor nation, and it may be that we will in time find it to our interests to become a free-trade nation. I do not think that many of us believe the time for that radical change in our tariff system has yet arrived. The last Democratic platform reaffirmed "the traditional tariff policy" of our party, and that policy has always favored a tariff for revenue.

I conclude as I began, therefore, by declaring that if we are to collect revenue at the customhouse, I can not understand why the Standard Oil Co. should be permitted to import 106,000,000 barrels of crude oil, and the manufacturers of silk hosiery and underwear should bring in 300,000 or 400,000 bales of long-staple cotton free of duty, when the man who imports the articles of everyday household necessity is halted at the customhouse and required to pay a tax. [Applause.]

The following is the letter above referred to:

UNITED STATES HOUSE OF REPRESENTATIVES,
Washington, D. C., January 1, 1921.

MY DEAR SIR: Your letter of the 16th received, and I hasten to reply. I agree with practically everything you say in your letter touching the tariff.

I believe there will be less excuse for high tariffs hereafter than there has ever been. If we are to collect what foreign governments owe us and continue to sell much of our products abroad, we will certainly have to maintain low tariff schedules, because the only way they can pay us is with goods.

The emergency tariff bill which I voted for, you understand, was purely a temporary measure. There were two bills which were intended to relieve, or at least to help in a measure to relieve, the distress in the country due to abnormal financial and industrial conditions.

The situation was about this: The farmers had a large surplus of agricultural products which they could not sell. Europe was in dire need of these products but could not buy. It was proposed to revive the activities of the War Finance Corporation to assist in financing the exportation of these products to Europe temporarily, and that while this process was going on to prevent the abnormal importation into this country of like agricultural products which had developed during the past six months. For instance, we had 180,000,000 bushels of wheat surplus and we were making an effort to finance the export of that to Europe. Canada was shipping 150,000,000 bushels of wheat into our market.

If this were permitted, our burden would be increased to that extent and we would then have to finance the export of 330,000,000 instead of 180,000,000 bushels of wheat. The same was true of other products. Seven hundred thousand bales of cotton had been shipped into the United States in 10 months, and tens of millions of dollars' worth of cottonseed oil and its substitutes.

The emergency tariff bill, it was thought, would check these unusual and abnormal imports until we could finance the export of the surplus we then had on hand. Personally, I had little faith in either proposition bringing substantial relief. There were many bankers and exporters who believed, however, that it would help materially. There seemed to be no reason why one of these measures should pass and the other be defeated, and I therefore voted for both.

The argument that to vote for the emergency tariff bill would embarrass the Democrats politically did not appeal to me. The patient was very sick, and if heroic treatment would save him I could not understand why it should be withheld simply because some one would insist that we must continue that same heroic treatment hereafter, whether it was indicated by the patient's condition or not.

My views on the tariff have not changed, except that I think we will probably have to maintain a lower level of duties hereafter than ever before. In order to do this we will have to shorten the free list and require practically everything which is imported in large quantities to pay some duty instead of fixing high duties on a few articles. By doing this we can lower the general level of tariff rates and still increase the total revenue from that source.

With best wishes, very truly, etc., B. G. HUMPHREYS.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas [Mr. RAYBURN]. [Applause.]

The CHAIRMAN. The gentleman from Texas is recognized for two minutes.

Mr. RAYBURN. Mr. Chairman, I have not voted to put a tax on any raw material in this bill. I shall not vote for this tax on cotton, because I believe it is pure, unadulterated bunk. [Applause on the Democratic side.] The gentleman from Mississippi [Mr. HUMPHREYS] says that it has never been the Democratic doctrine to place all things on the free list, and I quite agree with him in that statement; but when you are writing a Democratic tariff bill and put a tax upon raw materials Democrats are then writing the schedules that put a tax upon the finished product. Some gentlemen over here said that there would be no compensatory duty placed upon cotton goods if these rates on cotton went into effect. But the gentleman from Massachusetts, from the manufacturing sections of the country, the manufacturers of cotton, says if this tax is put upon raw cotton there must be worked out a compensatory duty upon the finished product, and if you look in the House and Senate, in the great committees of this House and in the Senate, the leadership in the House and the leadership in the Senate, represented by the Vice President and by the Speaker of the House, and other great and important positions in the House and in the Senate, you will agree that Massachusetts not only in legislation but in the organization of the two branches usually gets about what she wants, and that is going to happen in this cotton schedule. Gentlemen of the House stand up and say, even though it does not do cotton any good, it will not hurt it. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield four minutes to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Chairman and members of the committee, neither the amendment offered by the gentleman of the committee nor the amendment offered by the gentleman from Arizona exactly expresses my idea. I would have been willing to have had the cotton amendment include cotton of all kinds, so that everybody who came in competition with outside cotton could be protected. This was the position of Mr. Harding when, at Chattanooga, Tenn., on October 13, 1920, he said:

We believe in protecting the cotton and cottonseed products of the South and wheat and wool in the North.

But the gentleman from North Carolina spurns the proffered hand of protection, as does the gentleman from Texas, and they say that they are willing to be counted out from the benefits which will result from this great protective measure. But I want to say to you that the State of California wants to be counted in on this measure.

In a conversation with the President at the beginning of this session he made a statement to me which I know to be true, namely, that California can not live without a protective tariff. Those of you on the Republican side of the House who have stood firm on the traditional policy of our party for a protective tariff for infant industries should recognize the fact that the production of long-staple cotton in this country began only in

1910, and did not reach large proportions until about 1915. You will not find the manufacturers who use the greatest quantity of this long-staple cotton opposed to a reasonable tariff upon it. The fact is that it is the child of the automobile-tire manufacturers. They have virtually subsidized the industry in America; they virtually have created it, and have encouraged it in every way. Under their tutelage over 250,000 acres of cotton were planted in 1920. As against that there was imported last year fully one-half million bales of long-staple cotton from Egypt. During the war we had the protection which those extraordinary circumstances gave us, but with the end of the war we come back to the conditions of free trade. In the production of cotton labor is the big element. With our farmers having to pay their cotton labor at the rate of \$3.50 to \$5 a day, they could not compete with cotton raised in Egypt, where labor is 40 to 50 cents a day. Under this competition our acreage has shrunk to one-half that of last year. We must have protection or this entire industry will fail.

Mr. FORDNEY. Mr. Chairman, I yield eight minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, in response to what was said by the gentleman from North Carolina [Mr. WARD] I want to say this: I do not know how North Carolina will go in the next election, but I do know that the great majority of the people of that State are hoping and praying that this bill will pass substantially as it is written. The cotton mills of North Carolina are running at a loss to-day under the Underwood bill. They can not possibly continue to operate any great length of time under that law. The only thing that will save them will be the Fordney bill which we are presenting to the House.

Mr. WARD. Will you put the statistics in the RECORD, so that we can get them?

Mr. GREEN of Iowa. I know if he will go to the manufacturers and talk to them they will tell him just what they told me. They told me they were running at a loss and could not afford to do so indefinitely. If the proposition in this case was to put tariff on all kinds of cotton, I would be strongly, almost bitterly, opposed to it. In my mind it would not only be wrong, but it would actually put this House in a ridiculous light, to undertake to put a tariff on a product of which 60 per cent, or about that, is being exported, in order to raise the price, when anyone knows we must depend on the export price to fix the value of a commodity like cotton, if we take it as a whole. But the principal proposition now before us is considerably different. It is to put a tariff on what is commonly known as long-staple cotton, of $1\frac{1}{2}$ inch or over in length. This can be justified under protective principles only in the event that a tariff upon that kind of product will increase the amount produced in this country until we can supply a far larger portion than we do at present. I doubt whether it would increase the area devoted to its production or the amount of it.

The amendment before us lowers the staple of $1\frac{1}{2}$, as carried in the emergency tariff, to $1\frac{1}{4}$. I think there can be no controversy over the fact that if the staple is confined to $1\frac{1}{4}$ inches, it would do nobody any substantial good. So far as cotton of that length is concerned, we must import it, and we never produce any great quantity of it. At one time we produced about 13,000,000 pounds of the sea-island cotton, of a staple of about $1\frac{1}{2}$ inches. Now, last year we produced only about 160,000 bales, or something like that, the ravages of the boll weevil having entirely devastated the regions that had heretofore produced it.

Mr. SWING. And the ravages of the Underwood tariff.

Mr. GREEN of Iowa. No; it had little to do with the production of sea-island cotton. In my judgment it would be produced to-day if it could be done; but in California and Arizona, according to the figures given me by the department, they produced only about 68,000 bales last year. That is not a drop in the bucket compared with what we need in this country, and as the gentleman from California [Mr. SWING] very properly states, the protection given in this amendment is not sufficient to enable them to carry on the business there, and I do not believe that cotton can be successfully grown on a commercial scale upon irrigated land. The cost is too great. It makes it a sort of hothouse product, and it was never good protection doctrine that we should put a tariff on bananas in order that they might be raised in this country.

On the whole I am unable to see how this amendment will either raise the value of the cotton to the cotton producer to any appreciable extent, or will it increase the amount of cotton that is produced in this country, and therefore, I do not favor it.

But there is another important reason. I am inclined to think, if this amendment passes, that there ought to be some kind of a compensatory duty, and yet, familiar as I am with

the cotton schedule, I am at a loss to draft any kind of a compensatory duty on cotton goods that will fit the situation if this amendment were to pass. Inasmuch as we do not raise enough of the $1\frac{1}{2}$ inches and upward, unquestionably it will increase the cost of that kind of cotton.

It is true—and this must be taken into consideration—that that kind of cotton, or even cotton of $1\frac{1}{2}$ staple, does not enter into 93 per cent of the cotton goods manufactured in this country, so that so far as cotton goods are concerned, made from yarn No. 40, or below, it would not be necessary to meet it by a compensatory duty.

We may say in that connection that over 90 per cent of the cotton raised in this country is less than $1\frac{1}{2}$ -inch staple, so that this duty will apply to only a very small proportion of the cotton that is raised in this country. The Egyptian cotton—that is, the cotton having a staple of $1\frac{1}{2}$ inches and over in length—does not come in competition with the ordinary cotton that is raised here. It is used for fine goods and automobile tires. Probably 75 per cent of it is used for automobile tires. Gentlemen say this comes in competition with their cotton because it displaces it. I think they are in error. This cotton must be used for this particular purpose, and the short-staple cotton will not do. I have heard no gentleman on this floor claim that there was any prospect of increasing the acreage or amount of long-staple cotton in this country, except possibly on the irrigated lands of Arizona and California, by putting a duty of 20 cents a pound on it. Such a duty is wholly out of the question. Now, a duty of that kind on the finer goods that we have here, or any duty that might be added to the duties in this bill to compensate the manufacturers for the extra price that they must pay in this case, will raise the duties in this bill above those of the Payne bill. That is all there is to it, and you must face that question, gentlemen, in voting upon this amendment.

I repeat that it never was good protective doctrine that a duty should be placed on an article simply because it is imported into this country. It never was contended that a duty should be placed on articles not produced in this country for the purpose of protection. It is true that a small quantity of this cotton is produced in this country, but I think it is only about one-fiftieth, or even less, of the amount consumed. We are putting a duty on a raw material by this amendment, of which an insignificant quantity only is raised and can be raised in this country. Therefore I am opposed to the amendment. [Applause.]

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

Mr. FORDNEY. Mr. Chairman, I yield one minute to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for one minute.

Mr. MONDELL. Mr. Chairman, long-staple cotton is a competitive article, a product the growth of which can largely be increased in the United States. It is therefore a proper subject for protection. I believe it should be placed among the protected articles. I expect that under protection the industry of growing long-staple cotton will be very greatly increased and extended.

I hope the amendment for a 15 per cent duty on long-staple cotton will carry. [Applause.]

Mr. FORDNEY. Mr. Chairman, I understand that I have two minutes. In that two minutes let me say that I am in favor of this amendment. I want to say to the gentleman from North Carolina [Mr. WARD], who made such an impassioned speech a few minutes ago about the great prosperity of North Carolina, that if you can only escape the sheriff under free trade you will prosper under this bill. [Applause.] Every time a man on that side of the House speaks against a duty upon as important a product of this country as long-staple cotton it reminds me of an old colored man down in Mississippi, who went squirrel hunting with his son. They had but one gun between them, and the boy carried that gun. They saw a squirrel run up a tree, and they were looking for it. The old man was on one side of the tree and the boy on the other. The old man had very long eyebrows. The sun was shining brightly, and the father called to the boy and said, "Come here, son, quick." The boy ran to his father, who said, "My son, look over there. Don't you see there is a bear half as big as a cow up in that tree?" The boy said, "Father, that is no bear; that is a flea in your eyebrow." [Laughter.] Every time you look at a rate that carries a duty on an agricultural product, be careful that there is not something in your eyebrow that magnifies the rate of duty.

Mr. GARRETT of Tennessee. Will the gentleman from Michigan yield?

Mr. FORDNEY. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. When did the gentleman refresh his recollection by reading Lincoln's speeches?

Mr. FORDNEY. I did not just understand what the gentleman said.

Mr. GARRETT of Tennessee. The story which the gentleman told is one of Lincoln's.

Mr. FORDNEY. I hope the gentleman will not occupy my two minutes. He can tell the story in his own time. Gentlemen, long-staple cotton is a product of the farm which has greatly increased in output in this country in the last few years, and the importations of long-staple cotton from the various countries of the world menace that great industry in this country. Vote for the duty and come in and help us, in the name of protection and prosperity. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I ask for a vote.

The CHAIRMAN. All time on this amendment and all amendments thereto has expired. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WALSH], which, without objection, will be reported by the Clerk.

The Clerk read as follows:

Amendment by Mr. WALSH to the amendment offered by Mr. BOWERS: Strike out "one-eighth" and insert "seven-eighths."

The CHAIRMAN. The question is on agreeing to the amendment to the amendment.

The question being taken, on a division (demanded by Mr. WINGO) there were—ayes 14, noes 93.

Accordingly the amendment to the amendment was rejected.

Mr. TREADWAY. Mr. Chairman, a parliamentary inquiry. Is an amendment to the Bowers amendment now in order?

The CHAIRMAN. Yes.

Mr. TREADWAY. I offer the following amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. TREADWAY to the amendment offered by Mr. BOWERS: Strike out "one-eighth" and insert "three-eighths."

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The question being taken, the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from Arizona [Mr. HAYDEN]. Without objection, the Clerk will report the substitute.

The Clerk read as follows:

Substitute by Mr. HAYDEN: Amend, on page 192, line 15, by inserting in paragraph 1557, after the words "cotton and cotton waste," the words "not specially provided for," and by inserting a new paragraph between lines 9 and 10, on page 113, as follows:

"PAR. 900. Cotton, having a staple of $1\frac{1}{2}$ inches or more in length, 20 cents a pound."

The CHAIRMAN. The question is on agreeing to the substitute.

The question being taken, on a division (demanded by Mr. HAYDEN) there were—ayes 22, noes 98.

Accordingly the substitute was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from West Virginia [Mr. BOWERS].

Mr. McDUFFIE. Let us have it reported.

The CHAIRMAN. Without objection, the amendment will be reported.

The Clerk read as follows:

Amendment offered by Mr. BOWERS: Page 192, paragraph 1557, line 15, after the comma insert the words "not specially provided for"; and on page 113, between lines 9 and 10, insert a new paragraph, as follows: "Cotton, having a staple of $1\frac{1}{2}$ inches or more in length, 15 per cent ad valorem."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. COLLIER and Mr. OLDFIELD) there were 118 ayes and 17 noes.

Mr. COLLIER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. BOWERS and Mr. COLLIER.

The committee again divided, and the tellers reported that there were 105 ayes and 75 noes.

So the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, 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. CAMPBELL of Kansas, 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. 7456, the tariff bill, and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 5756. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, and to amend an act entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903.

EXTENSION OF REMARKS.

Mr. BYRNES of South Carolina. Mr. Speaker, I ask unanimous consent to print in the Record a speech made by John Skelton Williams in Augusta last Thursday.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to print in the Record the speech referred to. Is there objection?

Mr. LAWRENCE. Mr. Speaker, I object.

Mr. BYRNES of South Carolina. Will the gentleman withhold his objection?

Mr. LAWRENCE. I will.

Mr. BYRNES of South Carolina. This is a speech that should be read by every Member. Mr. Williams makes specific charges against the Federal Reserve Board. If the charges are true, we ought to know, and if they are not true, we ought to know it.

The SPEAKER. Is there objection?

Mr. LAWRENCE. I object.

CALENDAR WEDNESDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to dispense with the business under the Calendar Wednesday call on Wednesday next.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to dispense with the business under the Calendar Wednesday call on Wednesday next. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until to-morrow, Tuesday, July 19, 1921, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FULLER, from the Committee on Invalid Pensions, to which was referred sundry bills of the House, reported in lieu thereof the bill (H. R. 7827) 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, accompanied by a report (No. 273), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 7673) granting an increase of pension to Nellie Hubgcher, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PERLMAN: A bill (H. R. 7826) to repeal the act entitled "An act to limit the immigration of aliens into the United States," approved May 19, 1921; to the Committee on Immigration and Naturalization.

By Mr. FULLER: A bill (H. R. 7827) 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; committed to the Committee of the Whole House and ordered to be printed.

By Mr. SWING: A bill (H. R. 7828) for the relief of certain chief warrant and warrant officers of the United States Navy and Marine Corps who were called into active service during the war with Germany and promoted; to the Committee on Naval Affairs.

By Mr. McFADDEN: A bill (H. R. 7829) to amend section 13 of the act approved December 23, 1913, known as the Federal

reserve act, as amended by the acts approved March 3, 1915, September 7, 1916, and June 21, 1917; to the Committee on Banking and Currency.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 7830) to place officers and employees of the legislative branch of the Government in the classified civil service; to the Committee on Reform in the Civil Service.

By Mr. LANGLEY: A bill (H. R. 7831) for the erection of a Federal building at Pikeville, Ky., and increasing the limit of cost for the site; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7832) for the erection of a Federal building at Paintsville, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7833) for the erection of a Federal building at Prestonsburg, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7834) to provide for the purchase of a site and for the erection of a public building thereon at Hazard, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7835) to provide for the purchase of a site and for the erection of a public building thereon at Whitesburg, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. IRELAND: Resolution (H. Res. 152) directing the Clerk of the House to make a survey and classification of the books and documents in the House Library and of the reserve stock stored in the House Office Building, and dispose of same, as provided by law, and to remove the contents of the rooms now occupied by the House Library and refit and make ready said rooms for the occupancy of certain employees of the Clerk's office, and for other purposes; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Illinois: A bill (H. R. 7836) granting a pension to Charles Edward Tate; to the Committee on Invalid Pensions.

By Mr. BURROUGHS: A bill (H. R. 7837) granting a pension to Mary F. Conway; to the Committee on Pensions.

By Mr. COLE: A bill (H. R. 7838) granting a pension to Pauline Cassaro; to the Committee on Pensions.

By Mr. HAUGEN: A bill (H. R. 7839) granting an increase of pension to Walter G. Benninger; to the Committee on Pensions.

By Mr. LARSON of Minnesota: A bill (H. R. 7840) for the relief of the Duluth, Winnipeg & Pacific Railway; to the Committee on Claims.

By Mr. PURNELL: A bill (H. R. 7841) for the relief of Alden H. Baker; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 7842) to correct the military record of Alexander Morefield; to the Committee on Military Affairs.

Also, a bill (H. R. 7843) granting a pension to Oscar Burrow; to the Committee on Pensions.

Also, a bill (H. R. 7844) granting a pension to George A. Taylor; to the Committee on Pensions.

By Mr. ROBSION: A bill (H. R. 7845) granting a pension to James Noe; to the Committee on Pensions.

By Mr. STEPHENS: A bill (H. R. 7846) granting a pension to Mary Sanders; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2036. By Mr. COOPER of Wisconsin: Petition of and memorandum on Polish atrocities and persecutions in East Galicia from the Michala Gruszkowskayo Club, No. 158, of Racine, Wis.; to the Committee on Foreign Affairs.

2037. By Mr. DYER: Petition of Walter C. Doering, president of the Associated Industries of Missouri, relative to railroad legislation; to the Committee on Interstate and Foreign Commerce.

2038. Also, petition of Marion Stevenson, editor in chief Christian Board of Publication, St. Louis, Mo., urging relief for the Armenians; to the Committee on Foreign Affairs.

2039. Also, petition of executive committee of the Missouri Farm Bureau Federation, indorsing what is known as the Muscle Shoals project; to the Committee on Military Affairs.

2040. Also, resolutions Nos. 8 and 42 adopted by the Missouri State Federation of Labor at the annual convention held May 16 to 20, 1921, relative to a State bank and relief for ex-service men; to the Committee on Interstate and Foreign Commerce.

2041. By Mr. DRIVER: Petition of Chapman & Dewey Lumber Co., in support of commodity sales tax as a basis for our internal revenue; to the Committee on Ways and Means.

2042. By Mr. FAIRFIELD: Petition of 240 citizens of the fourth district of Indiana, favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

2043. By Mr. FENN: Petition of Second Church of Christ, Scientist, Hartford, Conn., looking to disarmament; to the Committee on Foreign Affairs.

2044. By Mr. FESS: Petition of 15 citizens of Washington Courthouse, Ohio, protesting against Sunday legislation, with particular reference to the Zihlman bill; to the Committee on the District of Columbia.

2045. By Mr. FULLER: Petition of the American Farm Bureau Association, favoring increase of the loan limit to the Federal land banks from \$10,000 to \$25,000; to the Committee on Banking and Currency.

2046. Also, petition of Island Oil & Transport Corporation, opposing a tariff duty on petroleum; to the Committee on Ways and Means.

2047. By Mr. GRAHAM of Illinois: Petition of H. O. Butler and others, of Illinois, opposing Senate bill 1948; to the Committee on the District of Columbia.

2048. By Mr. KISSEL: Petition of the Roessler & Hasslacher Chemical Co., New York City, urging the repeal of the Adamson law; to the Committee on Interstate and Foreign Commerce.

2049. By Mr. LINTHICUM: Petition of the William Schlumberger-T. J. Kurlde Co., of Baltimore, Md., opposing duty on sausage casings; also petition of Paving Commission of Baltimore, Md., opposing tariff on importation of oil at rate of 35 cents per barrel; to the Committee on Ways and Means.

2050. By Mr. MAGEE: Petition of residents of Syracuse, N. Y., in opposition to the Sunday observance bill, Senate bill 1948; to the Committee on the District of Columbia.

2051. By Mr. RAKER: Petition of International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, of Chicago, Ill., protesting against joint resolution 171, allowing Chinese coolies to be imported into Hawaii; to the Committee on Immigration and Naturalization.

2052. Also, petition of Simon Levi Co. and S. G. Marshutz, of Los Angeles; C. H. Loskamp, of Fair Oaks; Noble S. McKinney, of Orland; J. V. Maciel, of Roseville; W. E. Simpson, of Gridley; Walter G. Maynard, of Corning; F. W. Lenfestey, of Burson; H. E. Horling and the Tehama County Almond Growers' Association, of Corning, all of California, and R. J. Mills, of Buffalo, N. Y., urging an increase in the tariff rate on almonds; also, petition of S. H. Frank & Co., of San Francisco, urging for free hides and duty on leather and shoes; also, petition of the School of Industrial Arts, Trenton, N. J., urging no increase in duty on mechanical drawing instruments; to the Committee on Ways and Means.

2053. By Mr. SNELL: Resolution of the Woman's Christian Temperance Union of Malone, N. Y., favoring immediate action by the United States Government for the relief of the Armenians; to the Committee on Foreign Affairs.

2054. By Mr. YATES: Petition of Daughters of American Revolution, Mrs. R. C. Pearle and Mrs. Ettinger, committee, protesting against the Walsh bill to dam Yellowstone Lake; to the Committee on the Public Lands.

2055. Also, petition of Mary A. D. Ryan, 4827 Washington Boulevard, Chicago, Ill., urging disarmament and reduction in taxation; to the Committee on Ways and Means.

2056. Also, petition of W. M. Webster, brass manufacturer, of Chicago, Ill., urging establishment of a bureau under Secretary of Commerce where merchants and manufacturers may confer; to the Committee on Interstate and Foreign Commerce.

2057. Also, petition of James P. Walsh, sergeant of police, Chicago, Ill., requesting that the United States recognize the republic of Ireland; to the Committee on Foreign Affairs.

2058. Also, protest of Messrs. Mundy, Britten, Leitchish, and Buscher, of Litchfield, Ill., against passage of the Capper-Tincher grain bill; to the Committee on Interstate and Foreign Commerce.

2059. Also, petition of A. C. Wirtz, of New York, requesting consideration of American valuation plan be dropped; to the Committee on Ways and Means.

2060. Also, petition of Asphalt Association of New York, Chicago, and Toronto, signed by Mr. J. E. Pennybacker, protesting against any duty on crude oil; to the Committee on Ways and Means.

2061. Also, petition of Charles D. Clark, urging tariff on long-fiber cotton; to the Committee on Ways and Means.

SENATE.

TUESDAY, July 19, 1921.

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

Our Father, we thank Thee for that endearing Name, lisped first at our mother's knee and carrying with it the sanctities of the years, and that Thou art still our Father. Help us so to recognize this relationship as to live before Thee conscious of holy kinship with Thyself and fulfilling Thy will according to Thine own good pleasure revealed in Jesus Christ our Lord. Amen.

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

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Fletcher	McKellar	Stanfield
Ball	Gerry	McKinley	Sterling
Borah	Harris	McNary	Sutherland
Brandegge	Harrison	Moses	Swanson
Broussard	Heflin	Nelson	Trammell
Bursum	Johnson	New	Walsh, Mont.
Cameron	Kellogg	Nicholson	Warren
Capper	Kendrick	Norbeck	Watson, Ga.
Culbertson	Kenyon	Norris	Watson, Ind.
Curtis	Keyes	Overman	Williams
Dial	Ladd	Pomerene	Willis
Edge	Lenroot	Robinson	
Elkins	Lodge	Sheppard	
Fernald	McCormick	Simmons	

Mr. CURTIS. I wish to announce that the Senator from New Jersey [Mr. FRELINGHUYSEN], the Senator from Virginia [Mr. GLASS], and the Senator from California [Mr. SHORTRIDGE] are detained at a committee meeting.

I wish also to announce that the Senator from Washington [Mr. JONES] is detained from the Senate on official business.

Mr. GERRY. I desire to announce that the Senator from Pennsylvania [Mr. PENROSE], the Senator from New York [Mr. CALDER], the Senator from Utah [Mr. SMOOT], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from North Dakota [Mr. McCUMBER], the Senator from Massachusetts [Mr. WALSH], and the Senator from Missouri [Mr. REED] are detained at a meeting of the Committee on Finance.

The VICE PRESIDENT. Fifty-three Senators having answered to their names, a quorum is present.

CONDITIONS IN IRELAND.

Mr. WALSH of Montana. Mr. President, I give notice that at the close of the routine morning business to-morrow, with the permission of the Senate, I shall address the Senate on Admiral Sims and the Irish revolutionary movement.

PETITIONS AND MEMORIALS.

Mr. LODGE. Mr. President, I have received a number of letters from physicians in Philadelphia in regard to the use of beer and other malt productions as medicine. There is a difference of opinion on the subject; these are reputable physicians of good standing, and I ask that their letters may be printed in the RECORD.

There being no objection, the letters were ordered to lie on the table and to be printed in the RECORD, as follows:

PHILADELPHIA, March 24, 1920.

G. SCHMIDT & SONS (INC.).

GENTLEMEN: Would you kindly inform me if it is possible to procure porter or ale at the present time?

I have had such excellent results shown by these tonics in various postinfluenzal and senile debility patients that I am at a loss for a proper substitute.

Malt as formerly manufactured is particularly beneficial in maternity cases when there is a deficient lactation (secretion of milk) and where such substitute tonics as iron, strychnine, or hypophosphites would be contraindicated owing to their toxicity.

Yours, very truly,

GEORGE J. HOLTZHAUSER, M. D.

PHILADELPHIA, April 1, 1920.

Mr. RUDOLPH H. WOLF.

Secretary the Robert Schmidt Corporation,

Thirty-eighth Street and Girard Avenue, Philadelphia, Pa.

DEAR SIR: In reply to your letter of March 26 I would like to state that it has been my custom for many years to order brown stout as a tonic for nursing women, anemic girls, and in convalescence after long, exhausting illness. It is my opinion that it would be well if brown stout were included among these beverages prescribed by physicians.

Very truly, yours,

ADAM KLEMM.