5985. Also, petition of the California Bankers' Association, at annual meeting held at Del Monte, Calif., urging immediate aid and assistance relative to control of the Colorado River; to the Committee on Irrigation of Arid Lands.

5986. By Mr. YOUNG: Petition of members of the Ebenezer Danish Evangelical Lutheran Congregation of Flaxton, N. Dak., declaring their opposition to having the Armenian people under the sovereignty of the Turkish Empire; to the Committee on Foreign Affairs.

SENATE.

TUESDAY, *June 13, 1922.*

(Legislative day of Thursday, April 20, 1922.)

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

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

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Ball	France	McKinley	Rawson
Borah	Frelinghuysen	McLean	Sheppard
Brandegee	Gerry	McNary	Shortridge
Calder	Glass	Nelson	Simmons
Cameron	Hale	Newberry	Smoot
Capper	Harris	Nicholson	Spencer
Caraway	Johnson	Norbeck	Sterling
Culberson	Jones, Wash.	Oddie	Sutherland
Cummins	Kendrick	Overman	Underwood
Curtis	King	Pepper	Wadsworth
Dial	Ladd	Phipps	Warren
Dillingham	La Follette	Pittman	Watson, Ind.
Edge	Lenroot	Poindexter	Willis
Elkins	McCormick	Pomerene	
Fernald	McCumber	Ransdell	

Mr. UNDERWOOD. I wish to announce that the senior Senator from Florida [Mr. FLETCHER] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. KENDRICK. I desire to announce the absence of the Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], and the Senator from Alabama [Mr. HEFLIN], who are engaged in a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. There is a quorum present.

PROHIBITION ENFORCEMENT.

Mr. STERLING. Mr. President, on last Saturday I submitted for printing in the RECORD a digest of a survey made by the Manufacturers' Record with reference to the value of prohibition. I was asked at the time by the Senator from Alabama [Mr. UNDERWOOD] who made the digest, and I was unable to inform the Senator. It is proper to say that I have since been informed that the digest, as well as the survey, was made by the Manufacturers' Record.

DISTRICT OF COLUMBIA APPROPRIATIONS.

Mr. PHIPPS. Mr. President, I desire to give notice that when the Senate convenes to-morrow morning I shall ask unanimous consent to take up for consideration the amendment reported by me from the Committee on Appropriations to the amendment of the House of Representatives to the amendment of the Senate numbered 1 to House bill 10101, the District of Columbia appropriation bill.

PETITIONS AND MEMORIALS.

Mr. BALL presented a memorial of the president of the Delaware State Federation of Women's Clubs, protesting against the food, tableware, and women's wear schedules of the pending tariff bill, which was referred to the Committee on Finance.

Mr. CAPPER presented a petition of sundry citizens of Kansas City, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also presented a resolution of the North Washington Citizens' Association, of Washington, D. C., indorsing the Capper bill for reorganizing the District of Columbia public-school system, but suggesting that under this proposed bill the estimates for school funds be submitted by the Board of Education through the District Commissioners, to be transmitted by them to the Bureau of the Budget, and so forth, which was referred to the Committee on the District of Columbia.

HOSPITAL FACILITIES FOR DISCHARGED SICK AND DISABLED SOLDIERS.

Mr. FERNALD, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 11588) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines," reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED.

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

By Mr. HALE:

A bill (S. 3703) for the relief of William Sands; to the Committee on Military Affairs.

By Mr. WADSWORTH:

A bill (S. 3704) to amend an act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1922, and for other purposes"; to the Committee on Military Affairs.

By Mr. SUTHERLAND:

A bill (S. 3705) granting a pension to Mary E. Cline; to the Committee on Pensions.

By Mr. ODDIE:

A bill (S. 3706) to place on the retired list of the United States Army George B. Sharon, former lieutenant colonel of Infantry; to the Committee on Military Affairs.

By Mr. RANSDELL:

A joint resolution (S. J. Res. 209) to establish a national hydraulic laboratory; to the Committee on Commerce.

CLAIMS OF HOBOKEN, N. J.

Mr. FRELINGHUYSEN. I ask unanimous consent to have the Committee on Commerce relieved from the further consideration of the resolution (S. Res. 254) to investigate the claim of the city of Hoboken, N. J., for losses as result of the occupation by the United States of certain docks, etc., on the Hudson River, formerly the property of the North German Lloyd Dock Co. and Hamburg-American Line Terminal & Navigation Co., and that the resolution be referred to the Committee on Claims. I make this request at the suggestion of the Senator from Washington [Mr. JONES], the chairman of the Committee on Commerce, who feels that this claim is of a character that should be considered by the Committee on Claims.

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

TARIFF BILL AMENDMENT.

Mr. LADD submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. LADD submitted an amendment intended to be proposed by him to the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, which was ordered to lie on the table and to be printed.

TREATMENT OF LEONARD KAPLAN AT THE NAVAL ACADEMY.

Mr. SUTHERLAND. Mr. President, I would like to have read by the Secretary an editorial which appeared in the News of last evening, June 12, entitled "The cruelty of youth." I then wish to submit a few remarks.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

[From the Washington Daily News, Monday, June 12.]

THE CRUELTY OF YOUTH.

An amazing instance of the heartlessness of youth has come to the attention of the News.

It comes in the 1922 issue of The Lucky Bag, a handsome, leather-bound, 600-page book, prepared by members of the graduating class at the United States Naval Academy, Annapolis. The Lucky Bag is always the souvenir most cherished by students and graduates. Filled, as it is, with the wit and humor of school life, tales of athletic prowess, personal quips, attractive pictures, and complete records of every member's activities during the four years, it will remain a part of the graduate's library as long as he lives.

But in the 1922 Lucky Bag class members and their friends will find a page that is a blot on the class record. How serious a blot it is they will appreciate more and more as later years serve to balance their present youthful judgment.

Three hundred pages of the book are devoted to biographies of the individual members—two members to a page. Beneath each photograph is a humorous characterization of the embryo naval officer, the sort of affectionate razzing dear to the heart of the one who is razzed.

The last of these pages is devoted to Leonard Kaplan. Opposite his photograph is a crude caricature of a fictitious member of the class. The effect is as follows:

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

LEONARD KAPLAN.

AN AUTOBIOGRAPHY.

Born in the township of Weston, county of Lewis, State of West Virginia, Monday, the 26th of November, 1900. Educated in the public schools of Weston 1907–1912; Weston High School 1912–1916; department of civil engineering, school of applied science, Carnegie Institute of Technology, Pittsburgh, Pa., 1916–17 and 1917–18; Midshipman, United States Navy, July, 1918.

A student above the average and a mathematician of marked ability. Has always maintained that the prime factor in good scholastic work is application rather than genius—application, which includes first, the mental effort or coercive force to exert the brain; second, the knowledge of how to study.

Unmarried. For further information see "Who's Who in America, 1950–1952."

P. A. LIST.

"PORKY"

Born in the township of Zion, county of Cork, state of Ignorance, Sunday, the 17th day of March, 1900. Educated in the Convent of Zion, 1906–1911; Zion City College, 1911–1915; department of geological engineering, school of reductive science, United States naval rock college, Portsmouth, N. H., 1916–1918. Midshipman, U. S. N. R. S., Fourth of July, 1918, until death do us part.

A stewed gent below the average, and a poker player of marked ability. Has always maintained that the prime factor in good academic standing is grease rather than genius—grease, which includes, first, the mental effort or coercive force to bone out of hours and before reveille; second, the knowledge of one's own importance.

Unsat. For further information see the list of those denied special privileges until by positive action on their part they show that they merit further consideration.

No trouble for any person in the least familiar with school life to read between the lines the treatment that young Kaplan has undergone throughout his four years at Annapolis.

But the boys responsible for the expensive book were not satisfied with thus lampooning and setting him apart from themselves.

They left the page number off this page and perforated it along the edge next the binder, so that it might be torn out without leaving a trace. The number that should have been given it appears on the page following. The boy's name is not listed in the index of biographies. Complete arrangements apparently were made to permit any member who desired a yearbook minus Kaplan's name to have such a one.

That the youngster from West Virginia survived four years of this treatment and came through equipped for a commission in the United States Navy is something of a tribute to the stuff that is in him.

But that he had to do it is a sad commentary on the spirit of those in the class who made it necessary.

Mr. SUTHERLAND. Mr. President, I can not too strongly characterize the circumstances which have been set forth in the article which has just been read at the Secretary's desk. It relates to a boy from my State by the name of Leonard Kaplan, who is of Jewish extraction. Throughout the four years of his career at Annapolis young Kaplan maintained a very high standing; in fact, I understand he was second highest man of his class, which has just been graduated; but because of his nationality he has been subjected to a refinement of cruelty, such as has been set forth in this article. It appears that his biography was printed on a page by itself, which was unnumbered and perforated along the line of the binder in such a way that it could be torn from the yearbook of the academy for the current year, 1922, so that those who wished to do so could tear off the page containing this boy's biography without defacing the book.

Mr. POMERENE. Mr. President, I desire to ask the Senator from West Virginia, with his permission, was the academy yearbook to which reference is made printed by the authorities of the academy or by the midshipmen themselves?

Mr. SUTHERLAND. As I understand, it is printed by the midshipmen themselves; but a course of training that will permit such a condition of affairs to exist in one of our governmental schools, or, indeed, in any school in this country, discriminating against a man who has maintained such high standing and subjecting him to such treatment as has been indicated, is utterly un-American and can not be too scathingly condemned.

Mr. KING. Mr. President, will the Senator from West Virginia yield to me?

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

Mr. SUTHERLAND. I yield.

Mr. KING. Have any steps been taken by the Naval Academy authorities to discipline those who have been guilty of this great wrong?

Mr. SUTHERLAND. I propose to ascertain that fact.

Mr. KING. I hope the Senator will bring this matter up when the Senate is considering the naval appropriation bill, and I am sure it will then receive very sympathetic consideration.

Mr. McCUMBER. Mr. President——

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

Mr. SUTHERLAND. I yield to the Senator.

Mr. McCUMBER. I wish to ask the Senator, if I correctly understood him to give the impression that the publication of this yearbook, which is known as The Lucky Bag, is entirely without the control of the authorities of the Naval Academy? I can not imagine such a condition.

Mr. SUTHERLAND. I assume that it can not be entirely without the control of the academy authorities.

Mr. McCUMBER. Then the academy must be responsible for it?

Mr. SUTHERLAND. The authorities of the Naval Academy must be responsible for this book.

Mr. President, a few days ago I had occasion to call the attention of the naval authorities to the cases of four or five boys at the Naval Academy who had been punished for some boyish prank. In a way the offense was serious enough, for, as college boys sometimes will, possibly they indulged in liquor and were cutting up as boys in colleges all over the land sometimes do. Their actions, of course, were contrary to the rules of the academy and contrary, perhaps, even to law; but, after all, the offense of those four or five boys was of a minor character compared with the offense that has been committed in stigmatizing the young midshipman of the Jewish race, as he has been stigmatized, because of his nationality. The four or five boys to whom I have referred were punished by being set back an entire year, because, as I have said, at the close of the school year they loosened up a little and indulged in such pranks as boys full of life and spirit will sometimes indulge in, but at the same time showing qualities not at all inconsistent with the attributes of sterling young manhood. I repeat, their offense was much to be deplored and not to be condoned, perhaps, but it was slight, indeed, as compared to the offense committed by the boys who were members of the recent graduating class in thus stigmatizing one of their number, for their conduct evidences a spirit which should not be manifested at any institution, and certainly not at an institution under control of the Government.

Mr. President, if such is to be the attitude of our Naval Academy, or of any other governmental institution, then we have come to a sad pass. In my opinion, we should not allow such an offense as this to pass by uncriticized and uncorrected, nor should those guilty of it be allowed to go unpunished. If such incidents as these are to continue to occur and to pass by unnoticed, then it is better that our Navy should be scrapped, because they show how far we have departed from the tenets and principles which have made this country great and powerful. Regardless of nationality, regardless of race, in this country every man should stand on an equality before the law.

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

Mr. SUTHERLAND. I yield.

Mr. POMERENE. Has the character of this publication and the plan of its printing and binding been called to the attention of the authorities at the Naval Academy?

Mr. SUTHERLAND. I have no knowledge as to that, I will say to the Senator; but I presume that attention will be called to it through the medium of this discussion, and I shall make careful inquiry to ascertain what steps have been taken by the academy to punish the young men who have been guilty of this offense.

Mr. President, I felt it to be my duty to call the attention of the Senate and of the country to this incident, in the hope that there may be no recurrence, and that no such spirit may be allowed to prevail at the academy. It may have been an act of thoughtlessness; but it goes beyond that. It shows a lack of consideration, due to a narrow and un-American prejudice, for an American-born boy, who was reared in the State of West Virginia, where he went through the public schools and acquitted himself well, and, being anxious for further education, he went to Pittsburgh and qualified there for entrance to the Naval Academy. As I have said, at the academy he maintained a standing, both with reference to conduct and scholarship, that would do credit to any American boy.

Mr. President, I was not willing to let this incident pass without calling attention to it.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. KENDRICK. Mr. President, I am not unmindful of the fact that the chairman of the Finance Committee is anxious to proceed with the bill under consideration, and I do not desire at all to delay it, but rather to promote and facilitate its disposition. I desire, however, to take a few moments this morning to discuss briefly House bill 10874, the soldiers' adjusted compensation bill. Later on, possibly in a few days, I desire also to discuss an amendment to this bill which will provide what I believe to be a very necessary modification of it in the way of a land-settlement feature. It is my opinion that we should not pass the bill without some such provision, and, from my viewpoint, the Smith-McNary bill will prove the most satisfactory of all the forms of land settlement which have heretofore been brought forward.

Mr. President, within the last few months I have listened to many able arguments for and against the so-called "adjusted

compensation bill." While I have genuine respect for the opinion of those who oppose such legislation, I do not agree with them in their conclusions.

From my viewpoint "adjusted compensation" is a misnomer for such form of legislation. It would be better named "just compensation." In simple justice to the ex-service men it should be said that the soldier boys are not clamoring for a bonus, as has been contended, but a sense of obligation has compelled and is compelling Congress and the country constantly to dun themselves like a delinquent debtor in behalf of his creditor.

The two fundamental principles underlying this question are, first, whether there is an obligation, and second, if there is an obligation, whether the Government is able to meet it.

Mr. President, in the light of all the facts involved in the assembling of our Army and in the prosecution of the war, no form of reasoning sanctioned by logic can be employed that will justify a refusal or failure on the part of our Government to compensate our soldiers adequately for service during the World War.

My convictions on this question are not of a recent or pre-election character. They were formed during a visit to the battle lines of France and Belgium during the late fall of 1917, while meeting and conferring with the advance guard of our Army in the training camps just away from the battle line and within easy sound of the booming of the cannon. When I came in contact and talked personally with our boys five and six thousand miles away from home, and glimpsed from them the high spirit of patriotism which animated them in their sense of duty; when I saw them in training with rain-soaked garments during the chill autumn days, and visited them in their billets in stables, in haymows, in every improvised place, and every kind of a place except a comfortable one, I mentally concluded then and there, and said to my friend and colleague, Senator Kenyon, "the demands of these boys upon their country and their Congress in the years to come are to be very unreasonable, indeed, if they are in excess of my idea of what the country and Congress should grant them."

When I saw these boys, and talked with them, and gained an insight into their attitude of mind, it was evident to me that not many of them ever expected to return to their native land; and when, homeward bound, the different divisions marched down Pennsylvania Avenue, the placards of their respective divisions, indicating losses of 30, 40, 50, or even 60 per cent, told the story, "they were not to return; 75,000 had made the last great sacrifice."

Never in the history of a nation has there been more of the zeal of crusaders than was evidenced in this advance guard of the great expeditionary force sent to France.

The very principles under which this Army was assembled were at variance with anything theretofore employed by the Nation. Of the millions called, but a limited number was chosen. To those best fitted, because of their youth and the years of life in their veins, were assigned the hazards and hardships of the trenches. To the great majority were assigned the necessary vocations of civil life. To the one we agreed to pay a dollar per day and board; to the other the most unusual compensation ever known in the history of this country. The men to whom were assigned the necessary vocations and the comforts of everyday life were accredited with contributing as much to the winning of the war as those who assumed the risk and hardship and who occupied the front-line trenches. The one man traveled four, five, and even six thousand miles from home to fight for the honor of his flag and for the ideals of a Christian Nation; the other proceeded in the even tenor of his way, and with even increased enjoyment of everyday life.

If the Government assumed the right to assign one man to one task and another man to another task, then in simple justice it should have equalized the form of compensation to each man. No one can consistently claim that the service of the man in the necessary vocation was a higher form of service than that of the man who assumed all of the risk and all of the hardships of the camp, the trench, and the battle field. If it were right and proper to say to the man who defended his country with his life that his compensation should be a dollar a day, how can we justify the payment of the enormous compensations of the war period to the man who remained at home in the enjoyment of every comfort? If we were justified in calling to military service the manhood of the Nation, why should we have hesitated to enlist for service during the war the property of the Nation?

I assume to say here and now that in any world war in which this Nation will ever again be involved there will be no hesitation in conscripting the wealth of the Nation in its defense, on the ground that property is not more sacred than persons. If it be consistent to limit the amount our soldiers may receive as compensation, why not in justice and equity limit the amount that wealth may earn during the same period of distress?

It is not too much to say that many of those who are now clamoring against adjusted compensation were among the most conscienceless profiteers of the war. Net profits to the extent of $40,000,000,000, nearly twice the total amount of our war debt, have been wrung from the people of this country since 1916. These figures graphically illustrate the effect that the conscription of wealth would have had on the present situation. What would have been the result if these earnings had been limited to a reasonable return on the capital invested? There would have been no enormous debt, no orgy of profiteering, and no wild extravagance. The country would have to-day been proceeding on an orderly, normal basis. The Government would long ago have been in a position to have discharged this obligation to the Nation's defenders.

In the speeches delivered in opposition to this legislation there has been one unfailing contention running through them all, that you can not buy patriotism. To this statement no one will take exception. The spirit which leads a man to offer his service, even unto death, in defense of his country can not be measured in dollars and cents; it can not be paid for, and by the same token it is not for sale. The mere pittance which we here offer to the individual soldier is in no sense a payment for that service; it is a small recognition granted out of common decency in partial compensation for the time these soldiers lost from the ordinary pursuits of life.

If we are to follow the process of reasoning advanced against the granting of an adjusted compensation, the inquiry is pertinent as to what was the object of the dollar a day paid these men? Was it intended that this should be sufficient compensation? If so, it may easily be shown that no nation in the history of civilization ever paid as beggarly a compensation to its troops as this Nation did in the World War, in proportion to its ability to pay; and up to this time, among all the nations engaged in the World War, none has asked more of good faith of those who served in defense of the country and has offered less in the way of compensation. Canada paid adjusted compensation ranging from $70 to $600, France from $74.21 to $187.21, Great Britain a maximum of $140.94, Australia $98.42, Italy $64.69, and these nations which have paid their soldiers a bonus have been financed by our own country; and while financing other countries to make just compensation to their soldiers, we have declined so far even to recognize such a responsibility on the part of our own Government.

Mr. STERLING. Mr. President——

Mr. KENDRICK. I yield.

Mr. STERLING. I should like to ask the Senator, if he has any information on that point, as to what these several countries paid the men while in the service?

Mr. KENDRICK. I have not the figures. I think their compensation was somewhat lower than our own.

We have reason to believe and reason to be proud of the fact that but for our men there would have been a German victory. In this event the payment of the amount now asked as an adjusted compensation to our soldiers would have been a bagatelle to the levies made by the Central Powers in the way of reparations. It has been contended that a cash bonus would not prove a benefit. I am inclined to agree with this statement, but only because the amount it is proposed to give is so small. In this particular I agree with the Senator from Idaho [Mr. BORAH] when the says, "If we are going to compensate the soldier for the loss of his time, we might at least pay him the wages of an ordinary day laborer." In view of all the circumstances, one can not forego the conclusion that the amount is parsimonious in the extreme.

These men when called to service were, in the majority of cases, earning in their individual capacities amounts equivalent to three and four times the compensation paid by the Government. Every employer of labor in any capacity found it necessary to increase greatly the wages paid his employes. Almost every man engaged in every kind of business found his profits increased with the advance of the war, and these men who were making the great sacrifice had their compensation reduced at a time when they were giving life and limb to the defense of those at home. In addition to the loss sustained through decreased compensation received during the period of service, there is the disruption of plans, the loss of positions, and the general unsettling of preconceived and prearranged programs of individual vocations; and it may also be pointed out that while the civilian who did not go to war had the advantage, when the industrial collapse came after the war, of the unprecedented earnings he

made during the conflict, the soldier was discharged from the Army practically in the midst of the depression, with nothing to sustain him. The soldier bore the brunt of the war and he bore the brunt of the industrial disorder and economic chaos which followed the war. Surely he has earned the meager consideration it is here proposed to give him. Surely it is our solemn duty to attempt in some manner to balance the scales of justice for him.

Mr. President, this is no revolutionary proposal that is made now for the first time in the history of our Government. To the great glory of the statesmen of the past be it said our Government has always recognized generously the service of the soldier. The principle was applied during our Civil War in a system of bounties paid for voluntary service. Twenty-three States paid about $260,000,000, while the Federal Government paid $363,000,000 in cash, land, and other bounties, making a total of $650,000,000 paid an Army of two and one-quarter million men at a time when the wealth of our country was not more than one-tenth of what it is to-day.

It is inconceivable that anyone at all apprised of the facts or familiar with the Nation's resources could credit the statement that the Government's finances would be seriously crippled by the payment of this compensation. The war expenditures of France equaled 78.8 per cent of her total wealth; Italy, 78.5 per cent; Great Britain, 54.8 per cent. The United States expended only about 9.6 per cent of her national wealth. These other nations have already paid their soldiers adjusted compensation; and it may be worthy of note here that these nations that have paid their soldiers adjusted compensation owe this Government $10,150,401,305.49, of which even the interest is and was unpaid at the time they discharged this obligation to their soldiers. In other words, we have loaned money to these other nations to meet an obligation toward their soldiers, and we are threatened with financial disaster if we attempt to meet such a responsibility to our own men.

The record is too recent and the ending of the war too fresh in the minds of the people for us to forget that the zeal and enthusiasm and fighting spirit of our soldiers ended this war two years before it otherwise might have ended. Such a consummation represented a saving to the Nation of from fifteen to twenty billion dollars, three or four times the amount required for adjusted compensation if paid in cash. With an estimated wealth of $275,000,000,000, does anyone believe that if it had been necessary in order to defeat Germany this country would have hesitated to spend a hundred billion, or that even such an outlay would have meant repudiation?

Much has been said as to the means and methods of raising the money to meet this obligation. In this connection I insist that this Nation can discharge its every legitimate obligation by paying cash. It is easy to understand that there might be an honest difference of opinion as to whether or not the Government should undertake to pay adjusted compensation; but, if the obligation be admitted, it is inconceivable how anyone could be reconciled to a plan under which the payment could be delayed or deferred. If the obligation be admitted, it at once becomes sacred in character, and should be met with the least possible delay, and with not too much regard for our convenience in discharging it.

The plan proposed in the present bill of deferred payments of amounts in excess of $50 impresses me as being subject to more than one objection. First, it can not be satisfactory to the soldier; second, it is a most expensive form of adjustment to the Government itself. In the prosecution of the war we found no difficulty, when necessary, in borrowing an amount sufficient to meet our needs. I venture the statement that we could do the same thing without upsetting our finances if it meant the payment of every dollar in cash, but if this bill were drawn with discretion it would not impose the cash payment of even the greater part of the amount involved.

In order more fully to meet the needs of different men, no doubt the different forms of payment are very desirable, and will prove satisfactory.

The paid-up insurance plan is a highly satisfactory one, and will probably prove greatly beneficial to a large number of our soldiers; but the form of adjustment, if properly planned and prosecuted, which will prove more widely beneficial to both the soldiers and the Nation as well, is the land-settlement plan. Without intending to condemn the work of those who have given much thought to this question, I am constrained to believe that the plan as outlined by the House bill will not meet the needs of the situation. As it looks to me, this bill gives authority without direction for reclamation, and will be lacking in both immediate and permanent results. As I read the bill, no appropriations or provisions are made for raising the funds with which to finance the reclamation.

It will be unfortunate, indeed, if this law is not framed with some definite purpose of specializing in a land-settlement scheme for the soldiers, such as is provided in the Smith-McNary bill. No single act of the Government has ever contributed so much to the wealth and citizenship of the Nation as did the homestead law, and the opportunity is here presented to us to repeat in part this great success of the past. The man who takes a Government homestead and converts it into agricultural land performs a real service to the Nation. He earns a clear title to the land.

Within the past few months the urban population of the country has exceeded the rural population by several thousands, and this is a warning that the Nation might heed at this time. No legislative action by Congress would prove more popular, and in the end more widely beneficial than by writing into this bill such provisions in the way of land settlement as would guarantee the occupation of farm lands by the largest number of soldiers of the World War. The soundest and most conservative business principles should characterize the settlement of these lands. Congress would be easily justified in granting greatly increased compensation to the soldiers who would make such settlement.

Any plan that will meet the situation must be national in scope, and in order to prove at all beneficial it must provide means to initiate reclamation work immediately and on a broad scale, and guarantee a revolving fund that will make continuous reclamation both by drainage and by irrigation. At the close of the Civil War our Government was fortunate enough to hold in fee simple millions of acres of the most fertile lands of the Nation. These were given outright to the soldiers in the way of homesteads, and hundreds of thousands of veterans took advantage of the opportunity. It is unfortunate that we do not now possess such great areas of lands to give to the soldiers of the World War; but we are in possession of untold millions of acres of land that if reclaimed would serve just the same purpose as the rich farm lands of the last generation, and at the same time add to the wealth of the Nation vastly more than the cost of development.

Just as during the last generation the Government gave the soldier who was willing to undertake the conquest of the prairie 160 acres or more of rich, valuable land in fee simple, and considered itself well compensated when the soldier-settler transformed the land from buffalo pasture to productive farms and built new communities and States to enrich the Nation, so to-day it should not hesitate to give with equal generosity, if in smaller tracts, reclaimed desert and swamp lands to the veterans of the World War. They will repeat the triumphs of their fathers, and the Nation will be well repaid.

Under every plan of land settlement employed heretofore on reclamation projects, the settler, even though he be a soldier, has been required to pay the full value of the land. Such payment has been provided under an amortization plan extending over a long period of time. Any land-settlement bill intended as a substitute for soldiers' bonus must be framed so as to give the soldier an opportunity to receive an unfailing benefit to the amount of his bonus. Under the system provided in the adjusted compensation bill it would be easily possible for him to accept the land with a credit of the amount of his compensation and an obligation for the balance of the cost of the reclamation; and with such an obligation upon the entire tract, extending over a long period of time, this plan would involve the settler in too many cases beyond his ability to pay, even though he employed every diligence in his efforts to establish a home and to meet his payments according to his contract with the Government. The vicissitudes that have attended the farming interests of this Nation for the past 40 years will all attest to the unquestioned hazards of such an undertaking, and failure would result simply in the forfeiture on the part of the soldier of his bonus, in addition to the long years of effort and toil made by him in discharging the lien or obligation on his farm. In order to meet this situation, the law should include a dual plan of relief to be employed in case the soldier is unable to make full and final payment on his land. First, one by which the soldier might select from his tract such an acreage as, computed on the basis of per-acre reclamation cost, would be equivalent to the amount of his adjusted compensation plus any additional payments made on the land, the selection of such acreage to be made by the ex-service man subject to the approval of the Secretary of the Interior; or, second, he should be paid in cash, without interest, the amount of his compensation. Through failure to make such provision the soldier, if unable to make payment in full, not only loses his farm but he loses his bonus, and it will be difficult for the Government to convince him that it has failed to benefit by his misfortune.

Under the present plan the Government, which is honestly endeavoring to confer a benefit upon these men, might be placed in the position of a land agent who had made a sale conditioned upon an advance payment and the forfeiture of that advance payment when the purchaser failed to make payment in full.

The provision suggested would make certain that the plan and intention of Congress to recognize the obligation to the soldier would not miscarry or fail. Such development on the part of the Government would not constitute an expense. It would represent in the highest sense of the term a profitable investment. Millions of acres of land involved in the development are at present waste lands, entirely unproductive. Reclamation of these lands would add to the national taxable and productive wealth several times the amount expended in such reclamation. If initiated without unnecessary delay it would provide profitable employment for hundreds of thousands of men who are now idle, and the increased thousands of rural homes and producers of agricultural products would easily justify every dollar expended in such a plan of national reclamation. It would be an investment laid upon the strongest foundation in all the world—faith in the future of America and confidence in the character of her sons. That which is spent in building in America is never lost. Useful labor is always beneficial, and if for no other reason than that they would provide us useful labor for thousands of men, the sums expended in reclaiming lands for the use of the soldier would be money well spent.

Here within our grasp is a great opportunity to perform a great service for the country, while at the same time liquidating the obligation we owe to the boys who were our representatives on the battle line in the Great War. I sincerely hope it will not be allowed to pass. If by actually reclaiming the land we show our good faith and prove to the soldier that we intend to deliver it to him on reasonable terms and at the same time guarantee to him his equity in the land, I confidently venture the prediction that thousands of the veterans, instead of taking cash or insurance certificates or any of the other proposed forms of compensation, will decide to take the land. This in itself would answer the argument of those who say that the payment of a bonus will impoverish the Treasury.

It will be a pity if through lack of courage we fail to meet this situation, and yet, while failing to meet it, pass a bill which only holds out a promise to the ear, but breaks it to the hope. We have not hesitated to provide adjusted compensation for every real and imaginary loss suffered by industries that were called upon for war service. Three billions of dollars were appropriated under the Dent Act, approved March 2, 1921, for the relief of war contractors; two billions have been given to the railroads; fifty millions have been appropriated for the producers of war minerals; and millions have been appropriated to feed Europe.

Our purse has been open to every appeal to our bounty, but this demand of simple justice alone meets opposition. So it is to be said of this Congress that while rushing generously to the support of every claimant who could show the approval of the financial powers, it will decline to recognize the Nation's obligation to the men whose patriotic self-sacrifice and heroic energy saved the financial structure from a burden many times greater than it now bears by bringing the war to an end at least a year before anyone expected a cessation of hostilities?

We shall, of course, pass a bonus bill. Mr. President, let it be an honest one. Let us not approach the duty in any captious, critical, or ungenerous spirit. The same spirit which moved us in the heat of war should inspire us now. The same generous patriotism that prompted us to cheer these boys as they went away and to welcome them as they came home should prompt us now to do them justice. The question is whether we shall ask these boys to crystallize their faith, their loyalty, and their devotion to the country into deeds, and insist at the same time that they accept as convincing evidence of our gratitude for such service, simply an expression in words. It may be we can not buy patriotism with money, but it will perhaps be admitted that it is a splendid medium through which to express a nation's gratitude. It is indisputable that these men owed the Government every service they gave. It is also true they rendered this service cheerfully, even happily, and gave themselves life and limb without reservation. In so doing they made enduring everything in our national life worth while. When we entered the war the proud boast of our allies to the Central Powers was, "You are now up against an undefeated Nation." Through the valor and fighting spirit of our soldier boys we are still an undefeated Nation, and to the men who made enduring our liberty and institutions we owe something more tangible than fine phraseology.

Mr. President, with all due respect for those who entertain different views, the people of this Nation are not only conscious of this obligation but they are committed to its prompt discharge, and the time has come when the Congress should act without further delay. In its action there should be no suggestion of a gratuity or donation but a recognition of a clearly defined obligation. In its action there should be no assumption that the amount here involved is in payment for patriotic service but simply compensation for time lost in other vocations. Though such payment has been already too long delayed, it should now be undertaken and discharged in the same generous spirit in which the soldiers of the World War answered the call of their country in its time of real need.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the 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.

The PRESIDENT pro tempore. Will the Senator from North Dakota point out the amendment which he desires to have the Senate consider?

Mr. McCUMBER. I ask the Senate to proceed to the consideration of paragraph 383a, on page 87.

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

The ASSISTANT SECRETARY. On page 87, after line 4, the committee propose to insert a new paragraph to read as follows:

PAR. 383a. Azides, fulminates, fulminating powder, and other like articles not specially provided for, 12½ cents per pound.

Mr. KING. Mr. President, I observe that this is an amendment offered by the committee. I presume the committee felt constrained to lay a duty upon these products because of the fact that a duty of 25 per cent had been imposed upon quicksilver.

Mr. SMOOT. I will say to my colleague that these fulminates consist of 80 per cent quicksilver. Eighty per cent of 25 cents would be 20 cents compensatory duty, but the committee took into consideration that the transportation of the items is very dangerous and very costly and, therefore, they only gave 12½ cents per pound. But the Senator will see that on account of the duty of 25 per cent on quicksilver a compensatory duty would be 20 cents, because 80 per cent of all of the products is quicksilver. The reason why 20 cents a pound was not given was, as I stated, that the transportation is costly and rather hazardous, and the committee felt that 12½ cents a pound would be sufficient.

Mr. KING. I concede that if we lay a duty upon quicksilver there would be some justification for the imposition of a duty upon azides, fulminates, and fulminating powder. However, it does not necessarily follow that having placed a duty upon quicksilver it is in the interest of the public to impose a duty upon detonating caps and those products which come within the paragraph and which are so necessary in the use of explosives. My colleague will see that this is a tax upon the miners, upon those who use explosives in road building, upon farmers in the extirpation of stumps from their lands, and upon many of our citizens and in very many industries.

It does seem to me that wherever it is possible even our friends who believe in a protective tariff ought to free from the burdens of taxes those commodities which are so indispensable to the great mass of the people.

We have placed a tax upon the primary product of explosives, and when we reach explosives that compensatory duty will be carried to all forms of explosives. I am not speaking now of gunpowder, but nitroglycerin and the forms of explosives that are used by the farmers, the miners, the road builders, the grade builders, the railroad builders, and so on. It is increasing the burdens of the farmers for clearing their lands, of the State, county, and city governments that are expending tens, if not hundreds, of millions of dollars for road building, of the mine operators who are going down into the bowels of the earth for the purpose of bringing out the precious metals and the other minerals and metals so important to our progress, industrially and otherwise.

We now come to this item and we impose a duty upon it. It is a duty that is passed to the great mass of the people, and there are no corresponding benefits. I concede there are importations, although the importations are diminishing. In 1911 there were importations of the value of $42,000. During the war the maximum value of imports under this paragraph reached the sum of $1,782,000. Of course, the high prices during the war were reflected in that very large sum. In 1919 the imports dropped to the value of $275,000, in 1920 to $479,000, and in 1921 to $107,000. It is impossible to get any statistics of the domestic

production, because these products are manufactured in the immense explosive factories and powder factories of the country. The Du Pont de Nemours Co., the Atlas, and other great corporations of the United States produce these products in very large quantities. We are giving the opportunity to them to take toll of the people.

The tax—12¼ cents per pound—is rather heavy, because the present value is $1.77 per pound. The pre-war price was very much less. Of course, measured by the average rate found in the bill, this is not an extravagant tax, but it is a tax, a tax upon industry, a tax upon the farmers, a tax upon the road builders, a tax upon the miners and upon the mine operators, a tax upon coal, because these products are made in the extraction of coal from the earth. It does seem to me that we ought, as far as possible, even if we are protectionists, to lay burdens upon those products which can bear them and where the products are not so universally used and are not so indispensable to the industrial life of the people.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. McCUMBER. I ask that we may go next to paragraph 387, on page 87.

Mr. KING. Does the Senator desire to pass over paragraph 384 for the present?

Mr. McCUMBER. Yes.

Mr. KING. Very well.

The ASSISTANT SECRETARY. In paragraph 387, bottle caps, collapsible tubes, etc., on page 87, in line 20, the committee propose to strike out "25" and insert "45," so as to read:

Bottle caps of metal, collapsible tubes, and sprinkler tops, if not decorated, colored, waxed, lacquered, enameled, lithographed, electroplated, or embossed in color, 45 per cent ad valorem.

Mr. KING. The Underwood law gives a rate on these products of 35 per cent ad valorem. I think the rate proposed is entirely too high.

Mr. SMOOT. Mr. President, before the Senator continues his remarks, will he yield to me?

Mr. KING. I am very glad to yield to my colleague.

Mr. SMOOT. In the amendment of the committee just stated, I move to strike out "45" and insert "30."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. The Senator from Utah proposes to amend the committee amendment in line 20 by striking out "45" and inserting in lieu thereof "30."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Utah to the amendment of the committee.

Mr. KING. Of course, that is a very great reduction. I am sure my colleague and the committee have reached the conclusion that our criticisms of some of these schedules were well founded and that a rate of 45 per cent ad valorem upon the products embraced in this paragraph was entirely too high. Before I make an observation upon that, may I ask my colleague what reduction will be made in line 22 in the same paragraph?

Mr. SMOOT. That applies to the same articles if decorated, colored, waxed, and so forth, and I shall move to strike out "55" and insert "45," so as to make the rate 45 per cent ad valorem.

Mr. McCUMBER. If the Senator will allow me, I desire to say with reference to the statement he made a moment ago, without doubt the committee would listen with great interest to any suggestion that might be made by the junior Senator from Utah, and his suggestions would undoubtedly have good influence upon the committee. It is but fair to say, however, that the committee try to consider these matters before they come up on the floor, and they do not, therefore, have the benefit of the Senator's criticisms at a time when they act upon them.

Mr. KING. I am very sure there was no hidden sarcasm in the remarks of my distinguished friend?

Mr. McCUMBER. Oh, no.

Mr. KING. Therefore I accept with graciousness his statement. I compliment the Senator and the committee upon their exhibition of good common sense in tendering some of these amendments.

Mr. SMOOT. I will say to the Senator that the last part of the paragraph applies to nothing but luxuries of the highest kind. There is a basket clause carrying 45 per cent. The committee thought it ought to be at least 45 per cent for the luxuries when the basket clause carries that rate. The existing law carries rates of 30 and 40 per cent. We simply want to make this rate conform to the rate in the basket clause.

Mr. KING. I am making no criticism of the action of the committee with respect to the second subdivision of the paragraph.

Mr. SMOOT. Thirty per cent is the rate carried in the existing law. I will say to the Senator that the items there covered are nearly all luxuries, outside of the collapsible tubes, and, as the Senator knows, they are used for toothpastes, and so forth. I need not enumerate the other articles which they are used to contain.

Mr. KING. One of the principal objections I have to the first duty laid in the paragraph is that it deals with comparatively cheap materials which are used very extensively in connection with many products very important to the people. For instance, take collapsible tubes. All the little leaden tubes used for pastes of various kinds, tooth powders, and so forth, are covered by this rather high tariff. I am not able to state just what the domestic production is, although in 1913 there were quite a number of domestic factories manufacturing these products. In 1913 there were seven large factories engaged in making collapsible tubes, two in the manufacture of sprinkler tops, and a number of others engaged in the manufacture of both collapsible tubes and sprinkler tops. The production of sprinkler tops was estimated to be about $300,000 in 1913 and several million dollars in 1920. As a matter of fact, there has been a remarkable development in the domestic production of all of the items embraced within this paragraph.

The importations in 1921 amounted to only $109,000. In 1918 they were $64,000, in 1919 only $11,000, and in 1920 they were $94,000. Our importations bear a very small ratio to the production. With the production of several million dollars' worth, our imports, as I have stated, last year were only $109,000 worth. Probably about 5 per cent of the consumption comes from imports.

I think for the good of the country and in the interest of reasonable prices—and reasonable prices mean an advantage to all the people, manufacturers as well as consumers—it is important that there should be some foreign competition. I think it would be a most disastrous thing not only for manufacturers but for consumers if there was absolutely no foreign competition, disastrous in the sense that it leaves the domestic manufacturer unlimited opportunity, except such as may be developed from domestic competition, to charge just such prices as he may see fit to charge.

Unfortunately we have embarked upon an era of combination and confederation upon the part of manufacturers. There is a tendency for the small producer to be swallowed up, and ofttimes he seeks the process of being swallowed up by the larger one. Manufacturing enterprises gravitate together and we have huge aggregations of capital devoted to the various industries of the United States. It is unfortunate, in a way, but perhaps it is in harmony with the economic advancement of our country that domestic competition should be reduced to the minimum. The best condition in the economic and industrial world results from competition. Competition is not only the life of trade but competition spurs and develops trade and makes for the general advancement of all the people. I have had occasion to say three or four times during the debate upon the pending tariff bill that nothing could be so disastrous to big business itself as for it to have no competition and to give to the public unchallenged figures and prices upon its products. Even if the prices charged were reasonable, if there is no competition and the business is a big concern, the resentments of the people are aroused and they attribute to the corporation or to the big business oppression and intolerance of which perhaps it is not guilty; but our skepticism, our suspicions, our jealousies, and our resentments are immediately aroused when a huge concern dominates any particular commodity. So our big enterprises, for their own good and for the perpetuity of a fair and proper industrial system, ought to welcome some form of competition. If we can not get it from within let us get it from the competition from abroad. A healthy, wholesome condition will more nearly be found in the industrial world when there is foreign competition. I do not mean, even from a protective standpoint, such competition, of course, as would be absolutely destructive, assuming that were possible, of the domestic industry.

Here we have in these particular items an illustration of the point for which I am contending. We are producing here millions of dollars' worth and importing $100,000 worth. It would be better for the domestic market and better in the long run for manufacturers of these articles if there were a little more competition. If producers of any product have no com-

petition, first they charge extortionate prices, or that is their disposition, and that condition leads to stagnation. The greatest development in our industry has resulted from acute and active competition. If I am engaged in business and a bright and active competitor is upon my trail, then I am reaching out for scientific men, for men of ability, of genius, and skill, and competency that they may aid me in bringing my business to a high state of efficiency, that I may meet the active and aggressive competitor who is upon my trail.

This tariff, in my opinion, is too high; we have now no competition from abroad that influences the market; the competition is negligible; and yet, in view of that, it is proposed to impose what I conceive to be too high a duty.

I move, therefore, Mr. President, to amend the committee amendment by striking out "30" and inserting "25."

The PRESIDENT pro tempore. The amendment of the junior Senator from Utah to the amendment offered by the senior Senator from Utah on behalf of the committee will be stated.

The ASSISTANT SECRETARY. On page 87, line 20, before the words "per centum," it is proposed to strike out the numeral "30" and to insert the numeral "25."

Mr. HARRISON. Mr. President——

Mr. SMOOT. Will the Senator from Mississippi not allow us to take a vote on these two items? I do not think they will lead to any further discussion.

Mr. HARRISON. Very well.

The PRESIDENT pro tempore. The question is on the amendment of the junior Senator from Utah to the amendment offered on behalf of the committee by the senior Senator from Utah.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the senior Senator from Utah [Mr. SMOOT] as a modification of the committee amendment.

Mr. KING. On which amendment does my colleague now desire to vote?

Mr. SMOOT. On the amendment which I have offered to the committee amendment, striking out "45" and inserting "30."

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the Committee on Finance, as proposed to be modified, will be stated.

The ASSISTANT SECRETARY. On line 22, page 87, before the words "per centum," it is proposed to strike out the numeral "55" and to insert in lieu thereof the numeral "45."

The PRESIDENT pro tempore. The question is on the amendment of the Committee on Finance as modified.

The amendment as modified was agreed to.

NAT GOLDSTEIN.

Mr. HARRISON. Mr. President, some weeks ago there came before the Senate the nomination of Nat Goldstein for collector of internal revenue at St. Louis, Mo. The committee to which that nomination was referred considered it, but it is uncertain whether or not any report was ever made upon the nomination. At any rate, Nat Goldstein's nomination was discussed for many days in the open sessions of the Senate. The only facts that were revealed touching that nomination were those that were developed by the activities of the select committee of the Senate two years ago when investigating campaign contributions. The facts thus revealed by that investigation were so glaring and some thought disclosed such corruption that they contributed to defeat the nomination for the Presidency of one very strong candidate of the Republican Party. They did more than that, for when it was shown that Goldstein took $2,500 of the Lowden so-called "slush fund," my recollection is that it defeated Goldstein's election as a delegate to the Republican National Convention; or, at least, Mr. Lowden, a Republican candidate for President, came out and stated that, even though Goldstein was committed to his candidacy, he did not desire his vote. Goldstein was denounced throughout the country not only by the Democratic press but by the independent and Republican press; there was an odium that attached even to his name. In view of those facts it was surprising both to the other side of the Chamber as well as to this side when Nat Goldstein's name came to the Senate at the instance of President Harding.

It was natural, even in the circumstance of an overwhelming Republican Senate, when all the facts were revealed, that that name should have been withdrawn from the Senate; and it was withdrawn from the Senate. I am sure that many Senators on the other side of the aisle and Republicans and Democrats and Progressives throughout the country were more surprised this morning when they read, under a St. Louis headline, a letter, couched in most laudatory terms, written by President Harding to this same Nat Goldstein, who had been repudiated by the Senate—unanimously I might say—his nomination having been withdrawn.

So I am going to incorporate in the RECORD, or have read to the Senate the remarkable letter written by President Harding to Nat Goldstein, who has been denounced as a slush-fund taker. The facts show him to have taken $2,500 to be used in advancing Mr. Lowden's candidacy for the Republican nomination for President, but the letter written by the President of the United States to Nat Goldstein appears to be an effort to take away from him all the odium that may have attached to his name by reason of that incident which defeated Lowden's nomination. Evidently the President is not satisfied with appointing corruptionists to office, but he lauds them and says that "attacks" made upon them "are undeserved," even after the facts have come to his knowledge.

Mr. KING. Mr. President——

Mr. HARRISON. I yield to the Senator from Utah.

Mr. KING. My recollection is—I ask the question for information—that after Mr. Goldstein had taken this slush fund, so called, from the Republican candidate for the Presidency from the State of Illinois, he supported Mr. Harding, the competitor of Mr. Lowden.

Mr. HARRISON. Yes; he afterwards supported Harding. When money was first offered him by Lowden's representative he said he did not know whether he was for Harding or for Lowden. I am really sorry that the Senator has brought that out, because it might give the impression to the country that the President is still standing by Goldstein and saying that the attacks upon him were "undeserved" because of the fact that he laid down on Lowden and took up Harding, as many others did when they saw that Harding had a chance to be nominated at Chicago.

Lowden, $2,500 of whose money went to Nat Goldstein, does not speak of it the same as Harding does. I quote:

Lowden denounces Goldstein as unfit; gave false testimony on the campaign fund, says ex-governor, nearing here on *Olympic*.

Ex-Governor Frank O. Lowden, of Illinois, returning home from Europe on the *Olympic*—

I read an excerpt from a newspaper clipping of a few weeks ago, which was published on Mr. Lowden's return from Europe—

Ex-Governor Frank O. Lowden, of Illinois, returning home from Europe on the *Olympic*, sent a wireless message to the St. Louis Globe-Democrat last night condemning the nomination of Nat Goldstein to be internal revenue collector of the St. Louis district, and declaring to be "absolutely false" the testimony which Goldstein gave before the Senate investigating committee in 1920 in connection with the $2,500 check given him by a Lowden agent while he was seeking to be elected a delegate to the Republican National Convention.

The former governor and former presidential candidate says he was told at the time that Senator SPENCER of Missouri had Goldstein give his testimony before the committee.

Notwithstanding that repudiation by the man in whose interest the money was given and notwithstanding the opposition of the Senate, the President of the United States in his letter to Goldstein still holds him up as a pure man, and states that the attacks against him were undeserved. In view of that letter, I am wondering if the President wrote Ambassador George Harvey a letter commending his course. After Harvey had stated that "our boys in the late war were fighting because they were afraid not to fight" and because "they wanted to save their own skins," when the press of the country denounced that utterance and the Republicans and Progressives and Democrats alike condemned it, I am wondering, in view of this letter, if President Harding then wrote to Ambassador Harvey and said "The attacks upon you are of an undeserved character."

Here is the letter. It comes out from St. Louis. I do not know whether the President gave permission for Nat Goldstein to publish the letter or not. I presume that he did or it would not have been published; but it is carried in full by the Associated Press.

Here is what President Harding said to Nat Goldstein, following the action of the Senate in turning down his nomination:

CRITICISM OF GOLDSTEIN UNJUST, SAYS PRESIDENT.

ST. LOUIS, MO., June 12 (by the Associated Press).—President Harding has written Nat Goldstein that the criticism produced by the nomination of Goldstein for internal-revenue collector here, caused by Goldstein's acceptance of $2,500 of Lowden campaign funds, was of an "undeserving character."

Goldstein to-day made public the letter, which was in reply to one he sent the President May 10 asking that his nomination be withdrawn as a result of the criticism.

Goldstein did not ask that his nomination be withdrawn until he knew that that nomination would be repudiated by the Senate and turned down.

The letter follows:

MY DEAR MR. GOLDSTEIN—

How affectionately does the President write—

MY DEAR MR. GOLDSTEIN: I have been intending for some days to make an acknowledgment of the very gracious and considerate letter which you addressed to me under date of May 10.

I suppose that was the letter that was handed to the President by the Senator from Missouri [Mr. SPENCER].

You very promptly—

Says the President—

recognized a difficult political situation, for which neither of us is responsible, and you took yourself out of it in a very prompt and considerate way.

Let me read that again:

You very promptly recognized a difficult political situation, for which neither of us is responsible.

If Goldstein was not responsible and President Harding was not responsible, who was responsible for that very "difficult political situation"? But, anyway, the President says to Goldstein:

You very promptly recognized a difficult political situation—

It took him a long time to recognize it, because the nomination was before the Senate for weeks—

for which neither of us is responsible, and you took yourself out of it in a very prompt and considerate way. I should like you to know of my understanding of your feelings and my appreciation of your thoughtfulness in helping to solve it—

That was one of the great and delicate problems that was pressing upon President Harding, and it took "promptness," it took considerate action, it took "thoughtfulness" upon the part of Nat Goldstein to help the President to solve it.

though you were fully conscious of the undeserving character of the attack which your nomination brought out.

Lowden says his testimony was false. Lowden repudiated Goldstein. The papers of St. Louis repudiated Goldstein. The Senate of the United States repudiated Goldstein; and yet the President does not repudiate him, but says that the attacks were of an "undeserving character."

What attacks that were made upon Goldstein were of an "undeserved character"? The only attacks that were made upon him were from the bare facts of the record as disclosed in the investigation. The only facts that the Senate had was line after line of testimony before that committee as given by Goldstein and by his friends of the Republican organization in Missouri. Goldstein did not deny taking the $2,500. Goldstein did not deny that it came out of the Lowden slush fund. Goldstein admitted that he placed it in the bank to his credit, and that he was checking on it the same as he was checking against his other funds; and the facts show that Goldstein got the $2,500 because he was a delegate to the Republican National Convention, and with the implied understanding that he was to work for Lowden's nomination. Then what does the President of the United States mean by saying that the attacks made upon Goldstein were of an "undeserving character"?

I am wondering if there is anyone else in the whole United States who believes in the purity of elections and the sanctity of the ballot box who has the same view that President Harding has, that the attacks made upon Goldstein were of an "undeserving character."

I can assure you—

Says the President in this letter—

that Senator SPENCER has said only the most pleasing things concerning you—

If the Senator from Missouri said to the President only the "most pleasing things" concerning Nat Goldstein, evidently the Senator from Missouri did not tell him everything that the record disclosed touching the $2,500 of slush fund that Nat Goldstein took in order to promote Lowden's candidacy for the Republican nomination for President; and I take that as an indictment by the President of the United States against my good friend the amiable Senator from Missouri, when he said—

I can assure you that Senator SPENCER has said only the most pleasing things concerning you, else I should not have so readily approved of your nomination.

And so in the last few words, while it seems that the President lauds Mr. Goldstein he excuses himself from the responsibility of naming Goldstein. He was named evidently upon the sole responsibility of the junior Senator from Missouri, because the junior Senator from Missouri spoke to the President only in "the most pleasing manner," telling him only the "pleasing" things about Nat Goldstein.

With very best regards, I am,
Very sincerely, WARREN G. HARDING.

Mr. SPENCER. Mr. President, I apologize to the Senate for even for a moment lending assistance to the very manifest and often repeated interferences of the Senator from Mississippi with the tariff bill which is now before the Senate for discussion. The purpose is too obvious, and the manner is manifest; and yet in a moment I do want to correct some of the many misstatements which my good friend from Mississippi has been inadvertently led into making.

The Senate never did repudiate the nomination of Mr. Goldstein.

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

Mr. SPENCER. I did not interrupt the Senator from Mississippi. Perhaps he will let me finish my statement, because it will be but for a moment.

Mr. HARRISON. Very well; I will not interrupt the Senator.

Mr. SPENCER. The Senate never did repudiate the nomination of Mr. Goldstein. The Committee on Finance, to which the nomination was sent, never did adversely report that nomination. That nomination never was before the Senate for weeks of consideration, as the Senator from Mississippi has stated. The truth of the matter is, as the Senator from Mississippi knows if he will but turn his attention to it for a moment, that when that nomination was made—and I may say here that it was made upon my recommendation—I had known that man for 25 years. A more honest, clean, efficient public official and individual does not exist. I have no sympathy with those who stab in the dark, from the back, when the man who is attacked has no opportunity of answering the things that are said. It is a cowardly thing to do. On the hustings in the city of St. Louis the Senator from Mississippi would not dare to speak where the man whom he attacks has an equal right to respond to the things which were said.

Mr. HARRISON. Mr. President——

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

Mr. SPENCER. Here in the Senate, with the privileges of the floor, a man may say what he likes.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator yield?

Mr. HARRISON. I raise a point of order. I only want the Senator to be courteous.

Mr. SPENCER. I do not yield.

Mr. HARRISON. I raise a point of order.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. HARRISON. I say that the Senator has violated the rules of the Senate.

The VICE PRESIDENT. In what respect?

Mr. HARRISON. I just want an explanation of whom he is referring to by "cowardly attacks." He can employ language in debate that might be interpreted as insulting to a Senator.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. HARRISON. My point of order is that the Senator's language should be taken down and reported to the Senate. He may speak, of course, in generalities about "cowardly attacks," but not personally.

The VICE PRESIDENT. It has been taken down.

Mr. HARRISON. I want it to be read to the Senate to see whether or not I have the right to make a point of order. I do not know whether he was referring to me or not. I simply want to know that; that is all.

The VICE PRESIDENT. Does the Senator wish the language read?

Mr. HARRISON. Yes; I do.

Mr. SPENCER. Mr. President, if I may repeat, I first preface it by saying that an attack upon a man from a place to which the man who is attacked has no access, and in a manner so that the man has no opportunity to reply, is a cowardly attack.

Mr. HARRISON. All I want to know is, Does the Senator mean that I made a cowardly attack upon Goldstein?

Mr. SPENCER. I mean to say that the things which the Senator said—and he knows how I love him personally——

Mr. HARRISON. That may be true, but——

Mr. SPENCER. The things which the Senator has said about an absent man, in a forum where that man has not access and from which he can not speak, is a cowardly mode of attack.

Mr. HARRISON. Mr. President, I submit that the Senator has not any right to say that I have made a cowardly attack.

Mr. SPENCER. May I ask the Senator from Mississippi whether he thinks it is a brave way of attacking a man?

Mr. HARRISON. The Senator knows that I would not any more fear Nat Goldstein, or saying what I have said to his face, than I would the Senator himself, and the Senator must remember that when this nomination came in I made a motion

to have it considered in open session of the Senate. The Senator tried to cover it with darkness. He would have employed every cloak of secrecy. He wanted to shut the doors, so that what might be said would not reach the public.

Mr. SPENCER. Mr. President——

Mr. HARRISON. My whole action in this matter has been in the open, on the square, and the Senator knows it. I abhor the consideration of nominations for public office in secrecy. No nominee whose skirts are clean can fear it, and none but whose record is stained dread it.

Mr. SPENCER. I hope the Senator will not get away from the point we are now discussing. Does the Senator think it is a brave thing to attack a man on the floor of the Senate, where he has no opportunity to answer, under a privilege which does not extend to the individual attacked? It is not unusual on this floor——

Mr. HARRISON. The Senator is asking me a question——

Mr. SPENCER. But it is not a brave thing to do. It is a cowardly thing to do.

Mr. HARRISON. Of course, the Senator knows that accusations of "braver" and "cowardly" can be settled outside the Senate Chamber; but the Senator has asked me a question. When a nomination comes in, such as this, which stenches to high heaven—and the Senator has admitted recommending this nomination—the people will never know, unless it is discussed in the open, and they are informed of the manner of man being nominated. That is what I have attempted to do in the Goldstein matter. If the Senator had thought that he could possibly put over this nomination, he would to-day be fighting here for the confirmation of Nat Goldstein. It was only when he saw that there was no chance of his confirmation that he persuaded Nat Goldstein to write to the President and have the nomination withdrawn.

Mr. SPENCER. Mr. President, the statements just made by the Senator from Mississippi are as mistaken as his others. I long to hear some statement that bears the foundation of fact. I never yet thought, nor do I think now, such is my confidence in the fairness of the Senate, that if all the facts had been known there would ever have been any failure to confirm that nomination. More than that, I did not persuade or attempt to persuade the gentleman to withdraw his nomination. The fact of the matter was that when he was subjected to the public criticism, which was as unfounded as it was unjust, he took a stand precisely like that taken by the President in that manly, frank letter, of which I had not heard until the Senator just read it upon the floor of the Senate, and he said:

> My nomination seems to have produced a great deal of criticism from over the country. I would not be an embarrassing factor. I know how unjust and unfair the criticism is, but I ask that my nomination be withdrawn.

The withdrawal followed immediately when Mr. Goldstein was informed of the criticism his appointment had aroused, and before either the committee or the Senate had acted upon it.

It was infinitely a braver, more manly thing to do than, without foundation, to attack that man behind his back, with the privileges of the Senate floor protecting.

Mr. HARRISON. I have never asked any privileges of the Senate floor, and never will.

Mr. SPENCER. It was a manly thing to do. He sacrificed himself; and I want to say again to my good friend the Senator from Mississippi, as I take my seat, that from an acquaintance of 25 years, the man whom he delights to attack is as clean as a hound's tooth and as fair in battle as he is upright in life. Twice that man has been elected by the people of the city of St. Louis to the position which he now holds, viz, clerk of the circuit court of that city, with a record in office unequaled for efficiency, honesty, and courtesy. The Senator can attack him if he likes, and the Senator's words of attack, with the wings which carry evil report far more rapidly than the slower wings that carry good report, will reach 10,000 where what I say will reach only a hundred, but the fact remains that the Senator is unjustly and unfairly attacking a man who neither deserves it nor ought to receive it.

Mr. HARRISON. Of course, the Senator thinks the attacks are unjust, unfair, and undeserving, but others do not. May I ask the Senator, if he is through, whether Nat Goldstein was in the city of Washington on the day the letter was given to the President asking him to withdraw his nomination?

Mr. SPENCER. He was here on that day.

Mr. HARRISON. When was the letter written?

Mr. SPENCER. Is the Senator cross-examining me?

Mr. HARRISON. Oh, no; if the Senator does not want to be examined.

Mr. SPENCER. I see no occasion to be cross-examined on the floor of the Senate.

Mr. HARRISON. The Senator has stated that I have not been dealing with this matter in the open. He says Goldstein was here when I made an attack on him in the Senate that day.

Mr. SPENCER. When we are speaking of a Senator's cowardly attack on a man, why question as to whether he was or was not in the city of Washington on a given day? Let there be no quibble of words. Why depart from the issue? If the Senator wants any light I can give him upon the facts of the case, I will give it to him with pleasure. I am always glad to do anything I can for my distinguished friend from Mississippi.

Mr. HARRISON. I thank the Senator. My reason for asking whether Nat Goldstein was here on the 10th of May was that not only did I discuss the Nat Goldstein case on that day, the day on which the letter of withdrawal was handed to the President, but I discussed it on numerous occasions before that. I never attempted to do it behind closed doors.

If Mr. Goldstein has a personal matter with me, I am here in Washington all the time, and I assure the Senator no special privileges by me or the Senator have ever or will ever be invoked. The Senator knows I would not make a cowardly attack upon Nat Goldstein, the Senator, or anyone else, and I have only repeated from the record here the facts touching this whole matter.

The Senator seems to be offended this morning because I have read a letter from the President of the United States to Nat Goldstein. If these facts roil the Senator and cause him embarrassment as well as anxiety, or make him mad, I can not help it, but the Senator——

Mr. SPENCER. May I say to the Senator from Mississippi that I hope they do not make me mad; I know they do not cause me embarrassment. The feeling that surges in my heart is one of infinite regret, not for Mr. Goldstein, nor for the President of the United States for the manly letter which he has written, but for that in the character of the Senator from Mississippi—and he knows how I love him—which would lead him to read, as he has read, with the accent and manner and jeer of his presentation, the letter from the President of the United States in answer to a letter which was written him by a citizen of the United States. I dislike to see it in my colleague, the distinguished Senator from Mississippi; and he knows how I love him.

Mr. HARRISON. The Senator is very kind.

Mr. SPENCER. It affects my judgment of him. It makes me cringe when I hear him speak and act as he does, because he knows how I love him. [Laughter.]

Mr. HARRISON. Mr. President, I did not, however, think it would cause the Senator so much embarrassment. I think he is callous to embarrassment. If this incident of Nat Goldstein's appointment on the Senator's recommendation does not cause him political embarrassment, as well as heart hurt, in view of all the revelations, then I think he is beyond redemption. If the Senator thinks his friends are proud of his constancy and devotion to Nat Goldstein, and, in view of what has happened, persists in his defense, then they will feel the touch of humiliation, if not the Senator. I asked whether Nat Goldstein was here on the 10th of May, the day the letter was given to the President asking for the withdrawal of his nomination, because the sweet expressions of the letter of Nat Goldstein are so much the style and have to such a degree the sweet essence of the Senator from Missouri, that I feared very much Goldstein was not here. I am glad to know that Nat Goldstein was in the city on the 10th day of May, the day the letter was handed to the President, and the day on which the nomination was withdrawn from the Senate. I hope now that the Nat Goldstein nomination and withdrawal is a closed incident——

Mr. SPENCER. I am sure it is not.

Mr. HARRISON. The Senator feels that anything I have said involving the character of Goldstein has been undeserving. The President does, but the people of St. Louis do not, and I am sure the American people will not, but on the contrary indorse the action of the Senate in forcing the Senator to have the President withdraw the Nat Goldstein nomination.

Mr. SPENCER. Mr. President, I am sure the incident is not closed, unless an event should happen, which I hope will be postponed many years, and that is that the Lord in His wisdom should call the Senator from Mississippi home, for as long as the Senator from Mississippi lives and honors the Senate with his presence, as he does, I am perfectly sure that the incident, particularly if the tariff bill is up for discussion, will be repeated over and over again by the distinguished Senator who has just spoken.

Mr. HARRISON. And not very much to the delight of the Senator from Missouri.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the 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.

Mr. McCUMBER. Mr. President, if Nat Goldstein has been sufficiently discussed, I shall be pleased to have the Senate return to paragraph 384, providing for a rate on "new types."

The VICE PRESIDENT. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. On page 87, line 8, the committee proposes to strike out "15" and insert "25," so that if amended it will read, "New types, 25 per cent."

Mr. KING. Mr. President, the item we are now considering is called "new types." It is not a new type in this bill. It is an old type, because it is an attempt to impose, as I conceive, a rate of taxation that is entirely too high and wholly unjustifiable.

The existing law imposes a duty of 15 per cent ad valorem. The House in its wisdom accepted the existing law, but for some reason the able members of the Finance Committee have recommmended an increase to 25 per cent. I shall ask that the Senate disagree with the recommendation of the committee and that the rate fixed by the House be agreed to in the Senate.

To show the lack of justification for this increase, and, indeed, for that matter, for any tariff at all, it is only necessary to invite attention briefly to the production of type, the uses to which it is put, and the obvious and certain fact that it is produced in such large abundance in the United States, and produced for export. This item will strike the smaller newspaper man, the country newspaper, and it will particularly be injurious to the foreign-language newspapers published in the United States.

There are some Senators and some other people who believe that we ought to forbid the publication of foreign-language newspapers in the United States. I wonder if this item is aimed at the destruction of the foreign-language press of the United States or designed to create further obstacles to the publication of foreign-language newspapers.

I believe that foreign-language newspapers serve a fairly useful purpose. I wish the day might come when all of the people within the United States would speak and read the English language. We have hundreds of thousands, if not millions, of people in the United States to-day who do not speak or read the English language. They have come from southern Europe and from other countries of the world. They want some mental pabulum. They must have some mental food, and we have in the United States a large number of foreign-language newspapers, a great many Yiddish, Polish, Slav, Spanish, and Italian newspapers, and various others. I do not think we ought to make the publication of those newspapers more difficult, particularly in the manner described in the bill.

As stated, I hope the day will come when all of our citizenship will be able to read and write the English language, but since we have now in the United States millions of people who may not, I think it would be a mistake to deny them the right to read in the language of their native countries the news and such matters of general interest as are published in the newspapers.

In 1914 there were 31 establishments engaged in the manufacture of these types. The types were slugs of metal containing on one end raised dies of letters, figures, or typographical signs. They are used for setting up type composition for printing or as a form from which a stereotype or electrotype impression is made. Of course, the great metropolitan newspapers have a higher grade of machinery, and since the development of the linotype machines they are not interested particularly in this paragraph. But the small newspapers, which use the special fonts, and particularly the foreign-language newspapers, are tremendously interested in the item now before us.

To show how little the importations were, I will state that they amounted in 1918 to 15,600 pounds, in 1919 to 17,657 pounds, in 1920 to 35,000 pounds, and in nine months of 1921 to 22,633 pounds. It can not be said that revenue is sought, because the revenue derived during the years just mentioned was $610 in 1918, $862 in 1919, and $1,604 in 1920. The cost of collecting it and of the overhead and incidental expense would almost absorb the entire amount that was collected.

As against the imports of from 15,000 to 22,000 pounds per annum, we find that we exported type amounting to 614,421 pounds in the year 1914; in 1918 we exported 256,000 pounds; in 1919, 626,000 pounds; in 1920, 646,000 pounds; and for the year 1921 we exported 514,024 pounds. The imports would be less than 1 per cent of the exports, and yet it is proposed now to penalize the country newspaper and the small newspaper by imposing a tariff of 25 per cent upon this product so important to them. For whose benefit is it?

As stated, we not only manufacture substantially all that is consumed in the United States, but we expect from 300,000 to 600,000 pounds per annum. Obviously, the purpose is to increase the price. For whose benefit? For the benefit of the 31 manufacturing plants, or, if not for their benefit, for the benefit of those who produce antimony and lead, which form the principal constituent parts of the product.

Is it because we put a duty upon lead and a duty upon antimony that the committee feel constrained to impose 25 per cent upon the finished product, which is so important to the country newspapers? Are we further to contribute to the lead interests and to the antimony interests or are we further to contribute to the prosperity and the advantages and profits of the 31 or more manufacturing plants engaged in the production of this article?

I submit that with the record which is before us there can be no justification for the imposition of this tariff rate. The Tariff Commission said in their survey:

> The domestic type-founding industry is firmly established and competent to fill the domestic demand. Extensive competition with the European article either here or abroad is prevented by the difference in type standards. The exports to the other American markets are due to the prevalence of American-made printing presses in those countries.

We are exporting, as I have said, hundreds of thousands of pounds per annum. We go into the markets of the world and compete with them. We supply substantially all of the domestic consumption, and yet, in the light of that, in the face of the fact that we have less than 1 per cent of foreign importations, it is proposed now to impose this tariff rate. If the committee can justify it, then it can justify anything, it seems to me.

As I have stated, I move to strike out the numeral "25" and insert in lieu thereof the numeral "15." I am ready for a vote.

Mr. McCUMBER. Mr. President, when the senior Senator from Mississippi [Mr. WILLIAMS] is absent from the Chamber, I must always look to the junior Senator from Utah [Mr. KING] as being the exponent of what constitutes real Democracy. But even in that case I find great difficulty at times in determining where to draw the line between that which is sacred to the Democratic mind and that which becomes profane literature in a tariff bill.

On this particular item I observe that the Democratic rate is 15 per cent ad valorem. The Republican rate is 25 per cent ad valorem. At what particular point do we leave the sacredness of the Democratic rate and enter into the realm where it at least excites the profanity of those upon the other side of the Chamber? Will a 5 per cent additional rate or a 1 per cent additional rate or a 10 per cent additional rate make all the difference in the world between whether it is fair or unfair, just or unjust? I do not know where to draw the line.

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

Mr. McCUMBER. Certainly.

Mr. KING. Does not the Senator know that in metaphysics, in philosophy, in morals, and in law it is sometimes difficult to draw the dividing line, but there is a dividing line where interest becomes usury and where it is not usury, where an act becomes a wrong and where it is justified by the public conscience. Of course, there are acts which are malum prohibitum and malum in se, where probably the view I am expressing is not quite accurate. It is difficult to see where daylight begins and darkness ends. It is hard to conceive where the tariff rate should end and where the free list should commence. Here, if I could have my way, I would put the article upon the free list.

Mr. McCUMBER. I think I understand the Senator, that 15 per cent is right in everything and 16 per cent is wrong in everything, and, of course, every per cent added but adds to the wrong. But I wish to correct the Senator from Utah on the basis of his argument. He says this is striking at the interests of the little country newspaper in the United States. I think I am correct in saying that not one line of English-language type is imported into the United States. There is a considerable quantity of Chinese characters and Japanese characters and other foreign-language type imported, but my understanding is that that is all that is imported into the United States.

I agree with the Senator from Utah that it is not an important matter. The amount of the importations is low. The tariff duty collected under the Underwood law is small; but if the Senator will look over the importations he will find that, with a 25 per cent ad valorem duty upon this foreign type, we

received in quantity just about as much as we did under the 15 per cent ad valorem duty. It is my opinion that when we return again to the 25 per cent ad valorem duty the result will be practically the same. But it is not a matter of importance. If I knew exactly where to draw a line that would satisfy everyone in the Senate, I think I would be inclined to recommend it, but I believe we will get a little more revenue out of a 25 per cent ad valorem duty than we could out of a 15 per cent ad valorem duty.

Mr. KING. Mr. President, the Senator proceeds upon the theory that a tariff is of no benefit, or rather that it is innocuous, in so far as it would affect the domestic price. Of course, the Senator does not take that position. Everybody admits that the tariff is imposed for the purpose of raising prices or permitting the domestic producer to raise prices up to the limit which the tariff wall permits.

Mr. McCUMBER. If the Senator will allow me, in this instance I do not think it is anything but a tariff for revenue only, and it will not affect the price at all of the ordinary type used in this country, but may have some slight effect upon the foreign type. Remember, we are manufacturing German type and Slavic type and every other kind of type in this country in immense quantities, and I doubt if the little importations would affect even that price. I think a closer scrutiny will satisfy the Senator that most of this type comes from countries having a type so very different from that ordinarily used in this country that it will not in any way affect the price of the type made here.

Mr. KING. Mr. President, the imports of type consist, as I have indicated, of a very few thousand pounds annually, and consist mainly of special fonts for foreign-language publications. They are derived principally from Germany and from some of the Slavic countries of Europe and from China and Japan. But the 25 per cent rate fixed by the bill is not limited to foreign-language type. It applies to all type—to English-language type. It is clear that the imposition of the tariff rate of 25 per cent ad valorem will permit the domestic manufacturer, if he wishes to do so, to raise the price not only of foreign-language type but of English-language type to the limit which the 25 per cent tariff would permit him to reach.

Why, of course, the child upon the street knows that the tariff is a tax. Everybody knows that the tariff is imposed for the purpose of permitting the domestic producer to increase the price of his products. Of course, in this instance we produce type perhaps more cheaply than almost any other country in the world, or we can do so; but because we do or may or can is no guarantee that we will, and that producers will not take advantage of the tariff and raise their prices if there is no competition from abroad.

The imports are less than 1 per cent per annum of the domestic production, but suppose there should be foreign competition because of the high prices of type in the United States. The prices in 1921 were 68 cents per pound as against approximately 19 cents per pound in pre-war times. Suppose the domestic manufacturer should continue those high prices, and foreign manufacturers of type should see that they could come into the United States and engage in competition and find a market for some of their products under the 15 per cent tariff, it is clear that the American producer, if he had a 25 per cent tariff, would undoubtedly take advantage of it and raise the domestic price to the limit to which the 25 per cent rate or tax permitted him to raise it. In other words, the tariff is a dike, and the water of the domestic producer is lifted in the reservoir to the top of the dike. The domestic producer raises his prices ordinarily to the point where he can do so under the dike or dam which the tariff exactions erect.

I agree with the Senator that many of these little items contained in the bill are not very important. A pair of shoes is not very important to a rich man, although a pair of shoes may be very important to a poor man; but taxes on thousands and tens of thousands of unimportant items, if each tax increases the price, in the end make the aggregate burden beyond computation and make it oppressive to bear.

The trouble with this tariff bill is that it reaches almost every article that enters into the lives of the people; it is a tariff bill that covers the entire people and all of their products; which rests upon the rich and the poor, upon the high and the low, upon the farmer, and upon all other classes of people; and yet many of the schedules are so drawn that the rates lie more heavily upon the poor than upon the rich, and the burdens will be felt by the masses rather than by the rich people of the United States.

The Senator from North Dakota very properly comments upon the difficulty in determining just where the rates should be raised and where the increase in the rates should be stopped. There is a practical difficulty there; I concede it very readily, Mr. President. I agree with the Senator in his rather ironical inference that there is some point where the tariff becomes a vice and ceases to be a virtue. Wherever a tariff rate becomes so oppressive as to make for the advancement of any special interest unquestionably it becomes a vice. If tariff duties are imposed for revenue purposes, it can not be said that they are a vice. They constitute a legitimate method of obtaining revenue, but it seems to me that the dullest student of political economy can appreciate the fact that there is a point at which the tariff rates ought to stop. Up to that point they may be justified, they may be legitimate, but beyond that point they are illegitimate and it becomes a moral wrong as well as an economic fallacy to impose such rates. I think in this instance there ought to be no tariff. When we are importing less than 1 per cent of the domestic production, and the revenue to be derived is merely three or four hundred or a thousand dollars a year, it seems to me that it is folly to levy a tariff for revenue purposes. If the tax is not laid for revenue purposes, then it is clear that it is laid for the purpose of permitting the domestic manufacturer to have an absolute monopoly in the market. Therefore I say it is indefensible.

Personally, I should move to put the commodity on the free list; but, in view of the fact that it has borne or bears now a rate of 15 per cent, I shall ask that the Senate disagree to the committee amendment. There is no reason suggested why the Senate should increase the rate over the amount fixed by the House. The House was satisfied with 15 per cent ad valorem, accepting the rate found in the Underwood law, but the Senate committee, without any reason, I submit, has recommended almost double the House rate. I am ready for a vote.

The PRESIDING OFFICER (Mr. PEPPER in the chair). The question is on the committee amendment.

The amendment was agreed to.

The READING CLERK. The next committee amendment is on page 87, line 9.

Mr. McCUMBER. I ask that the Senate next consider paragraph 393, on page 91.

The PRESIDING OFFICER. The Secretary will state the amendment of the Committee on Finance in paragraph 393.

The READING CLERK. On page 91, line 5, before the words "per cent," the committee propose to strike out the figures "45" and to insert "60," so as to read:

PAR. 393. Articles or wares not specially provided for, if composed wholly or in chief value of platinum, gold, or silver, and articles or wares plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured, 60 per cent ad valorem.

Mr. KING. Mr. President, I wish to inquire of the Senator from North Dakota as to the propriety of considering the omnibus clause, the basket clause, of this subject in advance of considering the other paragraphs which fix specific or ad valorem rates.

Mr. McCUMBER. I think we have covered about all of those, except some few which have been passed over at the special request of Senators.

Mr. KING. I beg the Senator's pardon. I understood that paragraphs 390, 391, and 392 had not been disposed of.

Mr. McCUMBER. That is true; but those contain certain specifications and I do not think they in any way affect the basket clause. The first part of paragraph 393, as the Senator will observe, refers to—

Articles or wares not specially provided for, if composed wholly or in chief value of platinum, gold, or silver, and articles or wares plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured.

In this case we have followed the usual rate of duty which has been placed upon luxuries or wares of gold or silver, which is 60 per cent ad valorem upon the foreign value. It is an increase of only 10 per cent compared with the present law.

Mr. KING. Did the Senator by recommending an increase over the House bill have in mind only the difference between the foreign and the American valuation?

Mr. McCUMBER. No; I can not say that that alone was controlling at all, but all these articles are considered as luxuries, and it has always been thought that they are legitimate sources of revenue and that we should derive from them the most revenue possible.

Mr. KING. I should like to ask the Senator, in view of the fact that nearly all the gold in the world—that is putting it rather too strong, perhaps, but we do have by far the greater part of the metallic gold used for monetary purposes——

Mr. McCUMBER. About two-thirds of it, I think.

Mr. KING. A little more than two-thirds now, and $34,000,000 came in yesterday. We are draining the nations of Europe and of other continents because of their necessities, and, of course, as we drain them we disturb their fiscal systems. They

can not maintain a sound fiscal policy unless they have gold reserves under the gold standard which obtains in the world. So we are contributing by this draining process to the demoralization of the fiscal systems of the nations of the world. Of course, Russia never can have a fiscal system when she has no gold; and the gold of Russia will soon be exhausted. That, however, is not important to discuss now. The question I was going to ask the Senator is, Does he feel, in the light of the great plethora of gold in the United States and the limited quantity in Europe or in other countries which possibly may produce or do produce the articles embraced in paragraph 393, that there is very much danger of any serious competition from those countries? I am willing upon these articles to obtain a very handsome revenue; I think some of them are objects that could legitimately be taxed for revenue purposes.

Mr. McCUMBER. Gold is one thing in the world that has a stable value; it costs just as much in the United States as it costs abroad. It can be purchased for the same price abroad as it can be purchased in the United States. Therefore, considering the raw material, the cost is exactly the same; but when we come to jewelry and articles of similar character, and gold and silver plated ware, the item of labor is more important than anything else. The artisan in this country is being paid from 5 to 10 times what the artisan is being paid on the other side of the water. Therefore, as the raw material can be purchased at the same price and it is a question of labor only, I am inclined to think that in the future there will be more danger of heavy imports of these articles than ever before, because the foreign manufacturers are selling not gold, but they are selling labor that costs $1 as compared to labor that costs 10 times that in the United States, and therefore are selling their commodities at ten hundred per cent profit.

Mr. KING. Mr. President, this paragraph is rather important, and, unless it is studied very carefully and with many documents before the student and investigator, it will be impossible to determine just how all-comprehensive it is. What is meant by articles that contain "silver" or "wares plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured"? What class of articles are embraced within that category?

Then in the next three or four lines we find articles "composed wholly or in chief value of iron, steel, lead, copper, brass, nickel, pewter, zinc, aluminum, or other metal, but not plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured," upon which a duty of 40 per cent is proposed to be levied.

I fancy that a stove would be composed wholly or in chief value of iron or steel. Many of the household commodities, many of the articles with which we daily come in contact in our lives, are composed wholly or in chief value of iron or steel or lead or copper or brass or nickel or pewter or zinc or aluminum. The Senator knows that there is an enormous production of aluminum products in the United States to-day. Aluminum enters into kitchen ware, it enters into the construction of automobiles, and its use is becoming greater and more pervasive in the industrial world every day. Does the Senator intend by this paragraph to embrace stoves and the multitude of articles that are composed in part of steel or brass or any of these metals?

Mr. McCUMBER. Mr. President, the Senator knows the purpose of a basket clause. We take out about everything that we can think of in the matter of manufactured articles that have designated names and we give them a duty, either specific or ad valorem; but as there might be others that would be of equal value that might escape if not specifically mentioned, we therefore include them in what we call a basket clause. All of these other matters that the Senator is speaking of are specifically mentioned, and of course would not fall under the basket clause.

Mr. KING. Are stoves and ranges specifically mentioned in some of the paragraphs?

Mr. McCUMBER. Oh, yes; all of these manufactured products. I do not know that anybody is manufacturing aluminum stoves at present.

Mr. KING. No, no; but the Tariff Summary states under paragraph 393 that it refers to stoves, ranges, gas and oil stoves, steel springs, cars, and carriages——

Mr. McCUMBER. Those are not made of precious metals.

Mr. KING. No, no; but if the Senator will answer my question I shall be very much obliged. Does the Senator mean that these articles which the Tariff Summary classifies as coming under this paragraph have been dealt with specifically in other paragraphs of the bill?

Mr. McCUMBER. Almost all have been covered specifically in other portions of the bill. I can not pick them out and enumerate them at the present time, but the basket clause is only to cover those that we have not specifically mentioned. The only difference between this paragraph and the present law, so far as the wording is concerned, is that there have been added after "gold or silver" the words "or colored with gold lacquer." The House committee thought those words should be inserted in this paragraph. In other respects, as I now recall, there is no difference whatever between this language and the present law, and the present law has been construed, and I have not heard of stoves or any of those articles being imported under it.

Mr. KING. The Senator knows that the present law might have taken stoves, oil stoves, and some of these steel products that I have read out of the omnibus or basket clause and put them in some other clause and given them a different rate, and the committee in drafting this bill may have eliminated the items that I have just referred to from those specific clauses and intended to embrace them within this basket clause.

Mr. McCUMBER. If the Senator speaks of stoves as such, ordinary iron stoves, I will say that they would come under this clause, because they are not mentioned elsewhere.

Mr. KING. That was what I understood.

Mr. McCUMBER. But there have been no importations whatever of stoves, and undoubtedly there will be none.

Mr. KING. I know that, and that is exactly the reason why I am challenging attention to the matter. There are items that the Senator now proposes to tax at 40 per cent, stoves and oil stoves and steel springs and a multitude of products used by the great mass of the poor people of the United States, of which the domestic manufacturer has had a monopoly, because we could produce them cheaper than almost any other country in the world; and yet, if we now fix this high tax of 40 per cent ad valorem, it puts it in the power of the domestic manufacturer to charge the poor people of the United States and those who buy stoves and springs and the steel products to which I referred a higher price than should be charged.

Mr. McCUMBER. Inasmuch as no stoves are being imported under the present law, and inasmuch, therefore, as the manufacturers might have raised their prices under the present law, and taking into consideration the fact that there are a great many manufacturers of stoves, I do not think the Senator can believe that this duty will affect in any way the price of stoves. I do not think they will come in.

Mr. KING. If none are coming in, if we may trust the domestic producers not to charge too much, and if we get no revenue, let me suggest in all good faith to my learned friend that we put these stoves on the free list.

Mr. McCUMBER. We are not on the free list now. If the Senator thinks they ought to be place upon the free list, when we come to the free-list section we can consider the matter. This is a mere basket clause. We can specify any particular article that we desire to put elsewhere in the bill, and, of course, it will not then fall under this particular clause. I really do not think myself that stoves should be upon the free list, but I do not think it would make much difference whether we had a 10 per cent duty or a 50 per cent duty; none would come in.

Mr. KING. Passing now from these steel and iron products which are so commonly used by the people, let me direct the Senator's attention to the aluminum products that are covered by this basket clause.

Mr. McCUMBER. The Senator will bear in mind what I stated a moment ago, that practically all aluminum manufactured articles that we could think of are taken care of by the specific provisions. It may be possible that some new thing could be manufactured in aluminum that we have not heard of before that would fall under this clause. If we have left out any, I think it was through error, not through intention; but we have not fixed the aluminum duties as yet, and therefore I do not want to discuss aluminum rates at this time. We have not passed upon that matter yet.

Mr. KING. I shall not invite the Senator's attention to it, then.

Mr. SMOOT. Mr. President, I will say to the Senator, though, that if they fell under this basket clause there would be a lower rate upon them than there would be in the paragraphs where they are provided for as the bill was reported to the Senate.

Mr. KING. That might be true as to aluminum. I am not so sure as to some of the steel products.

Mr. SMOOT. I thought the Senator had reference only to aluminum.

Mr. KING. In this last observation, yes; but I have been discussing the stoves and iron and steel products, which in some of the specific paragraphs perhaps bear in some instances

a higher and in some instances a lower rate than the basket rate.

Mr. McCUMBER. Let me say to the Senator that if he will look in paragraphs 339 and 374 and find any aluminum product that is not included within those two paragraphs and will call our attention to it, we will give it specific consideration.

Mr. KING. Mr. President, I have no doubt that the able chairman of the committee intended, and perhaps he had good reasons, to cover in the specific paragraphs of the bill all of the aluminum products; and of course there is the utmost propriety, and I find no fault with that, in attaching to a bill an omnibus clause, a basket clause, for fear that some items may escape taxation under the specific provisions of the bill.

Mr. McCUMBER. Escape revenue.

Mr. KING. Escape taxation. There is a little difference in the terminology and perhaps some difference in the meaning ascribed to the process by the Senator from North Dakota and that ascribed to it by myself; but, Mr. President, I feel that the rates fixed for aluminum products in the other paragraphs to which the Senator from North Dakota has called my attention are entirely too high in view of the fact that we have an aluminum trust in the United States; but I shall not digress for the purpose of discussing the Aluminum Trust and its great production now. When we come to a discussion of the aluminum product we will take that up. I shall pretermit any elaborate discussion now of the products embraced in paragraph 393, but I want to say that when we discuss the paragraphs dealing with aluminum and its products and stoves and other articles that might come under paragraph 393 I may revert to this paragraph again and offer further amendments, or move to reconsider. I shall content myself now with merely asking that we disagree to the committee amendment found in line 5, page 91, wherein the committee recommends striking out the numerals "45" and inserting in lieu thereof the numerals "60."

Mr. SMOOT. Mr. President, just a word. I wish to say that the existing law on those particular items is 50 per cent, and the committee proposes a rate of 60 per cent on them. I do not think it is necessary for me to repeat what the Senator from North Dakota has already stated, as I understand.

Mr. KING. Yes; he discussed that matter.

Mr. SMOOT. I simply want to add to what has already been said that the Tariff Commission goes through the tariff acts, and wherever an article has been invented and placed upon the market and the production of that article is of a quantity sufficient to justify a specific mention of it in a tariff bill, it is put specifically in the next tariff bill that is passed after the arrival of that time, if there is any likelihood of importations.

I will say frankly to my colleague that there are items included in this bill of which we export many, many times more than we import; but that happens in nearly every schedule, and this schedule is no different from the others, with the exception that the production of the goods falling in these brackets is larger than perhaps in the case of any other bracket that there is in the whole bill—even larger than the agricultural implements, and that, I think, is the next basket clause. The rest of the basket clauses, as far as the amount of dollars and cents is concerned, is very limited, indeed.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. The next amendment is, on line 9, where it is proposed to strike out "35" and insert "40," so as to read:

if composed wholly or in chief value of iron, steel, lead, copper, brass, nickel, pewter, zinc, aluminum, or other metal, but not plated with platinum, gold, or silver, or colored with gold lacquer, whether partly or wholly manufactured, 40 per cent ad valorem.

Mr. KING. Mr. President, I move to amend the committee amendment by striking out the numerals "40" and inserting in lieu thereof the numerals "25."

Mr. President, of course, it is almost impossible to discuss this amendment and this part of the paragraph in a comprehensive or in an intelligent way unless you have before you the preceding schedules which deal with the multitude, perhaps thousands, of items, articles, commodities that are composed in part of iron, or steel, or lead, or copper, or brass, or nickel, or pewter, or zinc, or aluminum, or other metal.

Of course, as my colleague has said, this is the basket clause. An attempt has been made to deal in other clauses and paragraphs of the bill with substantially all of the products composed of these metals if the products are of any particular importance. However, my colleague will bear me out when I say that it has been discovered over and over and again that the basket clauses cover items the consumption of which in the United States amounts to millions and millions of dollars, and because items may be transferred to or included in the basket clause does not argue that those items are unimportant either in value or in quantity. Indeed, the basket clauses oftentimes cover some of the most important commodities and products that are consumed by the people. It is impossible, I repeat, to state just what items composed in part of iron, steel, lead, copper, or these other metals are embraced within this basket clause. It is obvious to any person who stops to think for a moment that unless the other clauses are very comprehensive, then there are transferred to this omnibus paragraph not hundreds but thousands of articles, and I have no doubt that if a catalogue of the commodities which are composed in part of the metals which I have just stated were prepared, and reference then was made to the preceding or to the following paragraphs of the bill dealing with those commodities, it would be found that there are hundreds, if not thousands, of commodities which must be found within this basket clause and covered by the rates found herein. So that this basket clause becomes an important part of the bill, and it ought to receive the utmost consideration.

I can easily conceive that some of the products which are found within this basket clause might easily bear a rate of duty of 35 or 40 per cent ad valorem, first because of the revenue, and, secondly, if you believe in protection, because they may relate possibly to some commodities being produced under very strong competitive conditions, and, indeed, may be produced by a new industry. But to say that all of the thousands of items that may come within this basket clause should bear a high rate of duty is inconceivable. When we know of the products of aluminum, of steel, of iron; when we think of stoves and all of the cast-iron products, wrought-iron products, and steel products which form such an indispensable part of the lives, of the economy, of the industry, of the work of the great mass of the people, then it becomes important for us to determine whether we shall impose burdensome taxes upon them, and I am not willing to vote for a tax of 40 per cent upon this great multitude of items which inevitably must find lodgment under the provisions of this omnibus section.

Therefore, Mr. President, without further analyzing the matter, and having given notice that upon further examination of the special schedules dealing with cognate articles I might recur to it and move to further amend, I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. KING] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I ask that we now take up Schedule 4, wood and manufactures of wood.

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ball	Glass	McLean	Sheppard
Bursum	Hale	McNary	Shortridge
Calder	Harris	Nelson	Simmons
Cameron	Harrison	Newberry	Smoot
Capper	Heflin	Nicholson	Spencer
Culberson	Jones, N. Mex.	Norris	Sterling
Cummins	Jones, Wash.	Oddie	Sutherland
Curtis	Kendrick	Overman	Swanson
Dial	King	Owen	Townsend
Dillingham	Ladd	Pepper	Underwood
Edge	La Follette	Phipps	Wadsworth
Elkins	Lenroot	Poindexter	Warren
Ernst	McCormick	Pomerene	Williams
Fernald	McCumber	Ransdell	Willis
Frelinghuysen	McKinley	Rawson	

The PRESIDENT pro tempore. Fifty-nine Senators having answered to their names, a quorum of the Senate is present. The Secretary will state the next amendment.

The next amendment was, under "Schedule 4, Wood and Manufactures of," on page 91, after line 15, to strike out:

PAR. 401. Timber, hewn, sided or squared otherwise than by sawing (not less than 8 inches square) and round timber used for spars or in building wharves, one-half of 1 cent per cubic foot.

Mr. SIMMONS. That is stricken out?

Mr. SMOOT. The committee strikes out paragraph 401, and carries it to paragraph 1683, on the free list.

Mr. SIMMONS. Is any countervailing duty proposed?

Mr. SMOOT. No; not in connection with this item.

Mr. UNDERWOOD. Mr. President, I want to say just a word in reference to the pending amendment. The bill as it came from the House to the Senate provided a tax on timber,

hewn, sided, or squared, of 1 cent per cubic foot. Under the existing law timber of this kind is on the free list. I congratulate the committee on the fact that they have returned this item to the free list, where it belongs. There is no injury done to the industry with timber of this kind on the free list, and I hope that when the bill goes to conference, the Senate conferees will be firm in maintaining their position that timber and shingles, the latter in another portion of this schedule being also taken off the tariff list and put on the free list, in conformity with existing law, shall remain on the free list.

In the debate heretofore the fact has been referred to that the Finance Committee has not taxed these necessities of home building, and that they have put this heavy class of timber and shingles on the free list, which is entirely satisfactory to me. The only thing I want to be assured of is that when the bill goes to conference the Senate conferees will not yield and bring in a conference report we can not change, in which we will find that they have yielded to the House and placed these articles on the tax list.

Of course, there can be no objection that I can see to agreeing to the committee amendment, as it is certainly a move in the right direction.

Mr. SMOOT. All I can say to the Senator from Alabama is that I do not think there is any intention on the part of any member of the committee who may happen to be on the conference committee of yielding on this item.

Mr. POMERENE. Mr. President, I wish to say just a word in confirmation of what has been said on the subject by the Senator from Alabama. One of the troubles in our section of the country is to get lumber for house building. That includes all kinds of lumber. It has been truly amazing that anyone would think of adopting a policy in this country which would encourage the destruction of our own forests when there is such a vast quantity of building lumber to be had in the great forests of Canada and elsewhere. I know that the placing on the free list of this kind of lumber, with shingles, weatherboarding, and all kinds of lumber used in the building of houses and barns, would be a great boon, not only to the farming community, but to the laboring element as well. I do indulge the hope that these items will not be restored to the dutiable list.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 91, at the beginning of line 22, before the word "logs," to strike out "class of"; at the beginning of line 25, before the word "no," to strike out "has," and insert "has"; on page 92, line 1, after the word "United," to strike out "States," and insert "States,"; and in line 5, after the word "such," to strike out "class of"; so as to make the paragraph read:

PAR. 402. Logs of fir, spruce, cedar, or western hemlock, $1 per thousand feet board measure: *Provided*, That any such logs cut from any particular class of lands shall be exempt from such duty if imported from any country, dependency, province, or other subdivision of government which has at no time during the 12 months immediately preceding their importation into the United States maintained any embargo, prohibition, or other restriction (whether by law, order, regulation, contractual relation or otherwise, directly or indirectly) upon the exportation of such logs from such country, dependency, province, or other subdivision of government, if cut from such class of lands.

The amendment was agreed to.

Mr. UNDERWOOD. Mr. President, the amendment of the committee made in the paragraph just agreed to does not in any way change the rate. It merely makes a change in the wording of the section. The rate is the material thing in which we are involved, and, of course, under the rule under which we are now proceeding we can not move to change the rate in the paragraph. When the proper time comes and opportunity is given, a motion will be made to rectify the rate, but in passing I merely wish to say——

Mr. SMOOT. I wish to say in this connection that if Canada takes off her duty these items will automatically go to the free list, but the Senator, of course, desires that they shall go to the free list now.

Mr. UNDERWOOD. I want them to go back where the existing law has them. We discussed the question of these provisions against Canada some time ago. I shall not take the time of the Senate to reargue that question, because Canada has clearly indicated her desire for a reciprocal tariff arrangement, which has been denied by our Government at the present time. Of course, putting in the provision with reference to logs without going into a general reciprocal arrangement means nothing. It means that the tax will continue on logs probably during the life of the tariff law.

We have talked a good deal during the discussion of the bill about a compensatory duty, about the necessity, for instance, of taxing ferromanganese because we tax manganese ore. There may be some reason in the proposition, but here we find the committee putting timber, hewn, sided, or squared, on the free list, to which I do not object, and at the same time taxing $1 per thousand feet logs out of which hewn or sided timber is made.

Under the existing law logs of this kind are on the free list. Even under the act of 1909, known as the Payne-Aldrich law, logs were on the free list. The production of this class of logs in the United States has been very great. The importation has been very small. In addition to that there has been some exporting of logs of this kind into foreign countries. In 1920 the exports amounted to $454,000. So there is really no danger of seriously injuring the logging business by allowing logs to come in free. It is only a question of profit or holding down excessive profits in some neighborhoods.

If the committee thinks it is perfectly safe and wise to put timber, hewn, sided, or squared, on the free list and to put a tax of $1 a thousand on logs, of course, it is for the Senate to determine. As I said in the beginning, we can not make a motion to put this item on the free list until after the committee amendments are disposed of. I merely want to make this statement in passing to show that the question has not been overlooked.

Mr. SMOOT. All I wish to say is that if Canada wants the logs from Canada to come into the United States, all she has to do is to allow the same articles to go free into Canada, and then they will come in free.

Mr. UNDERWOOD. Of course, we discussed that proposition the other day. I realize that if Canada wants her logs to come in here free she can put logs of ours on the free list. I am not concerned and I do not think the Senate is concerned about what Canada wants. What the American people want is cheaper material out of which to build their homes. The people who want lumber, the people who live in the great States along the northern border, such as Minnesota and Iowa and the Dakotas, who have not much lumber of their own and are desirous of having reasonable priced timber for building their homes, are not concerned with what Canada wants. They are concerned with what they themselves want. If the committee thinks it is all right to put squared timber made out of logs on the free list, I can not see any reason whatever why they should tax the shipment of logs into the United States. I do not think, so far as the American people are concerned, that the attitude of Canada in the matter concerns them at all.

The next amendment was, on page 92, line 8, after the word "wood," to strike out the comma after the word "ivy," so as to make the paragraph read:

PAR. 403. Brier root or brier wood, ivy or laurel root, and similar wood unmanufactured, or not further advanced than cut into blocks suitable for the articles into which they are intended to be converted, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 92, after line 11, to strike out:

PAR. 404. Cedar commercially known as Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, Japanese white oak, and Japanese maple, in the log, 10 per cent ad valorem; in the form of sawed boards, planks, deals, and all other forms not further manufactured than sawed, 15 per cent ad valorem; veneers of wood and wood unmanufactured, not specially provided for, 20 per cent ad valorem.

And in lieu thereof to insert:

PAR. 404. Sawed boards, planks, deals, and all forms of sawed cedar, commercially known as Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, Japanese white oak, Japanese maple, and all other cabinet woods not further manufactured than sawed, 15 per cent ad valorem; veneers of wood, and wood unmanufactured, not specially provided for, 20 per cent ad valorem.

Mr. UNDERWOOD. I inquire of the chairman of the committee if this is an increase over the present rate?

Mr. McCUMBER. I understand that it is an increase.

Mr. SMOOT. As I remember, it is a 5 per cent increase.

Mr. McCUMBER. In veneers it is proposed to make the rate 15 per cent, and it is 10 per cent under the present law.

Mr. UNDERWOOD. This is one of the items which the committee have reported which to a certain extent may be classed as luxuries, and although the increased rate will increase the tax on the American people, I do not think it will make a prohibitive rate, and it may increase the revenue somewhat. So I am not disposed to resist this particular amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 93, line 7, after the words "wagon blocks," to strike out "car" and insert "oar," so as to make the paragraph read:

PAR. 406. Hubs for wheels, posts, heading bolts, stave bolts, last blocks, wagon blocks, oar blocks, heading blocks, and all like blocks or sticks, roughhewn, sawed, or bored, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 93, after line 11, to strike out:

PAR. 408. Shingles, 50 cents per thousand.

Mr. McCUMBER. I ask that this paragraph may go over on account of the absence of the Senator from Minnesota [Mr. KELLOGG], who desires to be present when it is considered.

Mr. UNDERWOOD. May I ask if the desire is to return shingles to the tax list?

Mr. McCUMBER. The desire of the committee is to leave them as they are and the Senator from Minnesota desires to leave them as they are, on the free list, but there are Senators who desire to put a duty of 50 cents per thousand on them. As the paragraph may later come up in the Senate for separate consideration, I have agreed with those Senators to let the paragraph be passed over until the return of the Senator from Minnesota.

Mr. UNDERWOOD. I do not object at all to the paragraph being passed over, because shingles are a necessity in home building. I am very anxious that they should be kept on the free list as they are under the present law. I do not intend to ask for a roll call now, but if we are going to have a fight over it we might as well settle it and the record vote may make the committee stronger when they go to conference in maintaining shingles on the free list, because I fear they may have some combat, and I do not see any reason why the committee should yield in conference on these two items in the bill. I have no objection to the proposal of the Senator that the paragraph go over.

The PRESIDING OFFICER. Paragraph 408 will be passed over.

The next amendment was, in paragraph 410, page 93, line 18, after the word "limes," to strike out "grape fruit" and insert "grapefruit"; and, in line 19, before the words "per cent," to strike out "20" and insert "25," so as to read:

PAR. 410. Boxes, barrels, and other articles containing oranges, lemons, limes, grapefruit, shaddocks or pomelos, 25 per cent ad valorem.

Mr. ASHURST. Mr. President, the Senate is now considering paragraph 410, which proposes an increase in the duty on boxes containing oranges, lemons, and grapefruit. I do not perceive from the very short examination which I have made any sufficient reason why the tariff should be increased on the boxes in which grapefruit, oranges, and lemons are shipped.

The orange and lemon industry, it seems to me, ought not to be burdened with an additional tariff upon the boxes in which the shipments to the consumer are made. In one part of our country the orange and citrus fruit industry has sustained a severe loss by frost and otherwise, and I see no reason why the duty should be increased. I should like to ask the Senator in charge of the item briefly—I do not want to engage his time but for a moment—to explain the proposed increased rate. I do not understand the reason for it.

Mr. SMOOT. I will say to the Senator from Arizona that, taking into consideration the rate of duty that is now placed upon citrus fruits, a little increase of 10 per cent on the boxes over existing law amounts to so small a sum that it would never be felt upon a box of oranges or a box of grapefruit or a box of lemons. I have not heard any one of the producers of citrus fruit complain of this rate at all. It is only a 25 per cent rate, I will say to the Senator from Arizona.

Mr. ASHURST. The present law imposes a 15 per cent ad valorem duty?

Mr. SMOOT. The present law imposes a 15 per cent duty and the House provided a duty of 20 per cent on the American valuation. The Senate Committee on Finance decided to place the duty at 25 per cent ad valorem on the foreign valuation.

Mr. ASHURST. I do not want to take up time merely for the purpose of delaying the bill, but I do not believe that the committee amendment, which involves a total increase of 10 per cent ad valorem, should be adopted. It seems to me that if it is necessary to increase the rate the committee ought to be content with an increase of 5 per cent. I ask for a yea-and-nay vote on the amendment, as I desire to be recorded against the increase.

Mr. SMOOT. Very well; let us have the yeas and nays.

Mr. UNDERWOOD. Mr. President, I desire to say a few words before the vote is taken.

Mr. POMERENE. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Ohio.

Mr. POMERENE. Mr. President, I shall vote against any increase in this item. I know of the great appeal that has been made on behalf of the citrus fruit industry in southern California, but there are some other interests that ought to be cared for to some extent. I want to call the attention of the Senate very briefly to the situation as I know it.

After the Spanish-American War Cuba was given her liberty and organized a new Republic. At the time of the treaty with Spain there was some uncertainty as to whether the Isle of Pines, which is a very considerable island lying south of Cuba, was territory belonging to the United States or whether it belonged to the island of Cuba. A great many Americans, and particularly many people from the State of Ohio, went to the Isle of Pines and invested in lands there, planted large orchards, and entered upon the cultivation of tropical fruits, with the belief that the island belonged to the United States. Later on the question was taken up by the State Department. Of course, Senators understand that it was a political rather than a juridical question, and the State Department held that the Isle of Pines belonged to Cuba.

Practically the only market that the people of the Isle of Pines have for their citrus and other fruits is the American market, and by increasing this tariff Congress will be placing itself in this anomalous position: It will be voting to give the market almost entirely to the California fruits, and to the Florida fruits as well, and increasing the burden of every American who is unfortunate enough to have invested a little money in the Isle of Pines. I have been told by some of those who are interested that the fruits from the Isle of Pines usually come in here at a season when they do not materially compete with the Florida fruits. That is a statement which is made to me, and I accept it until it appears to the contrary.

I remember very distinctly a discussion of this general subject some years ago when former Senator Root, of New York, was a Member of this body. At that time he made a very vigorous argument against any increase in the tariff on citrus fruits. I know of no reason why we should change our policy in that behalf. It does seem to me that with the duty as it is under the present law, the other citrus-fruit industries of this country ought to be content without adding to the burden which will devolve upon every consumer of citrus fruits by increasing this tariff at this particular time.

Of course, I understand that the tariff is probably going to be increased because an increase has been asked, and those who are interested in the different subjects which are embraced in the bill have joined hands and the one is going to get an increase on his particular product if the other gets an increase on his particular product; that is the situation. I recognize the fact, also, that the people in Ohio who were unfortunate enough to invest in the Isle of Pines are not worthy of consideration by some of those who are interested in some particular plantation to the exclusion of others.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Ohio yield to the Senator from California?

Mr. POMERENE. I yield.

Mr. SHORTRIDGE. If the rates on certain citrus fruits are increased, as we hope they will be, I assume it will not be because the increase is asked for but because it is needed.

Mr. POMERENE. Of course, I should expect the Senator from California to make that statement, but there has been no demonstration that increased rates have been needed. Of course, an increase of tariff duty is going to increase the cost of every orange and every lemon which the public consumes.

I think that is all that I care to say at the present time, because I know the increase will be granted.

Mr. ASHURST. Mr. President, I respectfully ask for the yeas and nays on the amendment on line 19.

Mr. UNDERWOOD. Mr. President, before the roll is called I desire to say a few words.

I see no reason in the world for an increase in the rate on this article. As I understand the facts in the case, the bill as originally reported to the House provided the same rate of duty on this commodity as existing law, namely, a tax of 15 per cent.

Mr. SMOOT. The House bill imposes a duty of 20 per cent.

Mr. UNDERWOOD. But I think the bill as reported to the House originally provided a rate of 15 per cent, the same as existing law. It was changed in the House, I think, to 20 per cent. Now, the committee of the Senate proposes to increase the rate to 25 per cent ad valorem, thus adding an additional tax of 10 per cent.

There is some revenue derived from this article, but very little. When the present law was written the tax in this para-

graph was very materially reduced. It could have been reduced more without seriously increasing the imports; but I wish to call the attention of the Senate to what the committee is doing in proposing this increase from 15 per cent ad valorem to 25 per cent.

We are the great producers of boxes and barrels and other articles of this kind in which fruit is packed and shipped. I think we make more than any other country in the world. The information that I have in reference to this article as shown by the report of the Tariff Commission is that—

Previous to 1909 a considerable business had developed, especially in Maine, of manufacturing wood fruit-box shooks (sides, tops, and bottoms) and exporting them in a knocked-down condition. They were assembled by foreign fruit merchants, the ends and the middle piece added, and then filled with fruit. Estimates of the manufacturers placed the business at about 3,000,000 bundles, which were valued at $150,000. This business has greatly declined in recent years.

The imports coming in of this class of article are not shown to jeopardize in any way the business in this country. As has been stated, it is proposed to increase the tax to 25 per cent, and that must necessarily increase the tax on the consumption of what has grown to be an absolute necessity of life. With the pyramiding freight rates in this country it is difficult now for the consumers of fruit of this kind in the great cities to get the desired quantity at reasonable prices. I can see no reason whatever for an increase such as is proposed by the committee; and I hope that the desire of the Senator from Arizona that we may have a roll call on this article and fix the responsibility for the increase at this time may be realized.

Mr. McCUMBER. Mr. President, I think if the Senator had read the paragraph upon imports, following what he did read upon the matter of production, he would see in the very rapid growth of the imports that there was reason for some concern on the part of the manufacturers.

Under the head of "Imports" we have the following:

Imports, "when of the growth and manufacture of the United States," in 1907 were valued at $109,088; in 1909, at $64,323; in 1913, at $15,815; in 1914, at $2,778.

Showing the rapid decrease under the old Payne-Aldrich bill. Then:

"When of foreign growth and manufacture," in 1907—

Comparing the growth even under the old bill, the Payne-Aldrich bill—

"When of foreign growth and manufacture," in 1907, $204,160; in 1909, $247,819; in 1913, $348,620; in 1914, $535,974.

Turning to the later dates, of course the war ensued; but we come to 1919, when the quantity of barrels or boxes was 1,444,217, and 1920 when it was 1,632,805. We see therefore a most rapid increase in the importations, and with that rapid increase, as I have stated, I think the manufacturers might view it with very considerable apprehension. Inasmuch as the proposed duty differs by only 10 per cent from the present law, I believe, under present conditions, that the trade will easily absorb that 10 per cent added ad valorem duty without injury and without raising the prices.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 93, line 19, the committee proposes to strike out "20" and insert "25," so that, if amended, it will read:

Boxes, barrels, and other articles containing oranges, lemons, limes, grapefruit, shaddocks or pomelos, 25 per cent ad valorem.

The PRESIDING OFFICER. On this question the yeas and nays have been called for. Is the demand seconded?

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and will vote. I vote "yea."

Mr. SIMMONS (when his name was called). I transfer my pair with the Senator from Minnesota [Mr. KELLOGG] to the Senator from Massachusetts [Mr. WALSH] and will vote. I vote "nay."

Mr. STERLING (when his name was called). I transfer my pair with the senior Senator from South Carolina [Mr. SMITH] to the Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "yea."

Mr. UNDERWOOD (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

The roll call was concluded.

Mr. BALL. Transferring my general pair with the Senator from Florida [Mr. FLETCHER] to my colleague [Mr. DU PONT], I vote "yea."

Mr. SUTHERLAND. I transfer my pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from Pennsylvania [Mr. CROW] and will vote. I vote "yea."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. FRELINGHUYSEN. I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Oregon [Mr. STANFIELD] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce the folfowing pairs:

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 36, nays 24, as follows:

YEAS—36.

Ball	Ernst	McCumber	Poindexter
Broussard	Fernald	McLean	Shortridge
Bursum	France	McNary	Smoot
Calder	Frelinghuysen	Nelson	Spencer
Cameron	Hale	Newberry	Sterling
Capper	Johnson	Norbeck	Sutherland
Curtis	Jones, Wash.	Oddie	Townsend
Dillingham	Ladd	Pepper	Wadsworth
Edge	Lenroot	Phipps	Warren

NAYS—24.

Ashurst	Glass	Myers	Ransdell
Borah	Harris	Norris	Sheppard
Caraway	Harrison	Overman	Simmons
Culberson	Heflin	Owen	Swanson
Dial	Jones, N. Mex.	Pittman	Underwood
Gerry	King	Pomerene	Willis

NOT VOTING—36.

Brandegee	Hitchcock	Moses	Stanfield
Colt	Kellogg	New	Stanley
Crow	Kendrick	Nicholson	Trammell
Cummins	Keyes	Page	Walsh, Mass.
du Pont	La Follette	Rawson	Walsh, Mont.
Elkins	Lodge	Reed	Watson, Ga.
Fletcher	McCormick	Robinson	Watson, Ind.
Gooding	McKellar	Shields	Weller
Harreld	McKinley	Smith	Williams

So the amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The next amendment was, in paragraph 410, page 93, line 20, to strike out "orange and lemon" and insert in lieu thereof "fruit"; in line 21, after the word "growth," to strike out the word "and" and insert in lieu thereof the word "or"; in line 22, to strike out "orange and lemon" and insert in lieu thereof the word "fruit"; and in line 24, to strike out the words "oranges and lemons" and insert in lieu thereof the word "fruit," so as to make the proviso read:

Provided, That the thin wood, so called, comprising the sides, tops, and bottoms of fruit boxes of the growth or manufacture of the United States, exported as fruit box shooks, may be reimported in completed form, filled with fruit, by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture; but proof of the identity of such shooks shall be made under regulations to be prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The next amendment was, in paragraph 411, page 94, line 4, to strike out the word "rattans" and insert the word "rattan."

The amendment was agreed to.

The next amendment was, on page 94, line 8, to strike out the words "in this section, 20" and to insert in lieu thereof "15," so as to read:

Reeds wrought or manufactured from rattan or reeds, whether round, flat, split, oval, or in whatever form, cane wrought or manufactured from rattan, cane webbing, and split or partially manufactured rattan, not specially provided for, 15 per cent ad valorem.

Mr. KING. May I inquire of the Senator having it in charge as to the proportion this raw material bears to the finished product?

Mr. SMOOT. A very small proportion, indeed. This is a tariff for revenue entirely. There is none of it produced in this country. The rate in existing law is 10 per cent ad valorem. This is the raw material, and I take it for granted my colleague knows that there is only one country in the world where any real quantity of it is produced, and they could not be producing it there unless they had the kind of laborers found there.

Mr. KING. That was my understanding. Yet the Tariff Summary seems to indicate that there are certain willows and rattans either grown or, at least, if not grown, reduced to usable form, in the United States.

Mr. SMOOT. That is the willows used by the basket manufacturers and what we may term coarse goods, but it takes a rather strong reed to make a serviceable article of furniture.

The Senator knows also that the freight on the article is a great deal on account of the space occupied and the weight of the article. It has always been the policy in all tariff bills to get some revenue out of the importations of the rattan or reeds coming from foreign countries.

Mr. KING. I do not know that I should object to a reasonable duty on imported rattan and reeds. However, that import duty which is collected would be immediately carried to the finished product, and the Furniture Trust of the United States is now, as it has been for years, especially during the war, charging prices wholly indefensible because of their enormousness. The people are being robbed by the furniture producers of the United States, and if we can do anything to strike at the Furniture Trust and bring the price of furniture down we ought to do it.

Mr. SMOOT. If you want to help them, put this on the free list and it will help them that much.

Mr. KING. I am not sure about that. I am sure that if we add a duty to it that duty will be carried to the finished product.

Mr. SMOOT. But if they are selling the product for all they can get for it to-day, as the statement made by my colleague would indicate, then why not let the Government of the United States say: "These rattan and reeds which come in go into the articles for which you are charging all you can get, and why should not the Treasury of the United States receive 15 per cent?"

Mr. KING. I am not making any complaint about a reasonable tariff upon these imports, as I indicated, but I do aver again that it will be carried on to the finished product, and the people will have to pay for it. I am inclined to think we could afford to put a reasonable tariff upon these products. When we come to dealing with the finished product, however, I hope the committee will have in mind the needs of the people and not the cupidity and the greed of the furniture manufacturers of the United States.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, in paragraph 411, page 94, line 9, to strike out the words:

For the purpose of assessing duties, handmade reeds or cane shall be held to be comparable in value to machine-cut reeds or cane of corresponding size.

The amendment was agreed to.

The next amendment was, on page 94, line 12, after the word "bamboo" and the comma, to insert the words "osier or willow"; and in line 14, after the word "grass" and the comma, to insert the words "osier or willow."

The amendment was agreed to.

The next amendment was, on page 94, line 14, to strike out "50" and insert "60," so as to read:

PAR. 411. Reeds wrought or manufactured from rattan or reeds, whether round, flat, split, oval, or in whatever form, cane wrought or manufactured from rattan, cane webbing, and split or partially manufactured rattan, not specially provided for, 15 per cent ad valorem. Furniture made with frames wholly or in part of wood, rattan, reed, bamboo, osier or willow, or malacca, and covered wholly or in part with rattan, reed, grass, osier or willow, or fiber of any kind, 60 per cent ad valorem.

Mr. SIMMONS. Mr. President, I did not quite approve of the increase made in the duty on the raw material, but it was not very great, and I did not see fit to make any special contest over it. The duty now imposed upon the furniture made out of these reeds and rattan, bamboo, osier or willow is to my mind wholly unwarranted. The House fixed the rate on this class of furniture—for that is what it is—at 50 per cent, and the Senate committee proposes to increase it to 60 per cent.

Mr. SMOOT. That is a great decrease from the House rate on the American valuation.

Mr. SIMMONS. We need not discuss the American valuation or the foreign valuation in connection with it, because the Senate committee now proposes a 60 per cent rate upon the foreign valuation, and that is the valuation we have always heretofore followed in framing our tariff bills.

This class of furniture has in recent years become exceedingly popular in the United States, and that is especially true in regard to people of moderate, limited means, who are not able to buy the fine mahoganies which have become the fancy and the fashion of the day. Years ago our cheap furniture was made out of ordinary wood. Then we began to use maple for making our cheaper furniture, then we advanced from that to walnut, and now the better-to-do people of the country do not think that anything except mahogany will do.

The class of our people who like to have nice things, and who like to make a good show in their homes, unable to buy these high-priced mahoganies, have in recent years shown a disposition to content themselves, in furnishing their sitting rooms and so on, with this willow furniture, bamboo furniture, and things of that sort. I will not say it has become the furniture of the poor man, but it has become the furniture of the man of moderate means, as distinguished from mahogany, which is the furniture of the man of wealth.

It does not seem to me that we ought to be adopting duties which increase, as these do, the prices of the things used in the homes of the people all the way from 50 to 100 per cent. This is a mere illustration of what has been going on. You start in the kitchen and impose heavy duties upon kitchen ware. Then you come to the table and impose heavy duties upon tableware. Now, you come to the furniture, and it is proposed to impose a duty of 60 per cent upon furniture in common use throughout the country. You increase your duties enormously upon clothing; you add duties to nearly all the food products that are not made on the farm and many of those that are made on the farm; you increase the duties upon the material out of which the house is made; you increase the duties upon the articles with which the fire is lighted.

You can not tell me anything of consequence, inside of the household, the duty upon which has not been increased by this bill. There is nothing which enters into the building of a home the duty on which has not been increased in the bill; there is nothing which goes upon the back of the dweller in the home the duty on which has not been increased, and nothing except the common things produced on the farm that enters into the food which the householder consumes the duty on which has not been increased in the bill. I have sought to discuss the bill in the concrete, and looking at it in that way the bill seems to me to be a drive against the ability of the American people to earn a living, and when I find an item like this, while I do not want to consume time in its discussion, I feel like somewhat vigorously protesting.

Fortunately, in connection with this item we do not have to deal with Germany. It is a matter of extreme relief to me to reach one item, out of the three or four hundred we have already considered, where we are not confronted by the other side with the specter of Germany.

I do not know whether we are to be told or not to be told that when the present law was made imposing much more moderate duties upon these things wages were low in the Asiatic countries from which they came, and that though they were low then they are very much lower now. If, since the passage of the Underwood law, there has been any change in the scale of wages in the country from which the raw material comes, I have not heard of it. I think, even in Asia, as the result of conditions produced by war and otherwise, during the last 10 years there has been a substantial increase in the cost of living and in the labor charges of the toilers of those countries. So with reference to this article we are not confronted with the condition of declining labor or a condition with respect to labor substantially different from that which existed when we enacted the present law.

We have in reference to this item to deal with the labor of Asia, but with reference to the raw materials about which we are talking labor constitutes an exceedingly small part. These raw materials are in some particulars the natural growth of the country. Where they require any manipulation prior to shipment, that manipulation is very small. It is substantially a product as it comes from the hands of God, slightly changed from its natural condition, and yet we are putting 15 per cent on it, and when it is worked into furniture it is proposed to increase the duty to 60 per cent.

I do not know whether it is claimed that this duty is for revenue purposes or not. If it is for revenue purposes, I will say to my friends on the other side of the Chamber, do not go into the homes of the people and tax their necessaries in order to raise revenue through the tariff. I have no respect for a duty for revenue levied upon things of this sort if that is the sole purpose of the duty. There are a great many duties in all our tariff laws that have been levied partly for revenue and partly for other purposes. If this rate is levied for the purpose of protection, then, Mr. President, I do not see anything to justify it in the conditions of the importation of this class of furniture, for I am talking about furniture. It is not imported into this country to any considerable extent. The raw material is practically all of it imported, but the furniture itself is not.

Here we have a production in 1914 of rattan and willow furniture in 85 factories, working only 2,559 laborers, with a capital of $3,371,000, and a value of product of $5,000,000 in round numbers, with a value added by manufacture of $3,000,000, which makes $8,000,000, representing the domestic production of this character of furniture, as I read the figures.

I am confining my observations to willow furniture and rattan furniture. I find that the imports in 1918 of willow furniture were valued at $1,813; in 1919, $3,040; in 1920, $28,114; for nine months of 1921, $52,276. Rattan is not given separately. That is so far as the Tariff Commission report enlightens us about the extent of our imports of willow furniture, $52,000 in nine months of 1921. With a total output of about $8,000,000 in this country, there seem to be no exports.

Now, upon what principle a 60 per cent duty can be justified as a protective duty is beyond my comprehension. If those facts justify the protection, then there is not a single article which is produced in this country, in my judgment, without reference to whether it is imported or not or exported or not, that would not be equally entitled to a protective duty. I had understood that the Republican Party was pledged not to impose tariff taxes, for they are really taxes, either for revenue or otherwise, for the purpose of protection unless the domestic market was being overrun to a greater extent than it is thought good policy to justify, and then that the duty fixed should be a specific measurement, that it should not be the result of a guess, that it should not be because some persons wanted it imposed for their benefit so as to protect them against any possible future condition that might conceivably exist, but that it should be levied with reference to a definite and fixed rule and that the rule would have relation to the difference in the cost of production here and abroad. So far as I am informed, we have no information as to what is the cost of production of willow furniture in any other country. In fact, I do not suppose there has been any investigation, because there have been no importations of willow furniture into this country probably to justify the Tariff Commission in making an investigation.

Mr. ASHURST. Mr. President, the argument of the Senator from North Carolina who has just taken his seat has proceeded upon the theory that paragraph 411 deals with and refers wholly to willow or bamboo furniture. Am I correct about that?

Mr. SIMMONS. I was simply arguing willow furniture because we have the figures as to that item.

Mr. ASHURST. I am going to ask the attention of the Senator who has charge of the schedule——

Mr. SIMMONS. I will state to the Senator that there do not seem to be any imports of any other kind of furniture, so far as I can find, but we do have some imports of willow furniture, and, therefore, I confined my argument to that item.

Mr. ASHURST. I am not finding fault. The Senator has given me information, and I want to be sure that I am accurate and that I correctly appraise it. On page 94, in line 11, the language reads as follows:

Furniture made with frames wholly or in part of wood—

Then, of course, there is a comma, and it continues with the words "rattan, reed, bamboo, osier, or willow."

I ask for information. Is not the particular language dealing with household or cabinet furniture confined within that language? Does not that refer to the ordinary household furniture or what we call cabinet furniture?

Mr. SMOOT. Yes; I would say that it falls under this clause and the rates that we finally decide upon, but there is no importation of furniture. It would not make any difference whether the rate was 100 per cent or whether it was 10 per cent. The freight is absolutely prohibitive on wood furniture.

Mr. ASHURST. That was not my point. I ask the Senator to look now at paragraph 414. We have decided that on furniture made with frames wholly or in part of wood, rattan, or reed, the rates shall be 50 per cent or 60 per cent. Adverting to paragraph 414 on page 95 of the bill we find "house or cabinet furniture wholly or in chief value of wood," and then dropping down to line 10 we find a rate of 35 per cent ad valorem. Obviously there is a conflicting statement there which ought to be cleared up.

Mr. SMOOT. One is on frames of wood; in other words, where the rattan is used in making the chair, as the Senator has referred to it, there will be the rattan bottom and there may be the wood that is in the frame. The rattan is all around the wood frame, and that is what it means in paragraph 411.

Mr. ASHURST. The Senator may be right and I am glad he has enlightened me, but lines 11 and 12 go on to state, pretermitting the parenthetical matter, "furniture made with frames wholly or in part of wood."

Mr. SMOOT. That is the frame. Whether it is made wholly or in part of wood, it refers to the frame. The Senator knows there could be no chair made of rattan unless it had a wood frame.

Mr. ASHURST. That is true.

Mr. SMOOT. That is all it means.

Mr. ASHURST. I think it might mean that the frame would be of wood, upholstered with leather or hair. It seems to me a chair upholstered in hair or leather would fall within this paragraph.

Mr. SMOOT. No; this is the frame, wholly or in part of wood.

Mr. ASHURST. I understand.

Mr. SMOOT. And paragraph 414 is house or cabinet furniture.

Mr. ASHURST. Then paragraph 414 does go ahead and say "house or cabinet furniture, wholly or in chief value of wood." It seems to me there is a conflicting provision that ought to be cleared up.

Mr. SMOOT. It does not conflict in any way, I will say to the Senator. The wood frame in a rattan chair is not the item of chief value. It is the work that is put upon the frame and the rattan which goes around that make it a rattan chair.

Mr. ASHURST. This has just been suggested to me. I ask the Senator to look at page 582 of the Summary of Tariff Information, which reads as follows:

Conflicting provisions: The omission from H. R. 7456 of the specific provision in paragraph 173 of the act of 1913 for willow furniture—

Now—

raises a doubt whether such furniture will come within paragraph 411 as a manufacture of willow or within paragraph 414 as house or cabinet furniture.

That is the very point I was trying to make.

Mr. SMOOT. If the Senator will examine paragraph 411, line 14, he will see that one of the amendments provides for "osier or willow."

Mr. ASHURST. If the Senator from Utah feels that there is no conflict in the provision in the bill, I have nothing further to say in regard to the matter.

Mr. SMOOT. I am quite sure there is none.

Mr. ASHURST. But I wish to be heard later on paragraph 414.

Mr. SIMMONS. Mr. President, I wish to call the attention of the Senator from Utah to the fact that in paragraph 411 the provision dealing with "furniture made with frames wholly or in part," and so on, is qualified in lines 13 and 14 by adding the words "and covered," and so forth. It must not only be made of but covered wholly or in part with rattan, reed, grass, osier, or willow.

Mr. ASHURST. I accept the explanation and I am ready to vote on the question.

The PRESIDING OFFICER. The question is on the committee amendment.

Mr. SMOOT. Had the Senator from North Carolina concluded?

Mr. SIMMONS. I am through. I merely wish to offer an amendment after the Senator from Utah shall have concluded.

Mr. SMOOT. The Senator from North Carolina refers to the fact that this is one item in which we may not refer to "the cheap labor of Germany." In answer to that I desire to say that this is one of the items as to which we may refer to "the cheap labor of China and Japan."

Mr. SIMMONS. Mr. President, I said something of that kind; but I am glad to have the music changed. The other tune had become quite monotonous.

Mr. SMOOT. We could not play any music on earth that would satisfy the Senator from North Carolina, no matter what tune might be played. If we propose a rate which is lower than the existing law, it is all wrong; if the rate is higher than the rate of the existing law, it is all wrong. If the article comes from Germany, and Germany is mentioned, it is all wrong; and if it comes from Japan, and Japan is mentioned, it is all wrong.

Mr. SIMMONS. Mr. President, I know it is true that the Senator from Utah can not sing any music that is pleasing to me, because unfortunately the Senator has not any music in his soul. Although it is full of other splendid qualities that I admire very much, there is no music there.

Mr. SMOOT. If the Senator from North Carolina had referred to the lack of music in the Senator from Utah, the Senator from Utah would have immediately acknowledged his charge, but the Senator from North Carolina did not refer to the Senator from Utah, his reference was general. I know that there are some wonderful singers in this body, because I have heard the Senator from North Carolina speak in such a tone that I know he is a great singer; I know that he has a wonderful voice. Why, it is a wonder to me that he has not been in

all the countries of Europe singing Wagner and other grand-opera selections.

Mr. SIMMONS. Mr. President, if I had felt that I was possessed of such a wonderful gift of music as the Senator intimates, after I learned through the newspapers that a certain distinguished Senator had won his case before the Finance Committee when he was asking for very high rates of duty, I think I should have gone before the Finance Committee and sung a few songs in an effort to try to persuade them to cut these duties down a little bit in the interest of the people.

Mr. SMOOT. The Senator from North Carolina might have been successful; I will not say that he would not have been; but I am fearful if the same song which he sings here daily had been sung before the Finance Committee, there would have been no change made in the rates.

Now, getting back to this item, Mr. President, I desire to call attention to the report made by the Reynolds Commission concerning Chinese furniture. In the instance set forth the cost of the item was $2.92; the landing charges were $2.95. The landing charges were more than the cost of the piece of furniture in China. The selling price of the imported article was $12.25. Note the profit which was made by the importer. The selling price of a comparable domestic article was $16.41. Allowing a reasonable profit of 20 per cent—not of 76 per cent which the importer took—it would require 248 per cent to equalize the production costs.

The Committee on Finance took into consideration the fact that the selling price of the domestic article also included a high rate of profit, and we did not allow 248 per cent on that class of goods, but the committee did allow 60 per cent.

Remember that we have decided in this paragraph that we would collect some money from the importation of the reeds and rattans——

Mr. ASHURST. The wicker furniture.

Mr. SMOOT. That go into the wicker furniture. We say that on importations of those articles into this country we want 15 per cent of their value to go into the Treasury of the United States. The American manufacturer has to pay that money into the Treasury before he can get the material, because none of it is produced in the United States; it can only be produced by Chinese and Japanese labor. The 60 per cent rate covers the duty imposed upon the raw material for revenue purposes only.

Mr. ASHURST. Mr. President, let me interrupt the Senator at that point.

Mr. SMOOT. Certainly.

Mr. ASHURST. My interrogatory was simply to ascertain whether this paragraph could by any means be construed or tortured to include the ordinary household cabinet furniture. The Senator assures me that it can not be.

Mr. SMOOT. There can be no doubt as to that, I will say to the Senator.

Mr. ASHURST. I think the Senator is right; but, notwithstanding, I find in the Summary of Tariff Information, on page 582, which has been furnished to Senators, a statement which indicates that whoever wrote that summary believed there may be some doubt. I agree with the Senator; there is no doubt.

Mr. SMOOT. We have corrected that, as the Senator will notice, in paragraph 411, line 14, by adding the very words that the Tariff Commission suggested should be added, namely, the words "osier or willow." I assure the Senator from Arizona there can be no conflict.

Mr. ASHURST. That is all I desire to know about this item.

Mr. SIMMONS. Do I understand the Senator to argue that the bracket of paragraph 411 to which the 60 per cent duty applies does not apply to the furniture made of these materials?

Mr. SMOOT. I said it covered the manufactures made of them, and that the American manufacturer had to pay a duty that was imposed upon reeds and rattans.

Mr. SIMMONS. On the raw material?

Mr. SMOOT. Yes.

Mr. SIMMONS. And the duty on the raw material is 15 per cent?

Mr. SMOOT. Yes; and therefore there has got to be taken into consideration the duty placed upon the raw material in fixing the rate upon furniture.

Mr. SIMMONS. I understand the Senator now says that this is a revenue duty.

Mr. SMOOT. The duty on reeds and rattans is for revenue absolutely.

Mr. SIMMONS. That is the 15 per cent duty?

Mr. SMOOT. Yes.

Mr. SIMMONS. And as to the difference in the 15 per cent and 60 per cent, which is 45 per cent?

Mr. SMOOT. That is the protective duty for the manufacturer in America.

Mr. SIMMONS. That is the protective duty for the manufacturer in America. The manufacturer in America is making about $8,000,000 worth of this furniture, and only about $52,000 worth of it came in from China in nine months of 1921.

Mr. SMOOT. I presume in 1921 the furniture stores in the United States from one end to the other were not buying willow furniture or any other furniture; they were trying to sell what they had on hand. That was the trouble. Mr. President, while the duty of 60 per cent seems high, and, perhaps, under conditions to-day it could be fixed at not more than 50 per cent, yet it is one commodity, I will say to the Senate, in the production of which the American laboring man is right up against the labor of the Chinaman, the laboring man in America working 8 hours and the Chinaman working 16.

Mr. SIMMONS. The Chinaman, however, does not seem to have been sending many of his goods over here.

Mr. SMOOT. That is not saying that he can not send them over here.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I yield the floor.

Mr. TOWNSEND. Mr. President, I merely wish to make a brief statement. There is no question about the difference in the cost of production here and abroad in the case of the commodity now under consideration. It has been shown very clearly that a gentleman purchased from three to four thousand pieces of this character of furniture in China and shipped it to Grand Rapids, Mich. He found that he could multiply his cost price by three. For instance, a chair for which he paid $3 he could sell for $9, and even that price would be less than it cost him to make a similar grade chair in the United States.

There has been a great deal of this kind of furniture shipped into the United States. I heard a Senator on the other side a few moments ago make a suggestion as to there being a furniture trust in the United States. Of course, that is a common phrase, and it is used so frequently that I pay no attention to it. I know of no such trust, but I do know that there is strong competition. China is our competitor; China is where these reed chairs are made; and I know that the 60 per cent rate proposed does not measure the difference in the cost of production of these chairs in China and the United States, to say nothing about profit or selling prices. This is one item where it is clear that the duty is a protective one, and I am in favor of protection. I can not see how there can be any possible complaint as to the rate of duty on this particular class of goods.

Mr. McCUMBER. Mr. President, I think it proper to enter into the RECORD at this point a paragraph from the Summary of Tariff Information, under the head of "Production in 1914—Rattan and willow furniture":

Factories, 85—

Quite a number to constitute a trust—

Production in 1914—Rattan and willow furniture: Factories, 85; persons engaged in industry, 2,559 (2,262 laborers); capital $3,371,218; wages, $1,281,141 ($566 average per capita); value of products, $5,022,089; value added by manufacture, $3,008,310. Baskets and rattan and willow ware: Factories, 419; persons engaged in industry, 5,302 (4,574 laborers); capital, $4,590,515; wages, $1,922,965 ($421 average per capita); value of products, $6,578,468; value added by manufacture, $3,579,183.

Now, I want to call attention to the imports in the last few years. Remember, this was back in 1914.

The imports for the fiscal year 1914 were $1,210,390.

Mr. SIMMONS. Mr. President——

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

Mr. McCUMBER. I do.

Mr. SIMMONS. The Senator left out a very important word—"rattan and reeds (unmanufactured)."

Mr. McCUMBER. Yes; but I am reading the unmanufactured statistics. I do not think I would intentionally leave out anything.

Mr. SMOOT. But the Senator did not read the word "unmanufactured," and it makes all the difference in the world. The Senator from Utah admits that the duty levied upon unmanufactured reeds is a purely revenue duty.

Mr. McCUMBER. I am intending to give the whole. I am taking first the unmanufactured material.

In the case of rattan and reeds, unmanufactured, in 1914 the imports were $1,210,390; in 1918, $1,781,239.

The imports of chair canes or reeds wrought from rattan or reeds, without giving the figures, I think amounted to about $200,000 in 1918.

The imports of rattan and reeds, unmanufactured, for the calendar year 1918 were $1,308,465; for the calendar year 1920, $2,466,617; for the first nine months of 1921, $887,647.

Now, take chair cane or reed, wrought or manufactured from rattan or reeds: In 1918 the imports were $244,268; in 1919, $269,265; in 1920, $1,166,538; and in nine months of 1921, $431,021.

Mr. SIMMONS. Mr. President, will the Senator please tell me where he has been reading from recently?

Mr. McCUMBER. I am reading on page 581 of the Summary of Tariff Information. If you will read for the same calendar years the statistics on osier and willow prepared for basket-makers' use, willow furniture, and manufactures of osier and willow, except willow furniture, you will find that, taking them all, there was a very big importation. We have already considered the difference in the cost of labor in Japan and China and the United States, and, as stated by the Senator from Michigan, we have shown that even a duty of 60 per cent will nowhere near measure the difference in the cost of placing the foreign article in the principal markets of the United States as compared with the cost of placing the American article in the same markets.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 15, it is proposed to strike out "2 cents" and insert "1 cent," so as to read:

Split bamboo, 1 cent per pound.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 17, it is proposed to strike out "maker's" and insert "makers'."

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 17, it is proposed to strike out "25" and insert "35," so as to read:

Osier or willow, including chip of and split willow, prepared for basket makers' use, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, I have in large measure discussed that matter already, but I am going to read the figures of imports as they appear to me in the book from which the Senator from North Dakota was reading a few minutes ago.

This last duty applies to furniture of osier or willow. The book that I have before me, at page 581, deals first with imports of rattan and reeds, unmanufactured. There is quite a heavy import of those, because we do not produce them in this country to any extent, and the Senator from Utah admits that and says that the duty of 15 per cent which this paragraph levies on the unmanufactured product is for revenue.

Mr. SMOOT. No; those are the wrought and manufactured materials.

Mr. SIMMONS. These are the unmanufactured materials that I am reading from now.

Mr. SMOOT. Then I want to say to the Senator that when we reach the free list I expect to offer an amendment to the free list taking care of the unmanufactured materials. They are not taken care of in this paragraph at all, and if it is left the way it is now they would fall in the basket clause, which would be a higher rate than even here with the wrought and manufactured cane or reed.

Mr. SIMMONS. But the Senator admits that he is not undertaking to put a protective duty on the unmanufactured materials.

Mr. SMOOT. Yes; although they are not mentioned in this paragraph; but when we reach the free list I shall want to offer an amendment to that.

Mr. SIMMONS. But the Senator did not do it in this paragraph.

Mr. SMOOT. No.

Mr. SIMMONS. The only two things that are involved in this paragraph are osier and willow furniture.

In 1919, according to the book that I have before me, the imports of willow furniture amounted to only $26,000, and in 1918 they amounted to only $2,844. The imports of osier and willow prepared for basket makers' use were $95,000 in 1914, and $144,000 in 1918. Manufactures of osier or willow, except furniture, amounted to $25,000 in 1914, and $10,000 in 1918, so that in 1914 and 1918 the imports of willow furniture and osier furniture were nominal.

Mr. SMOOT. There is not so much of the willow furniture manufactured as there is of the rattan furniture, either in this country or anywhere else in the world. The willow furniture is somewhat cheaper than the rattan.

Mr. SIMMONS. The importations of chair canes or reeds, wrought or manufactured from rattan or reeds, in 1921 were less than half a million dollars.

Mr. SMOOT. In 1914 they were $450,000.

Mr. SIMMONS. The imports of osier and willow prepared for basket makers' use were only about $105,000 in nine months of 1921.

The willow furniture, I think, is the furniture that is used especially by the poorer class of people. I think it is willow furniture that they buy, and a good many well-to-do people also buy it for summer use. It was as to rattan and willow furniture that the Senator was reading these statistics showing the value of the domestic product as being about $11,000,000—rattan and willow furniture; not baskets, but furniture—and the best I can make out of these figures is that, in round numbers, there was only $1,800 worth of willow furniture imported into this country in 1918; in 1919, $3,000 worth, in round numbers; in 1920, $2,800 worth, in round numbers; and in nine months of 1921, $52,000 worth.

I do not know—no mortal man can tell—how much will be imported into this country in the next year, or any one of the next 10 years; but these figures show that there has been no special increase in the importations of this furniture into this country for many, many years past, and I know of no change of conditions in this country or in China that would justify the belief that these importations, now negligible, are so threatening that it becomes necessary in advance to impose these high duties of 35 and 60 per cent.

Mr. President, I intended to move to amend by inserting "30 per cent" instead of "60 per cent" in the other part of the bill that was just voted upon, but the Secretary went so fast that I could not quite keep up with him. I now move, in place of the 35 per cent proposed by the committee, to insert "15 per cent."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On line 17, page 94, in lieu of "35," the amount proposed to be inserted by the committee, it is proposed to insert "15."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Carolina to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 19 it is proposed to strike out the word "osier" with a comma and to insert the same word without a comma.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 20 the committee proposes to strike out "40" and to insert "45," so as to read:

All articles not specially provided for, wholly or partly manufactured of rattan, bamboo, osier, or willow, 45 per cent ad valorem.

Mr. SIMMONS. Mr. President, that amendment has been discussed already in connection with the other two. I move to strike out "45" and insert "20."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the sum "45," proposed to be inserted by the committee, it is proposed to insert "20."

Mr. KING. Mr. President, may I make an inquiry of the Senator from North Carolina?

Mr. SIMMONS. Yes.

Mr. KING. The paragraph now under consideration, and particularly the last lines, which are now being considered, relate to various kinds of furniture in common use by what might be called people not of large means.

Mr. SIMMONS. I have discussed osier and willow furniture.

Mr. KING. For my own information, I want to ask the Senator a question. The facts are that this furniture is used very extensively in the United States?

Mr. SIMMONS. Oh, yes; by people of very moderate means and poor people.

Mr. KING. And there are a number of very large manufacturing establishments engaged in its production, which have made and are making very large profits, and it will force the prices up?

Mr. SIMMONS. In the case of that and willow furniture it seems that the annual output in this country is something around $11,000,000, with the insignificant importations that I have just stated to the Senate.

Mr. KING. I regret that I was called from the Chamber. I should like to ask either the Senator from North Carolina or any member of the majority what justification there is for the

imposition of these high rates—or, for that matter, any rates, unless it be for revenue—upon furniture, when, as we know, there is a shortage of houses, a shortage of homes, a shortage of home furniture, and if we have a building boom—as we ought to have—there must be the furnishing of the homes, and therefore there is bound to be a tremendous increase in the quantity of furniture purchased in the United States. It seems to me that in the interest of the people we ought to encourage home building and the purchasing of furniture for home. We ought not to cast impediments, as this provision will, in the way of the accomplishment of an end so worthy and so deserving. I ask the committee why they do not revise the rates upon furniture that is in such common use?

Mr. SMOOT. Mr. President, I do not want to take the time of the Senate now in giving the reasons. We went into the details while the Senator was out of the Chamber. In substance, I will say that the American manufacturer is compelled to pay the duty imposed upon his raw material, as we do not impose it as a protective tariff whatever, but as a revenue measure. That rate is 15 per cent. Then, as a compensatory duty, we impose this 60 per cent on the furniture, but not the items under consideration at this time.

The Senator must know that China is the great manufacturing country of the world for this article. The Chinese have the raw material at hand. Chinamen work 16 hours a day. They are paid about one-fifteenth or one-sixteenth what laboring men in the United States are paid. If it were not for the rate of freight upon those articles into the United States, this would not be protection enough. I showed also by the Reynolds report that to equalize conditions existing on the 1st day of August of last year would take a rate of 248 per cent.

Mr. KING. The Reynolds report has been adverted to repeatedly during the discussion of the bill; if not as the basis for some of these rates, at least it has been used as a basis for comparison, and to support many of the high rates which have been levied. I believe that the use of that report is improper to the extent to which it has been employed and any argument flowing from its use is fallacious.

In the first place, it is known that the American workingman does more than any workingman in any other country in the world. I think a study of the facts discloses that in many of our manufacturing plants the product of the American workingman is greater than that of two, three, four, and five in other countries.

With respect to the making of this furniture, our machines and our plants are very much superior to those of any other country, and of course, in efficiency of plants, China could not begin to compare with the United States. In my opinion, we can produce furniture as cheaply as it can be produced in almost any country in the world.

The dividends which have been paid by the furniture manufacturers, the enormous profits which have been made, testify to the fact that we do not need to tax the American people in order to make legitimate and reasonable profits. I am against a system which taxes the people upon the necessities of living unless it be purely for revenue purposes. It does seem to me that we are piling the taxes upon the necessities rather than upon the luxuries. The articles embraced within this paragraph are not necessities as much as are food and clothing, but they are necessities if we are to have homes, and if we are to have all the concomitants of an enlightened and a civilized people.

It seems to me that the amendment offered by the Senator from North Carolina to the amendment ought to be unanimously agreed to.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. SIMMONS] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The next amendment was, in paragraph 413, page 94, line 25, to strike out the word "screens" and to insert in lieu thereof "screens, any of the foregoing wholly or in chief value."

The amendment was agreed to.

The next amendment was, on page 95, line 1, after the word "straw" and the comma, to insert the words "papier-mâché, palm leaf."

The amendment was agreed to.

The next amendment was, on page 95, line 2, to strike out "25" and insert in lieu thereof "45," so as to read:

Porch and window blinds, baskets, curtains, shades, or screens, any of the foregoing wholly or in chief value of bamboo, wood, straw, papier-mâché, palm leaf, or compositions of wood, not specifically provided for, 45 per cent ad valorem.

Mr. SMOOT. I move to substitute "40" for "45" in line 2.

The amendment to the amendment was agreed to.

Mr. SIMMONS. Mr. President, this is another article of constant use in every home in the land. There is not a man who is able to afford these shades and screens who does not use them. Of course, in the wealthier homes they use fancy shades, made of textiles, but in the humbler homes, on account of the cost of cloth at this time, it has become the fashion to use these screens.

Mr. SMOOT. It is just the reverse.

Mr. SIMMONS. No; I do not think so.

Mr. SMOOT. The fancy homes use these screens painted and decorated.

Mr. SIMMONS. Yes; they use them painted, generally, when they can, because they do not look well unless they are painted, but they are used chiefly by people of small means. They are not expensive, compared with the textile shades.

Mr. SMOOT. It is just the reverse.

Mr. SIMMONS. I use them myself, and I use them as a matter of economy, which I have to practice.

Under the present law these shades are taxed at 20 per cent ad valorem. That tax has been extremely protective in operation, whatever may have been the intent when it was imposed. It has been a failure as a revenue duty. The revenue under it in 1918 amounted to only $1,146, and in 1920 to only $4,655.

It has been a failure as a revenue duty, I say, but it seems to have been extremely effective for the purpose of excluding the foreign product. Let us look at this item. It is one of the most enlightening little items we have had as indicating the recklessness with which our friends on the other side have lavished their duties.

The Tariff Commission did not take the trouble to find the production in this country. They said it was a little too difficult to find out, and contented themselves with saying that "Observation, however, indicates that the annual production is very large and an element of much importance in the woodworking industry."

It does give us the figures as to the imports, however. It says:

Imports of porch and window blinds, curtains, shades, or screens of bamboo, wood, straw, or compositions of wood in 1914 were valued at $543,500, and in 1918, $29,320.

What I read just a while ago related both to the painted and the unpainted. I repeat that in 1914 the imports amounted to $543,000 worth, and in 1918 to $29,000 worth, of both kinds, painted and unpainted. Now I shall deal with the plain or unpainted screen. In 1918 the imports were only $5,747. In 1919 they were $10,000, in 1920 they were $23,000, in the nine months of 1921 they were $10,000.

Now we come to the stained, dyed, painted, printed, polished, grained, or creosoted. We have not reached that yet, but under the bill it is taxed at 60 per cent; the unpainted, the figures of which I have just read, is taxed 45 per cent. I am going to read the figures as to the 60 per cent duty on imports. In 1918 the imports amounted to $7,930. In 1919 they amounted to $21,000. In 1920 they amounted to $46,800. In the nine months of 1921 they amounted to $22,667, making of both the painted and the unpainted about $33,000 in 1921 as the total imports of both kinds, as compared with $543,000 in 1914. They are disappearing instead of increasing, and that happened under a 20 per cent rate on the plain and a 25 per cent rate on the painted, stained, and polished. We are making them in great quantities here and can furnish them to the people at moderate prices. Perhaps the German makes it, although I do not know.

Mr. SMOOT. Yes; they are made in Germany.

Mr. SIMMONS. Even the German has not since 1914 been sending it into this country in any quantity at all. It is a perfectly negligible quantity. The present importations are not one-tenth as much as they were in 1914. They are growing less every year and will soon reach the vanishing point. Yet the proposition is to grant double the duties, to raise one from 20 to 45 per cent and the other from 25 to 60 per cent. I can not understand why it is done.

The trouble is that Senators will not stay in the Chamber and hear these questions debated. They will not stay here in order that they may ascertain the facts, and I know enough about those on this side of the Chamber to speak with reference to those on the other side of the Chamber. Senators who are not participating in the debate have not examined the books in order to ascertain the facts, and they will not stay here when we are discussing the matter.

I have enough confidence in the sense and fairness and judgment and patriotism of Members of the Senate to believe that they would not sustain the committee in these high rates if they would stay in their seats and hear an item like this

discussed and ascertain the facts as they appear in the case and as I have presented them; and I believe I have presented them correctly. I do not see how I could miss presenting them correctly when I have taken the statistics from that impartial body, the Tariff Commission. I do not believe we would find vote after vote sustaining the high duties imposed by the committee if Senators would listen to the discussion. I think instead of overruling the committee now and then, as has occurred as we have gone on with the schedules, they would have been overruled many, many more times; and before this time the committee, instead of bringing in amendments cutting the rates down slightly, would have brought in amendments cutting them down radically.

But there is no necessity in this case to do more than state the facts plainly and directly that they may go into the RECORD. Nothing else is accomplished in cases of this sort. It could not be accomplished. How can we convince the Senate when the Senate is not in the Chamber? If Senators will not stay here and listen to the discussion, I want the facts to go into the RECORD. That has been one of my chief objects and aims in asking for a discussion of the items. I believe enough public interest has been aroused in the question to start the people of the country to studying and trying to ascertain for themselves the facts upon which to base an independent judgment. We are going to put the facts in the RECORD so that they will be open to the newspapers of the country, and the students of the country, and to everybody who wants to know the facts about the rates and the taxes that are being imposed upon the people through the bill.

Mr. LENROOT. Mr. President, it so happens that a majority of the factories producing this kind of window shades are in Wisconsin, and I have therefore given some special attention to the subject. I want to read a paragraph of a letter from the president of the Hough Shade Corporation, of Janesville, Wis. In his letter, dated January 12, 1922, he said:

> We surely hope that our letter has reached you before this time, as this tariff matter as presented in the Senate brief, copy inclosed, is a matter of life and death with us. We have to-day just had a report from one of our salesmen, who called upon a very big dealer whom we have sold for years, and was informed by this dealer that his buyer was now in Germany and he expected to buy German wood slat porch shades, and we find through a letter received a short time ago from a German exporter, Hugo Klemm, Heidelberg, Germany, that this buyer can get German shades laid down at New York, with American duty paid and all duties paid and freight paid, for only $2.77, the very same shade that we have to get $4.10 for. As you will see from this comparison it means closing our factory if we do not get protection against the labor of men in Germany, which, according to the Government's own report (we have confirmed this through one of our employees who has relatives in Germany) is 52 cents per day, for labor which costs us from $2.70 to $4 per day, and the labor of women in Germany, which is 25 cents per day, and for which we are compelled to pay (Wisconsin minimum wage law) $2.25 for nine hours.

Mr. President, I have declined to be persuaded to any course of action simply upon statements of differences in wage cost. I believe the test generally as to whether a duty is too high or not, is, first, are importations large; and, second, are exportations of the domestic product large? If the importations be nominal and our exportations large, the conclusion follows that an increase, or at least a large increase, in duty is not justified. But in this particular case we find, first, that we have practically no exportations of this product.

While it is true, as the Senator from North Carolina [Mr. SIMMONS] has stated, that importations since the war have been nominal, it is also true that prior to the war importations from Germany were very large, so large as to be a menace to the industry here. In 1913, just before the war, the imports of the two classes of shades described in the paragraph amounted to over $1,000,000, and that was upon a rate of duty of 35 per cent for the uncolored or unpainted shades and 40 per cent for the painted shades; that is to say, under the rates of the Payne-Aldrich law the imports then were over a million dollars a year.

I do not believe it can be successfully contended by anyone upon the floor of the Senate that what Germany could do before the war in the way of exports and competing with American manufacturers she can not do much better since the war. I think the answer to the fact that up to this time the importations have not been large is that Germany has not happened yet to renew that particular line of production. But it is a fair assumption that when she was able before the war to export over a million dollars a year to us—and, remember, the total volume is not very large in dollars in this country of this particular item—she is able to do very much better now.

In this item I believe the original recommendation of the committee would have been fully justified, but realizing as I do that the imports up to this time have been only nominal and that the justification must be based upon what Germany did before the war and what Germany can do again, I insist that the rate imposed by the committee is fully justified by the facts.

The VICE PRESIDENT. The question is on the committee amendment as modified.

Mr. SIMMONS. I desire to offer an amendment to the committee amendment. I move to amend, in line 2, by striking out the numeral "40" and inserting "20."

The amendment to the amendment was rejected.

The committee amendment as modified was agreed to.

The ASSISTANT SECRETARY. The next amendment of the committee is, on page 95, line 4, where the committee proposes to strike out "30" and insert "60."

Mr. SMOOT. I move to amend that by striking out "60" and inserting "50."

The amendment to the amendment was agreed to.

Mr. SIMMONS. I move to amend by striking out "50" and inserting in lieu thereof "25."

The amendment to the amendment was rejected.

The amendment as amended was agreed to.

The next amendment of the Committee on Finance was, in line 5, page 95, to strike out "House" and insert "Spring clothespins, 15 cents per gross; house," so as to read:

> PAR. 414. Spring clothespins, 15 cents per gross; house or cabinet furniture wholly or in chief value of wood, etc.

Mr. SIMMONS. Mr. President, that is a new insertion. It does not appear in the House text. I would be very glad to have some Senator explain to the Senate why it was necessary to put 15 cents per gross on spring clothespins.

Mr. DILLINGHAM. Mr. President, it will be observed that paragraph 414 is a basket clause which takes care of "manufactures of wood or bark, or of which wood or bark is the component material of chief value, not otherwise specially provided for." The value of the spring clothespin is in the wood at the present time rather than in the steel which constitutes the spring used in the manufacture of the article as coming under this paragraph. It was the view of the committee that a 25 per cent ad valorem rate would not properly protect the industry in this country.

I will say to the Senator from North Carolina that these clothespins are an American invention and until recently have been an American production. They were patented in the beginning, but the patents expired, and now they are manufactured in various States of the Union and in many places are a sort of by-product of manufactures of larger types of woodenware, because the pieces of wood required in the clothespins are so small that they can be taken from what would otherwise be waste. But it appears that in 1912 and 1914 the American manufacturers began to have a very sharp competition from Norway and Sweden.

The cost in this country of producing these spring clothespins is, upon an average, about 40 cents per gross. They have been sold in this market from about 48 cents to 52 cents a gross, according to the size of the order; those in carloads being sold for 48 cents and those in smaller quantities for 52 cents per gross.

In 1912 the industry in this country had to meet foreign competition for the first time, the imported pins coming from the Scandinavian countries, Norway and Sweden. They were placed upon the market here at from 18 to 23 cents per gross, just about one-half of the present cost of manufacturing them in this country. The war coming on, of course, created an embargo.

Mr. SIMMONS. If the Senator will pardon me, do I understand him to say that the spring clothespins which came in here were manufactured in Norway and Sweden?

Mr. DILLINGHAM. Yes; in Norway and Sweden.

Mr. SIMMONS. At what percentage of the American cost?

Mr. DILLINGHAM. They were sold here as low as 18 cents per gross; from that up to 22 cents per gross.

Mr. SIMMONS. As against what American price?

Mr. DILLINGHAM. The American cost of manufacture is about 40 cents; and the American selling price is about 48 cents per gross in carload lots.

Mr. SIMMONS. The Senator from Vermont has named two countries in Europe where I have been under the general impression that labor is pretty well paid. Certainly labor is not low priced in those countries.

Mr. DILLINGHAM. I will say in reply to the Senator that my attention was called to the matter at that time by the Vermont manufacturers, there being three extensive establishments manufacturing these pins in the county in which I live. They wrote to me, and I took the matter up with the Department of State. The American consuls in those countries

were requested to make an examination, which they did, and they reported—I have not the figures before me—in substance, that the production was increasing there and that the cost of labor and material was such that the manufacturers were able to sell the goods in this country at the prices quoted.

Mr. SIMMONS. What is the material out of which these clothespins are made?

Mr. DILLINGHAM. The pin consists of a steel spring connecting the two wooden clips. This one [exhibiting] happens to be a cheap one; it is made of beech wood.

Mr. SIMMONS. I hardly see how there could be very much difference in the material cost.

Mr. DILLINGHAM. I think it is a question whether the article should fall under the wood schedule or under the steel schedule. The duty carried in the basket clause of the wood schedule is 35 per cent, and in the basket clause of the steel schedule it is 40 per cent.

Mr. SIMMONS. The process of manufacture must be so simple that, unless there is some peculiar differentiation in material costs, I could hardly account for the great difference in price upon the theory of a difference in the labor cost.

Mr. DILLINGHAM. There is a very marked difference in the labor cost. In my section we pay about $3 a day for mill labor, which is not a high price as prices go in the United States, and yet to produce that article by the gross costs, according to the best computation which can be made, 40 cents.

Mr. SIMMONS. I should not imagine there was any very great labor cost in the manufacture of this article. It looks like it would be largely a matter of machine work.

Mr. DILLINGHAM. The spring is made by machinery; the wood is cut and polished by machinery.

Mr. SIMMONS. The spring is made by machinery.

Mr. DILLINGHAM. Exactly; it is made by machinery; but the pins, then, have to be assembled, which can not be done by machinery. Assembling them is handwork. The manufacturers have a small hand machine in which they put the wood and the steel, and the combination is made in that way, which materially increases the cost.

Mr. SIMMONS. I believe the Senator stated that these pins were made in Norway and Sweden?

Mr. DILLINGHAM. Yes.

Mr. SIMMONS. I have been under the impression that the wages paid in Norway and Sweden were very good as compared with those paid in other European countries. I have been under the impression that they were better than those paid in France or even in Great Britain.

Mr. DILLINGHAM. I can only tell the Senator that the reports we received from our consuls were of the character that I have already indicated.

The World War operated as an embargo; but immediately after the war it was found that the Germans had gone into this business and were beginning to ship this class of goods into this country. The manufacturers in this country sent an agent to Germany in order to ascertain what the prospects were, and he found that Germany was selling these pins at 8 marks per gross. That was in 1921. So the Senator can see what the cost of the manufacture in Germany is.

Germany has come in and claims this market and is advertising some of these goods in the United States for 30 cents a gross, free on board the cars in New York. The German producers, after manufacturing the clothespin, paying the cost of transportation, of insurance, the landing charges, and the duty which is now imposed by law, and also after paying the commission of their agents in New York, and, adding their profit, are selling these clothespins at 30 cents a gross in this country.

Mr. SIMMONS. Do I understand the Senator from Vermont to say that they were selling, in 1921, in Germany at 8 marks?

Mr. DILLINGHAM. They were selling at 8 marks.

Mr. SIMMONS. What was the measure at that time of the German mark in American money?

Mr. SMOOT. Eight marks would be a little over 12 cents.

Mr. DILLINGHAM. The Senator from Utah [Mr. SMOOT] states that it was a little over 12 cents.

Mr. SMOOT. The mark was worth 1.52 cents at that time.

Mr. SIMMONS. There are no recent statistics in reference to the matter which seem to be available. It is a new item, and I suppose what statistics we have were published long before the item was put in the bill by the Senate committee. Can the Senator from Vermont tell us anything about what the production here is and what the imports of the particular commodity are?

Mr. DILLINGHAM. I am not able to give those statistics.

I know there are manufacturers of these pins in five or six of the States of the Union. The importations only began last year, and I do not know how considerable they were, although I know that the foreign producers are competing very actively with the American manufacturers, and the American manufacturers have put down their price to cost to themselves. They have been doing that for the last six months, because they wanted to retain their old customers until the pending bill should be considered, when they could ascertain whether they were to have anything like adequate protection against the foreign manufacturer.

Now, I desire to call attention to the effect of this amendment. If spring clothespins are included in the basket clause of the wood schedule which we are now considering, and which carries a rate of 35 per cent ad valorem, they could be delivered on this side, with landing charges of 10 per cent, but without profit added, at 22 cents per gross, provided the cost price of manufacture in Europe is 15 cents.

I may say that an estimated cost price of 15 cents is larger than the facts will warrant. It is undoubtedly true, however, that the pins can be produced in Norway, in Sweden, and in Germany at 15 cents, and, under this clause, they could be imported here at 22 cents a gross, which is substantially one-half of the cost of production in this country. But, taking the specific rate of 15 cents per gross, which is asked for by the committee, that rate will make it possible for the European made pins to be delivered on this side at 31½ cents a gross, provided the cost of manufacture is 15 cents, and less than that sum if the cost of manufacture is smaller than that. So it looks to us that the contention is entirely reasonable that the duty proposed is hardly fair to the manufacturer in this country. They are satisfied, however, to take that, because they say they have the market now, and, if they are accorded anything like reasonable protection, they can carry on their business successfully. I trust that the amendment may be adopted.

Mr. SIMMONS. Mr. President, I know nothing about this article, but, when the committee made up its mind to put a tax of 15 per cent upon these little pins, which are used by every washerwoman in the land with which to hang out clothes to dry, I think they ought to have taken the trouble to ascertain the facts for the enlightenment of the Senate and Congress as to the production in this country and the imports. I strongly suspect from what the Senator from Vermont has said with reference to the failure to get these data, that at this time the imports are probably negligible and that the rate proposed is based not upon actual importations but rather upon apprehended importations, which is a very doubtful basis for legislation of this character.

I think, Mr. President, that we are going very far in taxing the homes of the people of the country when we begin to tax the little things such as we have been dealing with here to-day, comprising small articles of household necessity and imposing rates upon them which in many instances nearly equal the value of the product.

In this particular instance the product that is exhibited to us upon which this duty is asked in the name of labor looks very much like it could be standardized so that one man, with proper machinery, could probably produce in a day a sufficient quantity to supply the demand of a State.

I took occasion some time ago in talking about stockings, I think it was, or, perhaps, shoes, to state that certain machinery had been invented by which one man could make 150 pairs of shoes—if it were shoes—in an incredibly short time, a mere fraction of a day. That man might be paid a pretty large wage, and yet the labor cost entering into the production of those shoes be nominal. American inventive genius is such that when an article of this kind is to be made a machine invariably is invented by which it can be made almost entirely, with merely the direction of the human hand, and I imagine that there is mighty little labor in the little article which the Senator from Vermont has exhibited to the Senate.

The item is so small that I do not want to consume any time about it. I am perfectly willing that we shall vote.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The READING CLERK. On page 95, line 7, after the word "finished" and the comma, it is proposed to insert "wood flour."

Mr. SMOOT. I will say that this would fall under this paragraph, but it was desired to have it specifically mentioned.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 95, line 10, it is proposed to strike out "in this section, 25" and insert "35," so as to read:

house or cabinet furniture wholly or in chief value of wood, wholly or partly finished, wood flour, and manufactures of wood or bark, or of which wood or bark is the component material of chief value, not specially provided for, 35 per cent ad valorem.

Mr. SIMMONS. Mr. President, as I understand this section now, it covers house or cabinet furniture wholly or in chief value of wood, wholly or partly manufactured, wood flour, and manufactures of wood or bark, or of which wood or bark is the component material of chief value, not specially provided for, and a duty of 35 per cent is proposed. That is a clause that would catch all furniture that is not taxed in some other paragraph; so that as a result we will have in this country, when this bill passes, a tariff tax upon all kinds of furniture ranging from 35 to 60 per cent. To my mind it is a frightful picture, that of taxing everything that goes into the furnishing of the mansion and the palace and the cottage.

The Tariff Commission says:

The furniture industry takes high rank among domestic manufactures. The following table, giving figures for 1914, segregates material and certain kinds of articles, such as metal, rattan, and willow, to show the relative importance of these "substitutes." Store and office fixtures and refrigerators are included, though not always classified as furniture.

Bearing out what I have just said, that all furniture of every kind or description, wherever used, in the office as well as in the mansion and the cottage, is included in this paragraph.

The establishments are given, and the value. The totals are very high. The value of the product, including everything, is $280,000,000.

Imports fell in value from $1,017,201 in 1914 to $333,358 in 1918 (fiscal year). The chief sources are France, Italy, the United Kingdom, Canada, Hongkong, and Japan. Formerly Austria-Hungary and Germany exported largely the cheapest grades, France and Italy the finest grades.

In 1918 the imports were $219,000, in round figures; in 1919, $469,000, in round figures; in 1920, $1,866,000, in round figures; in nine months of 1921, $1,395,000, in round figures.

Exports of nonmetal furniture in 1914 were valued at $6,529,249; in 1915, at $2,923,203; in 1918 (fiscal year), at $3,938,778. Exports fell off greatly during the war, reaching low ebb in 1915.

Later statistics for the calendar years show that the exports of chairs amounted in 1918 to $1,201,000, in 1919 to $1,503,000, in 1920 to $2,400,000, and in nine months of 1921 to $935,000. Exports of office and store furniture amounted in 1920 to $1,744,000, and in nine months of 1921 to $899,000, in round figures.

Exports of all other nonmetal furniture amounted in 1920 to $4,416,000, and in nine months of 1921 to $1,909,000.

It will be seen—

Says the Tariff Commission—

that imports are considerably smaller than exports, indicating—

I want to call this to the attention of Senators on the other side—

indicating ability of American manufacturers to compete, but that imports are increasing relatively to exports—about 6 per cent in 1918 to about 37 per cent in 1921 (nine months). This gain in imports may be due in part to the rapid depletion of our hardwood forests and consequent increase in price of domestic hardwoods.

If the latter is the cause of the increase, then, Mr. President, the diminishing quantity of our basic supply would seem to indicate that we ought to get some assistance in supplying the demand from abroad instead of cutting it off altogether.

It will also be noted—

Says the Tariff Commission—

that exports and imports, while considerable in the aggregate, are both small as compared with domestic production. In 1919 exports are less than 1 per cent of production.

Foreign trade in furniture is small compared with the domestic trade, because (1) furniture is bulky and, rates being charged by space, expensive to transport.

They have another table here of manufactures of wood or bark. The imports are very small. I shall not stop to read them. The exports are very much larger than the imports in the case of manufactures of wood or bark, just as in the case that I have been reading about, and it would therefore merely multiply the facts to read the figures.

Upon the showing of the Tariff Commission as to imports and exports and domestic production, there would seem to be no justification for this duty; and the Tariff Commission, deviating from its usual course in these summaries, stresses the fact—because, I suppose, it was so forcibly borne in upon it by these conditions—that the American producer of the furniture embraced within this paragraph seemed to be amply able to protect himself against foreign competition.

I wish very much the Senator from Wisconsin [Mr. LENROOT] were in the Chamber. If he were, and if he applied the rule which he said to-day and said a few days ago also would govern him in voting on these duties, he would undoubtedly vote either against this duty or for its material reduction.

The duty in the present law is 15 per cent, and that 15 per cent has kept out imports to the point where the Tariff Commission itself—and I do not think anybody would say that the commission as now constituted is a free-trade body; I think everybody will admit that its membership is composed largely of advocates of protection, and I do not mean by that to say that its reports are colored by partisan considerations—the commission itself tells us that the American producer can take care of himself with the present rate of duty, 15 per cent. Then why, Mr. President, multiply that more than twice?

I do not wish to take the time of the Senate in further discussion. I merely want to get the facts in the record.

Mr. SMOOT. Mr. President, just a word for the record.

Every schedule in a tariff bill has a basket clause. Those items that are not specifically mentioned and provided for, falling within the class of the schedule, fall in the basket clause. So it is in this case; and the only goods that will be imported under this paragraph will be novelties. The high-priced goods will come from France if they are in the shape of furniture, and I do not care whether they pay 35 or 50 per cent on that kind of goods. If American manufacturers can not manufacture furniture in the United States that is good enough for American citizens, and they have to go over and get furniture that has a foreign brand upon it, I do not care whether they pay 25 or 35 per cent; as long as we can get that money into the Treasury of the United States, so much the better. Let them pay a part of the expenses of our Government if nothing on earth will suit them besides a foreign brand of furniture.

As far as household furniture is concerned, and as far as the production of the items following in this basket clause is concerned, there are millions of dollars' worth produced, and if the rate were 10 per cent there would be no more importations than there are now; if it were 25 per cent there would be no more than there are to-day, and if it were 35 per cent there would be no more importations than there are to-day. It is only a question of getting something in this basket clause which we know not of, an invention of some kind which may be taken out or be put into commerce, which would fall under the basket clause. I am not speaking particularly of this schedule, but of all the schedules in the bill.

Mr. NORRIS. Mr. President, I may be mistaken, but my understanding is that the Senator is discussing paragraph 414.

Mr. SMOOT. That is correct.

Mr. NORRIS. Does not ordinary household furniture, such as chairs and that kind of furniture, fall under this paragraph, and is not that covered by this rate?

Mr. SMOOT. It would not come in if the rate were 10 per cent. The freight itself is such that the manufacturers can not ship that sort of furniture into this country.

Mr. NORRIS. What I am trying to get at is whether this is not the provision which would cover ordinary furniture, such as kitchen chairs?

Mr. SMOOT. Yes; if any of it came in. The only thing that will come in under this bracket is some specially made furniture, or some style of furniture manufactured in some foreign country, and if it comes in, then why not make the importers of it pay a duty?

Mr. NORRIS. I would not have any objection to any tariff on that kind of furniture, but I asked the question because the statement of the Senator rather indicated to me that there is probably some provision in the bill which would cover household furniture.

Mr. SMOOT. My statement was that there were millions of dollars' worth of furniture made that would fall under this paragraph which, even if it bore a rate of 10 per cent, would not come into this country, and then I went on to state what kind of furniture does come in and will come in under it. They are novelties, pure and simple, and we can get 35 per cent out of them just as well as we can get 15 per cent. Anybody who goes to France or any other country in the world to get furniture of some special design ought to pay a fair duty upon it.

Mr. NORRIS. I have no objection to that. At the same time I would like to leave the way open to impose a good deal lower rate on the ordinary, common furniture.

Mr. SMOOT. It is just the same as with stoves, and articles falling under the basket clause in the iron and steel schedule, and machinery falling in the basket clause.

Mr. NORRIS. There is a good deal of difference in the freight. Suppose an ordinary kitchen table, or kitchen chair,

were shipped in here knocked down. I suppose it would probably come in that form, although I do not know. Under this provision it would have to pay a tariff of 35 per cent.

Mr. SMOOT. That is true; but it would not come in.

Mr. NORRIS. I think that rate is too high.

Mr. SMOOT. It does not come in, and it would not come in if the rate were only 10 per cent.

Mr. NORRIS. It probably will not come if you make it so high.

Mr. SMOOT. It has not come in heretofore.

Mr. NORRIS. That would enable the furniture manufacturers of our country to put the prices up too high on the kind of furniture the Senator is speaking of. I would not have any objection to almost any kind of a tariff on the novelty furniture or mahogany furniture, or something of that kind; but this covers both kinds, and it should not be drawn so as to cover both.

Mr. SMOOT. It has been that way in all tariff laws, and it covers them both in the existing law. If there were any chance at all of importing the class of furniture to which the Senator refers, I would try in some way or other to divide it.

Mr. NORRIS. We can not get any chance unless we put the rates down.

Mr. SMOOT. If we did that, we would lose the revenue altogether.

Mr. NORRIS. I should think it could be easily separated by a description. For instance, if you were providing for a rate on upholstered furniture, or furniture made of a certain kind of wood, mahogany, or something like that, you could put it in a different classification from the ordinary household furniture, such articles as people in ordinary circumstances have to buy and pay fabulous prices for.

Mr. SMOOT. I have thought of it many times, and tried to devise some language which would take care of novelty furniture, household furniture—because it is household furniture—and get it separated from household furniture, and I can not think of any words which will do it. I do not know how it can be done. The chief value of the most costly furniture is wood. It is not upholstered furniture; it is carved furniture. I do not know that I can say anything more. I want to get 35 per cent out of this class of articles, which have been coming into this country ever since the furniture industry was established in the United States.

Mr. SIMMONS. I move to strike out "35," in line 10, and insert "15."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Carolina to the committee amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, in schedule 5, on page 95, line 11, before the word "molasses," to strike out "Sugar" and insert "Sugar," so as to read: "Schedule 5.—Sugar, molasses, and manufactures of."

The amendment was agreed to.

The next amendment was, on page 95, after line 22, to strike out:

PAR. 502. Any person manufacturing or refining in the United States sugar, testing by the polariscope over 99 degrees, produced from beet or cane grown in the continental United States, shall for each pound so manufactured or refined during any month in any State, Territory, or the District of Columbia, be permitted to import, at any time before the expiration of nine months after the last day of such month (for the sole purpose of being manufactured or refined by him in such State, Territory, or District), 2 pounds of sugar testing by the polariscope not above 96 degrees at three-fourths of the rate of duty to which such sugar would otherwise be subject. The Secretary of the Treasury shall make all regulations necessary for the enforcement of this paragraph, including the taking of bonds to secure compliance with its provisions.

The amendment was agreed to.

The next amendment was, on page 96, line 13, after the word "and," to strike out "sirups" and insert "sugar sirups, not specially provided for," so as to make the paragraph read:

PAR. 503. Molasses and sugar sirups, not specially provided for, testing not above 48 per cent total sugars, twenty-five one-hundredths of 1 cent per gallon; testing above 48 per cent total sugars, two hundred and seventy-five one-thousandths of 1 cent additional for each per cent of total sugars and fractions of a per cent in proportion.

Mr. BROUSSARD. Mr. President, I wish to call the attention of the Senate to the reading of paragraph 503 as it passed the House. It provided:

Molasses and sirups, testing not above 48 per cent total sugars, twenty-five one-hundredths of 1 cent per gallon; testing above 48 per cent total sugars, two hundred and seventy-five one-thousandths of 1 cent additional for each per cent of total sugars and fractions of a per cent in proportion.

To which the committee proposes an amendment, so as to make it read:

Molasses and sugar sirups, not specially provided for.

The amendment proposed by the Finance Committee has reference to a paragraph under the free list, paragraph 1615a, which reads as follows:

PAR. 1615a. Molasses testing not above 56 per cent total sugars not imported to be commercially used for the extraction of sugar or for human consumption.

There was long consideration of this paragraph before the Finance Committee. Before entering into the merits I wish to say that I have here letters and circulars which were issued by Penick & Ford (Ltd.), manufacturers of molasses and sirup, of New Orleans, La., and circulars issued by the soap manufacturers of this country, all of them directing the attention of dairymen and stock feeders to the importance of having free blackstrap molasses, so as to cheapen the cost per ton of feed.

The Soap Trust use large quantities of cotton seed, which they crush and from which they extract the oil, and there is left with them the residue, composed of the cottonseed meal and cakes. They have made the same propaganda here they made against the vegetable oils of the cotton growers and against the peanut and other vegetable oils produced in this country. Apparently at one time they demonstrated to the satisfaction of the people who feed stock that any duty imposed upon blackstrap molasses would increase the cost of the feed. I believe the argument is absurd and ridiculous. I am glad to see the Senator from Illinois [Mr. McCORMICK] on the floor at this time, because the grain growers of his State were the first to realize how the feeders, the cattle people, and the dairy people of this country had been imposed upon.

Mr. McCORMICK. Mr. President, I think it fair to say in this connection that, as far as I know, there is rather a sharp division of opinion in my State on the subject. The dairy people and the feeders, so far as my correspondence indicates, hold to one view.

Mr. BROUSSARD. I shall demonstrate to the Senator, I think, if he has any doubt as to the merits of this, that the people who grow grain which enters into competition with the compounds of feeds put up by the manufacturers of feedstuffs have a perfect right to ask that a duty be imposed on this blackstrap.

I wish to remind the committee of this fact: We must take into consideration that we are now passing a tariff bill in which all the rates as carried under the existing law have rightly been increased. This bill is being framed upon the theory of a protective tariff, whereas the Underwood-Simmons bill was framed merely as a revenue producer. I wish to call attention to the fact that in the act of 1913, known as the Underwood-Simmons law, a duty of 15 per cent ad valorem was imposed on blackstrap molasses up to 40 degrees, and above 40 degrees there was a duty of 2½ cents per gallon.

Under the Payne-Aldrich law of 1909 there was a 20 per cent ad valorem duty on blackstrap molasses up to 40 degrees, and above 40 degrees there was 6 cents per gallon duty imposed. It was perfectly natural that when the House passed the present paragraph, 503, it imposed a duty upon blackstrap molasses; that is, it made no distinction between the blackstrap molasses imported for feedstuffs, or for use in the manufacture of industrial alcohol, or for use in human consumption. I find it very singular that the committee took the view that there should be made exceptions of the imports of molasses from Cuba.

In view of the fact that the committee agrees with the rate adopted by the House on sugar, the only justification the committee can have for standing by the duty there imposed by the House is the disparity between the cost of production of the Cuban producer and the American producer of sugar. If blackstrap molasses is a by-product of the Cuban manufacturer of sugar in Cuba, and the sugar in Cuba must pay a duty to this Government in order to compete with the American sugar, there is no reason at all for not imposing a similar duty on a by-product of sugar, blackstrap, which would be compensatory, or one which would enable us to meet the blackstrap producer in Cuba on an equal basis of justice and equity, in order to equalize the cost of production here and in Cuba.

Mr. NORRIS. Mr. President——

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

Mr. NORRIS. I would like to ask the Senator to state where the dividing line is between molasses used for human consumption and the other kind to which he referred.

Mr. BROUSSARD. I shall come to that in a moment if the Senator will permit me to continue now. I may take more

time than is necessary to discuss this matter, but I was unable to get the committee to agree with me. I feel thoroughly convinced I am correct on the proposition. There is to my mind no justification for the action of the committee in making a difference between the blackstrap produced in Cuba and the sugar produced in Cuba, but I shall cover the subject thoroughly, and I think I may satisfy the Senator on every point about the question. I wish to take it up in the order I have it in my mind, if that will answer the purpose of the Senator from Nebraska.

I may read into the RECORD at this point the definition of what blackstrap molasses is, because I think that in a measure it will answer the question propounded by the Senator from Nebraska. I have here the report of the committee on cane sirup and molasses to the Food Administrator during the war. The men who comprised that committee were experts in this line. The chairman was Mr. R. E. Milling, of New Orleans, La.; Mr. N. W. Taussig, of the Tariff Commission, and I think he was chairman of the commission at that time; Mr. G. R. Bunker, of New York; Mr. C. D. Kemper, of New Orleans, La.; and Mr. W. L. Petrikin, of Denver, Colo.

By the way, I wish to call attention to the fact that the greatest propaganda against the small duty, which I shall demonstrate is what it amounts to, on blackstrap molasses imported from Cuba was conducted by the Penick & Ford Co., which is really a part of the Sugar Trust. It was one of the independent refineries years ago when the American Sugar Refining Co. began to organize in order to control sugar prices in this country, came down to New Orleans and took it over. It was so small and the needs of their operations there so large that they decided to build the Chalmette refinery, and they converted this small refinery into the Penick & Ford (Ltd.). We had been working for 100 years to establish the reputation of Louisiana molasses. Louisiana molasses was known throughout the United States. Those people came there and did not use the Louisiana molasses, but they used our blackstrap and they imported blackstrap from Cuba at 3 cents a gallon and filtered it, mixed it with other sirups and molasses, and put it on the market and sold it throughout the United States as Louisiana molasses at from 95 cents to $1.25 a gallon. Those people have been interested in bringing sugar and molasses into this country free of duty.

Mr. WILLIS. Mr. President——

Mr. BROUSSARD. I yield to the Senator from Ohio.

Mr. WILLIS. I simply want to get some information. I was looking at the Summary of Tariff Information, which indicates that blackstrap molasses is not at all suitable for human food. I understand the Senator is saying now that it is so used.

Mr. BROUSSARD. I desire to say that if the people who advocate free molasses conceded that it was not fit for human consumption, they would not ask that any clause be put in here providing that if sugar is extracted from the molasses it shall pay a duty. There would not have been any demand for the clause to be inserted if they held that view. The Penick & Ford people did not want any such clause inserted. But after the fight started and we made our case, the committee had some consideration for the cattle breeders and cattle feeders and dairy people, and they put the provision in so as to exclude from the provisions molasses used for human consumption and molasses from which, not that sugar may be excluded, but from which sugar is actually extracted.

I want to revert back to the report of the committee on cane sirup and molasses which was appointed by the Food Administrator for the purpose of fixing a maximum price on blackstrap molasses. As Mr. Taussig's report shows, some of this stuff was being sold at 95 cents a gallon at that time and the Food Administrator found the case so serious that he appointed this committee in order to establish a maximum price for blackstrap molasses, and here is what the committee did. It will be found on page 10 of their report that the committee recommended that the pre-war value be first taken, to which was added 50 per cent, because of increases in all products at that time, and they fixed the maximum price of blackstrap molasses at 18 cents per gallon and they stopped the imposition by which some people were fleecing the American people and foreigners.

But now I wish to come back to the proposition as to what blackstrap molasses is. Here is their definition, as given at page 13 of their report. This is the definition which this board of experts has given of blackstrap molasses:

> Whereas final molasses, which is above standard blackstrap—say, 55 per cent combined sugars—while frequently sold as blackstrap, is of superior quality and should be classed as Louisiana third molasses. Blackstrap is used generally for animal feed and for distilling purposes.

So that under the definition which they adopted in order to fix the regulations which were to apply for the fixing of the price and the importations, and the manner in which it should be put upon the market, this committee reported that—

> Whereas final molasses, which is above standard blackstrap—say, 55 per cent combined sugars.

When they referred to the final molasses they referred to molasses which is of a superior quality to the blackstrap, and they state the final molasses begins at 55 per cent of combined sugars. But final molasses is a higher grade than blackstrap.

Now, what has the Finance Committee done here? The committee proposes to let in all blackstrap molasses which contains total sugars of 56 per cent, so that under this definition as applied to the Senate amendment, the amendment proposed by the Finance Committee, all of the blackstrap and final molasses of one degree above blackstrap will be admitted into this country without duty. I do not think anybody can dispute that proposition.

This report goes thoroughly into the question of the blackstrap molasses as it confronted the Food Administration at that time.

Mr. WILLIS. Mr. President, does the Senator have before him the Summary of Tariff Information?

Mr. BROUSSARD. Yes; I have it.

Mr. WILLIS. At page 602—I am asking this because the Senator has special technical detailed information about it—is this language, which to me is not at all clear:

> Paragraph 503 is faulty as it stands, as the dividing line—48 per cent—cuts into the blackstrap instead of separating all blackstrap from the next general commercial grade, edible molasses and sirups.

It says it "cuts into it." What is the proper dividing line? How should it be stated not to do that? There is no suggestion made in the Summary of Tariff Information.

Mr. BROUSSARD. I will say to the Senator that he can take the lowest grade of Cuban blackstrap molasses and filter it and convert it into an article that can be used for human consumption. That is being done, and that product is being sold in competition with all of the sirups and molasses manufactured in this country.

Mr. WILLIS. Then, I understand the Senator's contention to be that really there is no dividing line, that it can be filtered and used as a molasses product?

Mr. BROUSSARD. Yes; filtered and used with other molasses sirups. As a raw product as it is imported, I would accept the definition which the committee gave, and to which I have referred, the definition given by the committee appointed for that purpose, that the final molasses, which is a grade above blackstrap, begins at 55, but blackstrap cuts down as low as 40, and it all depends on the quantity of sugar left there. If we had only one refinery in the world, we might establish the percentage of the sugars which would determine what was molasses and what was blackstrap, but the by-product depends upon the efficiency of the equipment and the machinery and the sugar house. It also depends upon the quality of the sucrose which is converted into sugar.

Mr. WILLIS. Then, does the Senator from Louisiana contend that the test ought to be 55 per cent instead of 48 per cent?

Mr. BROUSSARD. No; I think it ought to start at 48 per cent, because I shall show the Senator after awhile that 98 per cent of all the Cuban blackstrap molasses which was imported into this country in the year 1920 was below 40 degrees. I am coming to that, if the Senator will only have a little patience until I get to that part of it. It will be found on page 600 of the Summary of Tariff Information that the importations of molasses testing not above 40 degrees were 139,289,062 gallons, valued at $5,670,762; of blackstrap molasses, testing above 40 degrees and not above 56 degrees, there were imported 1,555,771 gallons; and above 56 degrees there were imported only 10,642 gallons of molasses, valued at $5,268.

So I submit to the Senate that the action of the Finance Committee has simply been to throw into the free list nearly 99 per cent of the molasses imported into this country if used for the making of feeds and the manufacture of alcohol and not for human food. I have here some data which, Mr. President, I should like to insert in the RECORD without reading.

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

The matter referred to is as follows:

> Added cost per ton of feed if entire amount tariff, as in Fordney rate, on blackstrap molasses be reflected.
>
> In mixed feed containing 20 per cent molasses (the amount used in actual practice) 2,000 pounds. Feed, 20 per cent molasses, contains 400 pounds molasses. Weight of molasses 11.7 pounds per gallon (171 gallons molasses=1 ton).
>
> Twenty per cent of 171=34.2, which represents the number of gallons of molasses contained in 1 ton of mixed feed.

Fordney rate 0.25 of 1 cent per gallon for molasses testing 48 degrees total sugars plus 0.275 of 1 cent per gallon for each additional degree of total sugar, less 20 per cent Cuban preferential.

Test.	Rate on Cuban molasses per gallon.	Number gallons in 20 per cent feed.	Duty cost per ton of feed 20 per cent molasses.
48 per cent.....	0.20 of 1 cent.	34.2	0.0684 (6.8 cents per ton of feed).
49 per cent.....	0.42 of 1 cent.	34.2	0.14364 (14.36 cents per ton of feed).
50 per cent.....	0.64 of 1 cent.	34.2	0.21888 (21.89 cents per ton of feed).
51 per cent.....	0.86 of 1 cent.	34.2	0.29412 (29.41 cents per ton of feed).
52 per cent.....	1.08 of 1 cent.	34.2	0.36936 (36.94 cents per ton of feed).

Hay sells at $28 per ton, equal 1.4 cents per pound.

Under present duty he buys molasses at less than 3 cents per gallon. Therefore he buys 11.7 pounds of molasses for less than 3 cents. He sells the 11.7 pounds at 1.4 cents per pound=16.38 cents. Subtract cost per gallon 3 cents, profit 13.38 cents per gallon.

Twenty per cent of 2,000 pounds=400 pounds=34.2 gallons at profit of 13.38 cents per gallon=a net profit of $4.57½ on blackstrap alone on each ton of feed sold by the feed manufacturer.

Mr. SHEPPARD. May I ask the Senator from Louisiana a question at that point?

Mr. BROUSSARD. Yes.

Mr. SHEPPARD. What is the duty on the molasses that is not used as an element of human food?

Mr. BROUSSARD. On molasses used for human consumption, or the manufacture of sugar, the duty would be one-quarter of a cent per gallon up to 48 per cent of total sugars, and above 48 per cent of total sugars it would be two hundred and seventy-five one-thousandths of 1 cent for each additional degree. That was the duty which the House adopted in connection with this bill as to all molasses and which the Committee on Finance still wishes to have apply to blackstrap molasses which is imported for human consumption, but they have placed on the free list the blackstrap which is used for feeding stock or the manufacture of alcohol testing not above 56 per cent, which, to my mind, does not permit of any duty at all on blackstrap, because 56 per cent is above the total sugar content of any Cuban blackstrap molasses.

Reverting to paragraph 501, the Senator from Texas will find that the committee there impose a duty on "all mixtures containing sugar and water testing by the polariscope above 50 sugar degrees," and so forth. Blackstrap contains sugar and water. The two provisions overlap.

Mr. SHEPPARD. If I understand the Senator correctly, the form of blackstrap which the Senate committee has put on the free list is only that form which is used for feeding animals?

Mr. BROUSSARD. It is the same molasses as that used for the manufacture of industrial alcohol and for stock feeding and also for human consumption after being filtered; but the provision proposed by the committee does not put on the free list the molasses which is used for human consumption or for the extraction of sugar, while it does put on the free list that which is used for the feeding of cattle and the manufacture of alcohol. In other words, to illustrate it to the Senator, there is more consideration given to cattle in this paragraph than there is to human beings, because the blackstrap molasses imported to feed cattle is to be imported free, but on that which the Senator and I buy in the shape of molasses we are forced to pay a duty.

Mr. SHEPPARD. Is it the same article?

Mr. BROUSSARD. It is the same article except that we do not eat it in that form, but it is used as an adulterant, as a compound in the manufacture of molasses and sirups. The manufacturers use corn sirup, they use sugar-cane sirup, they use other forms of sirups. I notice the Department of Agriculture is now making a sweet-potato sirup, which is flavored to some extent with cane juice. So the manufacturers of molasses if they use this blackstrap molasses will be able to filter it and use it with sweet-potato sirup and put it on the market.

Mr. SHEPPARD. How can it be told at the customhouse whether the imported blackstrap is to be used for human food or for animal food or for the manufacture of industrial alcohol?

Mr. BROUSSARD. I am very thankful to the Senator for that question, because I desire to say that the amount of duty to be collected on blackstrap will not be an enormous sum, for the duty proposed is only a quarter of a cent per gallon, and under the provision presented to the Senate by the committee the cost of administration will, in my opinion, be so great as to more than absorb the amount of duty collected, if any effort is made to enforce its collection with any degree of justice and fairness. In other words, if the Government is simply going to take the word of the importer as to what he expects to do with the commodity, then the Government will get a certain small revenue; but if the Government expects to see that every man is made to pay the duty so as to protect every other man who does pay the duty, then the administrative features in the law, in order to determine that and to have it effectually enforced, will cost more than the duty which will be paid on this article.

Mr. SHEPPARD. How is it proposed to determine the use to which the imported article is to be put—by the word of the importer only?

Mr. BROUSSARD. I do not know; there are no administrative provisions presented to the Senate in connection with this matter; but, as I understand—and I will ask the Senator from Utah [Mr. SMOOT] to verify my opinion about it—the collector will have to decide as to how that question shall be determined.

Mr. SMOOT. Of course, it is not known whether or not the imported molasses is for human consumption. There is only one way in the world to find that out, and that is to trace it to the place where it is made into food for consumption. When the molasses arrives, of course it will be taxed according to the rules and regulations prescribed by the Secretary of the Treasury, and I presume there will be some declaration made and some affidavits executed stating to what use the importations are to be put, but it will not be known whether the molasses will be used for that purpose unless it is followed to the place where it is manufactured, and then traced virtually to the person who consumes it.

Mr. SHEPPARD. Is the article in practically the same form for every purpose?

Mr. SMOOT. No; but it all comes in as molasses and none of it is fit for human consumption. Then it is refined; but if it contains less than 40 per cent saccharine content it does not pay to refine it.

Mr. BROUSSARD. That is true.

Mr. SMOOT. But if the saccharine content runs up to 56 per cent there is no doubt that the molasses can be refined and made into a sirup that is fit for consumption and millions of gallons of it will be used for that purpose.

Mr. SHEPPARD. Is there not some way to test the saccharine content at the customhouse?

Mr. SMOOT. Yes; that may be done in a few moments. I referred to the 56 per cent of saccharine content because the test has been raised from the present percentage of 40 to 56 per cent. If the saccharine content were only 40 per cent the molasses could not be refined successfully; that is, it could not be refined cheaply enough to make it into a sirup fit for human consumption.

Mr. SHEPPARD. That is the article which is put on the free list?

Mr. SMOOT. It is on the free list if it tests up to 56 per cent, provided it is unfit for human consumption.

Mr. GERRY. Mr. President, I should like to ask the Senator from Utah a question if the Senator from Louisiana will permit me.

Mr. BROUSSARD. I should like to proceed for a moment. I think I have found an answer supported by an authority. I will again read from the report which the committee on cane sirup and molasses made to the Food Administration.

Mr. GERRY. I merely wanted to ask a question for information, if the Senator will yield to me.

Mr. BROUSSARD. Very well; I yield.

Mr. GERRY. I should like to know if the 40 per cent molasses to which the Senator from Utah referred is not tested by another method rather than by the polariscope method?

Mr. BROUSSARD. An altogether different test is employed.

Mr. GERRY. So that the 40 per cent grade as provided by the Underwood law represented a different degree of saccharine content than 40 per cent under this test.

Mr. SMOOT. That is true, but it does not amount to 56 per cent.

Mr. GERRY. I am not stating that it does; but apparently, from the statement of the Senator from Utah, it would appear that the degree of saccharine content has been increased from 40 per cent to 56 per cent. The difference, however, is by no means so great as that.

Mr. BROUSSARD. Mr. President, I think the two Senators to whom I yielded have digressed from the question asked by the Senator from Texas. I wish to revert to the question of how the difference can be told between the molasses imported for human consumption and molasses imported for the purpose of manufacturing industrial alcohol or for feeding purposes.

I quote from the report of the committee of experts on molasses to the Food Administration, to which I have referred:

Refiners' sirup is produced from the refining of raw sugar. Such raw sugar, of a standard polarization of 96°, usually produces about 93 pounds of granulated sugar and 5 pounds of refined sirup, or if blackstrap is produced instead of refined sirup, somewhat more than 5

pounds. These refined sirups are sold on sample and their value depends so entirely on their color and flavor that it is not practicable to establish standard grades. When sold for export they are graded as filtered or unfiltered, according to whether they have or have not received a final filtration. The proportion of final filtered sirups and blackstrap produced by the refinery depends upon—

First, whether or not the refinery is equipped to produce filtered sirups; and

Second, the relative price of each.

Refineries that are equipped for making the highest quality of refined sirup may produce blackstrap by simply failure to filter the sirups. Of course, it costs more to produce the filtered sirup than the blackstrap, and this added cost may or may not be proportional to the extra value added to the sirup by the filtration process; this is difficult to determine. But the essential fact is that the refiner produces by this extra refining a very high grade of table sirup, whereas if he produces blackstrap it is used only as animal food or for distilling.

So here is what happens in Louisiana, say: We improve our blackstrap, and it is a very much higher grade article than that produced by the Cuban factories, and the Senator will readily understand that. Our sugars are not refined, but we can put them on the market and obtain a sale for them. They are in usable shape. During the war the food administrator of my State accommodated people in various parts of the United States where our Louisiana plantation sugars were sold to the public and used the same as the refined sugar; so that when you go to clarify that, to bring the sugar to that state, you are making a higher degree of article than the Cuban raw sugar which comes here, and which most of you would not recognize to be sugar if you saw it. Then when the molasses people who prepare this molasses for human consumption here get it they filter it, and when they have done that they have simply added that much labor which the Cuban producers fail to do, and then instead of having blackstrap molasses fit for animal consumption they sell it for human consumption. That is the difference.

Mr. President, I wish to call attention to the source from which we imported all this blackstrap molasses in 1920. On page 600 of the Summary of Tariff Information we find this, about the middle of the page:

A comparatively small quantity, 20,792 gallons in 1920, is imported free of duty—all from the Virgin Islands. Of the dutiable imports by far the greater part is from Cuba—148,084,934 gallons out of the total of 161,156,639 gallons in 1920. The imports from Cuba, however, are a low-grade molasses, blackstrap, used largely in the manufacture of industrial alcohol and as an ingredient of cattle feed.

So that when you consider, Mr. President, that this blackstrap molasses imported from Cuba—this large quantity, nearly 98 per cent of it imported into this country—is to come in free of duty unless it has a total sugar content of over 56 per cent, my contention is that you are landing all of this molasses free, and the only excuse that you can have for doing that is that you are doing some good somewhere. That is from the Democratic viewpoint of it; but it is absolutely indefensible from the Republican viewpoint to deny a duty upon the blackstrap molasses produced by Cubans, and at the same time to grant $1.60 per hundred pounds on the sugar, which is the primary article, produced both in Cuba and in the United States. There is no logic and no sequence of reasoning in the action of the committee, and the committee certainly should change this committee report.

Mr. President, I wish to refer to the Monthly Crop Reporter of December, 1921, page 146. After that I shall take up the objections which the grain growers of this country have to permitting this molasses to come in free of duty. I wish to say—and I think that concerns a number of Senators here on the floor—that this blackstrap molasses is refined by a molasses factory in New Orleans, which is owned by the American Sugar Trust and by others, is filtered, and then it is mixed with other sirups and molasses made in this country, and then sold as a Louisiana molasses. That article, which they produce in that way, they sell at a considerably higher price than it costs them, in view of the fact that they buy this blackstrap, which forms a large portion of their sirups and molasses, at 3 cents a gallon, and they are objecting to a duty of one-quarter of a cent a gallon, but they sell that molasses in competition with the pure molasses and sirup produced in South Carolina, for instance, or in Georgia, or in Florida, Alabama, Mississippi, Texas, or Arkansas. For instance, it is astonishing to most of you to know that Georgia in 1920 made 9,697,000 gallons of molasses and sirup. It was the leading State, and after that came Louisiana and Alabama and Mississippi; but these refined blackstrap products are then put on the market and sold in competition with the real, genuine article that we think we are buying when we buy the other. So I can see no reason, from that standpoint, to exempt them from the payment of a much larger duty than a quarter of a cent per gallon.

To show exactly what the propaganda was that brought about this condition, I wish to say that the industrial alcohol people, who use most of this blackstrap, have never raised their voice against the imposition of this duty. There were converted into industrial alcohol in Louisiana for the year ended June 30, 1919, of this blackstrap molasses, 27,073,185 gallons. These people are not asking that the blackstrap be put on the free list. I do not think that the Senator from Alabama [Mr. UNDERWOOD], when he was writing his bill, was ever asked to put blackstrap upon the free list. It never was on the free list before in any bill that I know of. This propaganda was started by the soap manufacturers, who are interested in buying cheap molasses, to dispose of their cotton-seed hulls and cotton-seed meal in competition with good, sound grain that your own farmers are producing everywhere throughout the United States, and pressed here by the sweet-feed manufacturers, and by Penick & Ford, who are interested in crushing the American sugar industry, and they do not want us to get this little protection.

I should like to state to the chairman of the committee that I do not care how much the difference may be between what you need actually to permit you to market your article and a less duty or no duty at all. It may be one-tenth of 1 cent, but if it is one-tenth of 1 cent it prevents you from putting it on the market.

Here is the situation that faces the farmers in my State: Here is a by-product. We were not able to sell it on an average for 3 cents per gallon last year. It cost us something to get it to market. It cost us something to put it on the cars to take it to market. We need as a minimum the House rate in order to permit us to put it on the market without loss; but if we are denied this protection, what is the result? We can not economically take money out of our pockets to market this stuff in order to rid the plantation of it, and unless you do that here is the condition, which most of you do not appreciate: It must remain on the plantation. It ferments. The United States Government will not permit us to throw it into the streams, because it sours the water, kills the fish, and makes it almost dangerous to live on any stream in which there is this decaying fish and fermenting molasses. So that we are up against the proposition that unless we are allowed sufficient duty to permit us to put it on the market without loss we must keep it on the plantation, and then we are again put to a cost in order to prevent injuring our neighbors' property, because this molasses will ferment, and if you permit it to go into the drains it gets out into your neighbors' farms and it sours the soil and makes it unfit for cultivation until you have limed it. Before we began the use of this blackstrap molasses in the manufacture of industrial alcohol and in the feeding of cattle, it is a matter within my own knowledge that some of the plantations had as much as 30 acres of land which was absolutely set aside for the purpose of receiving this fermenting molasses. In order to save the rest of the plantation that amount of property had to be sacrificed, because every time it broke through the levee or got into a drain or got into the stream the United States marshal came around and arrested the proprietor of the plantation for having polluted the stream.

That is the situation which confronts us. We need this duty; and I shall demonstrate in a few moments that the excuse which Penick & Ford and the other people put over the feeders and the dairy people of this country was absolutely a purely selfish instrument, which they used to serve their own purposes and at the same time to destroy us; and I will show that these dairymen will not have the price of the feedstuff which they buy for their dairies or that the rancher will not have the price of the feedstuff which he buys increased by more than 6 cents per ton, and yet that is the excuse which was submitted to the committee in order to deny us a duty on this blackstrap imported from Cuba.

I do not think anybody will deny the fact—and I have the figures here, which I could insert in the RECORD—that last year we were unable to get as much as an average of 3 cents per gallon for our entire output of molasses.

Now, I want to get to the practical side of this matter, to discuss with the committee and the Senators here the effect which they claim this duty would have upon the price of feedstuffs. I have here a statement, which I ask to insert without reading, but I wish to comment upon it, which figures out absolutely the additional cost which a duty proposed as the House paragraph went through the House would add to the cost per ton of feedstuff.

Added cost per ton of feed if entire amount of tariff, as in Fordney rate, on blackstrap molasses be reflected.

I wish to state, too, before proceeding with that, that I am absolutely disregarding the fact that there is at present a duty of 15 per cent ad valorem on importations into this country of blackstrap up to 40°, and that above 40° and up to 56° there is a

duty of 2½ cents, so that the figures I am about to submit should be reduced still further. In other words, to illustrate, I am now assuming that blackstrap is on the free list, and I want to demonstrate how much will be added if this provision which passed the House should be agreed to in the Senate.

In mixed feed containing 20 per cent molasses, which is the average amount feedstuffs have, the 20 per cent of molasses would be 400 pounds of molasses. The weight of the molasses is 11.7 pounds per gallon, so that 20 per cent of 171 gallons of molasses, which you will find to be contained in a ton, would be about 400 pounds.

The Fordney rate is one-fourth of 1 cent per gallon for molasses testing 48 per cent total sugars plus two hundred and seventy-five thousandths of 1 cent per gallon for each additional degree of total sugar.

Then we find that fully 95 per cent of this blackstrap molasses is imported from Cuba, so that when you add the additional cost due to the Fordney rate you must also deduct the 20 per cent preferential which under the treaty is allowed to Cuba, and on that basis you will find this difference. So with molasses testing 48 per cent the rate of Cuban molasses per gallon will be twenty-five one hundredths of a cent, less 20 per cent, which would be twenty one hundredths of 1 cent against Cuba. The number of gallons in 20 per cent feed would be 34.2. The duty cost per ton of feed for 48 per cent molasses would be 6.84 cents.

That is what would be added to the cost of a ton of feed due to the rate of duty under the Fordney rate, as compared with free blackstrap molasses. This table demonstrates the increase which will occur if stock feeders use 49 per cent stuff. The increase will be 14 cents per ton. With 50 per cent total sugars, the increase would be 34 cents per ton. So on up to 52 per cent, where the increase would be 34.2 cents per ton, as against Cuba, after making allowance for the preferential in its favor.

What does the manufacturer of feedstuffs do with this blackstrap? He buys it at 3 cents per gallon. There is an average of 20 per cent of blackstrap molasses in a ton of feed. He buys this molasses at 3 cents per gallon. He sells his feedstuff at $28 per ton, which is 1.4 cents per pound. He uses 34.2 gallons in a ton of feed, and on each gallon he makes a profit, out of this very blackstrap, of 13.38 cents; so that instead of claiming to the cattle feeders and the dairy people that one-fourth of 1 cent per gallon on this blackstrap would force him to increase the price, he should admit that he buys 11¾ pounds of blackstrap molasses for 3 cents a gallon, but after he mixes it up with other feedstuffs that he draws down 16.38 cents, making a clear profit on every gallon of blackstrap which he uses in the manufacture of this mixed feed of 13.38 cents net.

As I stated before, he uses 34.2 gallons per ton, so that on the quantity of blackstrap which he mixes to make a ton of feed, on the blackstrap molasses alone, he makes a profit of $4.57½. This is his profit when he uses 20 per cent, but he frequently uses 40 per cent, which doubles his profit.

It is a very simple problem. He can buy all the blackstrap molasses he wants at 3 cents a gallon. He puts 20 per cent of molasses in every ton of feed, and he sells that at 1.4 cents per pound, making a net profit of 13.38 cents for every gallon of blackstrap he uses, and he now objects to our having one-fourth of 1 cent per gallon on this blackstrap.

I wish to say this, in addition—and this is where it concerns the people who grow grain: These feed manufacturers will take a grain that is unfit for consumption. They will take the sweepings out of their barns and out of the warehouses. They will take mildewed grain. They will take a food that is not fit for consumption in its natural state. They will take cobs and shucks. They will take straw, and they will mix that with a smaller percentage of grain, and without the blackstrap molasses the stock would not touch it, but when they put 20 per cent of this blackstrap molasses with it, they can even put shavings in it, and the stock will eat it; and by the use of blackstrap molasses they are converting foodstuffs that animals will not consume into a product with which they are competing and underselling the man who is selling straight corn or straight oats, and they are driving those people out of the market, as the farmers of Illinois have discovered, as I shall show presently.

I wish to read a letter I have received from the Peoria County Farm Bureau, of Peoria, Ill. When the committee made its report I had occasion to talk with gentlemen who knew some of these agriculture associations and farm bureaus, and I imparted to them the facts which I have just stated, and told them that the use of this blackstrap molasses was a great drawback to them. They immediately wrote for information, and after having corresponded with me I referred them to Mr. Rodgers, who is an expert on this subject. They have written me several letters, the last of which is, in part, as follows:

We wish you would do us the honor to read the inclosed brief prepared by the American Farm Bureau Federation and presented to Senator McKINLEY and Senator McCORMICK to be substituted for the brief presented to the Senate Finance Committee during the last week in March, as published in Schedule 5, proposed tariff act of 1921, H. R. 7456, and urge you to support a duty on blackstrap molasses as shown therein, equal to the import duty of not less than 15 cents per bushel on corn.

It is within the power of Congress and the Senate to create an additional demand for from 34,000,000 to 40,000,000 bushels of corn and several hundred thousand bushels of barley, and create a supply of concentrated protein, and when mixed with other rations equals 3,000,000 to 4,000,000 tons of protein dairy feed annually, and raise a revenue for the Government of from $5,000,000 to $6,000,000 per annum, by placing an import duty on blackstrap molasses at least equal to the proposed import duty on corn.

Here is shown the value of the blackstrap molasses:

For distilling purposes, 6 gallons of molasses equals in production 1 bushel of corn.

For feeding purposes, 4⅜ gallons of blackstrap molasses displace 1 bushel of corn.

So that the argument is made that there should be a duty placed on blackstrap molasses because it displaces grain, both in the production of industrial alcohol and in the feeding of live stock, and, as it displaces, by underselling, perfectly sound and perfectly assimilable grain which the stock would relish, because they are getting this blackstrap molasses so cheap, the farmers are beginning to realize that unless they accept this blackstrap molasses on its scientific basis, its caloric value for feedstuffs, that it will displace, as they claim here, between thirty and forty million bushels of corn. I am presenting that merely for the purpose of showing their viewpoint, and I ask unanimous consent that the rest of this letter be inserted in the RECORD without reading it all.

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

PEORIA COUNTY FARM BUREAU,
Peoria, Ill., May 25, 1922.

Hon. EDWIN S. BROUSSARD,
United States Senate, Washington, D. C.

DEAR SIR: We wish you would do us the honor to read the inclosed brief prepared by the American Farm Bureau Federation and presented to Senator McKINLEY and Senator McCORMICK, to be substituted for the brief presented to the Senate Finance Committee during the last week in March, as published in Schedule 5, proposed tariff act of 1921, H. R. 7456, and urge you to support a duty on blackstrap molasses as shown therein, equal to the import duty of not less than 15 cents per bushel on corn.

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For distilling purposes 6 gallons of molasses equals in production 1 bushel of corn.

For feeding purposes 4⅜ gallons of blackstrap molasses displaces 1 bushel of corn.

As shown by the brief presented by the feed manufacturers they use 95,000,000 gallons of blackstrap molasses, and that 4⅜ gallons of blackstrap molasses displaces 1 bushel of corn for feeding purposes. The Internal Revenue Department shows a production of 82,331,687 gallons of alcohol during 1920, and as 1 bushel of corn produces 2½ wine gallons of alcohol, blackstrap is to-day displacing for feed and alcohol purposes from 34,000,000 bushels to 40,000,000 bushels of corn annually. From 1916 to 1919 the feed manufacturers paid from 9½ cents to 15 cents per gallon for blackstrap molasses free on board New Orleans (see Schedule 5, p. 2368, Exhibit B, of the hearing before Committee on Finance, H. R. 7456), and their testimony shows they would have used double the amount had they been able to obtain it.

In their brief they claim if a duty in excess of one-half cent per gallon is assessed on blackstrap molasses it can not be used for feed purposes. During the past year or more blackstrap molasses sold from 2½ cents to 3 cents per gallon, f. o. b. New Orleans, equal to a reduction since the peak of from 500 to 600 per cent. Mixed feed for dairy purposes have not declined 500 to 600 per cent. Blackstrap molasses is only a carbohydrate, and not a concentrated protein. It is being used for the masking and sweetening of ingredients in the manufacture of mixed feed to enable the manufacturer to use a wide range of by-products that the live stock would otherwise not relish. For milk production blackstrap molasses has very little, if any, value. The corn-belt farmers and the dairy farmers are producers of large quantities of carbohydrates on the farm, and in order to balance their rations they are in need of a cheap protein instead of blackstrap, a carbohydrate.

The corn-belt farmer knows only too well to fatten steers for quick turnover, corn is the main cereal ration used, combined with high protein feed such as cottonseed and linseed meals, and by permitting hogs to run with the steers the hogs are fattened at a very little additional expense, and blackstrap molasses, a carbohydrate, would not improve the ration, as there is already a sufficient quantity of carbohydrates in corn and other roughage.

Before blackstrap molasses was substituted for corn in the distillation of alcohol, there was produced a sufficient amount of distillers' dried grains, consisting of 32 to 36 per cent protein, that would produce over 4,000,000 tons of a balanced dairy ration for milk production.

The brief of the American Farm Bureau Federation, asking for a duty on blackstrap molasses equal to the import duty on corn, is for the protection of the American farmer, who produced last year

3,281,000,000 bushels of corn, with a value of approximately $1,968,600,000. This corn must find an outlet outside of the corn belt, either through feeding or export. History shows that practically 85 per cent of the corn raised in the United States must be fed on the farm. The competition of blackstrap molasses in displacing corn for feeding and distilling purposes is greatly increasing our surplus and has a very depressing effect on our market. The import duty will have a very beneficial effect of restoring the value of our product.

When this amendment comes up on the floor of the Senate, we urge you to support it, thereby protecting the products of the American farmer instead of permitting the waste products from foreign countries to enter this country free of duty and depress the market of our farmers' main crop—corn.

Respectfully submitted.

Peoria County Farm Bureau, per Zealy M. Holmes, president; The American Distilling Co., Pekin, Ill., per E. M. Wilson, president, per J. Young, traffic manager; McLean County Farm Bureau, per Harrison Fahrnkopf, farm adviser; Tazewell County Farm Bureau, per Chester G. Starr, farm adviser; Association of Commerce, Pekin, Ill., per W. J. Reardon, president, per J. H. Brancht, secretary; Champaign County (Ill.) Farm Bureau, per Kathryn B. Kennedy, assistant secretary; Sangamon County Farm Bureau, per I. A. Madden, farm adviser; Vermilion County Farm Bureau, per Arthur Lumbrick, farm adviser; Woodford County Farm Bureau, per J. Frank Felter, president; Stark County Farm Bureau, per E. E. Brown, farm adviser; Mason County Farm Bureau, per T. A. Isaacs, farm adviser; Marshall-Putnam Farm Bureau, per F. E. Fuller, farm adviser.

[At this point Mr. BROUSSARD yielded the floor for the day.]

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it shall recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Is there objection? The Chair hears none, and it is so ordered.

RULES AND REGULATIONS, STEAMBOAT INSPECTION SERVICE.

The VICE PRESIDENT laid before the Senate a communication from the Acting Secretary of Commerce, transmitting, pursuant to law, the general rules and regulations prescribed by the Board of Supervising Inspectors, Steamboat Inspection Service, at its meeting of January, 1922, and approved by the Secretary of Commerce, which was referred to the Committee on Commerce.

MISSOURI RIVER BRIDGE.

Mr. CALDER. I report back favorably without amendment from the Committee on Commerce the bill (H. R. 8785) granting the consent of Congress to the Mobridge Bridge Co., of Mobridge, S. Dak., to construct a pontoon bridge across the Missouri River, and I submit a report (No. 767) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Mobridge Bridge Co., of Mobridge, S. Dak., and its successors and assigns, to construct, maintain, and operate a pontoon bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation, at or near Mobridge, in the county of Walworth, in the State of South Dakota, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

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

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

LAKE ST. CROIX BRIDGE.

Mr. CALDER. I report back favorably without amendment from the Committee on Commerce the bill (H. R. 10330) to extend the time for the construction of a bridge across Lake St. Croix at or near the city of Prescott, in the State of Wisconsin, and I submit a report (No. 768) thereon. I ask unanimous consent for its present consideration.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge and approaches thereto authorized by an act of Congress approved February 15, 1921, to be built by the Prescott Bridge Co., across Lake St. Croix at or near the city of Prescott, in the county of Pierce and State of Wisconsin, are hereby extended one and three years, respectively, from the date of approval hereof.

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

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

ALLEGHENY RIVER BRIDGE.

Mr. CALDER. I report back favorably without amendment from the Committee on Commerce the bill (H. R. 11345) authorizing the construction of a bridge across the Allegheny River at or near Freeport, Pa., and I submit a report (No. 769) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the State of Pennsylvania be, and it is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Allegheny River at a point suitable to the interests of navigation at or near Freeport, in the State of Pennsylvania, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

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

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

EXECUTIVE SESSION.

Mr. JONES of Washington. 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 6 o'clock and 5 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Wednesday, June 14, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 13 (legislative day of April 20), 1922.

MEMBERS OF UNITED STATES SHIPPING BOARD.

Admiral William S. Benson to be a member of the United States Shipping Board for a term of six years.

Meyer Lissner to be a member of the United States Shipping Board for a term of six years.

UNITED STATES ATTORNEY.

Henry M. Holden to be United States attorney, southern district of Texas.

UNITED STATES MARSHAL.

James E. McClure to be United States marshal, southern district of Illinois.

POSTMASTERS.

COLORADO.

Susan L. Clark, Blanca.
Richard H. Brown, Silverton.

ILLINOIS.

William A. Kelley, Jonesboro.
Daisy F. Lynk, Mokena.
Luella H. McCoid, Venice.

MISSISSIPPI.

Henry C. Majure, Newton.

OHIO.

Arthur L. Behymer, Cincinnati.
Sage P. Deming, Rocky River.

SOUTH DAKOTA.

Frank C. Clegg, St. Lawrence.

TEXAS.

James F. Painter, Wolfe City.

HOUSE OF REPRESENTATIVES.

TUESDAY, *June 13, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. WALSH].

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we are grateful that we are not lost and far away, and that the tabernacle of the Lord is with men. As the heavens are high above the earth, so are Thy ways higher than our ways. We bless Thee that in death there is life, in sacrifice there is forgiveness, and out of evil Thou canst bring good. With resolute courage and faith we would in a common vow pledge anew our devotion to the Christian institutions of our land. O hear the voices that are broken by the sobs of sorrow and comfort them with fatherly tenderness. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

REERECTION OF STATUE OF ABRAHAM LINCOLN.

Mr. KING. Mr. Speaker——

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

Mr. KING. I ask unanimous consent to take from the Speaker's table House Joint Resolution 127 and agree to the Senate amendments.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to take House Joint Resolution 127 from the Speaker's table and agree to the Senate amendments. The Clerk will report the resolution and Senate amendments.

The Clerk read as follows:

H. J. Res. 127. Joint resolution to reerect the statue of Abraham Lincoln upon its original site.

The Senate amendments were read.

The SPEAKER pro tempore. Is there objection?

Mr. GARNER. Mr. Speaker, reserving the right to object, may I make inquiry of the gentleman whether any members of the Committee on Appropriations or anyone else who has knowledge of the subject has made inquiry as to the $5,000 being necessary to replace the monument?

Mr. KING. I will say to the gentleman from Texas that the Senate committee investigated the matter and received a letter from Colonel Sherrill stating that said sum would be necessary, and the Architect of the Capitol, Mr. Elliott Woods, has informed the gentleman from Wyoming [Mr. MONDELL] of the probable cost by letter, which is in harmony with the opinion of Colonel Sherrill. I have also had this matter up with the gentleman from Georgia [Mr. CRISP], on the Democratic side, and one or two others who have been interested in the matter, and also with the chairman of the Committee on Appropriations [Mr. MADDEN], and there is no objection to concurring to the Senate amendments.

Mr. GARNER. It looks like that is sufficient.

Mr. KING. I thank the gentleman.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

EXTENSION OF REMARKS.

Mr. WINGO. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Arkansas rise?

Mr. WINGO. To submit a unanimous-consent request.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WINGO. I ask unanimous consent to print in the RECORD in 8-point type Bulletin No. 1521, Treasury Department, issued from the office of the Comptroller of the Currency on Monday, June 12.

The SPEAKER pro tempore. The gentleman from Arkansas asks unanimous consent to print in 8-point type in the RECORD Bulletin No. 1521 of the Treasury Department, issued on June 12. Is there objection? [After a pause.] The Chair hears none.

The bulletin is as follows:

[Bulletin No. 1521.]

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY,
Monday, June 12, 1922.

APPLICATION TO ORGANIZE RECEIVED.

June 8.	Capital.
The Vale National Bank, Vale, Oreg. (correspondent, Ralph A. Holte, Vale, Oreg.)	$50,000

APPLICATIONS TO ORGANIZE APPROVED.

June 5.	
The Planters National Bank, Clarksdale, Miss. (correspondent, Oscar Johnston, Clarksdale, Miss.)	600,000
June 7.	
The West Side National Bank, Yakima, Wash. (correspondent, F. A. Duncan, Yakima, Wash.)	100,000
June 8.	
National Bank of Marietta, Marietta, Ga. (correspondent, James T. Anderson, Marietta, Ga.)	100,000

APPLICATIONS TO CONVERT RECEIVED.

June 8.	
The First National Bank, Kenbridge, Va. (conversion of the State Bank, Kenbridge, Va.; correspondent, State Bank of Kenbridge, Kenbridge, Va.)	45,800
The Farmers National Bank, Independence, Oreg. (conversion of the Farmers State Bank, Independence, Oreg.; correspondent, C. W. Irvine, president Farmers State Bank, Independence, Oreg.)	25,000

APPLICATION TO CONVERT APPROVED.

June 7.	
The American National Bank, Bellingham, Wash. (conversion of the Northwestern State Bank, Bellingham, Wash.; correspondent, I. J. Adair, president, South Bellingham, Wash.)	100,000

CHARTERS ISSUED.

June 5.	Capital.
12213. The Capitol National Bank, New York, N. Y. (president, Max Radt; cashier, W. L. Clow)	$2,000,000
June 6.	
12214. The Lebanon National Bank, New York, N. Y. (president, J. A. Mandour; cashier, H. T. Dyerberg)	250,000
June 7.	
12215. The Exchange National Bank, Pauls Valley, Okla. (president, Edwin B. Cox; cashier, Fred H. Ward)	50,000
June 10.	
12216. St. Louis National Bank, St. Louis, Mo. (president, Thomas N. Karraker; cashier, R. R. Karraker)	200,000

CORPORATE EXISTENCE EXTENDED.

6321. The First National Bank, Dawson, Minn. Until close of business June 5, 1942.

6330. The Citizens National Bank, Springville, N. Y. Until close of business June 5, 1942.

6314. The First National Bank, Elmwood Place, Ohio. Until close of business June 6, 1942.

6320. The First National Bank, Floresville, Tex. Until close of business June 6, 1942.

6369. The First National Bank of Jasper, Mo. Until close of business June 6, 1942.

6384. The First National Bank of Falls Creek, Pa. Until close of business June 6, 1942.

6312. The First National Bank of Leeds, N. Dak. Until close of business June 8, 1942.

6322. The First National Bank of Norwood, Ohio. Until close of business June 8, 1942.

6329. The First National Bank of Groveton, Tex. Until close of business June 8, 1942.

6342. The Taylor National Bank of Campbellsville, Ky. Until close of business June 9, 1942.

6308. The Marion National Bank, Marion, Ohio. Until close of business June 11, 1942.

6356. The First National Bank of Madisonville, Tex. Until close of business June 11, 1942.

CORPORATE EXISTENCE REEXTENDED.

66. The First National Bank of Lyons, Iowa. Until close of business June 6, 1942.

1. The First National Bank of Philadelphia, Pa. Until close of business June 9, 1942.

18. The First National Bank of Iowa City, Iowa. Until close of business June 11, 1942.

2752. The First National Bank of Miles City, Mont. Until close of business June 11, 1942.

CHANGE OF TITLE.

June 6.

66. The First National Bank of Lyons, Clinton, Iowa, to "First National Bank of Lyons at Clinton," to conform to change in the name of place in which bank is located.

VOLUNTARY LIQUIDATIONS.

June 5.	Capital.
5483. The First National Bank of Wylie, Tex. Effective May 31, 1922. Liquidating agent, V. G. Gallagher, Wylie, Tex. Absorbed by the First State Bank of Wylie, Tex	$25,000
10969. The First National Bank of Kimberly, Idaho. Effective May 31, 1922. Liquidating agent, John W. Hardin, Kimberly, Idaho. Absorbed by the Bank of Kimberly, Kimberly, Idaho	25,000

CONSOLIDATION.

June 10.	
5046. The Riggs National Bank of Washington, D. C.	1,000,000
12194. The Hamilton National Bank of Washington, D. C. Consolidated under the act of Nov. 7, 1918, and under the charter and corporate title of "The Riggs National Bank of Washington, D. C." (No. 5046), with capital stock of $1,000,000. The consolidated bank has three branch banks at the following locations: Seventh and Eye Streets NW.; 734 Fifteenth Street NW.; and Twentieth and P Streets NW. The main office is located at 1503 Pennsylvania Avenue	200,000

Mr. WILLIAMSON. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from South Dakota rise?

Mr. WILLIAMSON. To prefer a unanimous-consent request.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WILLIAMSON. I ask unanimous consent to extend my remarks upon agricultural legislation.

The SPEAKER pro tempore. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD upon agricultural legislation. Is there objection? [After a pause.] The Chair hears none.

THE PRESENT CONGRESS AND THE FARMERS.

Mr. WILLIAMSON. Mr. Speaker, no Congress in a generation, if indeed in the entire history of our country, has been in so complete accord or in such sympathetic touch with the aspirations of the farmers of America as the present Congress. The farm problem has been studied in minute detail in all its aspects. Nothing has been too trivial or too difficult of solution to receive the attention of our ablest statesmen. A sincere effort has been made to get to the bottom of the causes that have all but brought disaster to the agricultural industry of the Nation. Systems and practical means of establishing adequate agricultural credits, the marketing of farm products, and the relation of agriculture to other industries have been studied as never before. Members of Congress representing agricultural sections have with compelling force and irrefutable logic pressed their measures of relief with unflagging energy. They have convinced their colleagues that without a reasonable return to the tillers of the soil, who are our Nation's largest purchasers of manufactured goods, there can be no general prosperity for others, and that when agriculture is strangled all other lines must necessarily languish.

The result has been the enactment of a series of laws whose beneficial influence will become increasingly apparent. Already agriculture has been lifted to its feet. Despair and pessimism are giving away to hope, and the farmers are again on the highway to better times and solid prosperity, not an ephemeric, speculative hysteria that leads only to disaster, but a prosperity that shall bring substantial and adequate returns upon capital invested and labor expended.

THE EMERGENCY TARIFF.

Before the Republican Party came into power on March 4, 1921, millions of pounds of wool and mutton from Australia, great quantities of corn from South America, and wheat from Canada had been dumped upon our market. A Republican Congress had attempted to stem the deluge of imports by passing an emergency tariff bill, but this was vetoed by President Wilson. Had an adequate tariff been imposed upon these importations shortly after the signing of the armistice agriculture would never have suffered the terrible slump that overtook it. Wool became so cheap that it was largely substituted for cotton. Cotton in turn slid to the bottom of the toboggan.

One of the first acts of the new administration was to reenact the emergency tariff law. This was approved on May 27, 1921. The good effects of the law soon became apparent in the advancing price of both wool and cotton. It also put a stop to the importation of other staple farm products, and as the surplus, largely created by heavy importations, was gradually worked off, prices commenced to improve all along the line. The Russian relief measure added further stimulus to the upward trend of corn and grain prices by still further reducing our domestic surplus and has helped bring on an era which promises better things for our farmers.

FARM CREDITS.

Other laws of special importance to our rural population may be briefly summarized, as follows:

A law reviving the War Finance Corporation and so amending it as to enable it to extend credits for not to exceed three years to any person, firm, or corporation in the United States dealing in or marketing farm products, or to any association composed of persons engaged in producing such products, including live stock, and to any bank, banker, or trust company which makes or has made advances to persons engaged in the production of agricultural products, or in the breeding, raising, fattening, or marketing of live stock. But for the credits extended under this law tens of thousands of farmers would have been involved in irretrievable ruin, as it would have been impossible for the local banks to have extended their agricultural paper. The huge advances made to marketing and exporting agencies have had their reflex in better prices for farm products and have been a large factor in bringing about better conditions generally.

A law increasing the interest rate on farm loan bank bonds to 5½ per cent, so as to make the sale of the bonds possible, but without advancing the rate to the farm borrower.

A law diverting $25,000,000 from the Federal Treasury for additional working capital for the farm loan banks.

A law amending the Federal reserve act so as to make provision for placing a "dirt" farmer on the Federal Reserve Board. Had agriculture had representation in that body in 1920 it is unlikely that the price of farm products would have suffered the tragic collapse that resulted from the drastic deflation policy of the board. It is the first time that agriculture has been given definite recognition on such a board and marks a new era in its development that promises much for the future.

THE PACKERS AND FUTURE TRADING ACTS.

The packers and stockyards act prohibits packers from engaging in any unfair or deceptive practices, or giving any preference or advantage to any person or locality, or engaging in any act in restraint of trade or such as would tend to control prices or create a monopoly. This act also requires stockyards to render the same service to all comers for the same charge and to file a schedule of such charges, which must be kept open for public inspection.

The future trading act abolishes all trading in "privileges," "bids," "officers," "puts and calls," "indemnities," and "ups and downs" in grain exchanges, and making such exchanges freely accessible to farmers' cooperative organizations, and generally subjecting them to publicity and Federal control. A portion of this act has recently been held unconstitutional. A new bill, drawn with a view to meeting the constitutional objections, has been introduced, which it is expected will be passed at this session of the Congress.

The regulation and enforcement of the two acts last mentioned are left with the Secretary of Agriculture, who is also required to investigate marketing conditions of grain and grain products, including supply and demand, cost to the consumer, and handling and transportation charges, and to make such information public for the benefit of producers and consumers alike.

"FILLED MILK," GOOD ROADS, AND COOPERATIVE MARKETING BILLS.

The "filled milk" act, making it unlawful for any person, partnership, corporation, or association to ship or deliver for shipment in interstate or foreign commerce any filled milk. The sale of milk substitutes was rapidly reaching such proportions as to seriously threaten the market for the genuine article. What was even worse was that there was being foisted upon the public at practically the price of condensed milk a substitute that had very little of nutritive value and that was positively dangerous as a diet for children. This traffic has now been effectively stopped.

The good roads bill, making $75,000,000 available for road construction work in the several States, with special provision for farm-to-market highways.

And last, but very important from the standpoint of the future development of agriculture, a law taking farmers' cooperative marketing organizations out from under the antitrust provisions of the Sherman-Clayton Acts. This bill will enable the farmers through their own organizations to market their produce in an orderly manner, thereby stabilizing the market and making more certain a fair price for what they have to sell. To enable the producers to fully avail themselves of this measure an adequate system of credits should be worked out. A number of bills are now pending with this object in view, and it is confidently hoped some plan will be worked out that shall prove fully adequate to meet every situation. With ample credits and the sales agencies in their own hands, the farmers are in a fair way to work out their own salvation.

AMBITIOUS AND PROGRESSIVE PROGRAM NOT YET COMPLETED.

The above constitute only a part of the ambitious program outlined by those upon the Republican side who are seeking to help agriculture rise to the same plane as that enjoyed by other business enterprises.

There remains of this program still to be enacted a number of bills, including the following:

A bill regulating cold storage in such a manner that none but producers of certain agricultural products may keep them in cold storage beyond a specified period.

A bill to increase the maximum of individual Federal farm loan bank loans from $10,000 to $20,000.

A bill to authorize farm loan banks to extend medium time commodity credits to farmers on the security of their products and live stock.

Relief measures.—While not distinctly a part of the above program, it is worthy of note that the present Congress has done much in the way of extending relief to settlers upon Government irrigation projects and in extending the time for payment of moneys due upon homestead entries and Government-land purchases upon Indian reservations.

In addition to these measures of relief Congress provided a fund of $1,500,000 from which the Secretary of Agriculture might make seed grain loans to farmers in the crop-failure areas of the United States. Without this aid thousands of farmers would not have been able to crop their lands this year. It has also voted $350,000 with a view to stamping out the black rust by the eradication of the barberry bush, which harbors the spores and disseminates them in the spring and summer, causing millions of damage to growing small grains.

Other accomplishments.—It is also reasonably to be expected that much good will develop as a result of the labors of the Joint Commission of Agricultural Inquiry, headed by Representative SIDNEY ANDERSON (Republican), of Minnesota. The Great Lakes-St. Lawrence deep-waterway project is also in a fair way to be put into concrete form for definite action by the Congress. Should this project materialize it will rest as an achievement second only to the construction of the Panama Canal. It will not only virtually make ocean ports of our Great Lakes cities, but will result in greatly reduced transportation rates on export grains and other farm products from all that great region which constitutes the main food-producing section of the United States.

While it is not within the purview of these remarks to review the achievements of the present Congress outside of the subjects treated above it is only fair to state that in spite of a critical and obstructive Democratic minority it has enacted into law more measures of solid merit than any Congress in a generation. Time fails us to analyze the immense constructive worth and the strides forward represented by such measures as the budget and accounting act, the restriction of immigration act, the bill consolidating the various bureaus dealing with ex-service men into the United States Veterans' Bureau, the revenue act, the hygiene and maternity and infancy act, and the foreign debts funding bill.

Vast economies have been effected in every department of the Government, efficiency has been restored, taxes have been materially reduced, and a great international conference has been held which for the standard and quality of statesmanship exhibited and the magnitude of its accomplishments will not only endure as the outstanding achievement of the Harding administration, but as one of the most notable of all history.

The immediate effects of its deliberations, so far as the United States is concerned, will be the saving of hundreds of millions of dollars annually in the reduction of armaments and preparation for war and the assurance it brings of permanent peace on the Pacific.

CALL OF THE HOUSE.

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

The SPEAKER pro tempore. It is clear there is no quorum present.

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

The motion was agreed to.

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

Anderson	Drane	Kendall	Perkins
Andrew, Mass.	Drewry	Kennedy	Perlman
Ansorge	Driver	Kiess	Petersen
Appleby	Dunn	Kindred	Pringey
Arentz	Dyer	Kinkaid	Rainey, Ala.
Barkley	Edmonds	Kirkpatrick	Rayburn
Beck	Evans	Kitchin	Reber
Bell	Fess	Knight	Reed, N. Y.
Bixler	Fields	Kreider	Reed, W. Va.
Black	Focht	Kunz	Riordan
Bland, Ind.	Fordney	Langley	Robertson
Bland, Va.	Foster	Larson, Minn.	Robsion
Blanton	Frear	Lee, N. Y.	Rossdale
Boies	Freeman	Lehlbach	Rouse
Bond	Fuller	Linthicum	Rucker
Brennan	Gahn	Luce	Ryan
Britten	Garrett, Tex.	McClintic	Sabath
Brooks, Pa.	Gilbert	McCormick	Sanders, Ind.
Brown, Tenn.	Glynn	McFadden	Scott, Mich.
Buchanan	Goldsborough	McLaughlin, Nebr.	Sears
Burke	Goodykoontz	McLaughlin, Pa.	Shaw
Burtness	Gorman	Maloney	Shreve
Burton	Gould	Mann	Siegel
Cantrill	Greene, Mass.	Mansfield	Sinclair
Carter	Griffin	Mead	Smith, Mich.
Clark, Fla.	Hayden	Merritt	Snell
Classon	Hersey	Michaelson	Snyder
Cockran	Hicks	Mills	Stevenson
Codd	Himes	Morgan	Stiness
Connell	Hogan	Mott	Stoll
Cooper, Ohio	Hooker	Mudd	Strong, Pa.
Cooper, Wis.	Humphreys	Nelson, J. M.	Sullivan
Copley	Husted	Newton, Mo.	Sumners, Tex.
Crago	Hutchinson	O'Brien	Swank
Crowther	Ireland	O'Connor	Sweet
Curry	Jacoway	Olpp	Tague
Darrow	Jefferis, Nebr.	Osborne	Taylor, Ark.
Davis, Minn.	Johnson, S. Dak.	Padgett	Taylor, Tenn.
Deal	Johnson, Wash.	Paige	Temple
Dempsey	Jones, Pa.	Park, Ga.	Ten Eyck
Dickinson	Kahn	Parks, Ark.	Thomas
Tilson	Walters	White, Me.	Wright
Treadway	Ward, N. Y.	Winslow	Wurzbach
Tyson	Ward, N. C.	Wood, Ind.	Zihlman
Vare	Wason	Woods, Va.	
Volk	Watson	Woodyard	

The SPEAKER pro tempore. On this call 247 Members have answered to their names, a quorum.

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

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will open the doors.

Mr. HERRICK. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Oklahoma rise?

Mr. HERRICK. To ask unanimous consent to speak out of order for five minutes.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent to proceed out of order for five minutes. Is there objection?

Mr. MONDELL. Mr. Speaker, the gentleman from Kansas has a rule to present to the House——

The SPEAKER pro tempore. Is there objection?

Mr. BEEDY. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman from Maine objects.

EXTENSION OF REMARKS.

Mr. HAWES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of a duty on hides.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the subject of a duty on hides. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, what gentleman from Missouri?

The SPEAKER pro tempore. The gentleman from Missouri, Mr. HAWES.

Mr. WINGO. On hides. I have no objection.

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

The extension of remarks referred to are here printed in full as follows:

Mr. HAWES. Mr. Speaker, a duty of 2 cents a pound on green hides and 4 cents a pound on dressed hides, such as is proposed in the tariff bill now pending in the Senate, is the equivalent of more than 15 per cent ad valorem and would produce an estimated revenue of $16,000,000; but would cost the citizens of our country, in an increased shoe bill upon 330,000,000 pairs of shoes and an additional 40 cents upon each pair, a total of $132,000,000 annually.

The estimated revenue is undoubtedly high, as it does not allow for a drawback on hides made into leather for export, but, at the most, the Government would receive $16,000,000 and the people would pay an additional $132,000,000—a net loss to the people of the United States on the one item of shoes of $116,000,000.

Every one of our 110,000,000 people wear shoes. They are essential to health, comfort, and are of first necessity for human locomotion and transportation.

A man may move without a hat and with only a primitive body covering but he must protect his feet. Even the Indians did this.

It is conservatively estimated that each person uses three pairs of shoes a year, so that to move in the ordinary activities of life Americans must purchase 330,000,000 pairs of shoes each year.

There are 21,472,772 horses in the United States. Each horse has a bridle and either a saddle or a harness.

It has been stated that the Commercial Travelers' Association alone numbers 600,000 men. Each has a satchel, trunk, and strap. Each uses, at a minimum, at least three articles made in whole or in part of leather, or a total of 1,800,000 pieces.

If only one person out of each 200 travels during the year, it would mean carrying 550,000 trunks or traveling accessories made wholly or in part of leather.

Nearly every man's hat has a leather hatband, which would mean approximately 5,000,000 leather hatbands.

In the summer both men and women wear belts. This would make an additional 5,000,000.

Women carry purses, and nearly every man owns a razor strop.

Ten million automobiles use leather, and practically all machinery, both for manufacture and farm use, is driven by a leather belt.

The horse is controlled and directed by leather; the cow must have her halter; and man's best friend and companion, the dog, is entitled to his collar—all made of leather.

This duty will tax a man's shoes, his belt, his hatband, his razor strop, his trunk, his horse, his cow, his dog, his automobile, the belt that moves his machinery, his pocketbook, and, most of all, his patience!

There is not a single citizen of the whole 110,000,000 who does not use leather in two or more forms, so we find that it would be a direct tax upon every human being in the United States—not only on one article but on many articles.

The advocate of the duty on hides may advise shooting the dog, wearing wooden shoes, or going barefooted. He could not escape from the other things.

The population of Missouri is 3,404,055. Each person using three pairs of shoes at an increased cost of 40 cents a pair would put a total shoe tax on Missouri of $4,084,866. It would put a shoe tax on the city of St. Louis of $1,027,576.40; would put a total shoe tax upon the citizens of my congressional district of $268,926 and upon the United States of $132,000,000.

It must be remembered that in addition to this shoe tax would be the tax on the other articles I have enumerated, especially upon harness, saddles, automobiles, and trunks—all necessities.

In addition to the cost to the citizens in a leather tax and the unprofitable business undertaking it would be for the Nation, we find it would affect a business of first magnitude.

There is invested in shoe factories in the United States $612,625,075.

There were employed in these factories 236,244 working men and women in 1920.

We have discussed the manufacturer and the consumer, but in between these two there are tens of thousands of retail dealers in shoes who must be considered; the numerous retail agencies of automobiles, saddles, belt and leather goods. The duty will mean a disarrangement of the business of each of these retailers, and so far no satisfactory reason has been assigned for changing a Government policy of free hides which has existed from its infancy, with the single interruption of a 12-year experiment which proved a failure.

FOOLING THE FARMER.

The proponents of this tax on shoes and leather goods very loudly assert that it is to be done for the benefit of the farmer.

It will be noted in this connection that the American Farm Bureau Federation—one of the most powerful of the farm organizations—filed with the Senate Finance Committee a brief containing its opposition to a duty on hides. It had this to say:

> Cattle hides are a by-product of the production of animals for meat or dairy purposes in the United States. Animals are not produced for their hides alone, and the variation in the price of the hide has little influence on the rate of cattle production.
>
> * * * * * * *
>
> Most of the hides produced in the United States are sold by the producer on the animal, and not as hides but as part af an animal, the price being largely determined by the value of the meat on the animal. The hides taken off by packers comprise, roughly, two-thirds of the domestic supply, and hides sold by cattle producers amount to a very small part of the total.
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> * * * * * * *
>
> Since two-thirds of the domestic hides are taken off by packers, and they also control about one-third of the tanning business, they are in a position to be a dominant factor in the hide and leather market. At any given time they have a large part of the stock of hides under their control and are in a position to sell or withhold them from the markets as they choose.
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> Cattle production needs stimulation, but the increased return from 15 per cent on 6½ per cent of the weight of the animal is so small as to be of no importance as a means of increasing cattle production.
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> Therefore, we believe that hides, leather, and leather products should remain on the free list.

These are some extracts from a comprehensive statement by a scientific organization devoted to the upbuilding of the farm and for the benefit of the farmer.

The value of a hide is approximately one-fifteenth part of the value of a steer.

Let some expert figure what 15 per cent of one-fifteenth would mean in real money.

Farmers do not sell hides; they sell beef. This is indicated by the fact that branded cattle bring the same prices as those without brands, although branded hides bring less.

The average farmer does not take three hides a year to market.

Proponents of the leather tax claim the farmer would receive a benefit of $34,000,000 per annum. It is contended that, even if this is true, it would be the packer, not the farmer, who would receive this amount.

It is estimated that there are 6,800,000 farm operatives in the United States, with an average of 4.5 persons, each of whom uses two and one-half pairs of shoes a year, at an increased cost of 40 cents a pair. This would cost the farmer $30,600,000, taking into consideration bridle, harness, saddle, automobile, and various other essentials for farm industry, estimated at $8,000,000. In shoes, the farmer would lose $4,000,000 a year. This considers the farmer alone.

When we add our other citizens, who do business with the farmer and are his friends and customers, the amount would reach $132,000,000 a year, or an annual tax of more than $1 a year upon each person.

And this tax would fall as heavily upon the poor as upon the rich.

The only way the farmer could defeat this tax would be to go barefooted or wear wooden shoes.

A curtailment in demand for hides does not stop the production or continuation of supplies. This runs with the slaughter of cattle for food, and unlike other productions it can neither be increased nor checked. The only manipulation that can be done is holding in the cellar of the packer for a rising market. The farmer can not hold them.

Hides represent only 5 per cent of the value of a steer.

The average citizen certainly does not gain by a tax upon leather.

It has been shown that the farmer as a class will not profit by it.

So the only certain beneficiary would be the packer, and he, of all people in America, does not at this time need either protection or a bounty.

The farmer knows that if we place a duty on hides we raise the cost of shoes, which will mean foreign competition, then followed logically by a demand for another tariff on shoes or an additional tax on both leather and shoes, all of which will go out of the pockets of the farmers.

HIDES A WORLD PRODUCT.

McKinley said, "We can not sell if we do not buy," and no one will accuse McKinley of not being a protectionist.

We know that cattle are decreasing and our population is increasing, so we have gone to those countries which have a surplus production of hides—such as the Argentine, Uruguay, Brazil, Mexico, South Africa, India, and countries of large areas of undeveloped land—to buy that proportion of hides necessary for our domestic use which is not produced by our cattle raisers.

Hides are a world product free from duty in every country, and now our people are asked to place a duty equivalent to more than 15 per cent on hides, which will of necessity be offensive to some of our best customers, and will be a flat denial of reciprocity in trade just at a time when the energies of our entire country are engaged in promoting friendly relations with the Latin-American countries.

The importation of hides from foreign countries from 1911 to 1920 averaged 39.20 per cent. The indications are that it will increase rather than diminish, as the production of cattle is decreasing not only in this country but throughout the world.

We buy from foreign countries nearly $70,000,000 in hides, but we sell to foreign countries foodstuffs in crude condition and animal food amounting to $979,443,058, and foodstuffs partly or wholly manufactured $779,194,765.

To hold trade we must buy where we sell.

Of this total export it has been estimated that 80 per cent of two and one-half billion dollars represents the work of labor.

To lose our markets is a blow to our merchant ships. It is an assault upon labor, because one out of every ten men employed on the farm or in manufactures is engaged in producing export.

Not only will we offend some of our best customers for our manufactured products but we will at the same time check the manufacture of shoes and leather goods, thus decreasing the use of capital and the employment of labor.

Our chief competitor, England, would gain both in volume of business and profits from the business.

It looks like a bid for the farmer's vote more than a congressional vote for his benefit.

I doubt whether the farmer can be deceived, but I am sure the housewife, who knows how many shoes the youngsters wear in a year and who knows the amount of the shoe bill, can not be fooled—and we must remember that this year she votes.

WHO WILL BENEFIT BY THE TAX?

The object of a tariff on hides is to advance the price of hides.

The only possible purpose for putting a duty on hides is that it may advance the price of hides, for if it does not do this, then it is useless.

An advance in the price of hides means an advance in the price of leather of all kinds.

An advance in the price of leather means an advance in the price of shoes, harness, automobiles, furniture—if upholstered in leather—trunks, bags, straps, and many other articles.

An advance in the price of hides has not in the past and will not in the future advance the price of cattle sold on the hoof. The advance or decline in the price of cattle is caused by supply and demand for food purposes.

An advance in the price of leather means an advance in the cost of living to all of the 110,000,000 of people in the United States.

No part of the advance in hides resulting from a duty on hides will be received by the farmer, except by the relatively few farmers who slaughter one animal a year for home consumption.

The few dollars which farmers may receive for the one hide they sell, due to the duty on hides, will be many times offset by the increased cost of their shoes, harness, and so forth.

The only people to be benefited by a duty on hides are a few packers and hide dealers, and these will be unduly enriched and the 110,000,000 will suffer loss due to the increased cost of living.

If a duty is placed on hides, hides will in time advance much more than the amount of the duty placed on hides, as this duty is a protection to the packers and hide dealers who control the market, and this will enable them to create a monopoly and manipulate the market.

Stability in the price of hides, leather, and the finished products, made in whole or in part from leather, is to be desired. Such stability leads to a constant and low price to the ultimate consumer.

CREATES UNCERTAINTY AND A HIGH PRICE.

Under a duty on hides the packers and hide dealers will be enabled to manipulate the market and make prices uncertain and fluctuating, and such conditions make for higher prices of shoes and other articles made from leather much higher than the mere duty on hides, because the manufacturers of such articles must protect themselves against a constantly threatened advance in the cost of their materials. They operate with uncertainty and under the fear of advance, not justified by conditions, but made possible due to manipulation, and this fear of loss and this lack of stability in prices will be and must be provided for, and this makes for higher costs.

STABILITY NECESSARY.

Some of the objections stated are apparent, but they do not cover those intangible influences which bear directly upon the question of cost to both the manufacturer of shoes and the public.

Stability and confidence in industry, with the ability to anticipate fairly accurately from season to season uniform prices, based on supply and demand, are very necessary factors in commerce. If influences over which manufacturers and merchants can have no control are injected into a given situation, a speculative uncertainty follows. Each man has to figure safely for the simple reason that he does not know what may happen.

Unsafe estimates of cost mean increased cost. Where the element of risk enters into the situation, the cost will be figured high enough to give full protection against the risk.

Confronted with a tariff duty upon hides with a confined and limited market for raw materials, the manufacturer and merchant both suffer because of an uncertainty created by the tariff limitation.

Advance information of prices for fall and spring delivery can not be made by the manufacturer without charging a rate which secures him against loss by market manipulation of price.

THE INDEPENDENT TANNER RUINED.

The United States does not supply enough hides for American consumption—a protective tariff will enable a few packers and hide brokers to control the markets of the world and subject the market to manipulation which no man can anticipate, all of which will have a material effect in raising the price.

Foreign markets get cables daily about the hide market of the United States, and the prices in foreign markets respond to our domestic prices.

This tariff on hides can not be supported by sound reason, and the very people whom it is intended to protect must carry the load. The manufacturer does not pay the tariff; there is but one man who can pay it, and he is the consumer.

To-day the tanning industry is already largely dominated by the packers, who of late years have engaged most extensively in that business.

If a duty is placed on hides, it will in a few years enable the packers to drive the independent tanners out of business and leave the packer in almost absolute control of both hides and leather. Under free hides the independent tanners may secure their supply of hides from South America and other markets, and are not forced to buy from the packers, who are their competitors in tanning.

A CONFERENCE REPORT.

In reporting the tariff bill to the House it was brought in with a rule which permitted amendment only upon five articles. The rest of the bill, containing hundreds of paragraphs, was voted upon "yes" or "no," with no opportunity of amendment.

It is a notable fact that of these five items all were eliminated by the House when permitted to vote.

If an opportunity had been afforded, many hundreds of other items would have been eliminated.

Among the items defeated was the duty of 15 per cent on hides. The vote was 174 for the duty and 240 against.

The Fordney tariff bill has been sent to the Senate, where it is now being debated, and an active effort is again being made to place upon hides a duty even greater than the House defeated.

If a majority in the Senate supports this proposed duty, the bill will be returned to the House and a conference committee of 5 members will be instructed to represent the 435 Members of the House. Who will represent the House on this conference committee is uncertain, and when the final report is made to the House, as usual, debate will be either limited or eliminated.

As the subject is of great importance to the citizens of my district and my State, I have availed myself of the privilege of making this statement, hoping to forestall the eleventh-hour adoption of a duty which can not be successfully defended either upon the principle of protection or for the purpose of raising revenue.

PANAMA CANAL.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER pro tempore. The Clerk will report it.

The Clerk read as follows:

House Resolution 365 (Report No. 1091).

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11872, a bill amending the Panama Canal act. That there shall be not to exceed four hours of general debate on said bill, one-half to be controlled by the gentleman from Illinois, Mr. DENISON, and one-half by the gentleman from Alabama, Mr. HUDDLESTON, whereupon the bill shall be read for amendments under the five-minute rule. At the conclusion of the consideration of the bill for amendments it shall be reported back to the House, whereupon the previous question shall be considered as ordered upon the bill and all amendments, if any, to final passage without intervening motion except one motion to recommit.

Mr. CAMPBELL of Kansas. Mr. Speaker, the Committee on Interstate and Foreign Commerce had before them a great many bills relating to Panama. These were all consolidated and reported in the bill that is made in order by this resolution. They relate largely to the government of the Canal Zone.

I yield 10 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. I would like to have 15 minutes, if the gentleman will yield them to me, with the right to yield part of the time.

Mr. CAMPBELL of Kansas. I yield 15 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker, I have no objection to the adoption of this rule, and I hope that in a few days we may be able to adopt another rule of considerably more importance, but whether we can or not I am unable to say, because in the morning paper I note an item by the Associated Press which reads as follows:

HARDING OPPOSES HASTY ACTION NOW ON MUSCLE SHOALS.

[By the Associated Press.]

President Harding is understood to have taken a determined stand yesterday against the action by Congress at this time on pending bills for disposal of the Government's nitrate plant at Muscle Shoals, Ala.

The views of the President, as outlined, it was stated, to Representative MONDELL, Wyoming, the Republican leader, at the White House, were conveyed to the Republican steering committee, charged with the task of framing the legislative program of the House. Members of the committee declined to indicate whether they would recommend action on the bills or let the whole question go over until the December session.

There was no intimation as to how the President regarded the proposal of Henry Ford for lease of the property beyond the statement that he felt the matter was too big to be considered hurriedly, and in what Members regard as the closing period of the present Congress.

Mr. MONDELL. Will the gentleman from Tennessee yield to me to make a brief statement in regard to that matter right at this point?

Mr. GARRETT of Tennessee. I think I should yield to the gentleman, and I will.

Mr. MONDELL. I can not understand how the Associated Press, which is generally accurate, could have sent out that report. I do not like to criticize a press report. I am sure gentlemen who occupy responsible positions in the matter of sending out news try to be accurate, but the statements made in the dispatch that the gentleman has just read are wholly apart from the facts as I know them and understand them.

I talked with the President yesterday morning, and very briefly discussed and very briefly referred to the Muscle Shoals matter. I expressed no opinion with regard to when or how the measure would be taken up. The President expressed no opinion on the subject whatever to me. Up to this time the President has not at any time expressed to me any opinion whatever on the Muscle Shoals matter. Neither have I said anything to anyone at any time or anywhere suggesting that I had had any talk with the President in regard to the matter nor that he had expressed any opinion on the question of whether we should take up the Muscle Shoals legislation. The article is surprising to me, because, first, there was no expression whatever on the part of the President in my presence, one way or the other. Further, I have not suggested to anybody, I could not have suggested to anyone, that the President had expressed any opinion to me on the subject.

There was a meeting of the steering committee yesterday morning. I certainly said nothing at that meeting to the effect that the President had expressed an opinion on Muscle Shoals. I could not have said anything to that effect, because the President had not expressed an opinion on the subject.

Mr. GARRETT of Tennessee. Well, Mr. Speaker, of course that which caused me to give the matter immediate attention was the fact that it bore the imprint of the Associated Press, and the Associated Press very seldom makes a mistake. If it has made a mistake at this time in quoting the President of the United States or the attitude of the President of the United States, I am going to venture to say that it is the first time it has done so in quoting any President of the United States. Of course, I know nothing about the facts.

Mr. MONDELL. Will the gentleman yield just a moment?

Mr. GARRETT of Tennessee. I do.

Mr. MONDELL. The gentleman has read that article carefully?

Mr. GARRETT of Tennessee. Yes.

Mr. MONDELL. The gentleman will notice the item did not quote the President but did quote me. That is why I feel responsibility in regard to it. If the gentleman from Tennessee had not called the attention of the House to this Post article I intended to do so when we got into the debate, because I am quoted as quoting the President. I never thought of such a thing. In the first place, the President expressed no opinion on the subject. I do not recall having referred to having spoken with the President even incidentally about it.

Mr. GARRETT of Tennessee. Of course, I was not present. It is probably a pity I was not. [Laughter.]

But here is another article that I will read.

By the way, I might say that the substance of that Associated Press article which I have just read is also in a special article in this morning's New York Times. I do not believe the gentleman from Wyoming is quoted in connection with the Times article.

Here is another article, and this is not by the Associated Press, but it is in the Washington Post. It says:

SPEED SHIP SUBSIDY BILL TO MEET HARDING'S VIEW—HOUSE LEADERS WILL SUBMIT BILL TO-DAY—HOPE FOR PASSAGE BEFORE END OF SESSION.

President Harding's demand for speed in the framing of the administration ship subsidy bill resulted last night in announcement by the Merchant Marine Committee that the measure would be submitted to the House to-day.

Meanwhile the Republican steering committee was considering the President's urgent request that the bill be put to a vote as a party measure, if necessary, prior to any adjournment of Congress. At a conference yesterday with Representative MONDELL, of Wyoming, the Republican leader, the President reiterated belief that the measure was of vital interest to the business welfare of the country, and that it should not go over until the short session, beginning in December.

Reports were current at the Capitol that the President had informed members of the Merchant Marine Committee that Congress would be called in special session solely to consider the shipping bill if it failed to reach the voting stage before adjournment.

The steering committee, it was said, reached no conclusion as to its program, although leaders, after telling the President of some opposition in the party to the subsidy bill, assured him that efforts would be made to comply with his suggestion.

I do not hear any denial of the accuracy of this last article that I have read.

I will, therefore, venture to say this, that it is going to be a very interesting time for those gentlemen from certain sections of the country who see fit to permit the bringing of a ship subsidy bill before this House at the behest of the President and then, whether at the behest of the President or upon their own initiative, refuse to permit the consideration of a measure to dispose of this Muscle Shoals nitrate plant, which has the greatest fertilizer possibilities of any plant in the world and in which such a very large number of people, not confined by any means to a single section of the country, are interested. [Applause on the Democratic side.]

I yield five minutes to the gentleman from Texas [Mr. GARNER].

Mr. GARNER. Mr. Speaker, when I asked the gentleman from Tennessee [Mr. GARRETT] to yield me 5 or 10 minutes' time on this rule, I had in my mind the same thought he had—to ascertain the facts with reference to what occurred at the White House, as I had heard two stories about it. One thing is certain, Mr. Speaker, that there are three outstanding measures before this House demanding consideration from a very respectable element of this House and the country at large. One of them the President is pressing; the other two he is either holding back or taking no interest in, apparently. One of them refers to a special interest that is putting its hand in the Treasury at the expense of all the people. The other two are for the building up of the country and making it more prosperous and desirable to live in. One of them is the ship subsidy, of which he says it is very important that it should be considered before the next session of Congress. Then we have the Muscles Shoals proposition, and we have the Western States demanding a reclamation bill. Those are the three outstanding measures before this House at the present time awaiting consideration.

Now, which one is our President interested in mostly? It is the ship subsidy bill. What is the effect of the ship subsidy bill? It is to take from $75,000,000 to $100,000,000 each year from the taxpayers and place it in the hands of a special interest engaged in a certain business; whereas the Muscle Shoals proposition involves less than $100,000,000, and has for its purpose the cheapening of the production of farm products of this country, and your reclamation project has for its purpose putting into employment thousands of people in this country and reclaiming millions of acres of arid and overflowed land.

Now, what is the position of the Republican Party? So far as we can ascertain, the President is in favor of one and indifferent as to the other two. If your organization had any courage, if this majority had any courage, it would go out and bring in a rule for the purpose of securing the consideration of the Smith-McNary bill. You have not the courage. Your control bureau, your steering committee, is opposed to that kind of legislation, and you are afraid to run over them.

How is the Congress made up? I see the gentleman from Iowa [Mr. GREEN] and others from the West over there, and I remember when they used to speak about the South being in the saddle. Oh, you went back to Ohio and Massachusetts and Indiana and shouted "The South is in the saddle." I want some of you western gentlemen to say in the next campaign who is in the saddle now. Massachusetts is in the saddle. Massachusetts presides over this House; Massachusetts presides over the body at the other end of the Capitol; Massachusetts controls the business in the Senate; and Massachusetts has a member on the steering committee in the House. But you are not satisfied with that.

When the Speaker has occasion to leave, he substitutes in his place the gentleman from Massachusetts [Mr. WALSH], a very good man. [Applause, the Republican Members rising.]

Why, one would conceive from this performance just now that you would rather substitute the "Little Giant" from Massachusetts than take the one you put in the chair by your votes. [Laughter.] I think the gentleman from Massachusetts who now occupies the chair occupies it with great credit to himself. [Applause.]

But I mention that merely to illustrate to you that you have not sufficient capacity on your side of the House outside of Massachusetts to preside over the House. [Laughter.] Why, we recall, and it will be recalled a number of times between now and the ides of November, the famous remark of the

gentleman from Illinois [Mr. MADDEN] when he described who was in charge of the Congress and who was going to make its laws—a body of gentlemen from east of the Mississippi and north of the Ohio, numbering 247, a famous number. He said you were going to run this Government, and you are. But you centralize it in Massachusetts. [Applause.]

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

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield 10 minutes to the gentleman from Wyoming [Mr. MONDELL]. [Applause.]

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

Mr. MONDELL. Mr. Speaker, I agree with the gentleman from Texas [Mr. GARNER] that Massachusetts is a great State. If all of the States of the Union had always been as true to the fundamental principles upon which the fathers founded the Republic as Massachusetts has been, we would have had a happier time during some of our history, and we would be better off as a people than we are. [Applause.]

The gentleman from Texas is not very well informed about the steering committee. Massachusetts does not happen to have a member on the steering committee.

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

Mr. MONDELL. Yes.

Mr. GARNER. Is not the Speaker an ex officio member of the steering committee?

Mr. MONDELL. The Speaker attends the meetings of the steering committee.

The Speaker, by invitation of the steering committee—a rule established at the beginning of the last Congress—attends the meetings of the steering committee and gives us the benefit of his very excellent judgment. It is a very proper arrangement.

The Lord only knows when we shall be rid of, when we shall get out from under the shadow of the awful problems laid upon us during the war and under the administration of Woodrow Wilson. I do not say that it was not important that we should bend the energies of the Nation toward building that bridge of ships that we at one time thought might be essential to carry our boys across the seas to save civilization.

I do know that we spent $3,500,000,000 of the people's good money in the building of the fleet, and I do know—and I say it with regret—that it was spent in the most wasteful way that public money ever was spent. Under your administration you laid that awful burden of cost on the people, and we had our responsibility in it, because we went along and agreed to the building of a great fleet. In my opinion under another management than that of the Democratic Party as then constituted and officered we would have spent very much less money in the building. We would have checked that building sooner than was done. But the Nation spent the $3,500,000,000. We have the fleet, and what are we going to do with it?

The gentleman from Texas [Mr. GARNER] says that the ship subsidy bill is a proposition to subsidize private interests. The gentleman knows that it is not an accurate or fair statement. The question before the American people is, "What are we going to do with this great fleet that cost us $3,500,000,000? Shall we sell it to foreigners, taking what price we can get, to be sailed under foreign flags?"

Are you ready to do that? We could try to sell it to Americans to sail under our flag, with all the handicaps that our laws and wage rates place on shipping, and we would not get far, because no one can afford to organize fleets unless we make it possible to operate them.

In trying to work out the problem of what shall be done to preserve and enlarge the American merchant marine, instead of getting any assistance from the representatives of the party who are responsible for the problem, the gentleman from Texas [Mr. GARNER] characterizes the effort as a purpose to give great privileges to private individuals. We propose to work out the problem that was bequeathed to us, and to work it out to the best of our ability; and if you gentlemen had any sense of responsibility touching the problem your party has placed upon the American people you would try to assist in the working out of that problem. [Applause.]

Now, in regard to Muscle Shoals——

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

Mr. MONDELL. Yes; I yield briefly.

Mr. GARRETT of Tennessee. Do I understand the gentleman, then, to take the position that the shipping bill proposed by the President is only necessary because of the fact that during the war we built ships?

Mr. MONDELL. That is what makes it necessary at this time; we have a great fleet which cost a vast sum of money, and something must be done with it. That is the real problem before us. What are we going to do about it? Are we to allow the fleet to rot, to have American shipping driven from the seas? Shall the entire $3,500,000,000 be a total loss and we receive no permanent benefit from it?

Mr. GARRETT of Tennessee. Will the gentleman yield now as to Muscle Shoals?

Mr. MONDELL. If the gentleman will be brief, because my time is short, unless the gentleman from Kansas [Mr. CAMPBELL] will give me more time.

Mr. GARRETT of Tennessee. Then, if we did not have the ships the gentleman's position would be different?

Mr. MONDELL. At least a very different situation would be presented to us. We have the ships. It is a condition, not a theory, that confronts us. What are we going to do with them?

Mr. GARRETT of Tennessee. Then the gentleman does not favor a ship subsidy?

Mr. MONDELL. That question is not now before either the House or the country. The question that will be before the House and is now before the country is what are we to do with the great fleet we have builded with the people's money? Are we going to keep the flag on the seas, or are we going to allow those ships to rot and rust out the enormous investment—a total loss? Are we to realize no benefit to the shippers of the country from the great war investment? Are we to abandon our hope of a merchant marine? Now so much for that.

I was quoted in the paper that the gentleman from Tennessee quoted as having made some statement touching the view of the President with regard to Muscle Shoals. As I have said to the House, the President expressd no opinion to me with regard to that legislation one way or the other.

In due time and in the comparatively near future the majority, after those consultations which the majority are accustomed to have touching matters of this sort, will decide what is to be done with regard to the Muscle Shoals proposition.

Mr. POU. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from North Carolina.

Mr. POU. I just want to ask the gentleman if he favors giving the House an opportunity to vote on that proposition?

Mr. MONDELL. It is not a question as to what I may favor. I am going to try and discover the opinion of the responsible majority and follow that opinion. That is what I try to do with regard to all legislation that is reported. That is what I shall try to do in this case.

Now, with regard to reclamation legislation. Of course, the gentleman from Texas [Mr. GARNER], knowing my interest in reclamation, remembering, perhaps, that I had charge of the original reclamation bill on the floor of this House many years ago and that I have always been for reclamation, imagines he can embarrass me as the floor leader by asking why we have not brought up a reclamation measure. We have brought up a reclamation measure.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. Yes; briefly.

Mr. GARNER. The gentleman from Texas did not refer to the gentleman from Wyoming. He merely referred to the President of the United States and his position on these matters.

Mr. MONDELL. Oh, no; the gentleman from Texas did not refer to the gentleman from Wyoming, but the gentleman from Texas had the gentleman from Wyoming in his mind all the time. [Laughter.] We have passed a reclamation bill. The soldier bonus bill contains a reclamation measure of the broadest character, under which reclamation development could and would be carried on in practically every State in the Union. It is the broadest and most comprehensive reclamation measure that has ever been presented to this House, and it has passed the House twice on the bonus bill. It is now before the Senate.

Mr. LONGWORTH. Will the gentleman from Wyoming yield?

Mr. MONDELL. I yield to the gentleman from Ohio.

Mr. LONGWORTH. Does the gentleman recall how the gentleman from Texas [Mr. GARNER] voted on that measure?

Mr. CAMPBELL of Kansas. He voted against it.

Mr. MONDELL. On the bonus? I do not want to embarrass the gentleman——

Mr. GARRETT of Tennessee. No; on the reclamation measure. The gentleman from Texas [Mr. GARNER] voted like the gentleman from Ohio [Mr. LONGWORTH] wanted to but would not. [Laughter.]

Mr. MONDELL. Of course I would not want to embarrass the gentleman from Texas after he has gotten up here and made a speech in favor of reclamation by saying that he voted against the broadest and most comprehensive reclamation measure that has ever been presented to any Congress. I would

not want to embarrass the gentleman from Texas in that way. [Laughter.]

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. Briefly.

Mr. GARNER. The gentleman is well aware that the reclamation project embraced in the so-called soldiers' bonus bill has no more relation to the Smith-McNary bill that the western people have said will solve their problem than night has to day. One of them will cost the Government nothing. The other will cost something like $20,000,000,000.

Mr. MONDELL. Which will cost the Government nothing?

Mr. GARNER. The Smith-McNary bill will cost the ultimate taxpayer nothing for its administration, whereas under the scheme you propose in the bonus bill it would cost the people, if every soldier took advantage of it, over $18,000,000,000.

Mr. MONDELL. All of which proves that the gentleman from Texas has evidently read neither bill. [Laughter.] The Smith-McNary bill carries with it an authorization of $350,000,000. Of course that may be nothing in the opinion of the gentleman from Texas.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. MONDELL. I can not yield right now.

Mr. GARNER. Every dollar of which is to be returned to the Treasury without one dollar of expense to the taxpayers of this country. Is not that true?

Mr. MONDELL. Under both bills—and I want to say again that the gentleman has evidently read neither one of them—under both bills the sums expended for reclamation are to be returned, and the bills are practically identical in that regard. The Smith-McNary bill authorizes a total ultimate expenditure of $350,000,000; the soldier settlement provision on the bonus bill does not fix a limit. Under both bills the sum spent would be the amount the Congress saw fit to appropriate.

Mr. GARNER. Will not the gentleman yield for one more question?

Mr. MONDELL. I do not care to carry on a primary or kindergarten class in reclamation. I think the gentleman ought to read the bills before he makes a speech.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. If the gentleman will be very brief.

Mr. GARNER. Does the gentleman intend to give us a chance to vote on the Smith-McNary bill?

Mr. MONDELL. The House has passed a reclamation bill and it is now in the Senate. A Senator has proposed the Smith-McNary bill as an amendment. Some Senator ought to have appeared before the Senate committee and offered the Smith-McNary bill as a substitute if they prefer that bill.

Mr. GARNER. Now will the gentleman answer my question—does he intend to give the House a chance to vote on the Smith-McNary bill at this session?

Mr. MONDELL. I think it is quite enough for the House of Representatives to pass one reclamation bill at a time. I do not think the House ought to be asked to pass a second reclamation bill until the Senate has acted one way or another on the bill that we sent over to the Senate.

It is entirely within the power of the Senate and those Senators who are favorable to reclamation to put any kind of a reclamation measure they seek to pass on the bonus bill. The Smith-McNary measure would not in all respects provide for the soldiers, and the soldier is the man we must provide for in the bonus bill. But that measure could be amended by adding to it the provisions now on the bonus bill, so that the general plan of reclamation could be carried out for the soldier and broadened sufficiently to take in any project anywhere. But let me repeat that the reclamation measure on the bonus bill is a broad and comprehensive measure and could be utilized in every State in the Union. It is legislation halfway through Congress, and the Senate has not as yet passed on it one way or the other.

In conclusion, let me say to the gentleman from Texas and his colleagues not to get worried or disturbed, but if he will possess his soul in patience in due time we will endeavor to solve all of these problems to the satisfaction of the American people. We do think that the Democratic side that was responsible for placing most of these problems on our doorstep ought to be a little more generous in helping solve them. [Applause.] However, we do not expect much help from the Democratic side. We realize we must solve most of the problems without their help and in spite of their opposition.

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

Mr. GARRETT of Tennessee. Will the gentleman yield me one minute?

Mr. CAMPBELL of Kansas. I yield to the gentleman from Tennessee one minute.

Mr. GARRETT of Tennessee. The gentleman from Wyoming refers to this side's responsibility for opposing certain matters and says that we ought to take some part in solving the problems. We are ready to vote on Muscle Shoals now; are you? [Applause on the Democratic side.]

Mr. MONDELL. We generally do those things after we have consulted in regard to them and are prepared to vote intelligently.

Mr. GARRETT of Tennessee. We have consulted and we are prepared. [Applause on the Democratic side.]

Mr. MONDELL. Oh, no; you have not consulted and you are not prepared. [Applause on the Republican side.]

Mr. CAMPBELL of Kansas. Mr. Speaker, the merits of this rule having been thoroughly discussed and I hope generally understood by Members of the House, I move the previous question.

The question was taken, and the previous question was ordered.

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

The resolution was agreed to.

THE PANAMA CANAL ZONE.

Mr. DENISON. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11872.

The motion was agreed to; accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11872, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 11872) to amend sections 7, 8, and 9 of the Panama Canal act; to amend sections 288, 289, 342, 343, 368, and 461 of the Penal Code of the Canal Zone; and section 2 of the Executive order of July 9, 1914, establishing rules and regulations for the opening and navigation of the Panama Canal and approaches thereto, including all water under its jurisdiction; to amend section 6 of an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916; and to regulate divorces in the Canal Zone, and for other purposes.

Mr. DENISON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Illinois asks that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. DENISON. Mr. Chairman, there has been pending on the calendar for some months four separate bills for legislation touching the Panama Canal and the Panama Canal Zone. These bills are numbered H. R. 9202, H. R. 9101, H. R. 9051, H. R. 9201. In order to expedite their consideration at the same time, it was thought advisable that all four bills be consolidated and reported as one bill, and that has been done, and it is now before the House under the rule as H. R. 11872. It is my purpose, when this bill shall have been passed, to table all the other bills now on the calendar that I have mentioned. At first sight this bill seems rather formidable because of its length, but as a matter of fact there is very little new legislation in it. The legislation consists principally of certain amendments to existing laws that have been heretofore in force in the Canal Zone. In making these amendments the provisions of the present law as thus amended have been repeated in the bill, and it is because of the fact that these provisions are repeated that the bill appears to be rather long. However, as I stated, as a matter of fact, the amendments which are embodied in the bill are very short, and there is very little new legislation. The new legislation consists principally in the provision for divorces in the Canal Zone. I shall try to explain to the House briefly what the changes in the law are that are proposed in this legislation, and in doing that I would be grateful if I can proceed without interruption until I have completed my statement.

In the beginning, let me say that the laws that now govern in the Panama Canal Zone have been enacted from time to time since the year 1904.

In 1904, when we took over the Canal Zone by treaty with the Republic of Panama, President Roosevelt issued a proclamation in which he put into effect the laws of the land to which the inhabitants thereof were accustomed, except in so far as those laws were inconsistent with the fundamental principles of our Constitution. Thereby the civil code and the criminal code of Pamana that existed at that time were by the President's proclamation made the law of the Canal Zone. Afterwards the

Isthmian Canal Commission was appointed by authority of Congress and given legislative authority. From time to time that commission made laws, and those laws or orders of the commission were ratified by the Panama Canal act, and since 1912, when the Panama Canal act was passed, Congress has passed a few laws. The President has also at various times issued Executive orders which before 1912 had the effect of law. So that we have a body of laws for the Canal Zone consisting of these various orders of the President, the acts of the Isthmian Canal Commission, and the executive order of President Roosevelt when the Canal Zone was taken over, and in addition thereto a few acts of Congress. In these various orders and acts are found the laws now in force on the Canal Zone. Some day it is going to be necessary to revise, rewrite, and simplify these laws.

This legislation simply provides a few amendments which have been found by experience in the course of recent years to be necessary and important in connection with the government of the Panama Canal. They are not of any importance particularly to you and to me or to the people of the United States here at home, but they are of very great importance to the people on the Canal Zone. This legislation was recommended during the former administration by the Secretary of War, through whom the President governs the Canal Zone. Bills were introduced for this purpose by the various Members, particularly by Mr. ESCH, the chairman of the committee which has reported this bill, and by other members of that committee; but no action was taken by the House, although the committee reported favorably upon nearly all of the bills. During this Congress these bills to which I refer were reintroduced.

This legislation is also recommended by the present Secretary of War and by the present Governor of the Canal Zone. I may say that it has been carefully considered and was reported by the committee without any minority report.

Some of these amendments are to correct what have been found to be oversights and errors in the original laws. For instance, the first change is in section 7 of the Panama Canal act. The Panama Canal act was enacted in 1912 about the time of the completion of the Canal, and is the main act of Congress which provides the law for the government of the Canal Zone. Section 7 of the Panama Canal act has reference, among other things, to the jurisdiction of the magistrates on the Canal Zone. It provides for the creation of the office of police magistrate, as we would call it in this country, defines the jurisdiction of the court, and, among other things, the magistrates were given jurisdiction in all criminal cases wherein the punishment that may be imposed should not exceed a fine of $100, or imprisonment not exceeding 30 days, or both. Then the magistrates were given the additional jurisdiction of holding preliminary trials in cases of felony and committing those charged with the felony to the circuit courts. It happens that there are a number of offenses under the laws there which are misdemeanors but for which the fine may be assessed as high as $500, and the result is that in that kind of a case the magistrate can not try the case nor can he commit the defendants to the circuit court, because they are not charged with felony. In that class of offenses there is no court to either hold a preliminary trial or to try the case, unless the circuit court happens to be in session. That results in hardship, so that the law ought to be amended so as to give the magistrates jurisdiction to hold preliminary trials in those cases of misdemeanors in which fines may be in excess of the jurisdiction of the magistrates. That is accomplished by the first amendment of section 7 of the Panama Canal act, and it is found in lines 5 to 8 on page 3 of the bill. We add the following language to the law as it is now:

And charges of misdemeanor in which the punishment that may be imposed is beyond the jurisdiction herein granted to the magistrate court.

So that that part of the section as amended will read as follows:

Such magistrates shall also hold preliminary investigations in charges of felony and offenses under section 10 of this act and charges of misdemeanor in which the punishment that may be imposed is beyond the jurisdiction herein granted to the magistrate courts and commit or bail, in bailable cases, to the district court.

The second amendment is on page 4 of the bill. The present law allows appeals in civil and criminal cases from judgments and rulings of the magistrates' courts to the district court in all cases. In other words, the law as originally drafted gives the right of appeal in all civil and criminal cases to the district court. There are a great many West Indians on the Canal Zone. They like to go into court, because it gives them a certain distinction and attention; they commit some minor offense and are brought into the magistrate's court and fined from one to five or ten dollars. They invariably take an appeal to the circuit court, because they want to get into the circuit court, and very often they do it so as to gain delay until the circuit court meets, with the hope that the witnesses in the meantime will have disappeared and they can not be convicted. It has been thought advisable to limit this right of appeal to cases where the fine exceeds $25. We have therefore added to the law the following proviso:

Provided, however, That there shall be no right of appeal in criminal cases, except in those cases wherein the defendant has been sentenced to jail or has been fined in amount exceeding $25.

Section 8 of the Panama Canal act defines the jurisdiction of the district courts of the Canal Zone. There is one district court on the Canal Zone and there are two divisions of the district. However, no provision is made wherein the district court is given jurisdiction in cases of divorce. In other words, we have a district court in the Canal Zone, and it has practically the same jurisdiction that the district courts of the United States have by virtue of the Panama Canal act, but in granting jurisdiction Congress did not grant to the court jurisdiction to try cases of divorce.

Now, it has been found desirable that the district court of the Canal Zone be given jurisdiction over cases of divorce.

Mr. HILL. Will the gentleman yield?

Mr. DENISON. I will.

Mr. HILL. I would like to ask the gentleman in charge of the bill if the situation is that there is no possible way for residents of the Canal Zone to obtain a divorce at the present time?

Mr. DENISON. That is the case.

Mr. HILL. And this bill corrects that condition?

Mr. DENISON. Yes. When we took over the Canal Zone, as I stated some time ago, the President by proclamation put into force the law of the land. Now, there was no provision for obtaining a divorce under the Colombian law. There is no such thing known under the Colombian law, and that law was put into effect on the Canal Zone and has remained from that time until this. So, under the existing law there is no right of divorce. The Panama act did not confer that jurisdiction on the district court. What has been the result? The necessity for divorces has arisen frequently on the Panama Canal Zone. We have had many thousands of American citizens living there and working on the Canal Zone during construction days and also since then in the operation of the canal. Causes of divorce have arisen there the same as elsewhere. A former judge of the district court has heard quite a number of divorce cases and assumed jurisdiction, without having any justification for it in the law, and has granted a number of divorces, and it has resulted in complications. [Laughter.] Now, there was a new judge appointed down there at the beginning of the present administration—Judge Kerr, of Kentucky. Some divorce cases came up before him as they had heretofore done, and he entered into a study of the subject and delivered a very learned opinion in which he held that the court was absolutely without jurisdiction to grant divorces because Congress had never conferred that jurisdiction upon it, and therefore he dismissed the case pending before him.

The governor has recommended that such jurisdiction be conferred upon the court and the Secretary of War has recommended it, and this bill, on page 4, line 24, simply adds to section 8 of the Panama Canal act, where the other jurisdiction is conferred upon the district court, language appropriate to confer jurisdiction in divorce cases.

Mr. OGDEN. Will the gentleman yield?

Mr. DENISON. I will.

Mr. OGDEN. Was not the question of the jurisdiction raised until recently in these divorce cases before Judge Kerr?

Mr. DENISON. I am not able to answer that question. I do not know whether the former judge expressed an opinion on that subject or not. I think the former judge seemed to take the view that under the general equity jurisdiction of the court he had the right to hear and administer justice in cases of divorce. I do not know whether the question of jurisdiction was considered or not, but it was never tested by any appellate proceedings.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. DENISON. I will.

Mr. WILLIAMSON. What about the question of guardianship and settlement of estates, and the like? Are those matters taken care of down there under the present law?

Mr. DENISON. Yes, sir; they are provided for in existing law.

Now, the next amendment will be found on page 6 of the bill. It is a minor matter, but it is thought worthy of the recommendation to the Congress for a change. That is the question of fixing the compensation of jurors in the trial of

cases. Under the present law the judge fixes the compensation of jurors. I do not know, of course, why the provision was originally put in the law, but it had no place there. It is no part of the functions of the court to fix the compensation of jurors. That ought to be provided for by the legislative authority, and the bill is amended on page 6 by inserting the following language to the language of section 8 of the Panama Canal act:

The compensation of jurors shall be prescribed by order of the President.

That allows the President to fix the compensation by authority of this act.

Now, the next amendment to which I wish to call attention is this, and it is an important one. The present Panama Canal act——

Mr. WILLIAMSON. May we have the reference?

Mr. DENISON. It is at the bottom of page 6 and on the top of page 7. The present Panama Canal act contains the following provision, speaking of the district judge:

During his absence or during any period of disability or disqualification from sickness or otherwise to discharge the duties the same shall be temporarily performed by any circuit or district judge of the United States who may be designated by the President, and who during such service shall receive the additional mileage and per diem allowed by law to district judges of the United States when holding court away from their homes.

This original provision was enacted in 1912. Now, it has been found that you can not get a United States district judge to go down to Panama and hold court during the vacation or the temporary absence of the district judge. It is a long journey down there, and the average district judge is a busy man and he has enough to look after at home.

It is a long trip to the Canal Zone, and it has been found impracticable to secure a judge to go down and hold court. It has never been done but once, and that was when the district judge was disqualified by the fact that he was an interested party in the lawsuit then pending, and Judge Clayton, I believe, of Alabama, was sent down there. The result is that when the judge has to leave there and take his vacation for 30 or 60 days or more they have no court, the jail becomes clogged with offenders who can not get trials, and it is an expense and a wrong condition that ought to be remedied. Now, that is taken care of by the following provision in this bill. The provision I have just read is stricken out and this is inserted in its place:

During the absence of the district judge or during any period of disability or disqualification from sickness or otherwise to discharge his duties, the same shall be temporarily performed by a special judge, to be designated by the President, which designation may be made by cablegram or otherwise, and who shall be an attorney at law qualified to practice before the courts of the Canal Zone or any of the United States district courts or any of the superior courts of any State, Territory, or possession of the United States, and who during such service shall be paid at the same rate of compensation and the same mileage and per diem as that paid the district judge of the Canal Zone.

In other words, this amendment to the Panama Canal act authorizes the President, during the absence or disability of the district judge of the Canal Zone, to appoint a special judge, by cablegram or otherwise, from among the members of the bar of the Canal Zone or from among the members of the bar of the United States, if necessary, to act as district judge. That is the rule that is found in the laws of a number of the States. And it is an amendment that has been recommended by the district attorney and by the Governor of the Canal Zone, and by the Secretary of War.

Mr. ROACH. Will the gentleman yield?

Mr. DENISON. I yield.

Mr. ROACH. I did not hear the statement as to what the amendment contained. Will it be mandatory on the President to so designate or may he still designate some of the acting judges in the United States?

Mr. DENISON. The language reads:

During the absence of the district judge his duty shall be temporarily performed by a special judge to be designated by the President.

Mr. ROACH. He can designate anyone, either here or down there?

Mr. DENISON. Yes. Now, the district attorney for the Canal Zone came before the committee and testified in the hearings, and after full hearings and careful investigation the committee has concluded that that would be a wise provision. The district judge down there is living in the Tropics. A man can not live there very long without a change in climate now and then and taking a vacation, and he is allowed one under the law, anyhow. The court ought not to stop, and the defendants ought not to be compelled to remain in jail on account of the absence of the judge from the Canal Zone. And so it was thought wise that this provision should be added to the canal act.

Then there is another amendment to the Panama Canal act. The Panama Canal act, in section 8 as originally drafted, provides for a district judge, for a district attorney, and for a marshal, and the marshal and the district attorney and the judge each receive $5,000 a year. Now, there may have been some justification for the office of marshal in former years. But conditions have changed on the Canal Zone. Things have become more settled there now as the population is gradually decreasing, because they are from time to time reducing the number of employees. The canal has been completed, and there are only sufficient men there now on the Canal Zone to operate the canal. I think there are some 12,000 employees on the canal at this time—11,000 or 12,000. It has been found that the office of marshal is entirely useless. He draws a salary of $5,000 for doing practically nothing except living there in comfort. The President this last year appointed a special commission to go down to the Canal Zone and make an investigation of conditions there. The commission made an investigation, and among other things they recommended that the office of marshal be abolished.

The governor has made the same recommendation in a communication to the Secretary of War, and the Secretary of War has made a special recommendation to our committee that this provision be embodied in this legislation. And so we have amended section 8 of the Panama Canal act so as to abolish the office of marshal entirely after 60 days from the passage of this act. The amendment will be found on page 7 of the bill, and is as follows:

Effective 60 days from the passage of this act the position of marshal is hereby discontinued, and the duties of marshal of said court shall be performed by the chief of police of the Canal Zone and such members of his force as he may deputize for that purpose, with the approval of the court.

That amendment carries out the purpose of doing away with the office of marshal.

Now, another amendment to the Panama Canal act—that is, section 9 of the act—is found on page 9 of the bill. I think I can explain it very briefly. It is very short, but it is of great importance. Section 9 of the Panama Canal act provides as follows:

The Circuit Court of Appeals of the Fifth Circuit of the United States shall have jurisdiction to review, revise, modify, reverse, or affirm the final judgments and decrees of the District Court of the Canal Zone and to render such judgments as in the opinion of the said appellate court should have been rendered by the trial court in all actions and proceedings in which the Constitution, or any statute, treaty, title, right, or privilege of the United States, is involved and a right thereunder denied, and in cases in which the value in controversy exceeds $1,000, to be ascertained by the oath of either party, or by other competent evidence, and also in criminal causes wherein the offense charged is punishable as a felony. And such appellate jurisdiction, subject to the right of review by or appeal to the Supreme Court of the United States as in other cases authorized by law, may be exercised by said circuit court of appeals in the same manner, under the same regulations, and by the same procedure as nearly as practicable as is done in reviewing the final judgments and decrees of the district courts of the United States.

Now, it was not the intention of the Congress in the enactment of the original law to limit the right of appeal to one side in the controversy, namely, those whose rights were denied under the Constitution, treaties, and so forth. But the language has been so construed, and under that construction the right of appeal in those cases was only given to one person, and that is the person whose rights are alleged to have been denied. Now, important litigation has arisen in the Canal Zone in which that question was involved, and it is to remove that ambiguity that we strike out that phrase "a right thereunder denied." So it is made clear and plain that in all actions and proceedings in which the Constitution or any statute, treaty, title, right, or privilege thereunder is involved, and in cases in which the amount in controversy exceeds $1,000, and so forth, the right of appeal to the United States circuit court is given to both sides of the controversy. That removes an ambiguity and corrects what was apparently an error in phraseology in drafting the original bill.

Then there is this additional amendment to section 9 of the Panama Canal act. The right of appeal exists where the amount in controversy exceeds $1,000, and it sometimes happens that a case may arise in which the jurisdiction of the district court itself is challenged, and under existing law that question of jurisdiction can not be tested unless the amount in controversy exceeds $1,000. Now, it is apparent that that is not the way it should be. Wherever the district court, the trial court, assumes jurisdiction and a party desires to question the jurisdiction entirely of the court, there ought to be a right to test that question in the appellate court without regard to the amount in controversy, because the question of jurisdiction of the court ought always to be open to review.

So section 9 of the Panama Canal act is amended by adding the words at the bottom of page 9 of the bill, as follows:

But whenever any such case is not otherwise reviewable in said appellate court the question of jurisdiction alone shall be reviewable by said appellate court.

That corrects that error in the law.

Now, I call the attention of the committee to the next amendment of the existing law, which appears on page 10 of the bill. That is paragraph (c), which is as follows:

(c) That it shall not be necessary in the district court of the Canal Zone to exercise separately the law and equity jurisdiction vested in said court; and the code of civil procedure of the Canal Zone and the rules of practice adopted in said zone, in so far as they authorize a blending of said jurisdictions in cases at law and in equity, are hereby confirmed.

That amendment has been suggested because of the fact that there is some uncertainty among members of the bar in the Canal Zone as to whether or not the court has the right to exercise what is called a blended jurisdiction of law and equity. Prior to the passage of the Panama Canal act the court exercised law and equity jurisdictions separately, as is done in many of the States. That is done particularly in my own State of Illinois now. But after the passage of the Panama Canal act, from that time until this, the court has been exercising equity and law jurisdiction blended, following the rules now practiced in a number of the States. That right of the court has been questioned by some of the members of the bar, and it leaves it uncertain; and so, in order to remove that uncertainty and if possible avoid the litigation growing out of it, it has been thought wise to make the provision clear in the law, and so we have provided for what is called blended jurisdiction in the Canal Zone.

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

Mr. DENISON. Yes.

Mr. WILLIAMSON. I notice in section 9 of the bill that you provide—

Whereupon all the existing courts, except the Supreme Court of the Canal Zone, shall cease to exist. The President may continue the Supreme Court of the Canal Zone and retain the judges thereof in office for such time as to him may seem necessary to determine finally any causes and proceedings which may be pending therein.

Is not the supreme court discontinued now?

Mr. DENISON. Yes; certainly. That is simply repeating the existing law.

Mr. WILLIAMSON. The supreme court, as a matter of fact, does not exist now?

Mr. DENISON. No. That is abolished. We are amending that section of the Panama Canal act in another particular, and in order to do that we repeat the present law with the amendment. We are not undertaking to make any change in that particular part of the law now.

The next amendment embodied in this bill is an amendment to section 288 of the Penal Code. That section forbids all kinds of prize fights or exhibitions of all kinds.

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

Mr. DENISON. Yes.

Mr. LONDON. Are they prevalent, these prize fights, on the Canal Zone?

Mr. DENISON. No. I was going to say that when the Penal Code was enacted there was, of course, in that country a tendency to gambling and having fights of all kinds, and particularly there was a tendency to have prize fights down there; it was in order to stop prize fighting or anything resembling prize fighting that this section 288 was originally drafted. It was very stringent. It provided that—

A person who engages in, instigates, aids, encourages, or does any act to further a fight commonly called a ring or prize fight, or who engages in a public or private sparring exhibition, with or without gloves, within the Canal Zone, who sends or publishes a challenge or acceptance of a challenge for such an exhibition or fight, or trains or assists any person in training or preparing for such an exhibition or fight, shall be guilty of a felony, and upon conviction shall be fined not more than $5,000, or be imprisoned in the penitentiary not more than three years, or both.

We now have on the Canal Zone Army camps and naval stations, and the fleets go down there for maneuvers, and a part of the physical training of the men in the Army camps and in the naval stations is training in boxing. They teach boxing and have wrestling contests, and particularly boxing contests. It is part of the recreation and training, the physical training in the Army camps; and under the present law that is not permitted. We thought that this law ought to be amended. The Government has recommended that the law be amended so as to permit these friendly boxing contests among the men, which is a part of their physical training. So we have added to that provision this language:

Provided, however, That the provisions of this section shall not apply to voluntary boxing or sparring exhibitions conducted under rules and regulations to be promulgated by the President of the United States, or by the Governor of the Panama Canal Zone by authority of the President of the United States.

The committee saw no objection to permitting such friendly sport and recreation in the Army camps, and therefore we put this provision in the law, leaving it entirely under the control of the President, under such regulations as he may prescribe.

Mr. LONDON. In other words, boxing will be permitted?

Mr. DENISON. Yes; under regulations prescribed by the President.

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

Mr. DENISON. Yes.

Mr. RAMSEYER. That does not limit it to the Army and Navy?

Mr. DENISON. No. It does not limit it to those, but that is the reason why the law is being amended.

Mr. RAMSEYER. What is the population of the Canal Zone, if the gentleman has the figures at hand?

Mr. DENISON. About a year ago there were some 20,000 or 21,000 employees on the Canal Zone. That number has been reduced now to about 12,000.

Mr. RAMSEYER. Are they Americans?

Mr. DENISON. No. A great many of them are West Indian colored people, who do the common labor. I do not know how many of them have families there, but the gentleman can make an estimate based on the general average. But there are about 12,000 employees on the Canal Zone at the present time, with such families as they have.

Mr. RAMSEYER. Can the gentleman state what native population there is there that were there when we took over the Canal Zone?

Mr. DENISON. There are none there now except those who are working on the canal or the Panama Railroad.

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

Mr. DENISON. Yes.

Mr. CHALMERS. In removing to the Canal Zone an American does not lose his citizenship in the State from which he comes, does he? Our official connection with the Canal Zone, as I understand it, differs materially from our connection with the Territories?

Mr. DENISON. I would say to the gentleman from Ohio that that is a question of law and a question of fact. It is largely a matter of intention. Some of the employees have gone down there with the intention of staying there, and if they remove their families and stay there it is often with the intention of becoming residents there. If they go down there temporarily and do not cut loose from their connection here they are not understood to be residents there.

Mr. LONDON. I understood the question of the gentleman from Ohio to be whether a citizen of the United States would lose his citizenship by residing there.

Mr. DENISON. No. He would not lose his citizenship. I thought the gentleman from Ohio meant his residence.

Now, another amendment of importance is found on page 11 of the bill, and that has reference to another section of the Penal Code, defining grand larceny.

The original Penal Code defined grand larceny, among other things, as the stealing of anything with a value in excess of $25; in other words, the limitation on grand larceny under the original Penal Code was $25. Anything below that was petit larceny. Afterwards that was amended so as to reduce the limit to $10, so that the present law provides that the stealing of any property of a value in excess of $10 is grand larceny; and the present law also provides that if the thing stolen is the property of the Government or of the Panama Canal or of any of the municipalities on the Canal Zone, without regard to its value, it is grand larceny; a very unreasonable and harsh law. While there may have been some justification for it in the construction days when the Government had so much property there, certainly there is no justification for continuing such a harsh provision of law now. For instance, the district attorney testified that colored men would sometimes be caught stealing a cement sack that belonged to the Government, and under the present law that is a felony, and the man can be sent to the penitentiary for it, and he loses his rights as a citizen.

Mr. ROACH. Does not the gentleman believe that when property is taken from a dwelling, regardless of its value, the punishment should be more serious? Property taken from a dwelling may have a particular value and yet its cash value may be very small.

Mr. DENISON. I do not know that that distinction is made when it is taken from a dwelling.

Mr. ROACH. I know it is when taken from the person, and also certain live stock, but it occurs to me also that it should be made grand larceny where the property is taken from a dwelling house.

Mr. DENISON. Where a person is robbed and his property taken from his person in that way, that makes it a more serious offense. But, however, the only amendment which this bill makes is to increase the value limit of the property to $50, so that if this bill passes, the value of the property taken must be as much as $50 in order to constitute grand larceny. If it is below $50 it will be petit larceny.

Mr. NEWTON of Minnesota. As I recall the definition and penalty of larceny, there is no change, except what the gentleman has stated, as to the limitation in the amount. Of course it is grand larceny if it is taken from the person without regard to the amount taken.

Mr. DENISON. The gentleman is correct.

Mr. BEEDY. Doubtless when property is stolen from a dwelling there must be some other provision that would bring it within the offense of breaking and entering.

Mr. DENISON. Yes; that is taken care of in another provision of the Penal Code. When they break into a house, that constitutes burglary.

Now, the next amendment is found on page 11 of the bill, and that is the new provision in regard to embezzlement. The present law in regard to embezzlement on the Canal Zone provides that if the property embezzled is the property of the Government or of the Panama Canal, or of any of the municipalities there, it is embezzlement without regard to the amount of money involved. We have stricken out that distinction entirely, and we make no distinction between property belonging to the Government and property belonging to private individuals. The committee could not see any reason for carrying that distinction in the law, and therefore we have stricken it from the law.

Section 343 of the Penal Code is amended in this particular with regard to petit larceny: Having raised the limit of the amount necessary to constitute grand larceny, having made it $50 instead of $10, thereby making the stealing of property of less than $50 in value petit larceny, we had to increase the penalty in cases of petit larceny. Under the existing law the highest penalty for petit larceny is a fine of $25. Of course it would not be consistent to fine a man only $25 for stealing as much as $50. So we have amended the law with reference to petit larceny by increasing the maximum penalty to $100 instead of $25.

On page 13 of the bill will be found an amendment to paragraph 2 of the Executive order of the President of July 9, 1914, establishing rules and regulations for the operation of the canal. Section 2 of that order originally read as follows:

> Any person violating any of the provisions of the rules and regulations established hereunder shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $500 or by imprisonment in jail not exceeding 30 days, or by both such fine and imprisonment.

In other words, under existing law a person who violates any of the regulations governing the operation of the canal may be fined in any amount not exceeding $500. Now, it has been found in actual practice that most of the offenses that come within the provisions of this law are petty offenses. For instance, the natives will come into the entrance to the canal from up the coast of Panama, bringing their produce to market, and they may sometimes fail to have a light on their canoe, or something of that kind, which is a violation of these regulations governing the operation of the canal, and they may be fined as much as $500. The result of it is that all offenses of that kind are taken out of the jurisdiction of the magistrates, because the magistrates are given jurisdiction of those offenses only in which the offenders may be fined not exceeding $100.

It is in order to relieve that condition and let the magistrates go ahead and dispose of these petty offenses and in order to prevent the clogging of the district court's docket that the committee has thought it wise to make the maximum penalty $100 instead of $500.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. WILLIAMSON. This may not have any direct bearing upon the bill, but I desire some information relating to the procedure in the Canal Zone. Do the magistrates, who correspond to justices of the peace in this country, have the right to hold preliminary hearings and bind the defendant over directly to the United States district court, or simply to hold such person for action by a grand jury?

Mr. DENISON. There is no provision in the Canal Zone for a grand jury. These magistrates under the law have jurisdiction to hold preliminary trials in all cases of felony and commit the offenders to the circuit court. By one of the amendments I referred to awhile ago we are providing that the magistrates may hold preliminary trials in those cases of misdemeanor in which the maximum penalty exceeds the jurisdiction of the magistrates' court. For instance, take one of the provisions of the Volstead Act as an illustration to show how we legislate unwisely for distant places like the Canal Zone.

Under the Volstead Act if a man is caught with whisky or liquor in his possession in the Canal Zone he may be fined not exceeding $500. Sailors come ashore, go over to Panama and have a good time, and in order to get back to their vessels have to come back through the Canal Zone, and they go back frequently with a bottle in their hip pocket. They are arrested and searched, and perhaps found with half a pint of liquor in their pockets. They are thereby subject to a fine not exceeding $500, which takes it out of the jurisdiction of the magistrate, who only has jurisdiction in cases where the maximum fine is $100, and so his case has to go to the district court; and under existing law the magistrate can not even hold a preliminary trial and allow bail. The man has to go to jail and stay there until the district court meets and can hear his case. These things ought to be remedied, and that is the purpose of this legislation, to remedy such mistakes in existing law and provide a remedy where there is none provided by existing law.

Now, I call attention to another change we are making in existing law. On August 21 Congress passed an act to extend certain privileges of the Canal Zone to other officials in the Canal Zone, and certain privileges to the canal employees.

Mr. RAMSEYER. Will the gentleman yield before he goes to that question?

Mr. DENISON. I will yield to the gentleman from Iowa.

Mr. RAMSEYER. The gentleman stated that there is no grand jury in the Panama Canal Zone. There is a provision in the Constitution of the United States that no person shall be held to answer for a capital or otherwise infamous crime unless on the presentment or indictment by a grand jury except cases arising in the land or naval forces or in the militia when in actual service in time of war or public danger. This Canal Zone is governed by the War Department, but there are civilian employees there; suppose one of them commits an offense, how do you get around that provision in reference to a grand jury in the Constitution of the United States?

Mr. DENISON. The courts there are not United States courts; they are what we used to call Territorial courts. The Constitution does not apply there in that sense. We have never had provision for a grand jury in the law of the Canal Zone.

Mr. RAMSEYER. Who presents the indictment there?

Mr. DENISON. The Supreme Court has held that that provision of the Constitution does not apply to State courts but only to United States courts. There are a number of States that have no provision for a grand jury. The question has been tested out in a case that went up from the consular courts in China, where a man was tried for a capital offense and there was no indictment by a grand jury. The Supreme Court held that that provision of the Constitution was not applicable to those courts, as I recall it.

Mr. RAMSEYER. What officer is authorized to file what amounts to an indictment against a defendant who is supposed to have committed an offense in order to get the case properly tried before the district court?

Mr. DENISON. It is done in the Canal Zone as it is done in South Dakota and in those States that have no grand-jury system; the district attorney prepares an indictment and files it in the court. In my State he files what is called an information.

Mr. WILLIAMSON. In South Dakota there is a preliminary information filed before the justice of the peace and the party is bound over to the circuit court when the State attorney files an information which in legal effect is the same as an indictment by a grand jury.

Mr. RAMSEYER. Have you no grand jury?

Mr. WILLIAMSON. Provision is made for a grand jury in South Dakota, but it is very seldom used in practice.

Mr. DENISON. Now, I call attention to another change in existing law. It has been found that vessels frequently call at canal ports with men on board who have committed crimes on the high seas. Members of the crew or others on board the vessel have perhaps broken into parts of the vessel and stolen property, or have attempted to commit murder, or actually committed murder on the high seas. The question has arisen as to what they should do with this class of offenders. Under the present law all such offenders who commit offenses on

vessels of the United States on the high seas may be tried in any district court of the United States in which the offender may be found, or in which he was first brought to port; that is the present law.

So that when a man commits an offense upon a United States vessel on the high seas he is immediately brought into one of the ports of the United States, and the district court has jurisdiction to try him, and that is the only court that does have such jurisdiction. The district court in the Canal Zone is not a United States district court, however; it is a Territorial court, and that court at present has no jurisdiction to try offenses committed on the high seas upon vessels of the United States entering those ports. There is urgent need there for a court having that jurisdiction, because Panama is one of the great gateways of the world. American vessels are calling there continually from day to day, and they very often have men on board who have committed offenses on the high seas. They want to land them and try them or dispose of them in some way. It is important that the district court should have that jurisdiction, and by this bill we are conferring that jurisdiction upon the court.

I started to discuss another subject when I was interrupted, and that was one of the provisions of the act of August 21, 1916. By that act authority was given in the Canal Zone to the employees to deposit their money in the post office. It is called a post-office deposit and deposit money orders are issued. That provision was carried in order to encourage thrift and saving on the part of the canal employees. They are down there, over 2,000 miles from home, and are making very good wages. The Government wanted them to save and accumulate. So provision was made that the employees might deposit their money in the post office and take a certificate for it. The law provided that they should receive 2 per cent interest on the money deposited. The governor recommends that that rate of interest be raised; the committee thought that it ought to be raised, and this bill on page 14 amends the law by providing that the Government shall pay the employees who make these deposits in the post office 3 per cent interest.

The Government will not lose any money by it, because the canal government deposits that money in the banks of this country while they have it in their possession, and collects from the banks from 3 to 3½ per cent interest.

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

Mr. DENISON. Yes.

Mr. KING. Would it not be advisable to make it 4 per cent. That is the rate that one-half of the savings banks in the country now pay the depositors.

Mr. DENISON. That would mean that the Government would lose money on the deposits. We do not want the Government to make any profit and we do not want the Government to lose by this system of accepting deposits. This amendment is suggested in order to give the employees a little higher rate of interest on their deposits.

This concludes my discussion of all of the amendments to existing laws that are made by this bill, unless I have inadvertently overlooked some of them.

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

Mr. DENISON. Yes; I yield to the gentleman from Ohio.

Mr. CHALMERS. In opening the discussion of the matter of divorce, the gentleman spoke of the practice followed by a former court, and that the following judge ruled that he had no such right. What about the standing of the decisions of the former court as to children, and so forth?

Mr. DENISON. That is a very pertinent question. Section 22 of the bill provides as follows:

SEC. 22. That all proceedings in the district court of the Canal Zone, wherein and whereby a decree of divorce has heretofore been granted upon legal service, and wherein other orders have been made affecting the status of the parties or their children, are hereby legalized.

Mr. CHALMERS. Yes; but there is the question of legal service.

Mr. DENISON. That means legal service under the practice of the courts. They had proper service. The defendants were properly served and brought before the court. That is a question of law. Personally I consulted some very good lawyers, and it is the view of many of the best lawyers that Congress can by this act legalize divorces that have been granted by a court which had no jurisdiction to grant them, if there was proper service and the parties were properly before the court.

Mr. CHALMERS. If this act does not do that, it seems to me that it ought to be amended so that there would be no question about it.

Mr. DENISON. That is the view of the committee, and we undertake to do that. When you undertake to deal with questions of property, a different question is involved; a great many good lawyers think that Congress could not pass an act that would be retroactive with reference to the status of property. However, divorce is a proceeding in the nature of a proceeding in rem; it pertains to the status of persons and Congress has the power to pass a law legalizing invalid divorces where the parties were properly before the court.

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

Mr. DENISON. Yes.

Mr. LONDON. I notice that section 12, on page 14, enumerates nine causes for divorce.

Mr. DENISON. Yes.

Mr. LONDON. Is not the language rather peculiar? Would it not be better to begin the section by saying:

It shall be lawful for the injured party to obtain a divorce and dissolution of a marriage contract in the district court of the Canal Zone in every case where—

And so forth.

In other words, the way the sentence reads now it is very cumbersome and language is used that is almost incomprehensible. Here is a section that begins with—

That in every case in which a marriage has been or hereafter may be contracted—

and then follow 22 lines.

Mr. DENISON. I think that is very clear. I shall read it for the benefit of the gentleman.

Mr. LONDON. Oh, I have read it, but I think it would be so much more clearly stated if you were to say—

It shall be lawful for the injured party to obtain a divorce and dissolution of a marriage contract in every case in which—

And so forth.

Mr. DENISON. Oh, that is only a difference of phraseology.

Mr. LONDON. I do not see why lawyers and legislators insist on framing laws in language that is not understandable; language that makes very disagreeable reading. I know that it is not the fault of the gentleman from Illinois, because I am sure that he has followed the precedents, but that is one of the dangerous habits of a lawyer.

Mr. DENISON. I think it is very plain as it is. It enumerates the various causes for divorce.

Mr. LONDON. There is one other thing that I want to ask the gentleman, and it is in reference to the illegitimacy of children. Section 18, on page 20, provides that no divorce shall in anywise affect the legitimacy of children of the marriage except in cases where the marriage shall be declared void on the grounds of a prior marriage. Why should the child be penalized in any case?

Mr. DENISON. Oh, that is a question which the gentleman will have to put to the parents. We do not penalize the child.

Mr. LONDON. Oh, yes, you do. You stamp the child as illegitimate where there has been a prior marriage.

Mr. DENISON. We do not do it; the parents do it. Where a man has a wife living and he marries a second woman, this bill will grant the second woman a divorce.

Mr. LONDON. I understand that, but assume a case where a woman innocently marries a man who is proven to have been married at the time to somebody else and the marriage is declared void. Why should the child of that woman be stamped as an illegitimate child?

Mr. DENISON. Is not that done everywhere?

Mr. LONDON. Well, no. I am under the impression where a divorce is given on account of a prior marriage that the child does not suffer in most of the States. In any event, it ought not to suffer.

Mr. DENISON. The gentleman will find, I think, that a man can not have a legitimate child by one woman when he has another living wife and when there has been no divorce.

Mr. LONDON. Well, assume that one or both parties are innocent. I take a case where one married under the belief that the former spouse is dead?

Mr. DENISON. Let me say this in regard to the provision with reference to divorces. As I said awhile ago in the beginning of my remarks there is no law in the Panama Canal Zone for granting a divorce on any ground. It has led to certain conditions of immorality there. The authorities down there—the people, the governor, the law officers, the judge—all feel that there ought to be some provision of law for granting divorces—a divorce code. The Secretary of War has recommended it. We are enacting this provision here for the Panama Canal Zone. I do not suppose there are any two Members of the House who exactly agree upon what a divorce code ought to be, but we are not enacting this law for our own States. We are enacting this for the people down there, and this bill has been presented to them, and it meets with the approval of the officials of the Canal Zone, who know the conditions down there; it has the approval of the district attorney,

who is familiar with those conditions, and it has the approval of the governor.

Mr. KING. How about the people?

Mr. DENISON. Without regard to whether it might meet the approval of all people up here, the committee presents it as the best judgment of the committee upon the subject of providing for divorces for the Panama Canal Zone. Each of us are more or less inclined to take a provincial view of this subject. We are inclined or prejudiced in favor of the divorce laws of our own respective States. It would be almost impossible for us to agree on a divorce code for this country. But here we are legislating for the limited number who are compelled to live on that little zone of land 10 miles wide running across the Isthmus of Panama. Those who are familiar with the conditions down there and who are responsible for the administration of the laws there approve the pending bill. I think, therefore, we will make no mistake in accepting it as it is presented.

Mr. RAMSEYER. Will the gentleman yield?

Mr. DENISON. I will.

Mr. RAMSEYER. Now, the committee is composed of good lawyers, and I am not going to discuss the various grounds for divorces enumerated in this bill but the reason for arranging it the way it is. All writers on domestic relations make a distinction between annulment of marriages and divorces. There is a very clear line of distinction between the two. Annulments are based on causes which exist at the time the marriage contract is entered into. Divorces are granted for causes which arise after the marriage contract is entered into, and there is quite a difference as to the property rights under the two statutes, as well as the legitimacy of children. The codes of the various States differ; I know my State has a section on divorces and giving grounds for divorce, and it has a different section for annulment of marriages and the grounds for such annulments.

Now, here the committee reports in a bill all under the head of divorces. For instance, the first two grounds are discussed by writers on domestic relations and by the code of my State as grounds for annulment—first, if impotent; second, if he or she had a wife or husband living at the time of such marriage. Undoubtedly the committee had some reason or reasons which were forcible enough to cause them to arrange it in this way, and I should like to know why you did not make the distinction between annulment of marriage and divorce that the law writers universally do; and so far as I know the codes of most of the States make such distinctions.

Mr. DENISON. Well, of course, the gentleman from Iowa has in mind the law of his own State. The gentleman's statement of the codes of the different States is not exactly correct, because a great many of the States contain this provision as we have it here. For instance, take the law of the State of Illinois, with which I am more familiar, as the gentleman is more familiar with the law of his State, and you will find this provision is identical with the law of Illinois, and with the laws of some of the other States. In the preparation of this bill we endeavored to be as brief as possible. We consulted—I did, rather—in drafting the bill Judge Frank Feuille, who was the special attorney for the Panama Canal for some 12 or 14 years, I think. I think he understands the situation down there better than any other man on the Canal Zone. I think he understands the law in force down there better than any other man I know. He is a student of the Spanish language and Spanish laws, and his experience as special attorney for the canal government for a number of years brought him in contact with the people and gave him a splendid opportunity to become familiar with the needs of the people better than any man I know of. This bill was prepared and submitted to Judge Feuille and it meets with his approval; it follows the laws of a number of States, and I do not think it is subject to the objection which the gentleman makes.

Mr. RAMSEYER. Is it not true that writers always make that distinction between annulment of marriage and divorce, and the property rights of the parties are different? Now, Congress is supposed to be composed of leading legal lights of the country, and would it not furnish a better model—probably as this is the first divorce law Congress ever passed—I am not sure about that statement, but would it not be more logical to have written in here—it would not take any more space—that the grounds for divorce are so and so, and that the grounds for annulment of illegal marriages are so and so?

Mr. DENISON. There is some ground for difference of opinion on that question. I am perfectly familiar with the distinction the gentleman refers to, as I have noticed it in the textbooks.

Mr. RAMSEYER. I asked why you did not follow the logical course of text writers and most of the State codes?

Mr. DENISON. We were not attempting to draft this bill as a model divorce code, but as a brief, concise divorce code for the Canal Zone; it meets with the approval of those who are familiar with conditions there, and for that reason we thought it ought to meet with the approval of Congress.

Mr. RAMSEYER. The grounds here for divorce I know are more liberal than the grounds for divorce in my own State. The gentleman is doubtless familiar in a way with the divorce laws of the various States. Are not the grounds for divorce in this bill more liberal than the average of the States of the Union? What does the gentleman know about that?

Mr. DENISON. My investigation shows it is more liberal than some of the States and less liberal than others.

Mr. RAMSEYER. In the opinion of the gentleman it will not create a Reno down there or an Alexandria?

Mr. DENISON. I am very glad the gentleman mentioned that. We have put in this bill ample safeguards to prevent the Canal Zone from being used as a place to which to go to get a quick divorce. They can not do it under this bill. The courts will not be open to anybody except those who have official residence there or who are employed there. We have considered that question with great care in drafting this bill.

Mr. KLINE of Pennsylvania. I want to state that in Pennsylvania there is no distinction between annulment and divorce. It is all divorce. And that is true in many of the Eastern States, if not in most of them.

Mr. RAMSEYER. In case the divorce is granted on the ground of impotency at the time of marriage, does that dissolve the union as of date of marriage or of date of decree—that is, is it retroactive?

Mr. KLINE of Pennsylvania. No.

Mr. RAMSEYER. An annulment decree, in fact, decrees that marriage never existed.

Mr. KLINE of Pennsylvania. Pennsylvania has never made any such distinction between annulment and divorce.

Mr. BANKHEAD. The gentleman states that this creates a divorce code only for Government employees and officers?

Mr. DENISON. Yes.

Mr. BANKHEAD. Does this mean that the wife of one of those would not have jurisdiction?

Mr. DENISON. Oh, no.

Mr. KING. If the gentleman please, are there no other people down there that live in the zone that ought to have this privilege extended to them?

Mr. DENISON. I will state to my friend from Illinois that no one is permitted to live on the Canal Zone except officers and employees, and of course their families. There are one or two exceptions. For instance, there is an oil company that sells gasoline, I think, that has an employee or a few employees there, but otherwise there is no one living on the Canal Zone except employees and officials. The Government owns all the property there. No one can acquire a home there except from the Government, and the purpose of the Government is to limit the Canal Zone to those who have business there for the Government. We have depopulated the Canal Zone entirely for that reason.

Mr. WILLIAMSON. I assume that the courts in the Canal Zone have the correlative power of adjusting the property rights between husband and wife at the time of the divorce?

Mr. DENISON. Have the power?

Mr. WILLIAMSON. I assume they have the right to settle their property rights?

Mr. DENISON. Yes; certainly.

Mr. WILLIAMSON. If that is true, it may be that the distinction the gentleman from Iowa made is important. If a woman marries a man who is already married, she can acquire no property interest in what he possesses, while she would acquire a property interest if he was lawfully married.

Mr. DENISON. That is all within the control of the court when the decree is entered.

Mr. RAMSEYER. The court would have the right to make the distinction?

Mr. DENISON. Yes; the court would have that right.

Mr. Chairman, if there are no other questions now, I will make any further explanations of the bill that may be necessary when we read the bill under the five-minute rule. [Applause.]

Mr. HUDDLESTON. Mr. Chairman, if I were authorized by the Committee on Interstate and Foreign Commerce to make a report on its proceedings of this day, I should, after addressing the Chair, say, "The committee, having had under consideration the Hoch bill and the Sweet bill, intended to give the people some relief from certain oppressive provisions of the transportation act, 1920, have instructed me to report that we have given about six weeks' consideration to those measures

and have come to no resolution thereon." The people of the country who have been suffering so much because of the transportation act of 1920, and particularly because of sections 13 and 15a, which were intended to be amended by the bills to which I have referred, are entitled now to know that this Congress will take no action for their relief.

The transportation act of 1920 has now been a law for over two years. For the first six months of that time the Treasury of the United States bore the burden of the mismanagement and inefficiency and the wickedness of railroad management. At the end of the six months that burden was passed to the people by an increase in railroad rates averaging about 33⅓ per cent. Under that burden, intended to yield to the railroads from fifteen to eighteen hundred millions of dollars, the people have reeled until this time. Their complaints have been met by the majority in control of Congress by the promise of the passage of bills designed to remedy the wrong that was done them. The irritation of the people has been quieted by the statement that these bills are under consideration. They have looked forward to the time when relief should come to them.

Now they find that after all their forbearance and suffering the committee has declared itself incapable of dealing with the subject. It has deferred consideration of these measures until such time—mark you the gentle sarcasm—"until such time after the beginning of the session of Congress in December next as the committee may see proper to bring the subject forward."

We know what that means. All of us know that there will be no time at the next session of Congress to consider these matters. All of us know that by taking that action the committee has interposed a plea of bankruptcy to the claim for relief that the people have upon them.

"Oh," they say, "the law has not been thoroughly tried. We have not tested out the transportation act of 1920. We do not know how it is going to work. Let us give it a little more time for operation."

The same gentlemen are saying that now who said, when the Esch-Cummins bill was being considered in the House, "It is a great constructive measure." It comes from the same source. Not time enough! Oh, for those who have not yet been able to see the wrong that was done to the American people by that act there will never be time enough for them to see, because they are blind. The act has not only grievously oppressed the people, but I call your attention to the fact that this enormous increase in the cost of transportation was imposed upon the country at the very time when it was most oppressive to us. It had its inception when the business conditions of this country were on a sharp decline. But the railroads needed the increases; they wanted the money and so, of course, they got it. Now the committee and this Congress and this administration lack courage and intelligence enough to be able to produce the remedy.

Mr. ANDREWS of Nebraska. How much money has been paid out of the National Treasury, if anything, under section 15a of the transportation act of 1920 to the railroads?

Mr. HUDDLESTON. Under the transportation act of 1920 we guaranteed that the earnings should be equal to the standard return for a period of six months. I presume that is what the gentleman refers to.

Mr. ANDREWS of Nebraska. No.

Mr. HUDDLESTON. What does the gentleman refer to?

Mr. ANDREWS of Nebraska. Under section 15a has the Government paid a single dollar to a railroad?

Mr. HUDDLESTON. What particular clause of section 15a?

Mr. ANDREWS of Nebraska. Either one. Or take the whole of it.

We have incurred a liability to the railroads under the guaranty clause for the six months' period after the transportation act was enacted of an amount variously estimated at from $600,000,000 to $900,000,000. The exact amount which has been paid I am not able to say at this time. The last time I had the figures it was between $300,000,000 and $400,000,000.

Mr. GRAHAM of Illinois. It is about $700,000,000.

Mr. HUDDLESTON. You gentlemen may remember the harrangue I indulged the House with when the Winslow bill was passed. I then said that that act would cost the Treasury some $300,000,000. I then insisted that the railroads should be required to bring in their claims then and have a settlement. The answer was made that the total aggregate amount could not be over $635,000,000. Yet we have already paid, so the gentleman from Illinois [Mr. GRAHAM] informs me, about $700,000,000, and there are yet perhaps hundreds of millions that remain to be paid.

Let me say this: Our committee does not know what the trouble is. Our committee has not yet found out that the transportation act of 1920 needs to be remedied. Our committee has not found out the iniquities of the way in which rates are made, of the grouping system or of the incomes allowed to the railroads under section 15a. But the people of this country have found out. They know what was done to them.

As we came from the committee this morning one of the ablest members remarked to another as they walked out, referring to those members who had voted to postpone further consideration of the remedial measure, "Well, they will take more interest in these bills after the 1st of next November." He referred to the November elections which are coming along. The other member made a reply to him, "Oh, I don't know; when Members lose their seats in Congress they usually take very little interest in things afterwards. It is very likely that we can not get a quorum of this committee next December." The people know, if the committee and Congress do not know.

I listened with emotion to the piteous plea made by the gentleman from Wyoming [Mr. MONDELL] this morning, when he complained of the burdens which have been imposed upon this Congress. I suppose he meant upon the Republican administration and the Republican majority in both Houses of Congress; he spoke of the grievous burdens that have been imposed on Congress by the administration of the previous Democratic President.

Mr. KING. What hope or expectation is there in the Democratic Party to remedy the railroad situation?

Mr. HUDDLESTON. The gentleman has asked me to enter upon a subject that in the minutes remaining of the time that I have allotted to myself I can not hope to take up. But I will say a little something to the gentleman along that line if he will just listen now for a moment. The gentleman from Wyoming did not say so, but it is a fact just the same, that every one of those measures that has imposed a burden upon the American people was supported by a practically unanimous vote of the Republicans who were Members of Congress. Every error that the Democrats committed, if they committed errors, the Republicans are equally guilty of. I guarantee, gentlemen, that if you examine the records of the votes, you will find that every vote that was passed during the war that tended to impose a burden upon the people of the United States was supported with greater unanimity upon that side of the House than upon this. And if men are ever estopped from criticism, if they are ever bound to stand by their guns, if they are ever expected to stand by the burdens which they themselves have created, then the Republican majority are bound to meet without complaint the burdens and duties of solving the problems arising out of the war. It was as much your war as ours.

But I want to offer you Republicans a little ray of hope. Only a little while longer, gentlemen. Be patient; bear the burden the best you can. The people will relieve you of it the very first chance they get. [Applause on the Democratic side.]

Mr. Chairman, I reserve the balance of my time. I yield one hour to the gentleman from Tennessee [Mr. DAVIS.]

The CHAIRMAN. The gentleman from Tennessee is recognized for one hour.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. DAVIS] is recognized for one hour.

Mr. BANKHEAD. Mr. Chairman, I understand the gentleman from Tennessee is going to discuss a very important question now pending before Congress and the country, to wit, the ship subsidy bill. I think that on that subject, to which he has given great attention, he is entitled to a hearing by more gentleman than are here, and I make the point of no quorum present.

The CHAIRMAN. The gentleman from Alabama makes the point of no quorum present. The Chair will count. [After counting.] Sixty Members present, not a quorum. The Clerk will call the roll.

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

Almon	Barkley	Bland, Va.	Britten
Anderson	Beck	Blanton	Brooks, Pa.
Andrew, Mass.	Bell	Boies	Buchanan
Ansorge	Bixler	Bond	Burke
Appleby	Black	Brand	Burtness
Arentz	Blakeney	Brennan	Burton

Cannon	Harrison	Mansfield	Shreve
Cantrill	Hawes	Martin	Siegel
Carter	Hayden	Mead	Sinclair
Chandler, Okla.	Hersey	Merritt	Slemp
Clark, Fla.	Hicks	Michaelson	Smith, Mich.
Clarke, N. Y.	Himes	Mills	Snell
Classon	Hogan	Morgan	Snyder
Cockran	Hooker	Mott	Sproul
Codd	Hull	Mudd	Stevenson
Connell	Husted	Nelson, J. M.	Stiness
Cooper, Ohio	Hutchinson	Nolan	Stoll
Cooper, Wis.	Ireland	O'Brien	Strong, Pa.
Copley	James	O'Connor	Sullivan
Crago	Jefferis, Nebr.	Olpp	Swank
Cramton	Johnson, S. Dak.	Osborne	Sweet
Crowther	Johnson, Wash.	Padgett	Swing
Dale	Jones, Pa.	Paige	Tague
Dallinger	Kahn	Park, Ga.	Taylor, Ark.
Darrow	Kelly, Pa.	Parker, N. Y.	Taylor, Colo.
Davis, Minn.	Kendall	Parks, Ark.	Taylor, Tenn.
Deal	Kennedy	Patterson, N. J.	Temple
Dempsey	Kiess	Perkins	Ten Eyck
Dickinson	Kindred	Perlman	Thomas
Drane	Kinkaid	Petersen	Tilson
Drewry	Kirkpatrick	Porter	Timberlake
Driver	Kitchin	Pou	Towner
Dunn	Kleczka	Pringey	Treadway
Dyer	Knight	Purnell	Tyson
Edmonds	Knutson	Rainey, Ala.	Underhill
Evans	Kreider	Ransley	Upshaw
Fess	Kunz	Rayburn	Vare
Fields	Lampert	Reber	Voigt
Fish	Langley	Reed, N. Y.	Volk
Fordney	Larson, Minn.	Reed, W. Va.	Walters
Foster	Lazaro	Riddick	Ward, N. Y.
Frear	Leatherwood	Riordan	Wason
Freeman	Lee, N. Y.	Robertson	Watson
Frothingham	Lehlbach	Robsion	Williams, Ill.
Fuller	Linthicum	Rodenberg	Wilson
Gahn	Luce	Rosenbloom	Wise
Garrett, Tex.	McClintic	Rossdale	Woods, Va.
Gilbert	McFadden	Rouse	Woodyard
Glynn	McKenzie	Rucker	Wyant
Goldsborough	McLaughlin, Pa.	Ryan	Yates
Goodykoontz	MacGregor	Sabath	Zihlman
Gorman	Madden	Sanders, Ind.	
Gould	Maloney	Schall	
Graham, Pa.	Mann	Sears	

The committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. LONGWORTH reported that the Committee of the Whole House on the state of the Union finding itself without a quorum, he directed the roll to be called, when 216 Members, a quorum of the committee, answered to their names.

The SPEAKER pro tempore. The committee will resume its sitting.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LONGWORTH in the chair.

Mr. DAVIS of Tennessee. Mr. Chairman and gentlemen, an article in the New York Evening Post, by Harold Phelps Stokes, stated in part:

> On no subject now before Congress has there been more consistent and sustained propaganda than on the administration's ship subsidy bill. * * *
>
> In the case of the ship subsidy bill newspaper bureaus at the Capital have been fairly swamped with such publicity material, Chairman Lasker's opening speech of 59 pages being supplemented by frequent "hand outs" from the National Merchant Marine Association. Over and above that, Mr. Lasker and President Harding have made special efforts in a personal way to explain the features of the legislation to the correspondents and to bring home to them the urgency for its passage.
>
> As a result, the prosubsidy side of the controversy has been placed before the public effectively. The other side has been virtually ignored.

There has perhaps never at any time been as much propaganda, certainly not as much false and misleading propaganda, in favor of any bill as that in favor of the pending ship subsidy bill. Consequently, it is about time for the presentation of some facts to show the defects and iniquities of this bill, so that I shall devote the time allotted to me to-day to a discussion of this subject.

I am heartily in favor of a real constructive solution of this merchant marine problem. Whatever I say upon the subject will be sincerely with that end in view. In order to do that, it will be necessary to candidly deal with some aspects of the situation and to brush away some of the débris of misinformation with which the Congress and the people have been flooded. This is a large, intricate problem possessing innumerable angles. It can not be intelligently discussed in a brief period. To-day I shall only be able to discuss some features of the question, largely along the line of clearing away débris. However, if granted the opportunity, I shall present an array of cold facts which can not be controverted, and which will prove that this bill not only does not present a correct solution of this problem, although it would impose upon the people tremendous additional burdens, but also that it is the most extraordinary and most vicious bill ever presented for your consideration. This bill is an expression of the demands of the selfish interests which alone will benefit from its passage.

In opposing the pending bill, I shall accept the challenge of its proponents and in due time present what I conceive to be a correct analysis of the difficulties and a real solution in lieu of the pending bill.

Lasker and his cohorts and the private shipping interests have persistently tried to make it appear that the issue involved is whether we shall have permanent Government ownership of merchant vessels, or as to whether they shall be gotten into the hands of private owners. They have set up a "man of straw," because this is not the issue. I do not believe that there is a member of either the Merchant Marine and Fisheries Committee of the House or the Senate Committee on Commerce who favors permanent Government ownership of the Shipping Board vessels. Those of us opposed to the pending ship subsidy bill are in favor of the Shipping Board vessels being sold as soon as possible, consistent with the proper protection of the public interests and the preservation of a real American merchant marine. I believe that what is true with respect to the membership of said committees is likewise true with regard to the membership of Congress in general.

Furthermore, the propaganda in favor of this bill disseminated all over the country by the Shipping Board and shipping interests insists that the pending bill presents the only solution; that this bill, and it alone, will enable the Government to dispose of its ships and insure the establishment and maintenance of a privately owned American merchant marine. I emphatically deny this contention. The controversy is not as to whether we shall have Government ownership or private ownership; nor as to whether we want or do not want an adequate American merchant marine. My discussion of this question shall be based upon my own position, which I believe is in accord with the views of this House—that is, that we favor an adequate privately owned American merchant marine. However, this bill is predicated upon an incorrect diagnosis of the case and it prescribes an improper and futile remedy.

In addition to the false issues raised, as just explained, the chief arguments advanced in favor of the passage of this bill may be summarized as follows:

1. In order to stop the $50,000,000 annual expense of the Shipping Board.

2. In order to get the Government out of the shipping business.

3. In order to make possible the sale of our Government-owned ships.

4. In order to make it possible for ships under the American flag to compete with those under foreign flags.

It is insisted by the proponents of this bill that American-flag ships can not now successfully and profitably compete with foreign-flag ships for the following reasons:

(a) Because of differential in capital cost in favor of the foreign shipowner.

(b) Because of differential against American operators in the wage and subsistence cost of manning the ships.

5. That it is necessary to pass this bill in order to have an adequate naval auxiliary in case of future war.

All of these arguments are utterly fallacious, as an examination of the facts will disclose. I shall later discuss these arguments in detail, if given the opportunity.

However, in this connection I do wish to call attention to a statement made by the distinguished majority leader [Mr. MONDELL] to-day which indicated that he had fallen a victim to some of the propaganda that has been put forth by the friends of the ship subsidy bill. He gave as a reason why it is probably necessary to pass a bill of this kind the fact that we now have a very large American fleet of merchant vessels. We have. That is one reason why subsidies are unnecessary. Heretofore one of the chief arguments, and in fact, with the exception of the complaint about the seamen's act, about the only argument in favor of a subsidy was that American ships cost more to construct than foreign ships. But now we have an immense fleet, which the Shipping Board are proposing to sell to private interests at the present world-market price, even at a time when there is the worst depression in the history of shipping, and at a price that is about a third of what those ships could have been constructed for before the war, and perhaps at a less than one-third of what they can ever be constructed for again. Consequently that has removed the chief argument that has been made heretofore in favor of ship-subsidy legislation, as the shipping companies can buy the ships at such a price that the differential on capital investment will be in their favor as compared with the foreign shipowners, and the value of them will greatly advance as soon as world conditions improve and commerce increases.

The proponents of this bill having seen that such is necessary, a tremendous drive is now being made to get this bill

reported out and passed through the House during the present session.

An article in a recent issue of the Washington Star by Will P. Kennedy stated in part:

The only new legislation that has any chance of passing the House is the ship subsidy bill, and that only because of the insistence of President Harding.

This disposition on the part of the House is based on two considerations: First, the House has already sent to the Senate more measures of prime importance than the Senate can pass at this session. Second, with a threatened deficit of $250,000,000 to $400,000,000, the House Members do not want to take the responsibility for initiating legislation that would call for vast expenditures, such as the Smith-McNary reclamation bill, the Towner-Sterling bill for a department of education, and the ship subsidy bill. If any big appropriation was possible, the one most needed, and for which there is the greatest pressure is for an omnibus public building bill. Since they can not have that, the House Members are set against any of the new measures calling for appropriations. * * *

House Leader MONDELL admits that there is some disposition on the Republican side not to take the matter up, at least until after the House membership is here in larger numbers, for consideration of conference reports on the tariff and soldiers' bonus measures and until they have had an opportunity of studying the bill as it is reported to the House from the Merchant Marine Committee. This feeling does not relate entirely to the ship subsidy measure itself, but is in accordance with the general sentiment that the House has already passed more legislation than the Senate can possibly take care of, and, therefore, there is no special rush. * * *

In this connection I wish to state that it would be manifestly unfair at this time to take the bill up in the House, when there is an attendance of but little more than half of the House membership. The absent Members in near-by States, including all of those on the Atlantic seaboard, could be gotten here on short notice, whereas those in the Middle West, the Northwest, and the Southwest, as well as those in the extreme West, are so far away that they would probably not be able to return, even if they should in time receive notice as to when the bill would be considered, which is unlikely.

I also indorse the suggestion that Members should be given an opportunity to study the bill as it may finally be reported to the House. They should also be given an opportunity to read the hearings upon this important bill. Such hearings have not been available except to a very limited extent, I think only a hundred copies being distributed through the House committee, and they were quickly exhausted without copies being furnished to many people who desired them. I know that numerous Members of the House and others have been wanting to procure copies of the hearings. It is understood that the hearings are to be indexed and reprinted. If so, I certainly hope that the Members of this House will read those hearings, and particularly the cross-examinations, in order that you may not only know the important facts there developed but may see the efforts of the Shipping Board representatives and the shipping interests to evade, to conceal important facts, and their absolute refusal to disclose important facts within their knowledge reflecting upon this problem. I certainly trust that you will not reach a conclusion in this matter upon the strength of the false propaganda with which you have been flooded and with which you are being daily regaled in the press.

The article referred to concluded with the following:

And it is only the persistent insistence of President Harding that can force the West to allow the ship subsidy bill to pass at this session.

Another article in a recent issue of the Washington Star contained the following:

At a White House conference with House leaders the President was informed that the bill probably would be ready for submission to Republican members of the Merchant Marine Committee the latter part of this week, but that many Republicans were not disposed to take up new legislation toward the fag end of the session.

The leaders, it was understood, frankly told the President there was opposition to subsidy legislation among Republicans from Middle Western States, and that there was the certainty of almost solid Democratic opposition. * * *

One of the members with whom the President talked—a strong advocate of the bill—is said to have told Mr. Harding that once the bill is reported it will be necessary for him to get behind the leadership and demand its prompt passage as a party measure.

On June 5 the Washington Post had one of its double-column editorials in behalf of this ship subsidy bill, which stated, in part:

The New York Times, Democratic, but reputed accurate in its news reports, publishes a dispatch from Washington stating that President Harding has bluntly and emphatically informed the leaders of the House that he expects the ship subsidy bill to be taken up and passed at this session. The report adds that the leaders intimated that they were opposed to acting upon the bill before election, whereupon the President became "very emphatic" and made it clear that he desired ship subsidy legislation above anything else; that it was an administration measure, promised by him and the party platform, and must be enacted before election. The dispatch states that the leaders changed their views after the conference and promised their support. The bill is now to be reported to the House within 10 days.

There is no reason to doubt the substantial accuracy of this report.

As a matter of fact, neither the Republican platform nor that of any other party has ever declared in favor of this or any other ship subsidy legislation. On the contrary, the Republican national platform of 1920 declared as follows:

MERCHANT MARINE.

The national defense and our foreign commerce require a merchant marine of the best type of modern ship flying the American flag, manned by American seamen, owned by private capital, and operated by private energy.

We indorse the sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine.

We favor the application of the workmen's compensation acts to the merchant marine.

Your attention is called to the fact that the Republican national platform indorsed and stood upon the merchant marine act of 1920, known as the Jones Act, and not only did not make any intimation as to subsidies, but did not even suggest the necessity of any additional legislation except the application of the workmen's compensation act to the merchant marine, which is intended to be for the benefit of the seamen and not the shipowners.

The question of ship subsidies was not an issue and was not even discussed during the last campaign, and the people had no opportunity to express their views relative thereto.

In the beginning of his prepared statement read at the hearings on this bill, Chairman Lasker said:

The question of subsidy to American ships has hardly ever been treated as a partisan one, in spite of the fact that we hear favorable consideration has been a Republican policy and opposition a Democratic one. The fact is that for practically half a century neither party has given life to a policy of direct aid to American ships. The Republican Central West has ever joined with the Democratic South in distaste and revulsion to subsidizing our shipping.

There is really no good reason for treating this bill as a partisan or party measure at this time; it should be fully and carefully considered and settled upon its merits. The extracts I read and other quotations from proponents of the bill make it quite clear that the only reason that they favor making the bill a party measure is because they realize that it is impossible for it to win upon its merits, and that the only chance to put it through is by wielding the party whip.

Having the welfare of the whole country at heart, as I view it, and disregarding the question of political advantage or disadvantage, I very much hope that this infamous bill will never be enacted. However, if it is to be passed, I hope that it will be put through as a party measure, feeling confident that the party responsible for such action will be rebuked by the American people. Furthermore, if the bill is to be passed during this Congress, I hope that it will be passed during the present session, in order that the people will have an opportunity in the coming election to return a Congress that will repeal it before the Shipping Board has had time to carry out their design of lending the $125,000,000 loan fund, and making so many 10-year subsidy contracts that the bill could not be repealed.

So far as I have been able to find, President Harding is the only President who has ever declared in favor of ship subsidy legislation. In the very nature of things it was impossible for him to make an independent investigation of this complicated problem, and, consequently, it was necessary for him to rely upon the information and advices of others upon the subject. Apparently having the President's full confidence, Lasker has misinformed and misled him. According to newspaper reports from time to time Lasker made repeated visits and appeals to the President to come out in favor of this legislation. Lasker stated at the hearings and otherwise that he submitted to the President for his information and as the recommendations of the Shipping Board this elaborate study entitled "Government aid to merchant shipping—a study prepared under direction of the United States Shipping Board." It was stated that the President's message to Congress on the ship subsidy bill was based in large measure upon the contents of said study. That being true, his support of the bill was induced by the grossest sort of misinformation, because this study is full of misstatements and misleading and deceptive statements. I wish I had time to discuss some of the various and devious methods employed by Lasker in his efforts to further this bill.

The President is said to have told Members of the House that this was his pet bill and he wanted it put right through. It is even reported in this morning's Washington Post, which is recognized as the official organ of the administration, that on yesterday the President demanded of Republican Leader MONDELL and the Republican steering committee that the ship subsidy bill be speedily reported out and brought to a vote, and that he had threatened to call an extra session solely to consider this bill if it did not come to the voting stage before adjournment. He is perhaps taking a more active interest in

behalf of it than any measure since he has been in the White House.

According to all reports he impatiently spurned the counsel and advice of the leaders of his party in the House, clinging alone to the advice of Lasker—of a man who a few months ago knew absolutely nothing of the subject and who now knows even less, because the most that he has since acquired has been misinformation instead of information, having acquired same from those bent upon bleeding the Government and not aiding it.

I can well understand that these reports of the President's activity and intended activity to whip the Members of the House into line in support of this bill may be very disconcerting to those Members of the House who are against the bill and who know that their constituencies are against it. Consequently, I wish to relieve them of any embarrassment incident to such reports by calling attention to the fact that there appeared in the Washington Evening Star on a date later than any of the articles from which I have quoted an article by N. O. Messenger under the heading, "President may veto bonus bill." After discussing the status of the soldier bonus bill and the President's reputed opposition to it and the prospect of him vetoing it, the article continues:

If it is asked why the President does not then use his presumed influence to head off the legislation, the President's friends reply that he declared at the outset of his administration he would not seek to dictate to Congress. There is a difference, it is contended, between coercion of Congress during the pendency of legislation and its subsequent veto. The latter is a power vested in the Chief Executive by the Constitution of the United States, and can not be classed as dictation.

The President's position, as analyzed by his friends in Congress, is dignified and consistent. He will not seek to sway Congress in the exercise of the constitutional functions of the legislative branch, not even to the extent of indicating intention to use the veto, and in an entirely legitimate way has allowed his views upon the subject to be known.

According to this article, apparently inspired from the White House, the President having expressed his views on the ship subsidy bill in a message to Congress, the manner prescribed by the Constitution, surely "he would not seek to dictate to Congress" or to "seek to sway Congress in the exercise of the constitutional functions of the legislative branch."

Although this bill is presented as the only solution, yet it is by the merest accident that it is presented at all, at least with the indorsement of the Shipping Board and the President. It is a matter of common knowledge that the President first tendered to James A. Farrell the chairmanship of the Shipping Board and held up the appointment several weeks in an effort to persuade Mr. Farrell to accept. Lasker himself said at the hearings:

Well, the President wanted Farrell ahead of me for chairman of the Shipping Board, and was very much disappointed when he had to take me and did not get Farrell. He [Farrell] is one of those factors that makes for the ships being operated under the American flag.

The assumption is that the President desired to appoint Mr. Farrell, not only because of his great business and administrative ability but also because of his experience with and knowledge of ship construction and ship operation.

Had Mr. Farrell accepted the appointment, it is natural to presume that the President would have been guided by his counsel and advice as to our shipping problem; and it is safe to say that this bill and this program would not have been presented at all. When I take up the discussion of the difficulties and remedies, I shall present Mr. Farrell's analysis and recommendations.

It may be argued that while the 1920 Republican national platform indorsed the merchant marine act of 1920 as "sound legislation recently enacted by the Republican Congress that will insure the promotion and maintenance of the American merchant marine," and without the recommendation of further legislation except a merchant marine workmen's compensation act, yet that the situation was changed because of the failure to enforce section 34 of the said act. However, the pending bill by no means stops with presenting a substitute for said section 34 of the Jones Act.

The substitute for said section 34 is embodied in section 301 of the pending bill authorizing a deduction from net Federal income taxes of 5 per cent of the freight paid on goods imported or exported in American-flag vessels. In discussing this provision of the bill and comparing it with section 34 of the Jones Act, Chairman Lasker declared in his prepared statement read at the hearings:

It is the belief of the Shipping Board that the proposed deduction from net Federal income tax of 5 per cent of the freight paid on goods imported or exported in American-flag vessels may do more to aid in the upbuilding of the American merchant marine than any proposal which is herein submitted to the Congress.

Section 34 provided preferential tariffs for American-flag ships, but this could only be applicable to dutiable imports. The operation of section 34 gave no preference to American ships on exports and no preference to American ships on nondutiable imports. The proposed 5 per cent deduction from taxes of the freights paid on goods imported or exported in American-flag vessels now made should insure a preference to American shippers on every ton of goods sold abroad or bought for consumption at home. This 5 per cent deduction is made in substitution of section 34, but we of the Shipping Board believe it is possible that this section will accomplish at less cost to the Treasury much more than might have been accomplished by section 34. * * *

Nothing that can be devised, the Shipping Board feels, will so greatly insure volume to American ships as the 5 per cent tax deduction here proposed.

And on cross-examination the following occurred:

Mr. LAZARO. Mr. Lasker, you stated if the Jones law could have been carried out as a whole it would have given us an American merchant marine without asking for further legislation.

Mr. LASKER. In my belief.

Likewise, Winthrop L. Marvin, in an article entitled "The merchant marine bill of 1922 analyzed—One of the experts who assisted the Shipping Board in framing the bill outlines its merits," appearing in the April issue of Marine Engineering declared:

A wholly new feature of American maritime law is that provided for in section 301 of the new shipping bill for a deduction from the amount which would otherwise constitute the income tax of a sum equivalent to 5 per cent of ocean freight money paid for transportation of merchandise in American ships in the foreign trade. This is an ingenious new departure intended to serve the purpose of a part of the preferential duty of the original Jones Act, but, as a matter of fact, it is far more valuable and effective, for it would apply to all merchandise, dutiable or free, inward or outward.

This is treaty-proof. It is not a subsidy, but an indirect aid. Its potential importance is incalculable. It will appeal to all shippers, small and large, and will have the effect of making all American vessels first-preferred bottoms.

He confirmed this at the hearings, and stated specifically that he had reference to section 34 of the Jones Act and "would very greatly prefer" this substitute provision to section 34 of the Jones Act.

Mr. Marvin is the vice president and general manager of the American Steamship Owners' Association, which embraces practically all of the American shipowners. He is paid a large salary by said organization, and devotes all of his time to promoting the interests of the members of said association, especially with respect to legislative matters. He has played a large part in the preparation of this bill and the propaganda in its behalf. If any one man could be singled out as the father of this bill, he is that man.

The said study prepared under the direction of the Shipping Board states:

The policy of Congress with regard to the national merchant marine has been positively and definitely determined in the shipping act of 1916 and the merchant marine act of 1920. * * *

The act of 1916 created the Shipping Board and the Emergency Fleet Corporation and provided for the construction and operation of Government-owned ships. It was passed under the stress of the extraordinary conditions produced by the war in Europe, and so far as its provisions for the construction and operation of ships by the Government are concerned, it was intended to give only emergency relief.

The merchant marine act (of 1920), on the other hand, was passed about 18 months after the close of the war, and in the light not only of the results of the policy established by the earlier act but also of the changed economic conditions produced by the war. The latter act may therefore be considered as the expression of the permanent policy of Congress.

The act of 1920 is an excellent, well-considered, and comprehensive piece of legislation, which was designed not only to foster the development of a large and well-balanced merchant marine but also to insure the operation of that marine under private ownership. Accordingly, the act provided for a number of indirect aids which it was thought should prove ample to develop American shipping on a sound and permanent basis and should restore the American merchant marine to the proud position it enjoyed in the first half of the nineteenth century.

Then the said study refers to the fact that section 34 of the Jones Act had not been put into effect, and states that supplementary legislation was necessary.

Yet the pending bill not only provides a substitute which both Lasker and Marvin stated will be much more valuable and effective than section 34 of the Jones Act, but the pending bill also amends the Jones Act in several vital respects, and in addition provides innumerable other direct and indirect aids. In addition to the costly direct aids provided in the bill, Lasker himself stated that they embodied "every practical indirect aid possible to give." They incorporated about every character of aid that had ever been granted in any other country and devised some additional schemes to favor the shipping interests at the expense of the people.

This bill is not constructed along scientific lines, but is simply a hotchpotch of every conceivable method by which it was thought the shipping interests could be favored.

The direct charges upon the Public Treasury carried in this bill, even if they amount to no more than the figures conceded by Chairman Lasker at the hearings, will amount to more annually than the combined subsidies, subventions, and State aid of every character and description paid by all of the nations on earth combined.

Some years ago the Commissioner of Navigation collected and collated the amounts of every character of aid granted to shipping interests by all the foreign maritime nations, which he set forth in his report and which he summarized as follows:

The aggregate amount paid by foreign nations in the form of subsidies, ocean mail pay, navigation and construction bounties, admiralty subventions, naval reserve appropriations, fisheries bounties, refund of Suez Canal tolls, and other forms of contributions which directly or indirectly add to the volume of business under their respective national flags, is upward of $46,000,000 a year.

During the hearings Chairman Lasker conceded that the pending bill included direct charges on the Public Treasury of $52,125,000, not taking into consideration the exemptions from Federal taxes allowed shipowners and other indirect aids, the amounts of which Chairman Lasker declined to estimate. The pending bill would cost the American people at least $75,000,000 per year.

Winthrop L. Marvin, previously mentioned, during his statement at the hearing referred to this bill as "a shipping bill such as has never been dreamed of before." In this he is undoubtedly correct. This bill stands in a class by itself, not only as to substance but as to form.

Chairman Lasker stated at the hearings that he had given instructions to those drafting the bill that it should be so drafted as to give the Shipping Board "very wide latitude; in fact, almost absolute discretion in determining to whom they shall sell ships and also to whom they may see proper to grant the various forms of subsidy." He further stated that "if it doesn't contain it that way, I hope to have it changed so that it will." They certainly carried out his instructions, because the pending bill confers the most autocratic power and the widest discretion, perhaps, ever conferred upon any board. It affords boundless opportunities for favoritism, graft, and corruption. Under its provisions the Shipping Board is authorized to usurp powers properly belonging to and now exercised by the President, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Secretary of Labor, the Secretary of Commerce, the Postmaster General, and the Congress. The bill authorizes the Shipping Board to declare valid or invalid existing agreements between common carriers by water and common carriers by land, although some such contracts have been sustained by the courts and others have been declared invalid; so that the Shipping Board is authorized to usurp the power of the judiciary, including the United States Supreme Court, if it so wills.

The pending bill proposes to so amend the present law as to eliminate competitive biddings, and also to authorize the sale of ships without advertisement if authorized by five members of the board.

Such sale shall be made at such prices and on such terms and conditions as the board may prescribe, but the completion of the payment of the purchase price and interest shall not be deferred more than 15 years after the making of the contract of sale, nor shall the interest be at less than 2 per cent per annum.

This bill provides for a revolving fund of $125,000,000, to be known as the construction loan fund, and the Shipping Board is authorized to lend this fund at 2 per cent interest, without any limit as to time, and without any restriction as to the amount to be loaned any person or corporation, except that no loan shall be made upon any one ship "for a greater sum than two-thirds of the cost of the vessel to be constructed or of the value of the vessel thus reequipped."

The bill provides for the payment of certain basic voyage subsidies, and authorizes the board to increase such subsidies up to the extent of doubling them, or to decrease the amount below the basic subsidies to whatever extent they see proper. The board is authorized to make contracts for the payment of subsidies "for a period not exceeding 10 years from the date when contract is made"; it will be noted that such period does not date from the passage of the bill, so that it would be practically impossible for a future Congress to repeal the law, for the reason that there would always be numerous such contracts outstanding. The Shipping Board is given absolute discretion to grant such subsidies or to withhold them. Under such extraordinary discretionary powers it was admitted at the hearings by a representative of the Shipping Board that it was within the power of the board to grant the owner of the *Leviathan* an annual subsidy of $1,800,000 or to refuse to grant such owner any subsidy, or to grant a subsidy in any amount between nothing and said maximum figure.

Can it be that the unprecedented power and discretion given the Shipping Board under the provisions of this bill account for the feverish, unseemly activity in behalf of the bill by some members of the Shipping Board?

This bill creates a "merchant-marine fund" for the payment of the voyage subsidies, "which shall be subject to withdrawal by the United States Shipping Board on requisition approved by the chairman of the board." This fund is to be derived from 10 per cent of our customs receipts, which Chairman Lasker estimated will amount to about $30,000,000 per annum; by tonnage taxes, which he estimated will amount to about $4,000,000 per annum, and by the amounts which would otherwise be paid for carrying the mails, which he estimated at $5,000,000, making a total of $39,000,000; and all of which amounts the Secretary of the Treasury is directed to pay into said merchant-marine fund without any appropriation by Congress.

Chairman Lasker considers the indirect aids provided in the bill to be of much greater value than the direct aids, as evidenced by his statement at the hearings on the ship subsidy bill, as follows:

Happily the Shipping Board, after long and careful study, came to the conclusion that a proper measure of Government aid to accomplish the purposes in mind could only come through the use of both direct and indirect aids, throwing the burden onto the indirect aids. * * * Thus the burden of the aid is thrown on the indirect. Thus the proponent of indirect aid can have no occasion to quarrel with the proposals; for the Shipping Board recommends every practical indirect aid possible to give. * * * Because of the great value it places on the indirect aid, the Shipping Board figured a very modest sum of direct aid.

It will be noted that Chairman Lasker figures $39,000,000 per annum as "a very modest sum." As a matter of fact, the amounts will be considerably larger than he concedes. Mr. Lasker stated that he was unable to give any estimate as to the amounts that would be received by the ship operators under the various indirect aids.

Another direct charge on the Public Treasury is involved in the provision authorizing deductions from net Federal income taxes of 5 per cent of the freight paid on goods imported or exported in American-flag vessels, which Chairman Lasker and the Shipping Board report estimate would amount to about $10,000,000 per annum when the program gets into operation; as a matter of fact, it would amount to much more than that.

Mr. Lasker also conceded that in lending the $125,000,000 at 2 per cent interest the Government would be losing at least 2½ per cent, which would amount to $3,125,000 per annum. Furthermore, the 2 per cent interest, amounting to $2,000,000 annually, if collected, will go into this loan fund and not the General Treasury.

It will be noted that these different items involving a direct charge on the Treasury aggregate $52,125,000, according to Mr. Lasker's admissions and figures, and not including the $2,000,000 annual interest, which should also be counted.

Furthermore, this bill exempts the operators of vessels from the payment of "war profits and excess profits taxes imposed by Title III of the revenue act of 1918 or any and all taxes on income, corporate or individual, imposed by the revenue act of 1921, or by any subsequent revenue act, an amount equivalent to the net earnings of such vessel during such taxable year," provided the owner "invests or sets aside in a trust fund for investment" for the construction of new vessels.

The bill further provides for the exemption from taxation of the profits made upon the sale of vessels built prior to January 1, 1914, provided such owner "invests or sets aside in a trust fund for investment for the building of new vessels." I do not know why this advantage is accorded to privately owned vessels but not to those built by the Shipping Board.

Of course, it is impossible to state the extent of the charge upon the Public Treasury of these tax exemptions and none of the representatives of the Shipping Board would give any estimate thereon. However, it is certain that the amount would be very large. In speaking of these provisions Marvin said:

Thus these features of the Jones Act are made distinctly more valuable.

The bill further provides for the elimination of the Army and Navy transports so as to require our troops, munitions, and supplies to be carried in privately owned vessels without any distinction in time of war. Chairman Lasker and the Shipping Board report estimated that the income to privately owned ships from this source would amount to $7,500,000 per annum in the Pacific alone, of which amount they state that approximately $5,000,000 would be net profit to the ship operators. It will be noted that this amount does not include the Army and Navy transport service to the Canal Zone, Porto Rico, the Virgin Islands, Haiti, and so forth.

One of the provisions of the bill provides that 50 per cent of the immigrants to this country shall be transported in American vessels. Mr. Thomas H. Rossbottom, a representative of the Shipping Board, who testified at the hearings, estimated that under the present 3 per cent quota law "this traffic would

give the transporting companies a gross income of $17,600,000 per year, of which one-half, or $8,800,000, should come to American owners." He further stated that one-half of this sum would be net profit.

There are various other indirect aids carried in the bill, which I shall not now discuss.

Mr. NOLAN. Will the gentleman yield?

Mr. DAVIS of Tennessee. I will yield to the gentleman for a brief question.

Mr. NOLAN. I should like to inquire in reference to our Army Transport Service. Is it proposed in this bill that we dispose of the ships that are now being used by the Army Transport Service?

Mr. DAVIS of Tennessee. Yes.

Mr. NOLAN. At the same price they are putting on the others; of about $20 a ton?

Mr. DAVIS of Tennessee. The fact of the business is that the Shipping Board is authorized to sell ships without any limit as to price, but this bill authorizes the doing away with the Army Transport Service for the purpose of giving business to private ships.

Mr. NOLAN. In other words, it is proposed by the Shipping Board to dispose of vessels which cost $240 a ton, which are now used by the Army Transport Service, on which they expect to realize about the same amount that they realize on their other ships. Is that a fact?

Mr. DAVIS of Tennessee. Of course, if they sell them, they will have to sell them at the current prices, and everybody knows that there is the worst depression in the history of shipping, and that ships at this particular time can not be sold for scarcely anything.

Mr. NOLAN. Is your committee in a position at this time to give any information as to what the Shipping Board have accomplished in disposing of ships? I note that the newspapers have carried expensive advertisements about the sale of the whole fleet, and what response have they got for that?

Mr. DAVIS of Tennessee. On February 21 the Shipping Board did advertise the entire fleet and received some bids, and Mr. Lasker said at the hearings, and also stated in the press, that the bids received were jokes; that they were facetious. And yet Commissioner Lissner admitted at the hearings that they had made that advertisement of sale for two reasons; one was that the Jones Act compelled them to advertise for sale, and they advertised the entire fleet in compliance with the law, so that after that they could sell any of the ships at private sale without further advertisement. He further admitted that another reason they had in mind was that they might treat the bids, which Lasker designated as jokes, as a criterion, and that they would be justified in selling at such prices without further advertisement and at private sale.

I wish the membership of the House knew all that is at the bottom of this proposition. If you would investigate the movements and actions of the Shipping Board, you would deprive them of what power they now have instead of giving them any more extraordinary power.

Mr. MOORE of Virginia. Will the gentleman state whether Mr. Lasker was a shipping expert before he came into this business?

Mr. DAVIS of Tennessee. He said before the Appropriations Committee last July that he was not an expert on shipping, but that he did take a pride in being an expert in publicity. That was the reason he was appointed chairman of the Shipping Board. He was recommended, according to charges made in the press, by certain big shipping interests. He could not have been recommended because he knew anything about shipping, but they thought that they could supply the misinformation and that he was the proper man to put over the ship subsidy bill by his publicity methods—intensive propaganda.

Chairman Lasker stated that when he came to the Shipping Board he held the idea that the chief trouble with the American merchant marine was the seamen's act, and that the remedy lay in either the repeal or modification of that act, but that he had found upon investigation that the seamen's act had been very much misrepresented in that regard. The shipping interests had been misrepresenting the seamen's act ever since its passage, just as many of them are now misrepresenting the other phases of the question. They jump from pillar to post in an effort to present excuses for subsidies.

A bold and unusual feature of the bill is that all of the direct and indirect aids are so cunningly devised as to avoid the necessity of any congressional appropriations. This was done deliberately.

Members of the Appropriation Committees are frequently of an inquisitive mind and sometimes ask embarrasing questions as to the expenditures of past appropriations and the intended expenditures of future appropriations; and then when the bills are under consideration in the Congress there is more inquiry and discussion. Consequently, the Shipping Board is anxious to avoid all such embarrassment, and is unwilling to come to Congress annually for necessary appropriations as all other departments are required to do. However, entertaining the opinion he does of Members of Congress, perhaps Chairman Lasker is fully justified in endeavoring to avoid the necessity of having to be worried with mere Members of Congress.

The gentleman from Texas [Mr. HARDY] has been intelligently studying shipping matters for about 12 years, and has more real sound knowledge of such matters than Chairman Lasker and all the members of the Shipping Board combined [applause]; and yet during the time Judge HARDY was questioning Chairman Lasker at the hearings in regard to the proposed legislation the following was said:

Mr. LASKER. May I say this, Mr. Congressman: The Members of Congress are not expected to understand it, and that is why I welcome your questions, because we want to give illumination.

Mr. HARDY. We are expected to understand it.

Mr. LASKER. You may be expected to, but I am afraid you do not; that is why I wanted to give this information.

The avoidance of appropriations is not only deliberate but in accordance with the instructions of the shipping interests.

There was published as an appendix to a study prepared and distributed by the Shipping Board, which was inserted in the hearings, a statement of recommendations by the Council of American Ship Builders (Inc.), New York, which had been filed with the Shipping Board, and the seventh recommendation of said organization was, in part, as follows:

This council believes that any subsidy measure passed at this time should either avoid appropriations, or, if this is necessary, promise continuance.

This bill not only avoids appropriations but also insures continuance, because an extraordinary feature of the bill is that if it is enacted it can not be repealed or be materially changed by a subsequent Congress, because of the various contract periods authorized in the bill.

The large study compiled by the Shipping Board and before referred to contains the following statement:

To provide an assurance that the policy of direct aid to shipping will be continued for a reasonable length of time, it should be provided in the proposed legislation that the Shipping Board may enter into contracts with private shipping companies for periods up to 10 years, the rate of payment to be in accordance with the plan proposed above.

Winthrop L. Marvin, in an article in the April Marine Engineering, entitled "Merchant marine bill of 1922 analyzed; one of the experts who assisted the Shipping Board in framing the bill outlines its merits," declares:

A very important clause is section 702 authorizing the Shipping Board to conclude a 10-year contract with shipowners on behalf of the United States. Therefore, the bill if fully enacted can not be easily set aside.

In this connection it is important to note that this bill does not require the Shipping Board to make any report or accounting at any time to either the President, to the Congress, or to anybody else. Neither does it provide any appeal from any decision or action of the Shipping Board to any other tribunal. Proponents of the bill also concede that there would not be any recourse in the courts.

In other words, the Shipping Board is all powerful and all supreme under the provisions of this most extraordinary bill, "such as has never been dreamed of before."

It would be the height of folly for the elected Representatives of the people to thus strip themselves and their successors of the power of legislation and appropriations which will aggregate three-quarters of a billion dollars in 10 years and confer such extraordinary power upon a board which owes no responsibility to the people or to Congress. By reason of the grasping ambition and demands of departments and the influence of the selfish interests who can more easily obtain special favors from departmental officials than from Congress, one of the most dangerous tendencies in our Government is the evil growth of bureaucracy and officialism, and this ship subsidy bill presents the most flagrant and arrogant instance of it ever devised. They say they want to get the Government out of the shipping business. I, too, am anxious to get the Government out of the shipping business as soon as possible, but when it does get out I want it to get out entirely. This is a splendid time to apply the slogan "less Government in business and more business in Government," as well as more business in private shipping circles.

In accordance with the Constitution all the Members of the House of Representatives and one-third of the Senators are elected every two years, in order that the sovereign will of the people may be expressed and executed. Under the letter and spirit of our Constitution and institutions each Congress is in-

tended to be supreme in itself, but it is not intended for it to tie the hands of the people in the future or encroach upon the authority of any succeeding Congress.

To enact this bill as it stands would be nothing short of a betrayal of the rights of the people and an usurpation of the authority and responsibility of future Congresses.

The Members of the House have wisely and repeatedly shown by overwhelming votes that they were unwilling to trust the Shipping Board to the extent of permitting them to pay employees such salaries as they desire, and the House has properly restricted them to certain specified employees at specified maximum salaries, much below the number of such employees and the amounts of the salaries desired to be paid by the Shipping Board.

The privilege of expending money received by it from sales, and so forth, without specific congressional appropriation had been so abused by the Shipping Board that the merchant-marine act of 1920 provided that all net proceeds derived by the board from sales or any activities, with certain specified exceptions, "shall be covered into the Treasury of the United States as miscellaneous receipts." In spite of this specific statutory provision and expression of the will of Congress Lasker has persistently endeavored to have inserted in the independent offices appropriation bill a provision authorizing the Shipping Board to spend $55,000,000 out of proceeds of sales, and so forth. The House only recently emphatically refused to adopt such a provision.

However, the authority thus refused the Shipping Board was a mere bagatelle as compared with the unprecedented power and authority sought in this bill.

This extraordinary bill confers more power on the Shipping Board than good men ought to want and more power than bad men ought to be given. [Applause.] It confers infinitely more power than any kind of men ought to be given. There is all the more reason for refusing to grant such power to men who are employing every conceivable method to promote a bill which confers upon them such unprecedented powers and opportunities. Chairman Lasker and the other representatives of the Shipping Board had a perfect right to fully present their views at the hearings on this bill, and I do not question their right to make personal appeals to Members of Congress. However, I do emphatically deny that any bureau of this Government has any right to carry on an extravagant propaganda program at Government expense in an effort to create a sentiment with regard to pending legislation and to have pressure brought to bear upon Members of Congress. Chairman Lasker is an expert professional advertiser and publicity man, and in his efforts to further this bill he has played with consummate skill the game he knows so well. The $1,715,000 advertising fund being spent during the current year by the Shipping Board is not being spent in vain. During the hearings repeated requests were made of the Shipping Board officials to file an itemized statement of disbursements from this advertising fund, and, although this information was promised, it was never filed. The propaganda in the press is only a part of the program. Every conceivable method is being employed to promote the passage of this bill. The social lobby has been worked overtime. A large part of the Shipping Board organization has practically abandoned its regular duties so as to work for this bill under the direction of Commander in Chief Lasker.

I hold in my hand a document entitled "Government aid to merchant shipping—A study prepared under direction United States Shipping Board" which contains fallacious arguments in favor of this bill. It contains 306 sheets of expensive paper, the contents being in duplicating print on one side of the sheets; it is expensively bound. I am reliably informed that Chairman Lasker had an enormous number of these very expensive documents made by Shipping Board employees, and at Government expense, and sent them throughout the United States to newspapers, business organizations, individuals, and others; that a very large number of the employees of the Shipping Board were engaged in this work for weeks, during which time they were compelled to neglect their regular duties, Chairman Lasker having given orders that this work should take precedence over everything else. Of course, it would have been much less expensive to have had these documents printed in regular form, but I presume that it was thought they would not be so effective.

Just one more example: I hold in my hand an—

Address of Albert D. Lasker, chairman of the United States Shipping Board, before the tenth annual meeting of the United States Chamber of Commerce, Washington, D. C., May 18, 1922.

This address of 12 pages is mimeographed on Shipping Board stationery with these words printed in large red type:

Caution! Advance release.

There is also printed at the head of said paper the following:

United States Shipping Board, Washington. Division of information.

And so forth. The heading is followed by—

For release on and after 1 p. m. Thursday, May 18, 1922.

Although this address in advocacy of the ship subsidy bill was not delivered before any official gathering, yet the addresses were copied and sent out at Government expense. That sort of business has been going on for months. In other words, a board in the executive department of the Government is engaged in a propaganda program in favor of legislation, same being done by Government employees and at public expense. Such efforts on the part of the Shipping Board to have pressure brought to bear upon Congress are unseemly, reprehensible, and should be severely rebuked by Congress.

The worst feature about it all is that the propaganda being sent out in behalf of this bill is full of false and deceptive statements.

Other members of the Shipping Board are traveling around at Government expense and making speeches in behalf of this bill. It was shown at the hearings that speakers in behalf of this bill had been sent out through the Middle West in the name of the Merchant Marine Association, which has been conducting an active lobby in behalf of this bill.

Aside from the indorsements of the bill that have been given by the organizations and individuals engaged in shipping and who expect to profit by receipt of a part of the bounties provided in the bill, practically all of the other indorsements have been procured by and predicated upon misrepresentations of the facts.

However, it is doubtless true that the Shipping Board has not overestimated the importance of extensively propagandizing not only Congress but also the country in order to allay opposition to this bill sufficiently to be able to carry out their purpose of putting same through Congress. The first report compiled by the Shipping Board on the subject, filed as Exhibit A to the testimony of Chairman Lasker, contains the following significant statement:

It is not unreasonable to suppose that effective publicity might easily persuade the American people to tolerate a subsidy of, say, $20,000,000 annually instead of losses of much greater amount.

As the pending bill requires the people to pay and tolerate subsidies of several times the amount mentioned, the Shipping Board seems to have concluded that very "effective publicity" was necessary.

If the pending bill becomes a law and the different provisions are put into effect, it is a conservative estimate to state that it will cost the American people $75,000,000 per year, not taking into consideration the indirect aids to the shipping interests, which are not susceptible of calculation. And yet the shipping interests are not satisfied and say that these subsidies are not large enough and will have to be either increased now or later in order for them to be able to successfully compete with foreign ships. Some of them say the subsidies should be doubled, and one leading ship operator stated that they should be at least trebled. Some of them stated that the contract periods should be increased to 15 years and some to 20 years. One ship operator stated that it would probably take 50 years to establish an American merchant marine. Another proponent of the bill testified that he thinks the chances are that "this will be a subsidy in perpetuity."

Consequently no Member should support this bill under the delusion that we are entering upon a temporary program or one of decreasing cost. The very opposite is true.

Judging from the history of such legislation in other countries where it has been enacted, if this vicious policy is once grafted into our institutions it will not only be perpetual but the drain on the Public Treasury will increase from time to time, because the powerful and influential shipping interests will be continually returning to Congress with the claim that the bounties paid them are insufficient and must be increased. In fact, as has been shown, we have already had a concrete example of such a result right here. Two years ago we were told that the merchant marine bill of 1920, since known as the Jones Act, would insure the successful establishment and maintenance of a privately owned American merchant marine, and yet the shipping interests, with the active cooperation of the Shipping Board, boldly come forward with the most elaborate and expensive ship subsidy bill ever devised by man, and at the same time the president and the general manager of the American Steamship Owners' Association and other shipowners tell us that even this bill is not sufficient.

What does all of this mean?

Our Government-owned merchant tonnage cost the people about $3,000,000,000. It is estimated that we will probably sell the ships for $200,000,000. Consequently the people will stand a loss by deflation of $2,800,000,000. Furthermore, it is contemplated that either existing shipping companies or companies to be organized, who buy the ships, will capitalize the ships largely in excess of their cost to them, and sell the stock and bonds to the American people—so that the people will be standing the war inflation, the post-war deflation, and then the promotion inflation.

The people, through their Government, will sell the ships for approximately $200,000,000, lend $125,000,000 to recondition those ships or build others, and then pay the owners approximately $750,000,000 in subsidies and aids within the next 10 years. In other words, we will be giving the ships away and paying the recipients over half a billion dollars to operate them for the next 10 years, not to speak of the fact that they will probably be coming back at each succeeding Congress asking for more.

As the American people revolted to such an extent as to prevent the passage of the Hanna ship subsidy bill, which carried an estimated annual expenditure of only $3,222,268, and later the Gallinger bill, which carried an estimated annual expenditure of $5,109,355, which the report on the bill stated would be covered by ocean postage collected and the increased tonnage taxes provided in the bill, it is hardly conceivable that they will tolerate this proposed monstrous raid on the Treasury.

Certainly no reasonable expectation that this bill will do what its proponents claim for it can be predicated upon the experience of other maritime countries. I shall not at this time enter into any extended discussion of the experience of other countries, but I shall quote briefly from the first report prepared at the instance of the present Shipping Board entitled "Report on the history of shipping discrimination and on various forms of Government aid to shipping, compiled by the United States Shipping Board," and which was inserted in the record of the hearings as Appendix A. This report states, in part, as follows:

GREAT BRITAIN.

Great Britain has never granted general navigation bounties nor construction bounties, with the exception of the early Elizabethan subsidies above mentioned in 1662–1694.

Which said report states—

had no noticeable effect on ship construction. Practically the only money aid given by Britain to its marine is in the form of postal subventions. * * *

The net postal subvention, after deductions, paid by England to its various services amounts to about two and a half million dollars.

All the writers seem to agree that the growth of the British merchant marine is in no sense due to the small subsidy paid, admitting that the payments are in excess of the postal service rendered. The growth of the British marine was probably due to the early development of British industry, the acquisition of extensive colonial possessions, and the monopolistic or preferred position in colonial trade. The cheapness of construction and the concentration on the business account for most of its success.

In this connection it is interesting to note that last year the United States paid over $6,085,000 as compensation for the carriage of its ocean mails to foreign countries.

NORWAY.

Norway ranks third among the merchant shipping of the world, being exceeded now only by Britain and the United States. It rose from 1,022,000 tons in 1870, almost exclusively sail, to 1,717,000 tons in 1912, two-thirds of which was steam.

The small shipping subsidies which Norway has granted to its merchant marine can not have had a material effect on this growth, which is due to other circumstances, namely, geography, seafaring ability, liberal navigational laws, and low costs of production.

SWEDEN.

Sweden's merchant marine is about half that of Norway and ranks ninth among the merchant navies of the world. It rose from about 350,000 tons in 1870, almost all sail, to about 900,000 tons in 1914, of which one-sixth only was sail. This growth is not due, probably, to Government aid but to the growth of the industries of the country.

DENMARK.

The Danish merchant marine has risen from about 178,000 tons in 1870 to about 560,000 tons in 1914. The almost exclusive sail tonnage in 1870 had dropped to 20 per cent of the total tonnage in 1914.

Denmark has not given much State aid, but no particular conclusions can be drawn from Danish experience.

THE NETHERLANDS.

Government aid is largely confined to postal and colonial subventions for the maintenance of regular communication between the home country and the Dutch colonies in the Far East and the West Indies.

After describing the comparatively small mail subventions paid certain lines, the report on the Netherlands concludes:

The very successful Royal Dutch Steamship Co., operating between ports in Europe, receives no postal subvention or other State aid. Its profits have increased greatly from 1890 to 1913.

The same is true of the Holland-American Line, which ranks second in the Dutch merchant marine.

GERMANY.

The merchant marine of this country has, of course, been almost annihilated by the treaty of Versailles. Prior to the war, however, Germany had reached perhaps the greatest growth in her merchant marine. This was not due to subsidies or to any other form of Government aid that can be established. The greatest line in the world, the Hamburg-American, is said never to have received a cent of Government subsidy.

From 1870 to 1912 Germany's shipping rose from about 1,000,000 tons in 1870, of which 90 per cent was sail, to over 3,000,000 tons in 1912, of which one-sixth only was sail.

FRANCE.

France appears to be the country of subventions par excellence, although in 1910 its merchant marine was outranked by Great Britain, the United States, Germany, Norway, and Japan. * * *

There seems to be a general agreement that the French subsidy system, which has been more or less the model for Italy, Spain, and Japan, has been a failure.

ITALY.

The results of a subsidy in Italy have not been any more successful than in France, although Italy has a long seacoast, a dense population, efficient marine workers, and low wages. She is handicapped, however, by a lack of coal and a highly developed iron and steel industry.

In 1870 Italy had a tonnage, mostly sail, of about 1,000,000 tons. In 1911 they had 1,100,000 tons, an increase of only 100,000 tons, although the proportions between sail and steam were over 700,000 for steam and 400,000 for sail.

JAPAN.

Japan aids shipping somewhat on the system of France, but being more industrially favored than France the system has been far more successful in Japan. * * *

It thus appears that the subsidy system has been of great aid in the development of Japanese shipping. The success of Japan as against the failure of France under somewhat the same system may therefore be attributed to the greater efficiency of the Japanese or, what is somewhat more correct, to the difference in the industrial development of Japan.

The said report in its final conclusion states in part:

A study of the authorities on subsidies, taking into account the policies adopted by various countries, would seem to indicate that with the exception of Japan the policy has not been important in the building up of a merchant marine.

The quotations which I have given from this Shipping Board report are in accordance with the standard authorities on the subject, except that many of them are even more positive that subsidies have not materially aided in building up a merchant marine anywhere.

In view of the fact that Japan is the only nation in which the Shipping Board report makes any claim that subsidies have been beneficial in building up a merchant marine, I wish to call to witness two authorities who are highly recommended by the Shipping Board.

This Shipping Board report states that—

It may be said that the best discussion of the subject is to be found in Dr. Royal Meeker's History of Shipping Subsidies, printed in the third series, volume 6, No. 3, of the publications of the American Economic Association.

The said work, after reciting the growth of the Japanese merchant marine, continues:

Those who possess a deep and abiding faith in the efficacy of subsidies and who use statistics merely as food to nourish this faith derive much strength and comfort from the above figures. To attempt overthrowing this faith is useless. A closer scrutiny of the history, however, compels an impartial mind to recognize that the testimony of the facts is not at all in favor of the subsidies.

Shipping grew as rapidly before the law of 1896 as after, in spite of the monopolistic power of the Nippon Yusen Kaisha. Since 1868 Japan has experienced an economic revolution even more astounding than its political revolution. The methods and machinery of production were changed with incredible rapidity. In a few years the nation rushed from barbarism into civilization through the power of its imitative genius. But the progress was not swift enough to satisfy the leaders, and they imitated the protective methods used in western lands to stimulate progress. The first experiment with State-aided steamship navigation created a monopoly that exploited both Government and people. The attempt to fight the devil with fire by creating another State-supported steamship company to compete with the first led to a community of interests arrangement that must excite the admiration of the king of Wall Street promoters. * * *

Shipping would have developed anyhow; in fact, was developing with great rapidity. The Government merely gave form to the maritime undertakings of the capitalists. It will always be a question if the Government gave the best direction, whether the development would not have been sounder, though less rapid, had the capitalists been left to decide for themselves what lines to establish.

The following extracts are taken from a publication by the Department of Commerce, published in 1916, and entitled "Government aid to merchant shipping—Study of subsidies, subventions, and other forms of State aid in principal countries of the world," by Grosvenor M. Jones, commercial agent. Mr. Jones is now with the Department of Commerce, and was appointed by the Shipping Board on the committee that prepared the data for this bill and the studies thereon.

The industrial development of Japan since that country adopted European methods of manufacture and commerce has been truly remarkable and accounts in a large measure for the development of the merchant marine. * * *

The expenditures of Japan for mail subventions and subsidies have been very liberal. The fact that the merchant marine of Japan has developed very rapidly since the institution of the subsidy policy has been attributed by many to the liberal State aid which it has received, but account should be taken of the fact that Japan has had a remarkable industrial and commercial development during this period. Although the principal Japanese steamship companies have been in receipt of Government aid since 1888 and have developed rapidly, their

financial statements for recent years show that they have not got beyond the need for financial assistance from the State. In other words, the "infant industry" has never grown up.

Attention is called to the fact that in spite of long and liberal subsidies the subsidized lines are not yet on a sound and permanent basis. As further evidence of this, and also of my insistence that one subsidy law calls for another and another and more liberal subsidies, I call attention to the following extract from the New York Tribune of May 8, 1922, inserted in the hearings at the instance of Commissioner Lissner:

The Japanese Government plans to use the money saved as a result of the action of the Conference on Limitation of Armament to provide greater subsidies for her merchant marine, according to a dispatch published by the Japan Advertiser. It is estimated that about $125,000,000 will be made available for the use of the steamship companies. * * *

Among the reasons given for this action are the enforced idleness of many shipyard workers, and also the fact that many of the Japanese ships now in operation are inferior to those owned by foreign lines. No reference is made directly to United States competition.

This article is also significant in that the proposal made is identical in amount with the $125,000,000 loan fund provided in the pending bill. An amusing thing about ship subsidies is that the shipping interests in each nation argue that they must have a subsidy because other nations pay subsidies. Japan, with the cheapest labor of any maritime nation, pays large ship subsidies, and it is insisted that subsidies must be paid to the United States shipowners because of the high American wages.

Another important feature of the Japanese merchant marine situation is given in the following additional extract from the said book by Grosvenor M. Jones:

Although the overseas trade of Japan has increased rapidly, the merchant shipping flying the Japanese flag is occupied chiefly in trade between points in the Far East. In this connection the following extract from the article by Dr. W. Muller will be of interest:

The growth of Japanese shipping, both absolute and relative, is certainly striking, but nevertheless the importance of Japanese shipping in the world's traffic should not be placed too high. It must even be said that Japanese shipping, for the present, exhibits a local character, inasmuch as the principal field of its activity lies in the Far East. Let us consider, e. g., a circle described with a radius of about 1,180 miles, reaching as far as Hongkong, around Kobe, the largest and most centrally located port of Japan. It will be found that hardly one-sixth of the total Japanese steamer traffic lies outside such circle. To be sure, Japan sends its own ships even to Europe, North and South America, and Australia, but still the share of Japan's flag in the traffic of the greatest ports of the world, such as New York, Antwerp, Hamburg, Rotterdam, London, as well as the important Suez Canal, is negligible.

A typical example of the false and deceptive propaganda that has gone forth through the country and the concealment from the public of the real facts is shown in the reports that have been published widespread that the farmers are for the present ship subsidy bill and had indorsed the bill; this was predicated upon the claim that J. R. Howard, president of the American Farm Bureau, had pledged farmers' support for the bill. Doubtless but few of you know, as practically no mention of same was made in the daily press, that T. C. Atkeson, representative of the National Grange, with over 800,000 bona fide members, and B. C. Marsh, managing director of the Farmers' National Council, with about 600,000 members, appeared at the hearings against the bill, stated that Howard did not represent the views of the American farmers, and gave irrefutable evidence to the effect that the American farmers are unalterably opposed to the pending ship subsidy bill, just as they have been opposed to all ship subsidy bills in the past. Neither did the press say anything of the fact that Howard appeared in person at the hearings in behalf of the bill and on cross-examination admitted that the American Farm Bureau in national convention had adopted resolutions declaring against any subsidies and had never taken any contrary action. Instead of representing their views, Howard misrepresented the views of the members of the American Farm Bureau.

In discussing this matter an editorial in the May 12, 1922, issue of Wallace's Farmer, owned and published by Secretary of Agriculture Wallace, stated:

We wonder if the members of the American Farm Bureau Federation are really as much in favor of ship subsidy as President Howard thinks. As a result of Howard's letter in support of ship subsidy, the newspapers of the East now seem to think that the farmers are now lined up solidly behind the subsidy. This is not true.

Then the editorial continued with arguments against the ship subsidy bill.

It is proper to explain that while his name appears at the masthead as one of the editors, yet it is followed with a note that while Mr. Henry C. Wallace is Secretary of Agriculture he is relieved from responsibility for what appears in the paper. His son is one of the editors and is understood to be in charge, and I suppose he wrote the editorial.

Likewise the Iowa Homestead contained the following editorial:

A dispatch states that Chairman Lasker, of the United States Shipping Board, has announced the receipt in Washington of a telegram from President J. R. Howard, of the American Farm Bureau Federation, in which approval is given to the Federal-aid plan for the upbuilding and development of the American merchant marine through Government aid. The telegram from President Howard, as quoted, is as follows:

"While the American Farm Bureau Federation is opposed to any subsidy on principle we realize the necessity for developing the American merchant marine as a naval auxiliary and as an agent in the development of foreign trade. We approve aid temporarily until our flag can be established on the high seas, but no longer. Subsidies, like tariffs, should be flexible and not continue after industry becomes self-supporting. If subsidy be supported on naval grounds, it is essential that merchant ships be available and used for training of naval reserves."

Commenting upon the Howard telegram, Chairman Lasker said:

"It marks the end of half a century of opposition by the American farmer, and to me there is great encouragement to be found in the fact that this telegram indorses what President Harding has repeatedly said to the effect that no one interest in the country is more interested in the development of an established merchant marine than the great American farmer."

Notwithstanding what Mr. Howard is said to have set forth in his telegram, I do not believe that one farmer in ten or one farm bureau member in ten is in favor of a subsidy for wealthy shipowners. Mr. Lasker is wrong when he imagines that the Howard telegram marks the end of half a century of opposition to a ship subsidy on the part of the American farmer. No such optimism is justified. My guess is that before the question is finally settled it will be found that the American farmer, if once he gets at the facts, has only started to fight. This same American farmer, who for the last year or more has passed through an experience which he hopes never to see repeated, is in no mood and in no financial condition to sanction subsidies, whether they be to railroad owners or to shipowners. What would Chairman Lasker, of the Shipping Board, say to a proposition to subsidize the American farmer to relieve him of taxes to make available appropriations so that he—this man who feeds all—mig'ɔt prosper?

I hope that every farmer will at once acquaint himself with the terms of the proposed ship subsidy, and if he does not favor this form of gift to the rich, this gross favoritism for the few, this expenditure of public funds for private gain, that he will communicate with his Congressman. Let the farmer speak for himself. He is entitled to speak for himself. Until he has delegated this authority to others no one can properly speak for him. I can not believe that the farmers are for a subsidy. I will never believe it until they themselves say so.

Mr. T. C. Atkeson inserted these editorials in the record and stated:

Wallace's Farmer and the Iowa Homestead represent a very decidedly different state of mind out there in Iowa, but as far as I can discover both represent a Republican state of mind, and both these papers seem to have a common state of mind on the question of ship subsidy.

J. R. Howard, president of the American Farm Bureau, appeared at the hearings and read a prepared statement, "which," he said, "I claim no credit for having prepared, except having made a few suggestions." It was not necessary for him to explain that he had not prepared the statement, because it became very apparent upon cross-examination that he knew nothing about the bill and nothing about most of the things contained in his statement.

Howard said that he sent that telegram to the President "at the request of the Shipping Board."

He stated that Chairman Lasker delivered to him "some data and studies, and so forth, in favor of the bill," and asked him for an opinion on the bill.

In that connection attention is called to the following testimoney from the hearings:

Mr. DAVIS. I know, but I am asking you whether Chairman Lasker furnished you, yourself, at the time he furnished the other studies, with a copy of this report which had been prepared at the instance of the Shipping Board giving a history of ship subsidies and subventions in the various other countries?

Mr. HOWARD. I think I never have seen that. I don't recall ever seeing it. Mr. Lasker gave me a copy of his own address before this committee and a digest of material which must have consisted of three or four hundred pages prepared by the Shipping Board on the general subject, which I did not read but turned over to this committee who did the work for me. He might have sent that bulletin to the committee.

Mr. DAVIS. You don't know, then, that this report not only shows, but states, that ship subsidies and Government aid has not resulted in materially aiding in the upbuilding or maintenance of a merchant marine in any country on earth, with the possible exception of Japan, do you?

Mr. HOWARD. Well, I don't know that that book stated it. I heard Professor Hall make a similar statement. I don't know where he got his material.

Mr. DAVIS. He was one of the gentlemen you had make that study, and he made that statement in the light of his studies on the subject?

Mr. HOWARD. I understand so. I don't know where he got his information.

Howard said that Professor Hall, of Northwestern University, was "an expert on shipping," but it will be noted that he did not follow Professor Hall's advice.

Howard stated that he referred the question of this ship subsidy bill to their research and transportation department and to a committee of manufacturers, of which he mentions the vice president of the John Deere Plow Co. and the president of the Advance Rumley Co., and the president of the Avery Manufacturing Co. He explained that the head of the research

and transportation department was a lawyer, and he had selected his assistants. In other words, he seems to have referred it to most everybody except farmers. As to why he should call upon the International Harvester Trust to make up his mind for him I do not know, but it seems that he acted upon their advice instead of that of the shipping expert who was called into conference.

However, it is only fair to Mr. Howard to state that he did recognize his obligations to the bureau which he was pretending to represent to the extent of making the following statements:

Let me say right here that the American Farm Bureau Federation is opposed to a subsidy as a matter of principle. We believe that in the end the economic interests of the country will be best served by the minimum of interference on the part of the Government, regardless of whether that interference is expressed in the form of repression, regulatory legislation, or direct aid. Government assistance is an artificial aid taken out of the pockets of all of us to assist the business of a few of us.

I have already said that we object to a subsidy in principle. The American Farm Bureau Federation has also gone definitely on record in its opposition to tax exemption, including tax exemption on Federal farm loan bonds. We stand foursquare to the world, asking no exemption in cases where it would be to our advantage to have that exemption, because the whole principle is unsound. We can not conceive that the American exporter or importer is entitled to deduct freight money from his income tax because he ships on an American vessel rather than a British. His act is no more meritorious than that of the shipper by land who sends his goods from Chicago to Buffalo over the New York Central instead of the Grand Trunk, or who ships from the Twin Cities to Vancouver by way of the Great Northern instead of the Soo line and Canadian Pacific. We can not do other than oppose the tax-exemption provisions of the present bill.

The following occurred on cross-examination:

Mr. DAVIS. Now, Mr. Howard, you spoke of the fact that you were opposed to the tax-exemption provision of the bill, and said that under the resolutions that had been adopted by your bureau and the instructions given you you could not do otherwise than go on record in opposition to it. Now, do you mean resolutions adopted by the bureau in national convention?

Mr. HOWARD. Yes.

Mr. DAVIS. When was that done?

Mr. HOWARD. Well, now, I couldn't give you the exact date and the exact wording, but we have gone definitely on record with regard to tax-exempt securities.

Mr. DAVIS. That has been your uniform policy?

Mr. HOWARD. Yes. Yes, sir; and it didn't seem consistent to advocate a tax exemption in one specific case, such as this would be, when we were on record against other—possibly more important—tax exemptions. We are simply trying to take a consistent attitude.

Mr. DAVIS. I think you are quite correct. I did not mean to criticize your position. I am in accord with it. Now, when did you hold your last national convention?

Mr. HOWARD. Last November.

Mr. DAVIS. At that time, of course, no action was taken upon this bill, which had not been introduced?

Mr. HOWARD. No.

Mr. DAVIS. Now, you also stated in your testimony and in the telegram to the President which you read "that the American Farm Bureau is opposed to any subsidy on principle." Now, is it not also true that the farm bureau in national convention has gone on record against subsidy?

Mr. HOWARD. I don't know whether there was specific mention at the last meeting of subsidy or not.

Mr. DAVIS. Well, at some previous meeting?

Mr. HOWARD. Yes; we have always taken that stand. It has been our general attitude as a rule—as a general proposition.

Upon having his attention called to the different provisions of the bill, Howard repeatedly either expressed disapproval of same or withheld his approval, using such expressions as:

That must be safeguarded, Mr. Congressman, in some way, and it is up to you to devise the way.

Upon being questioned about a certain proposed amendment to safeguard the public interest, he said:

Why, I should think you ought to convince the committee of the reasonableness of that.

Upon being questioned about another proposed safeguarding amendment, the following was said:

Mr. HOWARD. Why do you not include those in the bill, Judge?

Mr. DAVIS. I do not know whether I will be permitted to include anything or not. [Laughter.] I am speaking about the bill as it is.

Mr. HOWARD. Well, we have not indorsed the bill as it is; we are just simply indorsing the general principles.

So that Mr. Howard places himself in the inconsistent attitude of excusing himself for having indorsed this proposed legislation on the ground that the American Farm Bureau in national convention had only declared against subsidies "on general principles," and yet he winds up by saying that—

We have not indorsed the bill as it is; we are just simply indorsing the general principles.

Mr. Thomas C. Atkeson, who, by the way, is a brother of the gentleman from Missouri by that name, appeared at the hearings as a representative of the National Grange against this ship subsidy bill. Mr. Atkeson stated that his organization had an—

actual bona fide, paid-up membership of about 800,000, more than 100,000 more membership than any other farm organization in the United States.

He stated that they had granges in all the States in the Union except a few of the Southern States, having a membership of 134,000 in the State of New York, 108,000 in Ohio, and so forth.

Mr. Atkeson stated that the National Grange in national convention had gone on record against ship subsidies in nearly every session from 1899 to 1914; that they had had as many as 20,000 farmers in their annual meetings; and that the action against subsidies was always unanimous. He inserted in the record abstracts of the reports, resolutions, and so forth, adopted by the National Grange in the different years, and they constitute an exceedingly strong indictment against ship subsidies.

The report of the legislative committee on the subject in the 1906 convention, which was unanimously approved, contained the following:

The committee met in Washington, April 3, to represent the grange before the Committee on Merchant Marine and Fisheries against the ship subsidy bill.

Senate bill 529, commonly known as the ship subsidy bill, had been passed by the Senate and was then pending in the House. This measure is the same old scheme of taking money from the people by taxation and bestowing it upon a small number of shipbuilders, which the efforts of the National Grange had defeated at a previous session of Congress. The present bill differs from its predecessors in that its authors have tried to cover up the ugly words "subsidy" and "bounty" by the use of the term "subvention." That is, instead of providing for the payment of bounties to shipbuilders or owners of steam or sailing vessels, the bill provides for the payment of "subventions" in amounts proportionate to the size of the vessels, the nature of the trade in which they are engaged, etc. But a subsidy by any other name is as objectionable, and your legislative committee protested as earnestly against the use of public revenues for subventions to a few persons as against bounties or subsidies to the same class of citizens.

I also wish to call attention to the following extract from Mr. Atkeson's statement:

At the forty-first annual meeting of the National Grange, held in Hartford, Conn., in 1907, the master, N. J. Batchelder, made the following reference to ship subsidy legislation in his address:

"The power of organized selfish interests working to secure appropriations by Congress of public funds for private purposes was shown again by the action of the House of Representatives in passing the notorious ship subsidy bill. Notwithstanding the fact that it was made clear to the Members of Congress that the farmers of the country are strongly opposed to legislation granting subsidies or bounties for private ends, the bill was passed by the House, though in a form unsatisfactory to its originators and with many of its worst features eliminated. It failed of ratification in the Senate.

"The action of many Members of Congress in defying the wishes of their constituents in this matter is evidence of the urgent necessity for the members of the grange keeping a vigilant watch over their Representatives, and for advising them in no uncertain manner that they are uncompromisingly opposed to subsidy or bounty legislation in any form.

"I am advised that the ship subsidy advocates are planning to begin another campaign of misrepresentation in favor of their scheme, and as their project for securing millions of public funds is evidently well financed, they will doubtless be able to get a certain following in Congress. To keep the hands of the subsidy hunters out of the United States Treasury it is necessary that the members of this order take immediate action by writing to their Senators and Representatives that a vote for subsidy legislation is a vote against the public interests."

Apparently referring to a statement that had been made by J. R. Howard, Mr. Atkeson said:

It has been said before this committee that the farmers did not know anything about a subsidy or shipping, but I will guarantee that you can go out at random, outside of Congress, of course—but you can go out anywhere in this country and take the first 100 men you meet in the country and compare them with the first hundred men you meet on the streets of Washington, and the men from the country will know more about this question than the hundred men you will find in Washington at random.

Two weeks ago the first notice I saw in an agricultural newspaper discussing this matter appeared. Within a week I have seen three or four hundred farm papers, agricultural newspapers, scattered from Maine to Oregon. A great many of them have discussed this subsidy within the last week, and I have seen but one paper that favored it.

The June, 1922, issue of the National Grange Monthly contains the following significant statement:

At the request of Worthy Master Lowell copies of this ship subsidy bill have been sent to the masters of all of the State granges and the State masters have been asked to express their opinion as to the advisability of Congress voting ship subsidy at this time. The replies as reported to the Washington office by National Master Lowell are almost unanimously in opposition to the subsidy, only one reply thus far reported being favorable and one noncommittal.

Mr. Benjamin C. Marsh, managing director of the Farmers' National Council, appeared at the hearings against the ship subsidy bill. Mr. Marsh analyzed the bill by sections from the farmers' standpoint, displaying a surprising mastery of the subject. His arraignment of the bill was intelligent and terrific. He riddled the claim that the farmers are for this bill.

I shall now take up the specific discussion of the arguments in favor of this bill. As stated in the outset, one of the chief arguments in favor of the passage of this bill and one which seems to be quite effective is that the passage of this bill will

stop the present Shipping Board expense of about $50,000,000 per annum. Another argument which I shall discuss in connection with the one just mentioned is that it is necessary to pass this bill in order to get the Government out of the shipping business. There never were more fallacious arguments than these. Not to speak of the fact that this bill would involve a much heavier burden upon the public Treasury than the said expense, as well as many additional burdens upon the masses of the people through the indirect aids in favor of shipping interests; as a matter of fact, the passage of this bill would not result in any saving of said annual $50,000,000 expense any time soon, and perhaps but little saving of same in the future unless the shameful extravagance of the Shipping Board is curtailed, and that can and should be done whether this bill passes or not.

In the first place, only a small portion of this $50,000,000 annual expense of the Shipping Board represents the loss on voyage operations.

The net profits from the operations of the Shipping Board vessels from the beginning to June 30, 1919, was $166,493,994.85 and the net revenue from the beginning of operations to March 31, 1920, was $132,783,781.29, as reported by the Shipping Board and as incorporated in the report on the merchant marine bill of 1920 filed by Chairman JONES for the Senate Committee on Commerce.

According to the report of the Shipping Board the excess of cash outgo, Division of Operations, for May, 1921, was $6,500,000 and for June $1,714,000. The present Shipping Board took charge as of July 1, 1921, and according to their reports the net operating losses and expenses, including voyage losses, administrative expenses, repairs and betterment, insurance, and the lay-up expenses of vessels not in operation, for the first three months of the present year averaged $3,413,021.19 per month; however, the net voyage losses for those months averaged only $792,178.91 per month.

On April 30, 1922, there were 1,582 employees in the operating department of the Shipping Board Emergency Fleet Corporation—that many employed and paid by the Government. And yet the Shipping Board Emergency Fleet Corporation is only actually operating 13 ships—those of the United States lines managed by Thomas H. Rossbottom. Of the remainder of the Shipping Board vessels in operation a small number are operated under bare-boat charters, under which the charterers have absolute control and sustain any losses incurred; the charter-hire receipts paid the Shipping Board for February were $65,411 and for March were $88,139; the remainder are operated under managing-agent agreements, by which the managing agents operate the vessels on a commission of the gross revenues. They have their own organizations. There are only about 46 companies and individuals operating Shipping Board vessels. However, this very large number of employees is retained by the Shipping Board to supervise these lessees of Shipping Board vessels.

This is a considerably larger number than was so employed last June, although there are less than 60 per cent as many vessels in operation in April of this year as there were in operation in June of last year and only 36 per cent as many vessels in operation this year as there were in January of last year. It must be borne in mind that those employees in the operating department constitute less than a fifth of the total number of employees of the Shipping Board and Shipping Board Emergency Fleet Corporation. The total number of employees as reported by the Shipping Board as of July 15, 1921, at the hearings before the Appropriations Committee was 8,280, with annual salaries aggregating $15,755,799. While I do not know the exact number of the present employees, I think I am safe in saying that there has been no material reduction in the aggregate number nor in the total amount of salaries paid; while there has been a reduction in the salaries of some of the clerical and subordinate employees, yet there has been an increase in the salaries of many of the higher officials.

The chairman and other representatives of the Shipping Board in testifying at the hearings on the appropriation bill for the coming year, when they asked for the $50,000,000 appropriation for expenses and losses, estimated that same would be made up as follows:

Net voyage losses	$5,497,561
Other expenses:	
Repairs and betterment, insurance, expenses during permanent lay up, advertising	29,502,439
Administrative expenses	15,000,000
Total	50,000,000

Martin Green, staff correspondent of the New York Evening World, summed up the situation as follows:

It costs 43 cents to spend a dollar in administration of the affairs of the Shipping Board Emergency Fleet Corporation, according to figures submitted to Congress in connection with the request for an appropriation of $50,000,000 for vessel losses and administration expenses for the fiscal year ending June 30, 1923.

They are going to lose $5,497,561 in vessel operations, lay out $29,502,439 in accumulating the loss, and sink $15,000,000 in supervising the operation.

Comparison with the operations of another department of the Government should be in order here. The department selected is that which takes care of the internal revenue of the country.

The total internal-revenue receipts for the fiscal year ending June 30, 1921, amounted to $5,408,075,468. The net expense of collecting this money was $27,043,000. It costs the Government 50 cents to collect each $100 of the money resulting from internal revenue and 43 cents to spend $1 disbursed by the Emergency Fleet Corporation in handling the people's ships.

Mr. Lasker was questioned as to why it was that there was not a reduction in the Shipping Board expenses in view of the fact that there had been such a large reduction in the number of ships in operation, in connection with which attention is called to the following testimony at the hearings:

Mr. DAVIS. Well, you are only operating less than one-third of the vessels now.

Mr. LASKER. Well, as a business man, you know this: That whether we are operating 400 ships or 1,200 ships, there isn't much difference in your overhead.

I emphatically insist that the overhead expense connected with the operation of 400 ships should be decidedly less than the overhead expense connected with the operation of 1,200 ships, especially when the larger number were operated by a much larger number of operating companies.

Chairman Lasker further testified as follows:

Mr. DAVIS. Even under the operation of this law, and at least until the ships that are sold on time are paid for, will it not be necessary to continue a very substantial Shipping Board force?

Mr. LASKER. Do I understand you to ask "until the ships are paid for will it be necessary"?

Mr. DAVIS. Yes.

Mr. LASKER. The answer to that is no; but if your question means as long as we have to operate ships, where we have to keep substantially the same organization as now, the answer is yes.

It being conceded that the present expenses of the Shipping Board will continue until our ships are disposed of and the Shipping Board ceases to have same operated, the query naturally arises as to when that time will arrive. Chairman Lasker's zealous and questionable activity in behalf of this bill is such that it may be reasonably inferred that he will give as strong assurances as possible as to any good results that might accrue therefrom. During the course of cross-examination he made the following statement:

It will be a good many years before we do not have any stuff left, with most favorable legislation. I want to make it plain here that I do not think the proposed legislation is going to, by the wave of a magic wand, give us a merchant marine.

In his direct statement at the hearings Chairman Lasker said:

The Shipping Board wishes to emphasize to your committee and to Congress that world shipping is now more depressed than it ever has been in proportion to world tonnage.

We believe that of the 700 good freight ships we have, the Shipping Board would feel very happy if, within 30 months from the time of the passage of this bill, it could dispose of sufficient ships to take care of the routes it is now operating and put the Emergency Fleet Corporation out of business as an operating company.

He makes no prediction as to the disposition of the remainder of the 1,700 vessels owned by the Shipping Board.

This was said on cross-examination:

Mr. DAVIS. Now, you stated yesterday that if this bill should pass you estimated it would take 30 months within which to dispose of the 400 vessels owned by the Shipping Board now in operation. I want to ask you how long it would take you to dispose of the balance of the Government fleet and other shipping property?

Mr. LASKER. That is a very difficult thing to answer. First, we would have to solve what is to be done with the figures 5,000,000 dead weight of questionable ships, because as long as they are in existence it hangs as a pall over the whole market for the good ships, and whether or no the last 300 would sell very fast would be determined by world conditions, on the one hand, and how successful we were in building up an American merchant marine, on the other hand.

Mr. Lasker later admitted there are a number of expenses of the Shipping Board that have no connection whatever with the operation of ships, and would not be affected by the fact as to whether this bill passes or does not pass, as will be seen from the following testimony:

Mr. DAVIS. Mr. Lasker, right on the question of the muddled accounts and the claims and the pending suits and things of that kind, of course it is going to be necessary to maintain a sufficient force to dispose of and wind up all those matters, whether this bill passes or not.

Mr. LASKER. Let us put it the other way; whether this bill passes or not won't affect how long we have to keep the force for that purpose. I hope to have that straightened out within a year.

Mr. DAVIS. That is the point I want to get at exactly. There are various activities now, including those dealing with the claims and accounts and suits and those dealing with the uncompleted construction and those dealing with other features of your work that are temporary.

Mr. LASKER. Yes, sir.

Mr. DAVIS. And will sooner or later be wound up?

Mr. LASKER. Yes, sir.

Mr. DAVIS. Whether this bill passes or doesn't pass?

Mr. LASKER. Absolutely. It has nothing to do with it.

On the question of the expense after all the ships have been disposed of, Chairman Lasker testified as follows:

After we quit operating we would then only have to keep a ships' disposal department. Our vast accounting would end, and I would say after we disposed of the ships by that time a few hundred people would be all the employees the Shipping Board would need.

However, according to Lasker's own fondest dream, that is many years off. The functions of the Shipping Board at that time should require the services of a less number of employees than he estimated; that is, if the pending bill should not pass. However, if this bill passes and the extravagance of the Shipping Board is continued you may rest assured that there will be no substantial reduction in the number of employees and the expense of the Shipping Board. I say that because the pending bill provides numerous activities, the execution of which would require a large organization.

As before stated, the passage of the pending bill will not avoid the present expenses of said board, but it will place upon the American people additional heavy burdens for the sole benefit of a few men engaged in the shipping industry.

As before shown, the Shipping Board has laid up a large number of Shipping Board vessels formerly in operation. They took off all the Shipping Board vessels that were in competition with privately owned American vessels. Although this reduction did not result in any saving of expense or reduction in appropriations, yet it did have another decided effect. During the year of 1921 the average amount of our imports and exports carried in American vessels was 51.6 per cent. The percentage was larger than this during the first half of the year, but less during the last half of the year on account of the reduction of the number of vessels in operation. The result of such laying up of the Shipping Board vessels is explained as follows:

The Department of Commerce recently made the rather depressing announcement that American ships are carrying a decreasing percentage of our export and import trade, the Shipping Board vessels making the worse showing.

The reports of the Department of Commerce give the exact figures by months which show the decided decrease in the amount carried in Shipping Board vessels and an increase in the amount carried by privately owned American vessels and an increase in the amount carried by foreign-owned vessels, as the American privately owned vessels did not get all the business that had formerly been carried by Shipping Board vessels.

The situation is briefly summarized in an article in the Annalist, as follows:

Foreign ships are rapidly regaining control of our import trade. In July, 1920, they carried only 36 per cent of the total, while in July, 1921, they carried 54 per cent. During the same period American independent vessels increased their tonnage from 32 to 36 per cent, while the Shipping Board lost 22 per cent. The Shipping Board vessels handled only 10 per cent of the total in July, 1921, a record low figure, and only one-sixth of the total carried in July, 1920.

The present showing is even worse. Chairman Lasker was asked what he had to say with respect to that situation; that is, that the Shipping Board vessels have very materially lost their proportionate percentage of business since he took charge, and the foreign vessels are carrying a large percentage of our imports and exports, and at the same time the private American vessels were increasing their percentage of our imports and exports carried. He very candidly replied that there was not enough business, he did not think, to make it profitable for both the private American vessels and the Shipping Board vessels, so they pulled off the Shipping Board vessels in order to give the business to the private vessels. It seems that they got some of it and the foreign vessels get a good deal of it. In other words—and that is the chief trouble about the whole situation, and has been from the beginning—that those in charge of our Shipping Board affairs have never at any time regarded the American taxpayer; they are not regarding him now. They are regarding the American taxpayer less than ever before; they are very much concerned about the private shipping interests, but whenever there is a choice between the shipping interests and the public interests they resolve it in favor of the private interests and boldly announce it as their policy. We can not get this thing properly solved as long as that situation obtains. The so-called experts, those controlling the affairs and operations of this board, are men taken from the competitive interests. Now, to whom do they owe allegiance? All we can judge of is by the way they act and by the way they talk.

Not only have Chairman Lasker and other members and officials of the Shipping Board made every effort to show that the Shipping Board vessels are not being operated successfully and can not be, but there are many things to indicate that they are making no sincere efforts to have them operated successfully and profitably.

Chairman Lasker himself stated at the hearings that—

The Shipping Board is not trying to establish trade. * * * We are only taking such trade as is offered, and you can not build up an American trade that way. We get only the plusage of the trade, as is proved by the fact that now we have tied up much more than Great Britain has.

Although it has taken off a large number, the present Shipping Board has not established a single new line.

Any proof or suggestions of ships making profits invariably caused a commotion among the representatives of the Shipping Board. They seem to absolutely resent any such proof. As before stated, the Shipping Board is only actually operating 13 vessels—those of the United States Lines, of which Thomas H. Rossbottom is general manager, on a salary paid by the Shipping Board. Mr. Rossbottom was called as a witness at the hearings by the Shipping Board. On cross-examination he was asked about the success of the operations of the United States Lines, and testified in part as follows:

Mr. ROSSBOTTOM. The United States Lines is the creature of the Shipping Board. The Shipping Board owns the steamers. They were the steamers that had been chartered and sold on partial-time payments, I believe, to the United States Mail Steamship Co. to be operated between New York and European ports. Then when the United States Mail went into the hands of a receiver these steamers were thrown back on the Shipping Board, and the Shipping Board requested the Secretary of War to transfer me from the Panama Line to the United States Lines to manage the United States Lines until such time as the lines could be sold.

Mr. Rossbottom further testified that the vessels he was operating might be called—

a horse and a mule and a jackass team.

Two of them, the *George Washington* and the *America*, being real steamers, some of the others being only fairly suited to the trade, but expensive of operation, as they were originally—

cargo steamers, and then the passenger accommodations were installed as a sort of an afterthought—

With the result that the operating expense was as much as a first-class passenger steamer, but the operating revenue was greatly reduced because of the lack of adequate accommodations for passengers. Four of the vessels, which he classed as—

full-fledged jackasses—

were old German tubs about 21 years old. In further describing them he said:

Their operating expenses are enormous, and I can not get any operating revenue out of them, because people will not travel in them. The third-class accommodations are not fit for pigs to be stowed in, the ships are old, the steel is crystallizing, and I have all kinds of expenses for repairs on them.

Mr. Rossbottom testified that during the last four months of 1921 they operated the *George Washington*, the *America*, and three of the old German vessels in the New York-Bremen service, and operated three of the said converted cargo vessels in the New York-London service. He furnished full figures showing that the net operating revenue on those ships during the said four months was $535,259.43; he explained that this did not include any deductions for insurance, interest, and depreciation, nor repairs which had been made by the Shipping Board, but that it did include all expenses incurred by the United States Lines; also coal, oil, and advertising paid by the Shipping Board, as well as office rent and wharfage bills paid by the Shipping Board. Mr. Rossbottom further showed that the good vessels made very large profits, which were partially offset by the losses on the old and unsuitable vessels. Mr. Rossbottom stated:

There are three steamers that I have in mind that if I had them in the United States Lines with the *America* and *George Washington* I would not take off my hat to anybody.

It must be borne in mind that this profit was made during what is generally conceded to be the worst depression in the history of shipping. Furthermore, the four months for which the figures were given were about the worst part of the year. In speaking of this North Atlantic service, W. J. Love, vice president of the Emergency Fleet Corporation, in charge of traffic, said:

This is the time of the year when they are making money. Well, I mean to say May, June, and July eastbound; July, August, and September, and the early part of October westbound. That is their harvest. * * * All of the larger ships are booked full eastbound, I am informed, well into July, and the passengers are now turning their attention to the smaller ships and to the ships of lesser grade.

He further stated that our ships are running full ladened eastbound on the Atlantic and are booked very well coming home, too, in the same months above referred to.

It is a recognized fact that the lines being operated by Mr. Rossbottom encounter as strong foreign competition as any lines in the world.

During the examination of a witness on a subsequent day of the hearings I referred to the above testimony of Mr. Ross-

bottom as to operating said lines at a profit, and Meyer Lissner, a member of the Shipping Board, interjected the following statement:

Mr. Chairman, in that regard, I do not think it is just to the Shipping Board to allow the statement that was made and the question that Judge Davis asked the witness in regard to the lines managed by Mr. Rossbottom to stand without explanation. Mr. Rossbottom, it is true, did testify that there was a net of something like $500,000 out of the operation of the fleet under his management but he also distinctly stated that that did not include any allowance for insurance, interest, and depreciation.

Lissner not only resented the suggestion that the Shipping Board was profitably operating some of its vessels, but stated that he did not think it was "just to the Shipping Board" to allow a statement to stand to the effect that the Shipping Board has successfully performed its duty.

This incident is typical of the spirit manifested by him all during the hearings.

It is a fact that some of the shipowners are operating their own vessels at a profit but are operating at a loss Shipping Board vessels, which they are operating under managing agent contracts. Reference was made to this matter and to the fact that one steamship company was operating its own vessels at a profit and operating Shipping Board vessels at a profit which it had under bare-boat charter, but was operating at a loss Shipping Board vessels which it had under a managing agent contract; and the inquiry was made as to why that was. Lissner interjected the explanation that the Shipping Board exercised a certain control and direction over vessels operated under managing agent contracts, but did not as to those under bare-boat charters. And thereby hangs an interesting tale.

During the hearings Lissner was the master of ceremonies on the part of the Shipping Board, his chief function being to muddy the waters and prevent the development of important facts.

Members of the committee insisted upon the Shipping Board inserting in the hearings a statement of the operating losses and profits of each of the concerns operating Shipping Board vessels, but the Shipping Board refused to furnish this information. In fact, they refused to furnish a great deal of important information which was asked for at the hearings.

In this connection I wish to call attention to an article that appeared in the March 22, 1922, issue of the Nautical Gazette, America's oldest shipping weekly, with the following title and opening paragraph:

Is Shipping Board really trying to further an American merchant marine? Question raised by its course in refusing to allocate additional tonnage in Levant trade and forcing millers to patronize foreign ships.

Is the Shipping Board sincere in its efforts to establish an American merchant marine? To the man on the street the question may seem superfluous, for, he argues, what other intent could actuate a band of patriotic citizens to give up their personal business and expend their time and services in handling of Government tonnage at salaries ranging from $12,000 to $35,000 per year. But to the genuine shipping man the query has become so pertinent that mere generalities will not suffice as an answer. It has become especially timely by reason of certain recent acts of officials of the board. An analysis of their attitude toward certain of our shipping problems leads to some very disquieting conclusions.

Then the article discusses at length the question thus raised.

The Nautical Gazette, in its issue of May 13, 1922, contains a most illuminative article entitled:

Board's red-tape methods preclude development of American shipping; managing operators of Fleet Corporation's ships are hampered by all sorts of official regulations and can not act on their own initiative.

I wish I had time to read this very instructive article, in order that you might fully understand why it is that ship operators can operate their own vessels successsfully and profitably, but at the same time can not do so with Shipping Board vessels. A reading of the article fully discloses what Lissner had in mind when he interjected the explanation referred to a few moments ago.

Of course, Albert D. Lasker was not chosen as chairman of the Shipping Board because of any knowledge of the shipping business, for he knew absolutely nothing about it. At the Appropriations Committee hearings last July Lasker himself said:

I am not an expert in shipping, but I take a little pride in being an expert in publicity.

It has been charged in the press that his appointment was suggested by certain large private shipping interests. They doubtless desired his appointment because, in view of his success as an advertiser and publicity man, they thought he was the proper man to carry out an elaborate propaganda program in favor of a ship subsidy bill. Soon after his appointment Chairman Lasker requested the American Steamship Owners' Association, embracing practically all of the American private shipowners, to suggest the names of experts to assist him in his work. As admitted by the general manager of that association at the hearings, they recommended W. J. Love, E. J. Frey, and J. B. Smull, who were promptly appointed, Smull and Love at salaries of $35,000 each per annum and Frey at a salary of $25,000 per annum. Love was made vice president of the Emergency Fleet Corporation, in charge of traffic; Frey was made vice president of the Emergency Fleet Corporation, in charge of operations; and Smull was made vice president of the Emergency Fleet Corporation, in charge of chartering, allocations, and contract department. At the time of his appointment Love was assistant manager of the American offices of Furness, Wythe & Co., the largest British shipping concern in the world, and not having a single ship under American registry. Mr. Love came direct from this British concern to the Shipping Board. Frey was chief assistant to the president of the Pacific Mail Steamship Co. at the time of his appointment to the position with the Shipping Board. Smull is a member and half owner of Winchester & Co., one of the largest, if not the largest, American shipping brokerage firms. Of course, all of these men know that their employment with the Shipping Board is only temporary, after which they will return to their former employers or other private shipping concerns. Besides, they naturally came saturated with the views of the private shipping interests with which they had grown up and been associated. One of the chief troubles of the Shipping Board affairs from the beginning has been that its policies have been largely determined and managed by representatives from private shipping interests. But few of the members of the Shipping Board have had practical knowledge of shipping affairs, and they have permitted the representatives from the private interests to direct and manage the affairs of the Shipping Board.

Private shipowners fought the enactment of the 1916 shipping act providing for the establishment of the United States Shipping Board and a merchant marine. Ever since they seem to have been obsessed with the idea that if the Shipping Board vessels should be operated successfully there was a likelihood of permanent Government ownership and operation. Consequently they have been very hostile to Government-owned vessels and the operation thereof, and have continuously advocated a policy of the Government getting rid of its fleet at once in whatever manner was necessary to do so; most of them advocate scrapping a large part of the Government fleet. They soon converted Chairman Lasker to their views. Consequently from the time he was appointed chairman of the Shipping Board he has been persistently denouncing the character and quality of the Shipping Board vessels, and proclaiming the failure of their operation and the impossibility of them being successfully operated.

The general attitude of the shipowners was expressed at the hearings by H. H. Raymond, president of the American Steamship Owners' Association, who expressed himself in part, as follows:

Mr. BLAND. Can you give us the benefit of your reason for that opposition?

Mr. RAYMOND. I feel that if the Government is to rid itself of ships, or, in other words, if we are to get rid of Government owned and operated vessels, the sooner they are sold the better. * * *

Mr. DAVIS. And you think the vessels ought to be sold at once to whoever is able to buy them?

Mr. RAYMOND. That is my personal opinion. I am not speaking for the association in opposition to that amendment. I am opposed to it as an owner and operator.

Later in his testimony Mr. Raymond said, in speaking of the Shipping Board vessels:

What I would like to see done, personally, is to see every one of them tied up and not taken out until they are sold. * * * I would sooner see them absolutely and entirely out of operation under Government ownership.

The attitude of Chairman Lasker and Mr. J. B. Smull, vice president Emergency Fleet Corporation and Director of Operations, one of the $35,000-a-year experts, was expressed at the hearings before the subcommittee of House Committee on Appropriations last July as follows:

Mr. LASKER. If we find—and I am also asking this for the enlightenment of the board—that we can not get enough operators to share with us the risk of operating, do you think that the operating vice presidents would recommend to the board that, rather than keep on with the present system, we should tie the boats up until such time as we could allocate them upon a proper profit-sharing and loss-sharing basis, even though it might increase the immediate loss to the Government to tie the boats up?

Mr. SMULL. I would tie them up.

Mr. LASKER. Therefore, in order to make the thing helpful to this final ultimate situation, we might have to perforce increase the loss, knowing that we were doing it by tying the boats up, in order to end this vicious system?

Mr. SMULL. Yes, sir.

The Shipping Board started tying up the boats to such an extent that the shippers in the Middle West called a meeting that was held in Cincinnati on October 7, 1921, and there

adopted the platform and sent Mr. Malcolm Stewart, manager of the foreign trade department of the Cincinnati Chamber of Commerce and chairman of the Middle West merchant marine committee, to Washington to enter with the Shipping Board a protest against destroying the trade routes which had been established from the Gulf and South Atlantic ports, upon which the shippers of the Middle West were dependent.

Mr. Stewart stated at the hearings that—

It looked like the only business they had in hand was destroying the trade routes.

He further stated:

The new Shipping Board was just getting its bearings, of course. Those are past things now, but it did frighten us considerably as to the future of our American merchant marine. Of course, we were not prepared to know all these emergency fleet men knew about ship operations; but when we heard they were going to tie up the ships as fast as they could, that that was their policy, and when we read Mr. Lasker came down here and told you he had on his hands the most colossal wreck in the world's history and he did not know what he was going to do with it and, in fact, did not believe anything could be done with it, why we began to worry about the thing to see if we could not give some help in this situation.

This protest had the desired effect, for the time being at least.

However, Mr. Stewart, upon behalf of the Midwest Merchant Marine Committee and the Mississippi Valley Association, as well as others, advocated an important amendment designed to protect their interests in the future. Furthermore, I note in the press that Mr. Stewart and other shippers in the Middle West are saying some pretty salty things about the North Atlantic Conference of Steamship Lines having induced the Shipping Board to approve its action, resulting in discrimination against the shippers of the Middle West by making it impossible for them to ship through Gulf and South Atlantic ports.

The Cincinnati Inquirer of May 4, 1922, in discussing the subject, stated:

New York influences got busy, it is said, and put the 7½ to 15 per cent handicap on the rates, and the Shipping Board completed the destruction until now neither Cincinnati nor any of the other cities of the midwest territory can do otherwise than route their business through North Atlantic ports. Chairman Stewart said that he was unable to tell how much the action of the Shipping Board in upholding the North Atlantic conference was costing the midwest shippers. * * * He was satisfied that the saving in ocean freights would be great if the South Atlantic and Gulf ports were allowed to handle their own rates.

"The trouble with the whole situation is that we are crippling ourselves and destroying our own merchant marine," said Mr. Stewart last night. As soon as business commences to move we will be bringing on untold trouble by congesting exports in New York and North Atlantic ports. In addition to the saving that we are entitled to, we ought as freight originators to be allowed to route our exports in the way that will give us the best, quickest movements. We must have the South Atlantic and Gulf ports open to our business. If we are barred from exporting through New Orleans it makes the Ohio River useless as an outlet and destroys the possibility of developing cheap water transportation by the Ohio and Mississippi Rivers. Our exporters will never stand for that.

At a meeting of the Foreign Trade Department of the Cincinnati Chamber of Commerce, on May 2, 1922, Malcolm Stewart was given carte blanche to investigate the situation and register a protest against the continuance of the Shipping Board in its affiliation with the North Atlantic conference, and it was suggested that a congressional investigation might be instituted. During the discussion Mr. Robert S. Alter, former president of the department, said:

I have returned recently from 30 days spent in New York in an investigation of this very matter, and I want to say that this action is timely. The Shipping Board is allowing itself to be dominated by the same interests which formerly controlled the old Foreign Steamship Line conference, and the North Atlantic conference is merely a continuation of the old domination of Liverpool-Hamburg interests.

At the same meeting Mr. Stewart read a statement showing the higher freight rates the South Atlantic and Gulf ports were compelled to charge because of the said action of the Shipping Board, and his statement showed that—

the effect of these rates made a discrimination against Cincinnati and midwest producers of 11.75 per cent on cardboard, 17.27 per cent on tanning extracts, 11.75 per cent on fiber boards and phosphate of lime, 16.58 per cent on condensed milk, 11.61 per cent on automobile parts, and 11.75 per cent on packing-house products.

We are cutting our own throats—

Said Mr. Stewart—

by permitting this domination to continue. The railroads have been compelled to give the lines to the Gulf and South Atlantic ports a parity in rates with those to the North Atlantic ports, but the Shipping Board killed the effect of this by allowing a condition to exist which forced the freight originators of the midwest States to send their business to New York.

If we do not remedy this condition our business will be congested in New York when freight activities resume, and we will be unable to have the advantage of trade outlets which are our normal export gateways.

It is further explained that the lines from the Gulf and South Atlantic ports were willing to make as low rates as the North Atlantic lines, and explained that they could do so as they have no berthage charges to pay in comparison with the tremendous charges that are made at the New York and eastern port wharves. [Applause.]

Mr. DENISON. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. HUDDLESTON. Mr. Chairman, I also yield 10 minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 20 minutes.

Mr. GALLIVAN. Mr. Chairman, everyone within the sound of my voice has at one time or another heard of the Rev. Dr. Charles H. Parkhurst, one of the most eminent divines in America.

Expressing his belief that the eighteenth amendment is in the Constitution to stay, and declaring that he would be "exceedingly disappointed" to see it eliminated, Doctor Parkhurst, in a recent public utterance, used some very plain language in describing the injury done by the Volstead Act. He says that he has taken especial pains to consult men especially qualified to have an opinion upon such matters, men who are not drunkards or drinkers, or personally affected by the act, and that these men agree with him almost unanimously.

The good doctor emphasizes his belief that the Volstead Act goes far beyond the eighteenth amendment, that it meddles with matters that should be left to individual determination, that it renders criminal that which is not criminal, and substitutes a "superimposed national conscience" for "personal conscience," causing unnecessary hardship to working people who "are temperate in the honest sense of the term"; the doctor repeats that the act has a tendency to impair respect for law, and that it is "distinctly and definitely un-American."

I agree with Doctor Parkhurst that the Volstead law is a piece of legislation superimposed upon the prohibition constitutional amendment; it has opened up a new chapter of American history; it has demonstrated the futility of constitutions, political principles, and judicial decisions. In my judgment, these things necessarily happen when the Government of a people passes out of their hands and into the keeping and administration of a body of determined and unscrupulous fanatics, aided and abetted by a panic-stricken and terrorized Congress.

There is another thing that occurs to me right here. One of the supposedly unchanging principles of the United States Constitution is the absolute separation of church and state. And yet the prohibition amendment and its monstrous offspring, the Volstead Act, are the handiwork of certain sectaries who have eliminated true Christianity from their pulpits and have made the use and disuse of wines and liquors the test of conduct and the standard of religious faith, and every effort made to prevent the use and stop the persecution of the users of wine in those churches which regard wine as a vital element in the most sacred sacraments of their faith is hailed with acclaim by these fanatics.

As far as possible the administrators of the law are selected from these fanatical sects who have set up the odious and anti-American doctrine that criticism of the law is sedition and a refusal to obey it treason.

Its most prominent advocates, its most active lobbyists, and its most aggressive terrorists are selected from the ranks of these sectaries, which in their meetings, sessions, and conferences demand that no official shall be nominated and no judges appointed to administer the law that are not indorsed by them. In other words, the reign of American law has been displaced by a reign of sectarian terror and violence, and the principle that animated George Washington and the fathers and founders of this Republic have been supplanted by the preachments of Titus Oates, of infamous memory, and the practices of the dancing dervishes of Islam.

Life, liberty, and the pursuit of happiness, guaranteed to the free citizens of America, have passed out, and a program of political lies, sectarian license, and the pursuit of persecution by fanatical harpies of free American principles has been substituted. The enemies of political, social, and religious liberty through the scandalous maladministration of this monstrous law have assumed the functions of the judge and jury, have invaded the sanctity of the home, attacked the personal liberty of the citizen, abridged the functions and perverted the profession and practice of medicine, and have assailed the rights and insulted the faith of every church not in communion with them.

They have succeeded in placing in the hands of their partisans and parasites the sale and distribution of wines and liquors that medical advice and the necessities of sickness deem needful and which are grudgingly permitted by the law, to the end that the American public is victimized and plundered by the conscienceless dealers now purveying a quality and character of liquor dangerous to the health and disgraceful to the char-

acter of a civilized people; they have enormously increased the death rate; they have multiplied crime and insanity, and have made the Government a partner in these odious offenses against humanity.

Their blind fanaticism has given birth to an atrocious traffic in the manufacture and sale of the deadliest form of alcoholic compounds, so that even the legalized Volstead dealer in spurious and low-grade liquors and the illegitimate dealer in every form of liquid abominations—the bootlegger, so called—are growing rich upon the necessities and disabilities of the citizens of this fantastically termed "free America."

Every American citizen who has in mind the dangers that are inherent in this law to American liberty and the integrity of the Republic and dares to protest against it is assailed in the bitterest forms of vilification and vituperation by the paid agents of professional prohibition and their press, and the self-respecting dignitaries of the churches which still cling to the ancient principles and teachings of Christianity are not free from the shameless attacks of the ministers and the minions of the Volstead "Camorra" if they plead for a return to the standards and ethics of Christianity and the ideals of human freedom.

The toiling millions are ruthlessly deprived of the comforts of life, the solaces of their domestic living, and the safeguards of health by sectarian fanaticism, while the wealthy still laugh at the obstacles the law sets up; and the rich and leisurely tourist finds the law a negation and a farce on the ships that sail the sea under the American flag.

Its open violation on the ships of the United States Shipping Board makes one laugh when he reads so much about law and order now that the eighteenth amendment has been adopted. Here and now I desire to call attention to and emphasize the barefaced hypocrisy of a government appropriating money to enforce this bastard child of prohibition and at the same time appropriating more money to advertise the violation of its own laws on its own ships the minute they get outside the 3-mile limit.

We have the lovely Volstead idea as interpreted by VOLSTEAD'S friend Lasker, which is a paradox—we may not get drunk on land but we can get drunk on water. [Laughter.] Do you know what I mean?

I hold in my hand the wine list of one of Mr. Lasker's sailing delights. It was formerly known as the steamship *Peninsula State*, and now bears the name of one of our former Presidents—*President Pierce*. It is one of the most prominent trans-Atlantic ships of the United States lines. When I read its reminiscent and at times exasperating details it is not with any intention of giving pain or sorrow to those Members of Congress who voted for the Volstead law. Rather is it to let Congress and the country know how on American territory, under Federal appropriations, the law is violated daily. Listen to the list, men of intelligence, and those men who were frightened when the Volstead finger was pointed at them and were driven to vote for this law:

United States Lines, S. S. "Peninsular State."

WINE LIST.

CLARETS AND BURGUNDIES.	Per bottle.
Barsac	$2.00
Haute sauternes	3.00
Moulin au Vent	2.50
Pommard	2.75
St. Emilion	2.00
Pontet Canet	1.50
CHAMPAGNES.	
Cordon Rouge, 1911, quarts	7.00
Cordon Rouge, 1911, pints	3.75
Moet & Chandon, Imported, quarts	7.00
Moet & Chandon, Imported, pints	3.75
Mercier, quarts	5.00
Heidsick, quarts	6.00
Heidsick, pints	3.25
VERMOUTH, PORT, AND SHERRY.	Per glass.
Vermouth, Italian	.20
Vermouth, French	.25
Port wine, old	.25
Sherry	.25
SPIRITS.	
Whisky—Black and White, Johnny Walker, Haig & Haig, Jameson	.25
Whisky—American rye	.30
London Dry Gin	.25
Bonehamp	.25
Steinhagsr	.25
Jamaica rum	.25
Cognac (Martell Three Star) per pony	.30
LIQUEURS.	Per pony.
Chartreuse, green	.30
Chartreuse, yellow	.30
Creme de Menthe, white	.30
Creme de Menthe, green	.30
Benedictine	.30

BEERS, MINERAL WATERS, ETC.	Per bottle.
D. Ressler's extra light	$0.40
D. Ressler's extra light (small)	.25
Bass Ale, pints	.25
Stout, Guiness	.25
French vichy	.60
Sarsaparilla, lemon, ginger ale	.25
Apollinaris, pints	.35
Club Soda, splits	.15
Red Raven, Pluto Water	.25
CIGARS, CIGARETTES, AND TOBACCOS.	
Corona Corona each	.50
Corona Perfectoes do	.30
Graham Courtney, Inv do	.20
Centrilla, Brevas do	.15
Sweet Caporal per pkt	.20
Murad, large do	.40
Murad, small do	.20
Camel do	.20
Lucky Strike do	.20
Fatima do	.25
Melachrino 9 do	.30
Melachrino 4 do	.40
Pall Mall do	.30
Tuxedo, Lucky Strike, Velvet, and Prince Albert tobaccos per tin	.20

How do you like that, men of America, men who preach law and order, men who say that there is no favoritism anywhere that the flag flies?

The morals of the American people have been lowered by the law, and it is time for the people of this great country to wake up to the true character and purposes of the pseudo-religionists who have, by a vindictive and un-American propaganda, inaugurated a reign of terror in and out of Congress. They are a body whose ideal is a practical union of church and state—their church and a state run by them according to their peculiar ideas—so that the American Republic of free men and sane laws may be supplanted by a quasi religious autocracy superior to the Constitution and administered directly and indirectly by them, their parsons, partisans, parasites, plunderers, and press.

It is time for Americans to rouse themselves before their rights and liberties are stolen and destroyed by a body of men and women whose perverted morals and distorted religions have almost wrecked these United States.

To your tents, O Israel!

[Applause.]

Mr. DENISON. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. HERRICK].

Mr. HERRICK. Mr. Chairman and gentlemen of the committee, we have up here this bill which is supposed to be discussed, but which nobody has discussed, and in view of that fact I may be pardoned perhaps for digressing upon another matter instead of speaking upon the bill. I am sorry to say that the rules of the House compel me to refer to the Member who objected earlier in the day when I wanted to get this matter into the RECORD as a gentleman, and I am frank to say that I could not call him that outside. The matter he objected to was matter pertaining to the compensation, the hospitalization, the vocational training, and war-risk insurance adjustments that I have been able to procure adjudication upon for numerous crippled soldiers and dependents of soldiers of the late World War.

I want to say further, I will not say that I am, but I will say that perhaps I am the only Member of Congress that pays an extra clerk out of his own pocket for this kind of work in order that it may be properly attended to with dispatch. I am paying an extra clerk $100 a month out of my own pocket. Some people may have the notion that the Congressman has nothing to do except to take part in the consideration of legislation on the floor of the House, and that he can spend the rest of his time in having a good time and enjoying the emoluments of his position. They do not seem to realize that he is a sort of glorified errand boy and general all-around trouble shooter. Therefore the value of a Member of Congress to his constituents is not to be measured entirely by his record of voting and speech making. It is important that he should vote, of course, and still more important that he should vote right. It may even serve a good purpose for him to make an occasional speech on the floor of the House; but there are other times and places where a Representative may be of value besides roll calls and filling the pages of the CONGRESSIONAL RECORD. He must be the servant of those who have business with the departments and the bureaus of the Federal Government. The makers of the Constitution may not have contemplated that he should render such service, but, just the same, it has developed into one of the most valuable functions of a Congressman and one that occupies much of his time. It means hard work, and lots of it, and it is not nearly so spectacular as the big stuff on the floor of the House, but it is real service. I have found much satis-

faction in the fact that I have been able to render some service of this kind.

Most prominent among the opportunities to give assistance have been the cases of ex-service men in need of compensation and hospitalization and vocational training. Theoretically, it should not be necessary for Congressmen to interest themselves in compensation claims, since we have enacted a law creating the Veterans' Bureau and clothing it with full authority and ample personnel for this work. But the many complaints of delay and injustice have made it plain that some one must look into these cases, and, as usual, the Congressman is the "trouble shooter." I have handled more than 600 such claims since the beginning of this Congress. I must say frankly that I have found that the greatest difficulty has been to get proper cooperation from the claimants and their friends in the way of promptly securing and submitting the necessary evidence. However, the bureau has not been free from blame. I have great respect for the director of the bureau, but he seems to be handicapped by having a lot of employees who lack the energy or the sympathy or the intelligence to render the service for which the bureau was created. I deem it quite proper that the bureau should help the disabled soldier in the establishing of his claim, but I have found it too often the rule that claims are rejected without any intelligent explanation, and when I write for detailed information my requests are sometimes ignored and at other times are replied to in stereotyped phrases that leaves one none the wiser. I find that the decentralization plan has not resulted in the advantages that had been claimed for it. Since the folders of the Oklahoma claimants have been sent to the Dallas office the delays are apparently increased and the results less satisfactory. There is delay because of information that must be had from the War Department or from the central office of the bureau; some matters have to be referred to Washington for adjudication, which consumes further time; and district officers seem prone to approve former findings with little regard for new evidence that may have been submitted. The increasing number of requests for congressional aid is a very poor tribute to the efficiency of the district office.

With the consent of the House, I wish to place in the RECORD a list of some of the claims with which I have been privileged to assist and with reference to which final and satisfactory action has been had. In the handling of the matters in the following list I have had to write an average of 10 letters to the case. I have 262 cases pending, and I have been working upon some of these for more than a year.

WORLD WAR VETERANS AND THEIR DEPENDENTS.

Harry Adkins, Oklahoma City, $95 per month compensation.

John Allen, Wichita, Kans., total permanent disability award and payment of life insurance at $57.50 per month.

Granville B. Allen, Oklahoma City, compensation $90 per month.

John G. Allen, Oklahoma City, compensation $100 per month.

Dewey G. Arnold, Chandler, Okla., award of $9 per month reinstated.

Joe P. Babek, Oklahoma City, award increased to $22.50 per month.

Adlai S. Baker, Oklahoma City, compensation $80 per month.

Lloyd C. Ball, Oklahoma City, compensation $90 per month.

King B. Benson, Madill, Okla., compensation $100 per month.

Lillian B. Bickers, Oklahoma City, adjustment of claim for $329.75 due on allotment.

Burney P. Bodard, Carnegie, Okla., compensation $80 per month.

Raymond P. Bollinger (deceased), Oklahoma City, accrued compensation due soldier in amount of $213.88 paid to mother.

Ira E. Bonnell, Goltry, Okla., compensation $80 per month.

Donald R. Bonfoey, Oklahoma City, award of compensation at $10 per month reopened.

Alger R. Bradley, Chickasha, Okla., total permanent disability rating $100 per month.

Leo J. Brand, Oklahoma City, compensation $100 per month.

James M. Brewer, Oklahoma City, compensation $10 per month.

Howard A. Bryce (deceased), Oklahoma City, award of compensation from date of discharge till death and payment of accrued compensation to parents.

Leonard P. Brown, Ardmore, Okla., compensation $60 per month.

Ralph E. Brown, Oklahoma City, award of compensation reinstated at $30 per month.

Orville Bryan, Oklahoma City, compensation $22.50 per month.

Edward L. Buddy, North Enid, Okla., compensation $8 per month.

Joseph S. Burgess, Oklahoma City, compensation $80 per month.

Stephen Carney, Oklahoma City, permanent total disability at $100 per month.

Willie H. Carroll, Oklahoma City, award of compensation reinstated at $61.75 per month.

Thomas H. Carter (deceased), Oklahoma City, insurance claim for $10,000 reconsidered and approved in favor of brother.

James H. Cary, Oklahoma City, award of compensation at $9 per month reopened.

Elmer J. Caywood, Oklahoma City, rating of permanent total disability $100 per month.

Bill Emery Chaffee, Oklahoma City, award of compensation at $8 per month reinstated.

Oscar Chambers, Oklahoma City, award of compensation $90 per month.

Valda DeHaven Chase, Alva, Okla., compensation $8 per month.

Cyrill Chrastek, Oklahoma City, compensation $80 per month.

Otis L. Clark (deceased), Eufaula, Okla., settlement of insurance claim effected in favor of widow for $10,000.

Ralph H. Clark, Oklahoma City, compensation $90 per month.

Cecil C. Colbert, Guthrie, Okla., compensation $8.75 per month.

Wiley Cook, Stroud, Okla., compensation at $72 per month during hospitalization.

George E. Colley, Oklahoma City, award of compensation reinstated at $47.50 per month.

Percy Lee Critchfield, Oklahoma City, compensation $71.25 per month.

David B. Crowley, Fairview, Okla., compensation $18.40 per month.

Earl Cunningham, Oklahoma City, compensation $20 per month and section 2 vocational training.

Ollie H. Cuthbert, Kingfisher, Okla., award of compensation reinstated at $9 per month.

Carles Dalbey, Oklahoma City, compensation $100 per month.

Lorenzo D. Darnell, Oklahoma City, compensation $60 per month.

Vivian K. De Bord, Perry, Okla., adjustment of claim for Army pay and recovery of Victory bond.

W. R. Deese, Duncan, Okla., payment of discharge bonus effected.

Walter Delaney (deceased), Oklahoma City, compensation $35 per month for widow.

George O. Demke, Oklahoma City, compensation $80 per month.

Washington W. Dennard, Oklahoma City, compensation $80 per month.

Charles F. Dickens, Durant, Okla., refund of deduction for allotment covering 10 months.

Ralph Dooley, Guthrie, Okla., compensation $9 per month.

Vernie G. Dowell, Stroud, Okla., compensation $80 per month.

Louis W. Dollarhide, Wright City, Okla., compensation $12 per month.

Miss Darthulia Duel, Fairview, Okla., compensation $80 per month.

Dow Dunaway, Drumright, Okla., payment of discharge bonus effected.

Don Dunn, Chickasha, Okla., compensation $8 per month.

Ewing W. Early, Atoka, Okla., award of compensation at $95 reinstated.

Charlie C. Ebbs (deceased), Oklahoma City, award of compensation $15 per month for each of parents.

Carl Edmonds, Antlers, Okla., section 2 vocational training secured.

George B. Edwards, Madill, Okla., compensation $8 per month.

John R. Ellis, Oklahoma City, total disability award of $100 per month.

John E. Falkenberg, Medford, Okla., compensation $19 per month.

Marvin Farr, Oklahoma City, compensation $9.50 per month.

Miss Ida Ferguson, El Reno, Okla., award of compensation increased from $40 to $60.

Joseph O. Fielder, Guthrie, Okla., compensation $100 per month.

William F. Finn, El Reno, Okla., compensation increased from $23.75 to $31.35.

Charles D. Folke, Oklahoma City, reimbursement for lost check, $134.84.

Lorentz H. Foremmling, Oklahoma City, compensation $80 per month.

Andrew J. Forester, Payson, Okla., compensation $8 per month.

Clancy Ford, Kingfisher, Okla., compensation $8 per month.

Paul J. Fournier, Quinlan, Okla., compensation $80 per month.

Odus C. Francis, Oklahoma City, total permanent rating $100 per month.

Clarence O. Gillespie, Oklahoma City, compensation $100 per month.

Herbert B. Ginn, Oklahoma City, insurance settlement $109.32.

Forrest B. Gore, Carlinville, Ill., compensation $100 per month.

Foy H. Graves (deceased), Okarche, Okla., rejection of claim for $10,000 life insurance reconsidered and claim approved.

Bonner Green, Wagoner, Okla., compensation $100 per month.

Speed Gregory, Watts, Okla., compensation award of $10 per month reinstated.

Marvin L. Grimes, Kingfisher, Okla., compensation $90 per month.

Joseph T. Grimsley, Pawnee, Okla., compensation award at $8 per month reinstated and section 2 training authorized.

Joel Grissom, Oklahoma City, compensation reinstated at $8 per month.

Claude D. Hadden, Oklahoma City, compensation $80 per month.

Harry G. Hale, Oklahoma City, compensation $16 per month.

Andrew Hamlin, Oklahoma City, compensation at $23.75 per month.

James B. Harley, Enid, Okla., section 2 training authorized.

Wm. J. Hayes, Oklahoma City, compensation, $12 per month.

Fay O. Heminger, Oklahoma City, refund of deductions for allotment, $195.64.

John C. Hill, jr., Kingfisher, Okla., adjustment of pay account, $13.

Curtis K. Hillbrant, Lamont, Okla., compensation $8 per month.

James J. Hobbs, Chandler, Okla., compensation increased to $24 per month.

Roy Hoffman, Oklahoma City, payment for medical attendance allowed.

Ace Hogland, Geary, award amended to include allowance for dependent father.

Oliver R. Holbrook, Ardmore, Okla., transfer from Houston Hospital to Oklahoma City authorized.

Austin W. Hoover, Oklahoma City, award of compensation reopened at $16 per month.

Otto A. Howard, Nash, Okla., compensation $15.75 per month.

Wm. R. Howe, Oklahoma City, payment for medical treatment authorized.

Wm. D. Howl, Chandler, Okla., compensation at $100 per month.

James Hudspeth, Mulhall, Okla., compensation at $95 per month.

Geo. R. Hughes, Elk City, Okla., compensation $15.20 per month.

Martin G. Hundorf, Woodward, Okla., compensation $20 per month.

Benj. Jones, Fairland, Okla., compensation increased to $20 per month.

Ezekiel Jones, Oklahoma City, award of compensation reopened at $52 per month.

Birtrus Kemmerer, Oklahoma City, compensation $80 per month.

Thomas J. Kern, Sallisaw, Okla., compensation $90 per month.

Albert Keuhne, Oklahoma City, compensation $80 per month.

Lee Ucal Kincannon, Oklahoma City, refund from allotment of $40.82.

Samuel Q. Kinyon, Seminole, Okla., compensation $90 per month.

Joseph E. Kirchner, Perry, Okla., compensation $80 per month.

John Kirk, Holdenville, Okla., compensation $80 per month.

Thomas S. Kizer, Cache, Okla., compensation $80 per month.

Herman M. Kroeger, Ponca City, Okla., compensation and hospitalization.

Harold B. LaBree, Ames, Iowa, compensation and section 2 vocational training.

Grady M. Lassetter, Oklahoma City, compensation $90 per month.

Walter Leach, Wagoner, Okla., award of $9 per month reinstated.

Mrs. Josephine LeBron, Oklahoma City, claim for $523.26 approved.

Robert E. Lee, Oklahoma City, compensation $22.50, section 2 vocational training.
James L. LeGate, Oklahoma City, compensation $90 per month.
Carl Claude Leseney (deceased), Temple, Okla., adjustment of awards of compensation and insurance in favor of widow effected.
John W. Livingston, Wynnewood, Okla., compensation $9 per month.
Charles A. Lowe, Enid, Okla., compensation $22.50 per month.
James Henry Lyons, Oklahoma City, compensation $47.50 per month.
Hugh H. McBride, Oklahoma City, refund of deduction for allotment, $178.50.
Preston H. McCormick, Shamrock, Okla., compensation $8 per month.
Robert J. McDill, Oklahoma City, compensation $9 per month.
J. S. McKay (deceased), Okeene, Okla., accrued insurance paid to widow.
Milton H. McLiman, Guthrie, Okla., award of total temporary disability during hospitalization.
Oscar McNabb, Davis, Okla., compensation $80 per month.
Sam. Makler, Oklahoma City, payment of $331.50 due on allotment and allowance.
Arley V. Malone, Oklahoma City, correction of payments under amended rating.
V. Rue Marichal, Whitesboro, Tex., compensation $80 per month.
John Marston, Wetumka, Okla., compensation $40 per month and section 2 vocational training.
David J. Meade, Kingfisher, Okla., award of compensation at $18 per month.
Ernest L. Meador, Covington, Okla., compensation $90 per month.
Anton Mentag, Oklahoma City, award of compensation at $80 reinstated.
Joe E. Meese, Beaver, Okla., compensation $9 per month.
Ed. A. Mercer, Oklahoma City, compensation $8 per month.
William C. Miller, Oklahoma City, compensation $60 per month.
Martin L. Mills, Ardmore, Okla., compensation $80 per month.
Fred. Misak, Oklahoma City, reimbursement $30 allotment money.
Kenneth D. Mitchell, Oklahoma City, vocational training, section 2, authorized.
Otto W. Moore (deceased), Duncan, Okla., rejection of claim for $10,000 life insurance reconsidered and claim approved.
Ray Morgan (deceased), Oklahoma City, award of compensation $35 per month in favor of widow.
Clyde W. Morrisette, Oklahoma City, compensation $18 per month.
Benj. F. Mullins, Stratford, Okla., compensation $90 per month.
Howard A. Murphy, Oklahoma City, compensation increased from $20 to $25 per month.
Hiram E. Myers, Chandler, Okla., compensation $8 per month and section 2 vocational training.
Roy L. Myers, Hayward, Okla., compensation increased to $10 per month.
Fred E. Neese, Carmen, Okla., compensation $14.25 per month.
Edward C. Newer, Kingfisher, Okla., award of compensation reinstated at $14.25 per month.
Elias G. Nicholson, Oklahoma City, award of total temporary disability reinstated.
Oscar Noak, Atoka, Okla., award of permanent total disability of $100 per month.
William W. Norman, Wynnewood, Okla., readjustment of awards at $8 per month.
Oscar Oakley, Ardmore, Okla., compensation $46.80 per month.
Clarence J. Oliver (deceased), Oklahoma City, compensation $25 per month for widow and $15 per month each for parents.
Arthur T. Page, Oklahoma City, award reinstated at $24 per month.
George Parish, Oklahoma City, request for special hospitalization approved.
Kline Patterson, Oklahoma City, total permanent disability $100 per month.
John F. Peaslee, Oklahoma City, compensation $100 per month.
Don L. Phelps, Wetumka, Okla., compensation $45 per month.
Virgil Guy Presson, Norman, Okla., award of compensation increased to $80 per month.
Gilbert Purvis, Albany, Okla., compensation $9 per month.
William V. Ray, Durant, Okla., adjustment of allotment effected, $118.17.
Vernor R. Ramsey, Ada, Okla., compensation increased from $44 to $70.40 per month.
Jiles C. Raymer, Texhoma, Okla., settlement of $111.67 due on allotment and allowance effected.
William L. Rellihen, Chandler, Okla., award of $90 per month during hospitalization.
Clarence R. Renfro, Oklahoma City, compensation $90 per month.
Harry E. Reynolds, Duncan, Okla., compensation $40 per month.
Roy B. Rice, Kingfisher, Okla., allowance for dental treatment approved.
Ed. P. Richardson, Madill, Okla., award of compensation reinstated at $13.50 per month.
Frank J. Riner, Chandler, Okla., compensation $20 per month.
Clay Rizenhoover, Seminole, Okla., compensation $95 per month.
J. Cooper Robertson (deceased), Ada, Okla., compensation award of $25 per month in favor of widow.
John M. Roebuck, Kingfisher, Okla., compensation $9 per month.
Reginald R. Rogers, Oklahoma City, securing of $100 Liberty bond paid for while in the service.
Alman Russell, Geary, Okla., compensation $80 per month.
Don H. Sackrider, Enid, Okla., compensation $90 per month.
John M. Salvini, Oklahoma City, compensation award reopened, $6.30 per month.
Jesse G. Sartin, Cherokee, Okla., compensation $20 per month.
Leo J. Schoenfelder, Durant, Okla., compensation $22.50 per month.
Mrs. Floe E. Simmerman, Riverside, Okla., settlement of allotment claim, $218.33 effected.
William F. Simpson, Broken Bow, Okla., section 2, vocational training.
Elonzo Sinclair, Oklahoma City, Okla., compensation $95 per month.
Arval Sissons, Sparks, Okla., compensation $80 during hospitalization.
Theodore F. Sitton, Oklahoma City, section 2 training granted.
Eden Slaughter (deceased), Durant, Okla., award of $35 to widow.
Stacy Sloss, Drumright, Okla., settlement of claim on account of allotment effected $49.
Claude Smith, Durant, Okla., compensation $80 per month.
Ronald Reed Smith, Oklahoma City, compensation $12 per month.
Shirley Steele Smith, Oklahoma City, compensation $80 per month.
Nathan O. Smith, Oklahoma City, allowance for dental treatment approved.
Lester W. Stanley (deceased), Duncan, Okla., adjustment of life insurance, $1,685.15, paid to mother and monthly awards.
Frank Sternberg, Fairview, Okla., compensation $80 per month.
George C. Spain, Fay, Okla., compensation $80 per month.
Vernon K. Stafford, Oklahoma City, compensation $80 per month.
Edward Stetler, Kingfisher, Okla., award amended to include allowance for wife.
Charles C. Stevens, Oklahoma City, payment of $146.20 to soldier on account of deductions for Liberty bonds.
James H. Stewart, Akins, Okla., compensation $8 per month.
Turner M. Sumter, Atoka, Okla., compensation $90 per month.
Harry C. Sweat, Fort Gibson, Okla., compensation $9 per month.
Emmette R. Talley, Hobart, Okla., compensation $80 per month.
Brough N. Tanner, Alva, Okla., compensation $9 per month.
James W. Teague, Marble City, Okla., compensation $80 per month.
Charnold D. Terrell (deceased), Prague, Okla., adjustment of soldier's insurance among his heirs effected.
Frederick Thompson, Oklahoma City, compensation increased from $9 to $22.50 per month.
Roland A. Thompson, McAlester, Okla., compensation $80 per month.
Thomas R. Thompson, Ardmore, Okla., total permanent rating at $100 per month.
Ralph B. Thornton, Blackwell, Okla., compensation $80 per month.
Martin L. Tomlinson, Oklahoma City, compensation $9 per month.
John H. Trotman, Phoenix, Ariz., total permanent rating at $100 per month.
John P. Tyson, Davidson, Okla., payment of $90 reenlistment bonus effected.
James L. Turner (deceased), Oklahoma City, payment of accrued compensation, $228, to father of deceased soldier.
Charles F. Valentine, Fort Gibson, Okla., compensation $60 per month; section 2, vocational training.
George Van, Picher, Okla., section 2, vocational training.
Virgil Van Arsdale, Oklahoma City, Okla., compensation $90 per month.
John E. Wade, Kingfisher, Okla., claim for Army pay due allowed, $118.80.
Jacob Walls, Chandler, Okla., compensation $13.68 per month.
Charles O. Whitaker, Tulsa, Okla., total disability rating at $100 per month.
Ernest Wilcher, Caddo, Okla., section 2, vocational training, granted.
Lester W. Williams, Stroud, Okla., award increased from $51 to $56.10.
William Leonard Wilson, Oklahoma City, Okla., payment of discharge bonus effected.
Montie D. Wilson, Depew, Okla., compensation reinstated at $13.50 per month.
Robert W. Wood, Oklahoma City, Okla., readjusted award of compensation.
William H. Wood, Oklahoma City, Okla., compensation $16 per month.
Elmer Woodruff, Stillwater, Okla., compensation $95 per month; section 2, vocational training.
Robert E. Woods, Guthrie, Okla., adjustment of claim for $34.53 effected.
James B. Young, Kingfisher, Okla., compensation $8 per month.
Arthur Zimmerman, Billings, Okla., compensation $8 per month.
John B. Zuck, Stillwater, Okla., compensation $80 per month.

It has also been my pleasure to assist a considerable number of veterans of the Civil and Spanish-American Wars and their widows. I have handled in all 154 such claims, of which 88 have been closed and 66 are now pending. In all, 59 pensions have been granted in the cases in which I have been interested. The service of the Bureau of Pensions has been very satisfactory, aside from some difficulty in getting reports as to evidence that was required in support of claims.

I am appending a list of the pensions that have been granted in the cases to which I have given my attention:

TOTAL DISABILITY PENSIONS FOR CIVIL WAR VETERANS.

George Blanchard, Enid, Okla., $72 per month.
Nathan M. Brewer, Enid, Okla., $72 per month.
William P. Brunner, Enid, Okla., $72 per month.
William H. Burchfield, Enid, Okla., $72 per month.
Jonathan W. Covey, Enid, Okla., $72 per month.
Henry C. Davis, Enid, Okla., $72 per month.
Pleasant Foster, Enid, Okla., $72 per month.
David Giltner, Enid, Okla., $72 per month.
Allen Hensley, Pond Creek, Okla., $72 per month.
Thomas J. Hughes, Newkirk, Okla., $72 per month.
Charles H. McDermond, Enid, Okla., $72 per month.
Jacob P. Martin, Ponca City, Okla., $72 per month.
Samuel L. Patrick, Chandler, Okla., $72 per month.
Josiah W. Reeser, Cheyenne, Okla., $72 per month.
James Reppeto, Ponca City, Okla., $72 per month.
Samuel Sproat, Enid, Okla., $72 per month.
Henry H. Swim, Enid, Okla., $72 per month.
Le Roy T. True, Liberal, Kans., $72 per month.
John L. Walton, Enid, Okla., $72 per month.
William B. Williamson, Ames, Okla., $72 per month.
John Wortmann, Enid, Okla., $72 per month.

PENSIONS FOR SPANISH-AMERICAN WAR VETERANS.

Fred. L. Berry, Laverne, Okla., $18 per month.
William T. Bogert, National Military Home, Kans., $30 per month.
Fred Brabson, Enid, Okla., $15 per month.
Charles P. Gilbert, Laverne, Okla., $15 per month.
Ernest E. Hanks, Enid, Okla., $12 per month.
Fred. Hornbeck, Charleston, Okla., $12 per month.
James A. Howell, Ponca City, Okla., $18 per month.
Fred T. Kirby, Ponca City, Okla., $12 per month.
Lawrence McCabe, Beaver, Okla., $30 per month.
Martin W. Marcoot, Enid, Okla., $12 per month.
William H. Quick, Perry, Okla., $18 per month.
Benjamin F. Rector, Enid, Okla., $15 per month.
Bert K. Smith, Oklahoma City, $8 per month.
Wilber A. Tharp, Enid, Okla., $12 per month.
William P. Wofford, Laverne, Okla., $18 per month.

PENSIONS FOR SOLDIERS' WIDOWS.

Amanda E. Burlison, Billings, Okla., $30 per month.
Rose M. Butcher, Blackwell, Okla., $30 per month.
E. Ellen Carpenter, Cherokee, Okla., $30 per month.
Mary E. Casteel, Perry, Okla., $30 per month.
Ada E. Cole, Billings, Okla., $12 per month.
Margaret Cook, Billings, Okla., $30 per month.
Fannie C. Crane, Orienta, Okla., $12 per month.
Mathilda J. Dagne, Perry, Okla., $30 per month.
Mary L. L. Emerson, Perry, Okla., $30 per month.
Sarah Ann Major Foster, Fairview, Okla., $30 per month.
Martha E. Hughes, Ames, Okla., $30 per month.
Adelia A. Hyle, Morrison, Okla., $30 per month.
Hester A. Jack, Byron, Okla., $30 per month.
Elizabeth Kennel, Riverside, Okla., $30 per month.
Abbeline Mathis, Enid, Okla., $30 per month.
Nancy U. Musser, Cherokee, Okla., $30 per month.
Ida M. Ruby, Ponca City, Okla., $30 per month.
Pamelia A. Sherwood, Supply, Okla., $30 per month.
Lizzie J. Thomson, Enid, Okla., $30 per month.
Ora S. Walsh, Fairview, Okla., $12 per month.
Mary A. Weeden, Elmwood, Okla., $30 per month.
Maggie Wells, Kiowa, Kans., $30 per month.
Mary E. Wey, Fairview, Okla., apportionment of one-half her husband's pension, $25.

Mr. HUDDLESTON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. CRAMTON. Mr. Chairman, pending that I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present. The Chair will count. [After counting.] Fifty-five Members present, not a quorum. The Clerk will call the roll.

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

Anderson	Echols	Kunz	Rossdale
Andrew, Mass.	Edmonds	Lampert	Rouse
Ansorge	Evans	Langley	Rucker
Anthony	Fairchild	Larson, Minn.	Ryan
Appleby	Fields	Lee, N. Y.	Sabath
Arentz	Fish	Lehlbach	Sanders, Ind.
Aswell	Fitzgerald	Linthicum	Schall, Minn.
Barkley	Focht	Little	Sears
Beck	Fordney	Luce	Shreve
Bell	Foster	Lyon	Siegel
Bixler	Frear	McArthur	Sinclair
Black	Free	McClintic	Sinnott
Blakeney	Freeman	McFadden	Sisson
Bland, Va.	Frothingham	McKenzie	Slemp
Blanton	Fuller	McLaughlin, Nebr.	Smith, Mich.
Boies	Gahn	McLaughlin, Pa.	Snell
Bond	Garrett, Tex.	Maloney	Snyder
Brennan	Gilbert	Mann	Stafford
Britten	Glynn	Mansfield	Stedman
Brooks, Pa.	Goldsborough	Mead	Steenerson
Buchanan	Goodykoontz	Merritt	Stevenson
Burke	Gorman	Michaelson	Stiness
Burroughs	Gould	Mills	Stoll
Burtness	Graham, Pa.	Montague	Strong, Pa.
Burton	Green, Iowa	Montoya	Sullivan
Butler	Greene, Mass.	Moore, Ohio	Swank
Campbell, Kans.	Griffin	Morgan	Sweet
Cantrill	Hawes	Mott	Tague
Carter	Hawley	Mudd	Taylor, Ark.
Chandler, N. Y.	Hays	Nelson, J. M.	Taylor, Colo.
Chandler, Okla.	Hersey	O'Brien	Taylor, Tenn.
Chindblom	Hicks	O'Connor	Temple
Clague	Himes	Oliver	Thomas
Clark, Fla.	Hogan	Olpp	Tilson
Clarke, N. Y.	Hooker	Osborne	Towner
Classon	Hukriede	Padgett	Treadway
Cockran	Hull	Paige	Tyson
Codd	Humphreys	Park, Ga.	Underhill
Cole, Iowa	Husted	Parker, N. Y.	Vare
Connell	Hutchinson	Parks, Ark.	Vestal
Cooper, Ohio	Ireland	Perkins	Voigt
Cooper, Wis.	Jefferis, Nebr.	Perlman	Volk
Copley	Johnson, S. Dak.	Petersen	Walters
Crago	Johnson, Wash.	Porter	Ward, N. Y.
Crowther	Jones, Pa.	Pou	Wason
Dale	Kahn	Pringey	Watson
Darrow	Kelly, Pa.	Rainey, Ala.	Wheeler
Davis, Minn.	Kendall	Ransley	White, Me.
Deal	Kennedy	Rayburn	Williams, Ill.
Dempsey	Kiess	Reber	Wood, Ind.
Dickinson	Kindred	Reed, N. Y.	Woods, Va.
Drane	Kinkaid	Reed, W. Va.	Woodyard
Drewry	Kitchin	Riordan	Wyant
Driver	Kleczka	Robertson	Zihlman
Dunn	Knight	Robsion	
Dyer	Kreider	Rodenberg	

The committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. LONGWORTH, 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. 11872 and, finding itself without a quorum, he had caused the roll to be called, whereupon 207 Members answered to their names, and he handed in the list of the absentees.

The committee resumed its sitting.

The CHAIRMAN. The gentleman from Alabama [Mr. BANKHEAD] is recognized for 10 minutes.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I desire to call to the attention of this House and the country some features of the legislative situation affecting the disposition of the Government property at Muscle Shoals, Ala. I was very glad, indeed, to hear the distinguished majority leader this morning disclaim on his own account and on the part of the President of the United States the alleged statement given out in the press this morning that it was not the purpose of the administration or of the Republican Party leaders in Congress to undertake to take up for final disposition at this session of Congress the matter of the offer of Henry Ford for the purchase and lease of the Government properties at Muscle Shoals. I was glad to hear it, because, as I know it to be, this is the greatest public question now undetermined by the action of this session of Congress; and in my judgment is of greater importance to the people of America than any matter that has been acted upon by this session of Congress.

This body has disposed of much important legislation of national concern, but in the taking up and disposition of this problem there is involved a larger measure of real national concern than in any other question now upon the calendar of the House for action, and it is upon that phase of the case that I am undertaking in this speech to make an appeal, not by way of threat, not in criticism of what has transpired in the past in connection with this matter—although, God knows, there has been too much delay already—but to make an earnest appeal on the part of those who are so gravely interested in the problem, to the Republican organization in this House, to the Republican Rules Committee of the House which alone can give us an opportunity to have the membership of the House pass upon this question, to take it up for immediate action, and to give the Congress a speedy opportunity to pass upon the merits of the Ford proposal.

Agriculture, as has been demonstrated in the hearings before the Military Committee, as represented by the National Grange, the American Farm Bureau Federation, and the Farmers' Union and every other great agricultural organization in the United States, is tremendously and zealously interested in this Ford proposition. Not only that but the great business organizations of the Mississippi Valley are tremendously interested in it. I received a day or so ago, as did every other Member of the House, a letter from the president of the great Mississippi Valley Association, representing States, agricultural and industrial, constituting 55 per cent of the population of the American Union. The executive of that great industrial and commercial organization appeals to the Congress of the United States not for further delay but for immediate action upon the Ford offer.

I shall quote only one or two sentences from the letter of Mr. James E. Smith, president of the Mississippi Valley Association. The letter is dated June 9, 1922. In that letter Mr. Smith says, referring to the completion of the Wilson Dam:

> We believe its completion and operation, under the plans submitted by Mr. Ford, will do more to assist in the development of our valley resources and bring greater and more beneficial results to our valley territory than any one thing that can possibly be done at this time.
>
> We believe that it is a great national proposition and that the accomplishment of Mr. Ford's plans will benefit every portion of the United States.

Mr. Chairman, the great Military Committee of this House for three months has had under consideration, most careful and conscientious consideration, every possible phase involved in connection with the disposition of these great properties.

They have considered, upon the suggestion of the Secretary of War, all of the plans proposed for the lease or purchase of these properties. That committee, practically by unanimous action, has submitted their report and say to the Congress of the United States that after consideration of every possible element of public policy, public safety, and public prosperity involved in these propositions, that they regard the offer of Henry Ford as the only one worthy of consideration and urge immediate action upon their favorable recommendation to the House of Representatives. Hear the concluding request of the majority report upon this proposition:

> We respectfully recommend favorable action on the bill at the earliest date possible.

The minority report concludes—and the minority report is really in substance the same as the majority report with the exception of one detail involved in the offer of Mr. Ford—

> In conclusion we feel justified in urging upon the membership the desirability of early action upon the Ford offer which if accepted would render possible the utilization of the vast properties involved and stop the present enormous expense and waste to the Government.

I am making this appeal not to the general membership of this House because I believe you are ready to take action upon this proposition, but the only way we can register action upon it is through the machinery of the organization of the House of Representatives which is controlled by the majority steering committee and by majority control of the Committee on Rules, and it is to them we are making this appeal upon the part of

those who are interested in this problem from the standpoint of national defense, from the standpoint of the production of fertilizer that will be sold to the farmers of America everywhere at probably 50 per cent of its present price, that will make possible the development for navigation of the wonderful Tennessee River from Chattanooga to its mouth, and that will bring about these results without any further ultimate expense to the Government of the United States more than that already expended in the construction of the plant and that portion of the dam now built. This House has practically concluded with the serious business program before it. We hear nearly every day of an early agreement for three-day recesses so that Members may disperse and go home and attend to their campaigns throughout the United States. The House under the leadership of the distinguished gentleman from Wyoming has brought its business to a conclusion, with this exception as to the major matters as far as the calendar of the House now stands.

And so we urge and appeal to them, not as an argument upon the merits of the proposition here now, but merely to give this House an opportunity under the rules and regulations that govern it for the representatives of the American people to express their opinion upon this great question of national concern. This appeal is not made myself individually, but is voiced as being the expression, yea, almost the prayer, of a great many millions of American people, especially all the farmers of the country. Will you heed their demand? The responsibility for action is yours.

A SHORT HISTORY OF THE MUSCLE SHOALS DEVELOPMENT.

Under the provisions of section 124 of the national defense act of 1916, Congress appropriated $20,000,000 to be used in the construction of a water-power plant at a site selected by the President for the production of explosives in time of war and fertilizer in time of peace for the benefit of farmers of America. When we got into the World War in 1917 President Wilson ordered such a plant constructed at Muscle Shoals, Ala. The Government proceeded to construct nitrate plant No. 1 at Sheffield, plant No. 2 at Muscle Shoals, a power plant at Gorgas, Ala., and transmission line thereto, and to acquire the limestone quarry at Waco, Ala., near Russellville. Plant No. 1 proved to be an experimental failure. It cost nearly $13,000,000. Plant No. 2, for the making of nitrogen from the air by the cyanamid process, is a proven and established success in every particular. It cost $67,000,000.

The steam plant at Gorgas, on the Warrior River, built for the Government by the engineers of the Alabama Power Co., with Government money, cost $5,000,000. To secure the necessary water power for the economical operation of plant No. 2 work was commenced on the great Wilson Dam across the Tennessee River, and work progressed rapidly on same until a year ago, when by the failure of a Republican Congress to make further appropriations, the work was stopped on the dam, and it now stands in that condition—one-third completed—the Government having expended $17,000,000 already on its partial construction. The nitrogen plant is also standing in an idle and useless condition, costing $300,000 a year for maintenance and protection.

THE OFFERS MADE FOR THE PLANTS.

On February 1, 1922, Secretary of War Weeks sent to the Speaker of the House a letter in which he stated that the properties of the Government at Muscle Shoals should be disposed of either by lease, sale, or otherwise, and submitted to Congress proposal of Henry Ford, which had been made by Ford at the invitation of the War Department in June, 1921, and amended by him on January 25, 1922. The whole offer was referred to the House Committee on Military Affairs for investigation and report. There is such deep interest in the Ford offer that I here incorporate a synopsis of it as shown in the report of the Military Committee:

THE HENRY FORD PROPOSAL.

Mr. Ford asks the Government, acting through Congress, to advance the money to complete Dam No. 2, on which there has been expended, approximately, $17,000,000, and also to advance the money for the construction of Dam No. 3, the cost of which completion and construction, according to the estimates of the Chief of Engineers of the United States Army, would be in round figures $50,000,000, but which according to the estimates made by Mr. Ford's engineers would be, approximately, $42,000,000.

He further asks that the Government shall purchase the necessary flowage rights at both the dams, the cost of which is estimated at $1,500,000; also that the Government convey to him by deed nitrate plant No. 1, which cost $12,887,941.31, and nitrate plant No. 2, including the Waco quarry, which cost $67,555,355.09; also all the land connected with these plants, being 4,666 acres; also all the interest of the United States Government in the Gorgas Warrior steam plant, situated on the Warrior River, 88 miles distant from Muscle Shoals, on which the Government expended $4,979,782.33.

Mr. Ford further proposes that the Government, through the Secretary of War, lease to him Dams No. 2 and No. 3, together with all their appurtenances, for a lease period of 100 years. He also proposes that at the end of the lease period the company shall have the preferred right to negotiate with the United States Government for such lease or purchase of the property and upon such terms as may be then prescribed by Congress.

In consideration of the foregoing, Mr. Ford agrees:

First. That he is to form a corporation with capital stock of $10,000,000 or more, of which at least $10,000,000 shall be paid in in cash.

Second. The company shall complete for the United States, subject to the approval of the Chief of Engineers of the United States Army, Dam No. 2, its locks, power house, and all necessary equipment, all in accordance with the plans and specifications prepared or to be prepared or approved by the Chief of Engineers of the United States Army, and progressively install hydroelectric equipment in said power house adequate for generating approximately 600,000 horsepower, all work aforesaid to be performed as speedily as possible at actual cost, without profit to the company.

Third. He further proposes that as soon as the release of suitable construction equipment and labor forces at Dam No. 2 will permit, or at an earlier date, if desired by the company, the company shall construct and complete, subject to the approval of the Chief of Engineers of the United States Army, for the United States, Dam No. 3, its lock, power house, and all necessary equipment, all in accordance with the plans and specifications prepared and to be prepared by the Chief of Engineers of the United States Army, or by the company, at its option, and approved by the Chief of Engineers of the United States Army, and progressively install the hydroelectric equipment in said power house adequate for generating approximately 250,000 horsepower, all the work aforesaid to be performed as speedily as possible at actual cost and without profit to the company.

He further proposes that the company will lease from the United States Dam No. 2, its power house, and all the hydroelectric and operating appurtenances, except the locks, together with all lands and buildings owned or to be acquired by the United States connected with or adjacent to either end of said dam, for a period of 100 years from the date when structures and equipment of a capacity of 100,000 horsepower are constructed and installed and ready for service; and will pay to the United States as annual rental therefor 4 per cent of the actual cost of acquiring lands and flowage rights and of building the locks, dam, and power-house facilities, payable annually at the end of each lease year, except that during and for the first six years of the lease period the rental shall be in the following amounts and payable at the following times: $200,000 one year from the date when 100,000 horsepower is installed ready for service, and thereafter $200,000 at the end of each year for five years.

Fourth. Also, the company will lease from the United States Dam No. 3, its power houses, and all of the hydroelectric and operating appurtenances, except the lock, together with all lands and buildings owned or to be acquired by the United States connected with or adjacent to the end of the said dam, for a period equal to the lease term of Dam No. 2 and its hydroelectric power equipment thereat, and that the said lease terms of the two dams and the hydroelectric thereat shall expire at the same time, the said period to begin at the date when said structures and equipment of a capacity of 80,000 horsepower are constructed and installed and ready for service, and will pay to the United States as annual rental therefor 4 per cent of the actual cost of acquiring the lands and flowage rights and of constructing the lock, dam, and power-house facilities, payable annually at the end of each lease year, except that during and for the first three years of the lease period the rentals shall be for the following amounts and payable at the following times, to wit: $160,000 one year from the date when 80,000 horsepower is installed and ready for service, and thereafter $160,000 annually at the end of each year for two years.

Fifth. He further agrees that the company will pay to the United States during the period of the lease of Dams No. 2 and No. 3, $20,000 annually in installments quarterly in advance for repairs, maintenance, and operation of Dam No. 3, its gates and lock, and $35,000 annually in installments quarterly in advance for repairs, maintenance, and operation of Dam No. 2, its gates and locks, it being understood that all necessary repairs, maintenance, and operation thereof shall be under the

direction, care, and responsibility of the United States during the said 100 years lease period. The company, at its own expense, will make all necessary renewals and repairs incident to the efficient maintenance of the power houses, substructures, superstructures, machinery, and appliances appurtenant to said power houses, and will maintain the same in efficient operating condition.

Sixth. He further proposes that at all times during the period of the lease of Dam No. 2 the company will furnish to the United States free of charge, to be delivered at any point on the lock grounds indicated by the Chief of Engineers of the United States Army, electrical power to an amount necessary for the operation of the locks, but not in excess of 200 horsepower, and shall also furnish power for the same purpose at Dam No. 3, but not in excess of 100 horsepower.

Seventh. He further proposes to provide a sinking fund covering the lease period, which at the end of the same will amortize the cost to the Government of the cost of completing Dam No. 2, the construction of Dam No. 3, and the cost of the flowage rights in connection therewith.

Eighth. He further proposes to pay to the Government for the conveyance to him or the company of all the property constituting nitrate plant No. 2, including lands, power plant, buildings, materials, machinery, fixtures, equipment, apparatus, appurtenances, tools, and supplies, and the right, license, and privilege to use any and all of the patent processes, methods, and designs which have been acquired and may be transferred or assigned to a purchaser of nitrate plant No. 2 by the United States, together with the sulphuric-acid units now in storage on the premises; also all of the property constituting nitrate plant No. 1, including power plant, buildings, materials, machinery, fixtures, equipment, apparatus, appurtenances, tools, and supplies, and the right, license, and privilege to use any and all of the patent processes, methods, and designs which have been acquired and may be transferred to a purchaser of nitrate plant No. 1 by the United States; also all of the property constituting the Waco quarry, including the rights of way and buildings, material, quarry tract, machinery, railroad tracks, appurtenances, tools, and supplies; also all of the property constituting the steam power plant built and now owned by the Government at Gorgas, Ala., on the Warrior River, including lands, rights of way, buildings, machinery, material, apparatus, appurtenances, tools, and supplies, and the transmission line from the Gorgas steam plant to nitrate plant No. 2 at Muscle Shoals, and all other transmission lines belonging to the United States and connected with any of the aforesaid Government properties, the sum of $5,000,000 in five installments, as follows: $1,000,000 upon the acceptance of this offer, and $1,000,000 annually thereafter until the purchase is fully paid, with interest at the rate of 5 per cent per annum on deferred payments, with the privilege of anticipating any or all of the payments, possession to be delivered upon the payment of the first of said installments and deeds of conveyance to be delivered when full payment for such property has been made.

It is further provided that each of said deeds shall refer to or contain the provisions of the offer, and said deeds shall be so drawn as to make these provisions covenants running with the land.

Ninth. The proposal further provides that the company shall maintain nitrate plant No. 2 in its present state of readiness or its equivalent, for immediate operation in the manufacture of materials necessary in time of war for the production of explosives, during the entire lease period, and it is further provided that whenever, in the national defense, the United States shall require all or any part of the operating facilities of nitrate plant No. 2 for the production of any material necessary in the manufacture of explosives or other war materials, then the United States shall have the immediate right upon five days' notice to the company, to take over and operate the same, and the company will supply the United States with the hydroelectric power necessary for such operation, together with such complete patented processes which the company owns or has the right to use; and, further, when required for national defense, any of the company's personnel and operating organization necessary for operating any part of nitrate plant No. 2 in the manufacture of materials for explosives or other war materials shall be at the disposal of the United States, to be reasonably compensated for such use by the Government.

Tenth. It is also proposed that the company shall be obligated during the lease period to manufacture nitrogen and other commercial fertilizers, mixed or unmixed, with or without filler, according to demand, at nitrate plant No. 2 or its equivalent, or at such other plant or plants adjacent or near thereto as it may construct, using the most economical source of power available. The annual production of these fertilizers shall have the nitrogen content of at least 40,000 tons of fixed nitrogen, which is the present annual production of nitrate plant No. 2, and, further, that if said plant is destroyed during the lease period to restore the plant within a reasonable time to its former capacity. Guaranties are included in the proposal for carrying out this important provision, and a limitation of 8 per cent profit is fixed on the production of said fertilizer.

Eleventh. It is further provided in the proposal that the Government of the United States shall have the right to enforce all of the provisions of the contract to be entered into between the Government and the company by the exercise of all usual legal remedies, and in addition thereto the company will agree that the Attorney General of the United States may, upon the request of the Secretary of War, institute proceedings in equity in the District Court of the United States for the Northern District of Alabama for the purpose of canceling and terminating the lease of Dam No. 2 or Dam No. 3, or both of them, because of such violation, or for the purpose of remedying or correcting by injunction, mandamus, or other process any act of commission or omission in violation of the terms of this proposal or any contract made in furtherance thereof.

The Alabama Power Co. also, but long after the Ford offer was made, made an offer for the plants and the power plant at Gorgas. They only wanted to get the power from Wilson Dam; they made no proposal to make fertilizer. Their claim to an option to buy the steam plant at Gorgas has been denied by a recent opinion rendered by the Attorney General of the United States, who held that they had no legal rights to it under their contract with the Government. The Alabama Power Co. has already received a fee of $285,000 for building the Gorgas steam plant.

I have from the beginning been in favor of the Ford offer and against all other offers. I favor it for the following reasons:

1. It is fair to the taxpayers and the Government.
2. It relieves the Government of any further ultimate expense in completing the Dams 2 and 3 and installing the electrical energy to be generated by over a million horsepower of water. Ford will repay all that expense.
3. It keeps the nitrate plant in going condition, subject to the use of the Government for 100 years in case of war to make explosives.
4. It will open up the Tennessee River to navigation from Chattanooga to its mouth, thereby giving competition to oppressive railroad rates now charged.
5. It will give employment at high wages to tens of thousands of laboring men who are now out of work and whose families are suffering.
6. It will build up a great industrial center in Alabama, to increase the State and national wealth, and add taxes for the public benefit.
7. Over and above all else, and upon this is founded my greatest interest in this whole business, it will cut the fertilizer bills of the farmers of Alabama and of the Nation half in two. The Fertilizer Trust is fighting Ford's offer to the last ditch, but we who are fighting for the interests of agriculture see in this Ford offer the only chance we have ever had to break forever the oppressive strangle hold that this trust now has upon the necks of the farmers of America.

I have personal confidence in Henry Ford. I believe he will do for the farmers what he has promised to do. In their behalf it has given me pleasure to have advocated at all times and to advocate now the offer of Henry Ford. Give us a vote and we will do the rest. [Applause.]

Mr. DENISON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BLAND].

Mr. BLAND of Indiana. Mr. Chairman, I am told by those most familiar with the original Panama Canal act that there was no governing body in the world given such autocratic power as was given to the Governor of the Canal Zone, and that power maintains until this day. I have studied conditions down in the zone considerably, and I find a very unusual condition prevails there. We had had civilian Governors of the Panama Canal Zone. Even under a civilian governor the extraordinary autocratic power given by the act occasioned much complaint as to the manner in which they governed the zone. Now, imagine the conditions down there now when the Secretary of War has appointed a military man as governor of the zone, when he is attempting to apply military rules to a civil administration. The people down there who work on the Panama Canal are good American citizens, and they want to exercise the rights and privileges of American citizens. The original Panama Canal act gave the governor the right, if a man opened his mouth about the administration, to deport him.

This bill being considered to-day gives him more power than he ever had before. It is brought in here for the purpose of

giving the governor more power over his subjects than any executive ever had in any government in the history of free people. Let me show you what they are doing down there. Here is a manifesto—a ukase, if you please—issued by the acting governor reprimanding an American citizen not subject to military rule. These fellows are put to the goose step down there. Here is what they posted on the walls and trees and billboards of the zone against a person that has been there for 20 years, and a mighty good citizen he is. This fellow who was reprimanded was over at Colon, outside of the zone. As I remember it, he is superintendent of construction. He was not satisfied with the present administration of the Canal Zone, and one of the things that he made complaint of down there was that Secretary Weeks sent a commission there to make an investigation, and one of the recommendations of the commission was to stop the fight against mosquitoes which had made the zone habitable for white men. They recommended that these activities of the health department should cease until the death rate equaled certain other cities in the United States. The governor was in sympathy with this military commission who had displeased the zone people. The people generally complained about that report, and Mr. Boyd, over in a restaurant in Colon, said that the present governor would be fired in 48 hours, and ought to be. The governor came to the United States, and while he was gone the acting governor issued this manifesto, and I want to read it to you. It is as follows:

THE PANAMA CANAL ZONE EXECUTIVE DEPARTMENT,
Balboa Heights, February 1, 1922.

All concerned:

The following letter of this date is published for the information of all concerned:

Mr. A. S. BOYD,
Pedro Miguel, Canal Zone.

SIR: Some days ago it was brought to my attention that on January 7, 1922, you announced to a group of gentlemen in the Strangers' Club in Colon that you personally had received authentic information that the present Governor of the Canal Zone would be removed and his successor announced within 48 hours.

From your own statement in regard to this matter it is apparent to a person of any judgment that your source of information was anything but authentic, and it is hard to conceive your attaching any importance to a rumor emanating from such a source.

After carefully reviewing your statement and the statements of others who are conversant with this matter—incidentally the statements of all others agree in differing widely from your version—I am inclined to believe that your action in this matter was brought about, not by intentional disloyalty but by your inability to resist the temptation to attain notoriety by posing as the exclusive possessor of the information which you gave out.

In view of your long and satisfactory service with the canal and your personal circumstances as explained to me, I have decided not to insist upon your resignation, but continue you with the organization with this letter of reprimand, which will, of course, be placed upon your personal file.

Respectfully,
M. L. WALKER,
Acting Governor.

Gentlemen, I want to know what you think about such a manifesto, of such a reprimand of a civil employee under a civil government; a public reprimand upon an American citizen made in true military style? I wrote to Secretary Weeks and asked him what he thought about it, and asked him if he approved of putting the goose-step on American citizens and permitting a military autocracy there to hold an American citizen up to scorn and shame because he manifested a spirit of American independence. For fear I may neglect it, I ask unanimous consent to put a portion of the correspondence between the Secretary and myself into the RECORD. Here is my letter to him:

FEBRUARY 15, 1922.

Hon. JOHN W. WEEKS,
Secretary of War, War Department, Washington, D. C.

DEAR MR. SECRETARY: I am inclosing copy of an order or notice published broadcast in Panama by the acting governor concerning the conduct of Mr. A. S. Boyd.

It will be noted that Mr. Boyd was charged with having said that the present governor of the Canal Zone would be removed and that his successor named within 48 hours. It seems that Mr. Boyd has been published and reprimanded and that he is now on "good behavior."

I have been to Panama twice in the last two years, and I do not think any too much of the military control of that place. It seems to reach the limit of military autocracy. Suppose Mr. Boyd had said the words charged. What right has any official to punish him or investigate his statement or publish him to the community? This letter only indicates the extent to which an Army officer will go in connection with administration of civil affairs.

I know Mr. Boyd very well, but I hold no brief for him. He is regarded as one of the most intelligent and efficient servants in the zone. He has spent the best part of his life there and he is well thought of by all. He has not communicated with me directly or indirectly in connection with this matter, but has come to me through nonmilitary friends. I would like to have you tell me if this order, ukase, manifesto, edict, or military order is with your knowledge and consent. Do you view it in harmony with the spirit of American independence in thought and speech? I am deeply interested in this matter and will expect a personal answer giving me some notion as to whether or not the officer issuing the order has exceeded his authority under his authorization and the law.

Yours very truly,

——— ———.

FEBRUARY 24, 1922.

Hon. J. W. WEEKS,
Secretary of War, Washington, D. C.

DEAR MR. SECRETARY: On February 15 I wrote you a letter inclosing a copy of some kind of a reprimand letter by the Governor of the Canal Zone, directed toward A. S. Boyd. I addressed the letter to you personally and inquired only for your personal attitude, and I would naturally suppose that it would not call for reference to the zone.

Might I have an answer to this letter within some reasonable length of time?

Very sincerely yours,

——— ———.

On the 24th of February, 1922, the Secretary of War replied as follows:

WAR DEPARTMENT,
Washington, February 24, 1922.

Hon. OSCAR E. BLAND,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I am in receipt of your letter of February 15 in reference to the action of the Acting Governor of the Panama Canal in making public a letter addressed to Mr. A. S. Boyd, Pedro Miguel, Canal Zone, reprimanding him for having announced in the Strangers' Club, in Colon, on January 7, 1922, that he had received authentic information that the present Governor of the Canal Zone would be removed and that his successor would be announced within 48 hours.

I have no information regarding the incident referred to by you, except what is contained in your letter under acknowledgment. It is believed the action taken by the acting governor is not inconsistent with the broad powers conferred upon the Governor of the Panama Canal under the Panama Canal act and by the President. I have no particular comment to make regarding the matter, except to say that at the present time conditions on the Isthmus are rather unusual, causing considerable unrest there, due to the reductions in force and the reductions in wages from the excessive rates paid during the war period and the two years following the armistice. Another contributing influence to this unrest in the Canal Zone is an active propaganda on the part of the employees to retain certain privileges heretofore unwisely allowed them, but which they are now being properly deprived of. Under these conditions loyal employees of the canal should not aid in spreading idle rumors regarding changes in canal officials when there is no foundation for them and the spreading of which would only cause continued unrest.

Sincerely yours,
JOHN W. WEEKS,
Secretary of War.

On March 2 I addressed him as follows:

MARCH 2, 1922.

Hon. JOHN W. WEEKS,
Secretary of War, War Department, Washington, D. C.

DEAR MR. SECRETARY: Your letter of February 24 in answer to my two letters of previous date is at hand.

I asked you specific questions as to how you viewed the conduct of the Governor of the Canal Zone in publishing a letter of reprimand sent to an employee of the Government. You evaded the question by saying you had no particular comment to make regarding the matter. You also said that you believed the action taken by the acting governor is not inconsistent with the broad powers conferred upon the Governor of the Zone under the Panama Canal act and by the President.

Admitting the powers granted by Congress are broad on account of it being necessary in times of great danger to exercise unusual power, will you contend that there is such an emergency at this time as to warrant putting into effect the strict military regulations as applicable to civil employees of the Zone? The situation is, Mr. Secretary, that you have appointed a military officer as Governor of the Canal Zone. I am not denying your right to do so, nor am I denying the technical authority of the acting governor to put into force the goose step if he so desires, but I am questioning the policy of the Secretary of War or the President or the Congress that permits these things to continue.

You have not indicated to me as to whether this was done with your authority or consent or whether you approve of it or not. This matter is a matter of administration and you are the administrator. If you favor a military, autocratic government of this Canal Zone, Congress should take steps, if it deems it advisable, to prevent you from so governing the zone.

I may not have the correct view of this matter. I am certainly anxious to have information, and if I am convinced that I am wrong about the matter I certainly am not inclined to want agitation for its own sake.

Do you think the act of the acting governor is justified in peace times? Do you approve of this military kind of government by an Army officer appointed to a civil position as affecting civilian employees?

Trusting I may have an early reply, I remain,

Sincerely yours,

——— ———.

The Secretary on March 24 wrote me as follows:

WAR DEPARTMENT,
Washington, March 24, 1922.

Hon. OSCAR E. BLAND,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Your letter of March 2, referring to my letter of February 24 in answer to your previous letter of February 15, relative to the reprimand addressed to Mr. A. S. Boyd, an employee of the Panama Canal, by the Acting Governor of the Panama Canal Zone and published in a memorandum to "All concerned" by the acting governor, was received during my absence from the city, and I understand my secretary telephoned you that a reply would necessarily be delayed until my return.

My previous letter was written as I was about to leave the city and perhaps was not phrased entirely to meet your criticism. However, whether that is correct or not, I do approve of the action taken by the acting governor. The facts seem to demonstrate that Mr. Boyd publicly made a statement relative to the imminent removal of the Governor of the Panama Canal Zone and stated that he had it from authentic authority. This, if true, would have implied that the governor had given some cause for such action, such as incompetency, negligence, or possibly some other more serious offense, for such removal, and any such statement or rumor quite naturally produces an impression in the minds of those who hear it, even if untrue, which would be harmful

to the governor in the performance of his duty. There was never any basis whatever for any such statement. The information imparted by Mr. Boyd was not authentic, and there is every reason for the reprimand administered. It was not military or autocratic and would apply with equal force if such a rumor had been started by a civilian employee in any department of the Government.

Sincerely yours,

JOHN W. WEEKS,
Secretary of War.

Suppose I make a statement against President Harding to-day that gravely reflects upon his administration of affairs or even questions his ability or honesty. Do you think he would have the right to hold me up to ridicule and scorn by reprimanding me publicly and posting it on the trees? Does he have the right to put military shackles on me? I do not believe that anybody would attempt to do it but a governor who could not forget that he was an Army officer.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. BLAND of Indiana. Yes.

Mr. NEWTON of Minnesota. But the gentleman is not an employee of the Government. As I understand it, the man reprimanded was an employee of the Government in the Canal Zone.

Mr. BLAND of Indiana. Who is not an employee of the Government?

Mr. NEWTON of Minnesota. You are not.

Mr. BLAND of Indiana. No; I am not, in the sense he was.

Mr. NEWTON of Minnesota. Then, is your illustration in point?

Mr. BLAND of Indiana. However, I do think I am an employee of the Government at this time.

Mr. NEWTON of Minnesota. I can not look at it in the same light.

Mr. BLAND of Indiana. I draw a salary from the same source that he does or any other citizen in the employ of the Government, and we are not going to subscribe to the doctrine that a man who comes to a civil life from a military life is going to put military shackles upon American citizens. Mr. Boyd had a right to free speech; he had a right to criticize the governor, as every American citizen has the right to criticize Congress, which they do freely. If we fellows tried to put military shackles on the fellows who criticize us, we would have the whole country in shackles all the time.

Mr. DENISON. Will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. DENISON. I know the gentleman wants to be fair. The governor has a responsible position down there, and this man was employed in work for the Government. What do you think ought to be done?

Mr. BLAND of Indiana. The Governor of Indiana has a responsible position, sir, and men every day go on the platform and criticize what he is not doing, and severely criticize him. Do you think he has the right to publicly reprimand him and say, "I will let you go this time; I will reprimand you publicly and give you the military goose step, but I will not let you go free again"? This bill proposes to give them more power. If you listen to the military oligarchy, my friend, in amending the law for the Panama Canal Zone, you will have it so that the liberty of no man there will be safe, before you get through, and this is only a cry for more power, and God knows they have got more than any men who govern should have. In the first place, I do not believe a military man ought to be appointed as a civilian executive. I would not want to detract from the military record of any good military man——

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

Mr. BLAND of Indiana. I would like to have three minutes more.

Mr. DENISON. Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman has 13 minutes.

Mr. DENISON. I yield to the gentleman from Indiana three minutes more.

The CHAIRMAN. The gentleman from Indiana is recognized for three minutes more.

Mr. BLAND of Indiana. I would not want to detract from the reputation of any good military man, but I say it is a mistaken policy to appoint a military man to control civilian employees, especially under such a law as grants abnormal powers, as this bill grants. I have not had the time to analyze this bill very carefully, and I have not the time to discuss it if I had examined it, but if you will look it over you will see that the purpose of this bill is to put more power in the hands of men who are now seeking to stifle liberty and free speech on the Canal Zone.

They want to take from the Department of Justice the power to appoint United States marshals. They want the governor to be intrusted with power to appoint United States marshals down there. Some one has said it will save expense. My God! They will have a deputy to do it. They will appoint more officers down there than they have already. The governor will appoint a man of his own ilk, of his own kind, to do it. They want to take the power away from the civilians.

I was down there when the present military governor treated the present United States marshal with scant courtesy. Military trained men are enraged at civilian interference. That is military autocracy. Why not let the Army do everything else in the way of administering justice down there? Let us do away with our courts there and have military tribunals instead to try American citizens. Why do you want to deprive American citizens of their rights? Because the War Department asks for it?

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. NEWTON of Minnesota. Who is the gentleman who is marshal, and where is he from?

Mr. BLAND of Indiana. The marshal is a mighty fine fellow, and he comes from Indiana, and I know him. I know he is a fine fellow, and he is not getting too much money for it. It is a very poor job, and he says he is going to get out of there. He is at present living in an atmosphere of hostility to his office.

But that is not what is worrying me. I say the principle involved is wrong. You should not give more power to these military men than they already have. You will regret it if you do it. [Applause.]

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

Mr. CRAMTON. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present.

Mr. DENISON. Will not the gentleman wait for five minutes?

Mr. CRAMTON. Yes. I will withdraw the point.

The CHAIRMAN. The point of order is withdrawn.

Mr. DENISON. Mr. Chairman, of course I do not blame the gentleman from Indiana [Mr. BLAND] for manifesting some feeling because one of the provisions of this bill abolishes the office of marshal of the Canal Zone, which, he says, is now held by one of his personal friends; but I do not think the gentleman's remarks are justified. I do not think he is going to frighten anybody by raising the bugaboo of "militarism" on the Canal Zone. We have a governor there, appointed not by the Secretary of War but by the President himself, and the Secretary of War has nothing to do with it. The President appointed Colonel Morrow, who was a very distinguished Army engineer and who served throughout the late war in France and rendered faithful and distinguished services to his country. He is an able military engineer, he has worked on the Canal Zone for a number of years, and he knows as much about the Canal as any man living. He is wonderfully well equipped for the position, and he is managing the Canal Zone with efficiency and with great credit to himself.

We have an officer down there known as the chief of police of the Canal Zone. He has subordinate officers who can easily serve writs, and so forth, like any other officers serving under a superior officer. We also have the useless position of marshal, whose duties can be performed by a deputy just as well.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield there for a question?

Mr. DENISON. Yes.

Mr. CRAMTON. Does the gentleman understand that the Committee on Rules really understood that this bill would abolish a useless officer?

Mr. DENISON. I do not know about that. I do not know that they went into the merits of the bill.

Mr. CRAMTON. Some of us get the impression that the Committee on Rules opposes the abolition of useless offices. [Laughter.]

Mr. DENISON. But, Mr. Chairman, this bill does abolish an office that has been found to be useless.

Mr. RAKER. Will the gentleman yield for a question right there?

Mr. DENISON. I will yield in a moment. It provides that the duties that have been performed heretofore by the marshal shall be performed by the present chief of police and such deputies as he may assign to that work with the approval of the court. Now, that provision in this bill has aroused the ire of my good friend from Indiana [Mr. BLAND], and I will say that

when that provision was put in the bill I did not know that it was a friend of his whose job was being abolished. I have no doubt the marshal is a good man, but I am thinking first of the interests of the country; the Secretary of War, who administers the affairs of the Canal Zone for the President, not as Secretary of War but as the representative of the President, has recommended that this office be abolished. The governor has recommended it and the special commission which the President appointed and sent to the Canal Zone to investigate the situation down there have investigated the subject and have recommended that this position be abolished. Now I yield to the gentleman from California.

Mr. RAKER. In reading the bill and report I notice that it is proposed to abolish the office of marshal and to have the chief of police take charge of the marshal's work. Does not the marshal have to serve all of the writs and summonses out of the Federal court there?

Mr. DENISON. In the first place, there is no Federal court. There is a district court.

Mr. RAKER. The district court of the Canal Zone.

Mr. DENISON. It is the district court of the Canal Zone. The marshal theoretically serves the papers, but he does not as a matter of fact do it in person. He has deputies under him to do that work.

Mr. RAKER. Somebody has to do that work, and I understand there is a great deal of litigation, and that a good many arrests are made and that a good many writs must be served. Now, why transfer those duties from the marshal to the chief of police?

Mr. DENISON. Perhaps the gentleman from California did not understand what I was trying to say.

Mr. RAKER. I heard it clearly.

Mr. DENISON. The purpose of it is to abolish a useless position and in the interest of economy save the Treasury $5,000 a year and the other emoluments that go with the job.

Mr. RAKER. Under your report it appears that there is a great deal of litigation, and that there are many arrests which are attended to by the marshal. Now, if it requires a marshal, and as you say police deputies will be required to do it, how do you save anything?

Mr. DENISON. If the gentleman can not understand what I have been saying to him, I do not know how I can make it any plainer. There is a chief of police there now, and he has his deputies; he can just as well perform all these duties that are now performed by the marshal. At present there are two officers—a chief of police, whose duties are principally to preserve peace and order, and a marshal, whose duties are to serve the processes of the court. The chief of police could just as well perform all the duties of the office of marshal.

Mr. RAKER. But if additional deputies are required, who will have to be paid an additional amount of money to do the work that the marshal is now doing, why take the work away from a high-class officer, recognized all over the United States as a proper officer to enforce the law in the Federal courts, and give those duties to a policeman?

Mr. DENISON. The error of the gentleman from California is in assuming that additional deputies will be required. I have been telling the gentleman, or trying to tell him, that the duties of this office can be performed by the present chief of police and his present deputies, so that the office of marshal is wholly unnecessary, and we can abolish it and save that much money. I do not know whether the gentleman from California believes in doing away with useless offices and saving the Government that much money, but it seems to me to be a very wise policy in view of the present cost of government.

Mr. RAKER. Surely.

Mr. BLAND of Indiana. Will the gentleman yield for a question?

Mr. DENISON. Yes.

Mr. BLAND of Indiana. Who appoints the chief of police?

Mr. DENISON. The Governor of the Canal Zone, Governor Morrow.

Mr. BLAND of Indiana. Who was at the head of the commission that went down there and recommended that this thing be done?

Mr. DENISON. I do not know; but I think it was a Mr. Fry.

Mr. BLAND of Indiana. General Conner. It was a military commission, and General Conner made a military recommendation. Is not he the same fellow who recommended that we abolish the health regulations down there?

Mr. DENISON. The men to whom the gentleman refers are capable men who have been serving their country very well; they are all men of high character and high standing. I do not assume that the gentleman from Indiana will dispute that at all.

Mr. BLAND of Indiana. No, sir; not at all.

Mr. DENISON. Now, I am not going to take any time of the House in replying to this big talk about military rule. There is no such thing on the Canal Zone. While Governor Morrow was an officer in the Army when he was appointed governor, he is not governing the Canal Zone as a military man any more than Gen. Leonard Wood is now governing the Philippines as a military governor. He is performing the duties of governor just as any civilian would. And all I have to say about the action of Acting Governor Walker, in connection with the incident referred to by the gentleman from Indiana, is that I think the acting governor acted with more grace, more leniency, and more consideration toward the party referred to than any military governor would have done, and perhaps than was justified under the circumstances related.

Governor Morrow was appointed by the President. His appointment was confirmed by the Senate. The fact that he has been a colonel in the Army ought not to discredit him.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. DENISON. Yes.

Mr. NEWTON of Minnesota. I take it the situation is this: The marshal himself serves no papers to speak of.

Mr. DENISON. Not at all.

Mr. NEWTON of Minnesota. You abolish that office involving a charge on the Treasury of $5,000 where the work is ordinarily done through the deputies and which will be done hereafter by the police officers.

Mr. DENISON. This is correct.

Mr. RAKER. Where does the gentleman get the idea that the marshal does not personally serve the papers?

Mr. BLAND of Indiana. He does serve the papers; I have been there and seen him.

Mr. RAKER. You will find that the important work, notwithstanding he has deputies, is done by the marshal himself.

Mr. DENISON. The Secretary of War gives us the information. The Governor of the Canal Zone and various individuals on the Canal Zone have given me the information that the marshal does not himself serve the papers. He may do so in certain instances, in some important cases, but as a rule he performs no official duties whatever.

Mr. RAKER. The gentleman gives the impression abroad that the marshal does not do the work. I know by personal observation that the important work is done by the marshal personally in other courts, and I am asking the gentleman if it is not so in the Canal Zone?

Mr. DENISON. That is not the case in that court.

Mr. BLAND of Indiana. If you are going to do away with the United States marshals and leave it to the military governor——

Mr. DENISON. We are not doing that.

Mr. BLAND of Indiana. If you are going to leave it to the military governor, why not do away with the Federal court and let the drumhead court take care of the litigation?

Mr. DENISON. That question answers itself. I am sure that when the gentleman reads over his remarks he will correct them and not let them stand in that way in the RECORD.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DENISON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH, Speaker pro tempore, having resumed the chair, Mr. LONGWORTH, 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. 11872 and had come to no resolution thereon.

LEAVE OF ABSENCE.

Mr. SANDLIN. Mr. Speaker, I ask unanimous consent for leave of absence of my colleague Mr. DUPRÉ, for the balance of the week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

EXTENSION OF REMARKS.

Mr. LONDON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the workmen's compensation act for the District of Columbia.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT.

Mr. DENISON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 21 minutes p. m.) the House adjourned until to-morrow, Wednesday, June 14, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

635. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental and deficiency estimate for the Post Office Department for the fiscal year 1922 and prior fiscal years amounting to $1,167,000 (H. Doc. No. 339); to the Committee on Appropriations and ordered to be printed.

636. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate for the Department of Agriculture for the fiscal year ending June 30, 1923, amounting to $50,000, to enable the Secretary of Agriculture to collect moneys due the United States on account of loans made to farmers under the seed grain loan acts of March 3, 1921, and March 20, 1922 (H. Doc. No. 340); to the Committee on Appropriations and ordered to be printed.

637. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, for the Public Health Service, National Home for Lepers, in the sum of $650,000 (H. Doc. No. 341); to the Committee on Appropriations and ordered to be printed.

638. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, amounting to $24,700, for salaries of employees in the Washington office of the director special agent service, United States customs (H. Doc. No. 342); to the Committee on Appropriations and ordered to be printed.

639. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1922, amounting to $698,031.56, for completion of acquisition of land for military purposes at Camp Bragg, N. C. (H. Doc. No. 343); to the Committee on Appropriations and ordered to be printed.

640. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Department of Commerce for the fiscal year ending June 30, 1922, for Colorado River Commission, $10,000 (H. Doc. No. 344); to the Committee on Appropriations and ordered to be printed.

641. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, amounting to $26,500, for salaries and expenses, Dye and Chemical Section, Division of Customs (H. Doc. No. 345); to the Committee on Appropriations and ordered to be printed.

642. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Treasury Department for the fiscal year ending June 30, 1923, for pay of personnel and maintenance of hospitals, Public Health Service, $500,000 (H. Doc. No. 346); to the Committee on Appropriations and ordered to be printed.

643. A letter from the Acting Secretary of War, transmitting a letter from the Acting Chief of Engineers, United States Army, together with a compilation of river and harbor laws, covering the period from June 23, 1913, to March 4, 1921, made under the direction of the Secretary of War, in compliance with section 6 of the river and harbor act approved June 5, 1920 (H. Doc. No. 347); to the Committee on Rivers and Harbors and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. PARKER of New York: Committee on Interstate and Foreign Commerce. S. 3458. An act to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river; with amendments (Rept. No. 1092). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 11827. A bill granting the consent of Congress to the county courts of Howard and Saline Counties, in the State of Missouri, to construct a bridge across the Missouri River; with an amendment (Rept. No. 1093). Referred to the House Calendar.

Mr. MILLER: Committee on Military Affairs. H. R. 10913. A bill to amend sections 4826 and 4827 of the Revised Statutes of the United States relating to Board of Managers of National Home for Disabled Volunteer Soldiers; without amendment (Rept. No. 1094). Referred to the Committee of the Whole House on the state of the Union.

Mr. TINCHER: Committee on Agriculture. H. R. 11843. A bill for the prevention and removal of obstructions and burdens upon interstate commerce in grain, by regulating transactions on grain future exchanges, and for other purposes; with amendments (Rept. No. 1095). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINSLOW: Committee on Interstate and Foreign Commerce. S. 848. An act to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended; with amendments (Rept. No. 1096). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 11525) granting a pension to Emma W. Mitchell, and the same was referred to the Committee on Invalid 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. SMITH of Idaho: A bill (H. R. 12007) providing for the conveyance of certain land to the city of Boise, Idaho, and from the city of Boise, Idaho, to the United States; to the Committee on Public Buildings and Grounds.

By Mr. WILSON: Joint resolution (H. J. Res. 348) to establish a national hydraulic laboratory; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON: A bill (H. R. 12008) granting a pension to John Gilroy; to the Committee on Pensions.

By Mr. FISH: A bill (H. R. 12009) granting an increase of pension to Annie M. Owen; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 12010) granting an increase of pension to Sarah A. Radell; to the Committee on Invalid Pensions.

By Mr. KUNZ: A bill (H. R. 12011) for the relief of Dennis Sweeny; to the Committee on Claims.

By Mr. McPHERSON: A bill (H. R. 12012) granting an increase of pension to Willis P. McCampbell; to the Committee on Pensions.

Also, a bill (H. R. 12013) granting a pension to James Patterson; to the Committee on Invalid Pensions.

By Mr. MUDD: A bill (H. R. 12014) granting a pension to James F. Davis; to the Committee on Pensions.

By Mr. TAGUE: A bill (H. R. 12015) for the relief of John E. Anderson; to the Committee on Claims.

By Mr. TAYLOR of New Jersey: A bill (H. R. 12016) for the relief of Augusta Sulzer; to the Committee on Claims.

By Mr. TINKHAM: A bill (H. R. 12017) granting an increase of pension to Chester A. Waite; to the Committee on Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 12018) for the relief of Ben M. Ellis; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5987. By Mr. CHALMERS: Petition of Volunteer Relief Corps, No. 89, Mrs. Isaelle French, secretary, in re Morgan pension bill; to the Committee on Pensions.

5988. By Mr. CONNOLLY of Pennsylvania: Resolutions from the following organizations, all of Philadelphia, Pa., favoring the enactment of an adequate tariff law based on the American valuation plan: Philadelphia Hat Makers' Association; Labor Lyceum Association; Beer Drivers' Union No. 132; Brewery Firemen, Oilers and Helpers' Union, Local No. 285; International Union of United Brewery, Flour, Cereal, and Soft Drink Workers of America, Local No. 5; and Journeymen Barbers' International Union of America, Local No. 104; to the Committee on Ways and Means.

5989. Also, evidence in support of House bill 11993, granting an increase of pension to Eloise Wilkinson; to the Committee on Pensions.

5990. Also, evidence in support of House bill 11992, granting a pension to James Donnelly; to the Committee on Pensions.

5991. By Mr. FAIRFIELD: Petition of M. F. Kann and others, of Fort Wayne and Kendallville, Ind., protesting against the passage of House bills 9753 and 4388, and Senate bill 1948; to the Committee on the District of Columbia.

5992. By Mr. KISSEL: Petition of the George M. Jones Co., Toledo, Ohio, urging the bringing about of State conferences between mine operators and the United Mine Workers; to the Committee on Labor.

5993. Also, petition of the Order of the Holy Cross, West Park, N. Y., urging action be taken to help the cause of the Armenians; to the Committee on Foreign Affairs.

5994. By Mr. MAPES: Petition of members of the Brotherhood Bible Class of South Congregational Church, members of South Congregational Church, and members of the faculty of Central High School and Junior College, of Grand Rapids, Mich., protesting against the return of Armenia to Turkish sovereignty; to the Committee on Foreign Affairs.

5995. By Mr. SPEAKS: Papers to accompany House bill 11982, granting an increase of pension to S. Harriett Morris; to the Committee on Invalid Pensions.

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