SENATE.

MONDAY, *July 10, 1922.*

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

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

REINTERMENT OF SOLDIER DEAD.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Quartermaster General of the Army, inclosing a list of American soldier dead returned from overseas to be reinterred in the Arlington National Cemetery Thursday, July 13, 1922, which will lie on the desk of the Secretary for the information of Senators.

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANKS.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, letters from the Federal reserve banks of Cleveland, Chicago, and Kansas City, which will be printed and lie on the table.

Mr. McLEAN. Mr. President, on Saturday last other replies to the so-called Heflin resolution were received, and on request of the junior Senator from Alabama [Mr. HEFLIN] the order for printing those replies was rescinded in order to await the receipt of replies from other banks, that all the replies might be printed together. I inquire how many replies have been received from the banks, numbering 11 in all?

The VICE PRESIDENT. Only six replies have been received. Those replies will, therefore, be held in anticipation of the receipt of the rest.

CALL OF THE ROLL.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Gooding	McLean	Sheppard
Borah	Harris	McNary	Simmons
Brandegee	Harrison	Moses	Smith
Bursum	Heflin	Nelson	Smoot
Calder	Johnson	New	Spencer
Cameron	Jones, N. Mex.	Newberry	Sterling
Capper	Jones, Wash.	Nicholson	Underwood
Caraway	Kellogg	Norbeck	Wadsworth
Colt	Kendrick	Oddie	Walsh, Mass.
Culberson	Keyes	Overman	Walsh, Mont.
Curtis	Ladd	Pepper	Warren
du Pont	La Follette	Phipps	Watson, Ind.
Ernst	Lodge	Poindexter	Willis
Fernald	McCumber	Ransdell	
France	McKinley	Robinson	

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum is present.

APPOINTMENTS BY EXECUTIVE ORDER.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. HARRISON. On the calendar day of April 24 the Senate passed a resolution (S. Res. 258) requesting the President of the United States to furnish to the Senate the names of persons appointed by Executive order since the 4th day of March, 1921, and the reasons therefor. Has there been any response to that request, may I inquire?

The VICE PRESIDENT. There has been no response, as the Chair is advised.

Mr. HARRISON. Mr. President, nearly three months have elasped since the Senate of the United States passed the resolution. It was a reasonable request. The request merely stated that the Senate desired the names of persons who had been appointed by the President of the United States since the 4th of March of last year through Executive order where exceptions had been made to the civil-service rules, and the reasons therefor. When the Senate passed the resolution, and it was passed unanimously, of course many of us thought there were a good many of such appointees who had been excepted from the civil-service rules. We did not think, however, it would take more than three or four days to get the information to the Senate. We knew there was Marion, Ohio, and some other places, but I had no idea and I am sure no other Senator had any idea that the list was so long that it would take three months to prepare the list.

It may be that it requires a good deal of time to get some reasons for the appointments which were made under exceptions to the civil-service rules, but the Senate is entitled to be respected by the President of the United States, the same as he would have the Senate respect him. I submit that a resolution passed three months ago by the Senate of the United States unanimously making such a simple request should be heeded.

I submit that unless some report is made to the Senate within a reasonable time other action upon the part of the Senate, if it can be taken—anything from mandamus to quo warranto proceedings—should be instituted to extract from the President, if possible, this large list of names of those who have been appointed through Executive order in violation of the civil-service rules, and the reasons therefor. If there were no reasons for the appointments, then the Senate is entitled to know that. If there were reasons, whether good or bad, then certainly the President has had sufficient time to give them.

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented a resolution adopted by the General Federation of Women's Clubs at Chautauqua, N. Y., protesting against the passage of House bill 8086, to prohibit the shipment of filled milk in interstate or foreign commerce in its present form, and suggesting amendments thereto, which was referred to the Committee on Agriculture and Forestry.

He also presented memorials of the American Bank of Commerce & Trust Co., of Little Rock, Ark., and the O. K. Houck Piano Co., of Memphis, Tenn., remonstrating against a reduction of zone rates on second-class mail matter, which were referred to the Committee on Post Offices and Post Roads.

Mr. TOWNSEND presented petitions of sundry citizens in the State of Michigan praying that only a moderate rate of duty on kid gloves be imposed in the pending tariff bill, which were referred to the Committee on Finance.

Mr. POINDEXTER presented numerous petitions of various lumber and shingle companies and sundry citizens in the State of Washington, praying for inclusion in the pending tariff bill of a duty of 50 cents per thousand on imported shingles, which were referred to the Committee on Finance.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

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

By Mr. WALSH of Massachusetts:

A bill (S. 3803) amending section 2 of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes," approved June 4, 1920; to the Committee on Naval Affairs.

By Mr. BORAH:

A bill (S. 3804) granting an extension of time for the repayment of construction charges on reclamation projects; to the Committee on Irrigation and Reclamation.

By Mr. SHORTRIDGE:

A bill (S. 3805) to confer jurisdiction upon the Court of Claims to ascertain the cost to the Southern Pacific Co., a corporation, and the amounts expended by it from December 1, 1906, to November 30, 1907, in closing and controlling the break in the Colorado River; to the Committee on Claims.

By Mr. POINDEXTER:

A bill (S. 3806) fixing the salary of the United States district attorney for the western district of Washington; to the Committee on the Judiciary.

A bill (S. 3807) directing the resurvey of certain lands; to the Committee on Public Lands and Surveys.

A bill (S. 3808) authorizing the Secretary of the Interior to investigate and report to Congress upon the Columbia Basin irrigation project; to the Committee on Irrigation and Reclamation.

By Mr. WATSON of Indiana:

A joint resolution (S. J. Res. 220) authorizing the Secretary of War to loan certain cots, blankets, tents, chairs, etc., to the executive committee of the American Legion for the Department of Indiana for use at the State convention of the American Legion to be held at Terre Haute, Ind., September 25, 26, and 27, 1922; to the Committee on Military Affairs.

By Mr. SPENCER:

A joint resolution (S. J. Res. 221) providing payment of judgment in favor of Robert L. Owen and associates in the case known as the Mississippi Choctaws Case No. 29821, Court of Claims (with an accompanying paper); to the Committee on Indian Affairs.

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 VICE PRESIDENT. The Secretary will state the pending amendment.

Mr. McCUMBER. I ask that the Senate now consider paragraph 713, page 102, eggs of poultry.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

The VICE PRESIDENT. The amendments to paragraph 713 will be stated.

The first amendment of the Committee on Finance in paragraph 713 was, on page 102, line 6, before the word "cents," to strike out the numeral "6" and to insert the numeral "8," so as to read:

PAR. 713. Eggs of poultry, in the shell, 8 cents per dozen——

Mr. WALSH of Massachusetts. Mr. President, there are three amendments proposed by the Senate Committee on Finance to paragraph 713. I shall discuss all of those amendments together and not take the time of the Senate to discuss each amendment separately, so that when the discussion is over we may vote immediately upon all three amendments.

The Senate committee amendment proposes to increase the duty on eggs in the shell from 6 cents, as provided in the House bill, to 8 cents per dozen; on whole eggs, egg yolk, and egg albumen, frozen or otherwise preserved, from 4 cents to 6 cents per pound; and on dried whole eggs, dried egg yolk, and dried egg albumen, from 15 cents to 18 cents per pound. Under the Underwood law eggs in the shell were on the free list; on eggs frozen or otherwise prepared a duty of 2 cents per pound was imposed; on frozen or liquid egg albumen there was a duty of 1 cent per pound; on dried whole eggs a duty of 10 cents per pound; on dried egg yolk a duty of 10 per cent ad valorem; and on dried egg albumen a duty of 3 cents per pound. So that it is to be observed that paragraph 713 represents a proposed increase of 200 per cent over the Underwood rates on frozen or otherwise prepared eggs and a jump from the free list to 8 cents per dozen on eggs in the shell.

Under the Payne-Aldrich law all eggs, with the exception of dried eggs, were dutiable at 5 cents per dozen; dried eggs were dutiable at 15 cents per pound, egg yolk at 25 per cent ad valorem, and egg albumen at 3 cents per pound. It is to be observed, therefore, that the proposed increase in the duty on eggs in the shell in paragraph 713 over the Payne-Aldrich rate represents an increase of 60 per cent, and the proposed increase of the duty on dried eggs over the Payne-Aldrich rates represents an increase of 20 per cent.

The egg problem is largely confined to frozen eggs. There are practically no imports of consequence into this country of eggs in the shell. There has been a growing increase of importations of frozen eggs from China. So that the duty which is likely to most affect prices is the duty upon preserved or frozen eggs.

It will not be amiss to consider briefly the imports and exports of eggs. The domestic production of eggs in 1919 was 1,577,000,000 dozen, valued at $641,000,000. Our average imports are about 2,000,000 dozen and our average exports are about 30,000,000 dozen. Imports come mainly from China, but it is to be noted that even during the years of the operation of the Underwood tariff the imports in comparison to production were more than offset by our exports. Our imports do not average one-seventh of 1 per cent of our production. Our main imports are in frozen, dried, or otherwise preserved eggs, of which we export practically none. Imports of frozen and dried eggs come from China and are used by wholesale bakers and confectioners. In 1920 we imported 9,000,000 pounds of frozen whole eggs, 9,000,000 pounds of frozen or dried egg yolk, and 3,000,000 pounds of frozen or liquid egg albumen.

The reason advanced for the proposed increased rates, increases over the Payne-Aldrich law and over the House rates, is the removal from the domestic market of the competition of frozen eggs which come from China. It is to be noted that we import comparatively few eggs in the shell, and that our imports consist mostly of egg products. The producers of eggs urge a high duty on egg products in order to force the consumers to use domestic eggs in the shell. They think this is one step toward getting a monopoly of the domestic market on eggs and egg products; that shutting out importations of frozen eggs and egg products will stimulate the domestic industry and lead to a greater demand for eggs in the shell and consequently higher prices.

The domestic production of frozen eggs and egg products has not up to the present time taken care of the demand, and production could be increased, it is urged, if imports were shut out. We have had to import frozen eggs in order to take care of the demand, chiefly on the part of the bakers and confectioners of the country. It is claimed, however, if frozen eggs and egg products were eliminated from competition in the domestic market that the industry would be developed here, that there would be a greater demand for eggs in the shell, and that in time the domestic market could take care of the demand for necessary egg products.

The industries engaged in the production of frozen eggs and egg products are located in the Middle West. Those industries are separate and distinct from the agricultural industries, and in my opinion the farmer can derive no benefit from the high rates upon eggs and egg products proposed by the committee. The middlemen, who buy the eggs from the farmer and who have established manufacturing plants so as to freeze eggs and to extract and put upon the market egg products, may be beneficiaries of this protective tariff, because the rate is so high that the importation of these products will be almost prohibited and the confectioners and bakers of the country will be dependent upon these middlemen for their supply of egg products.

The drying of eggs is a factory process involving very heavy overhead expense. The imposition of a high duty will be a serious burden to the users of dried eggs and will be reflected in increased prices for pie, pastry, cakes, and confectionery.

It is claimed that with a duty which will practically shut out imports of egg products the demand for shell eggs will be increased and that there will be reflected a corresponding benefit to the farmer by an increased price; yet our annual production has always been more than our consumption, and we have exported considerable quantities of eggs, while the importations of eggs in the shell have been negligible and have largely been eggs sold along the Canadian border.

There is very little difference between the price paid for the Chinese frozen eggs delivered in New York and the frozen eggs produced in this country delivered in New York. The bakers claim that they will be unable to get sufficient egg products to take care of the demands of their business, and they are therefore very insistent in their opposition to the high rates provided in paragraph 713 of this bill.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. WALSH of Massachusetts. I yield.

Mr. WALSH of Montana. I should like to inquire of the Senator from Massachusetts how far the principle of the difference in the cost of production here and abroad enters into these rates? Take the eggs in the shell, on which a duty of 8 cents a dozen is imposed. From where do the eggs in the shell come which are imported into this country?

Mr. WALSH of Massachusetts. From Canada.

Mr. WALSH of Montana. And does it cost 8 cents a dozen more to produce eggs in this country than it does to produce them in Canada?

Mr. WALSH of Massachusetts. I think not. There are also some eggs imported from China in the shell, but the quantity is negligible.

Mr. WALSH of Montana. How do they come in the shell?

Mr. WALSH of Massachusetts. They are imported as case eggs.

Mr. WALSH of Montana. As case eggs from China?

Mr. WALSH of Massachusetts. Yes; they are transported in refrigerators.

Mr. WALSH of Montana. What evidence is there showing the difference in cost of production of eggs in this country and in China?

Mr. WALSH of Massachusetts. There is no evidence at all. There is some evidence that the Chinese eggs sell at a cheaper price.

Mr. WALSH of Montana. So that really the rate proposed represents an arbitrary figure merely imposed for the purpose of prohibiting imports, does it not?

Mr. WALSH of Massachusetts. There is no doubt about that, and that is true of nearly all of the commodities in the agricultural schedule.

Mr. JOHNSON. Mr. President, may I ask the Senator from Montana what was the question he addressed to the Senator from Massachusetts? It was impossible to hear him over here.

Mr. WALSH of Montana. I was very desirous of ascertaining how far the principle of the difference in the cost of production here and abroad has entered into the items of this particular paragraph, and I inquired of the Senator from Massachusetts from what country we import eggs in the shell? He tells me from Canada.

Mr. JOHNSON. And also from China.

Mr. WALSH of Montana. Exactly. I inquired if it cost 8 cents a dozen more to produce eggs in this country than in Canada. The Senator from Massachusetts then informed me that we also import eggs in the shell from China, and I inquired of the Senator what evidence there is to show that 8 cents is the difference in the cost of production of eggs in this country and in China.

Mr. JOHNSON. The difference is even greater than that; and if the Senator will glance at the testimony taken before the Senate Finance Committee——

Mr. WALSH of Montana. The testimony of cost of production?

Mr. JOHNSON. Yes.

Mr. WALSH of Montana. Where can I find the testimony concerning the cost of production?

Mr. JOHNSON. I have before me the tariff hearings before the Committee on Finance of the Senate, page 2862.

Mr. WALSH of Montana. Just what does that testimony show as to what the cost of producing a dozen eggs in China is?

Mr. JOHNSON. In a word, the difference between 6 cents and 25 cents.

Mr. WALSH of Montana. What is the testimony concerning the cost of production of eggs in China?

Mr. JOHNSON. I think substantially 6 and 8 cents in China, as against 25 cents in this country.

Mr. McCUMBER. Mr. President——

Mr. WALSH of Massachusetts. Mr. President, I should like to call the attention of the Senator from Montana to some statements made with regard to eggs and egg products in the Tariff Information Survey on the articles in paragraphs 203 and 204 of the tariff act of 1913. That survey comments upon the difference in the price of eggs from China and eggs sold in the American market that are produced here in America. The paragraph to which I refer reads as follows:

During that season—

Referring to the season of 1921—

frozen-egg products prepared in one of the largest factories in China and landed in New York, all charges paid (customs included) were slightly over 2 cents per pound cheaper than similar products prepared in a large breaking plant in the Central West and delivered at New York.

This report says that there was a difference of 2 cents per pound in frozen eggs. The House provisions of this bill fix a tariff duty of 4 cents per pound on frozen eggs. The Senate Finance Committee has increased that to 6 cents per pound. How can this be defended in view of the information as to the difference in cost at New York?

Mr. JOHNSON. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH of Massachusetts. I desire to finish my statement about this matter. In the face of the information that there is a difference of 2 cents, the Senate Finance Committee proposes to fix the rate here at 6 cents per pound.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from California?

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

Mr. JOHNSON. I wanted, with the Senator's permission, to furnish to the Senator from Montana the information that he desired: First, in the testimony of Knox Boude that is found at the page that I suggested; secondly, the detailed information that was given by Prof. James E. Rice, representing the American Poultry Association, Ithaca, N. Y., found at page 2877. Therein will be found the details that the Senator from Montana doubtless desires, and the answer to any question he may wish to put respecting the difference in cost.

In addition to that, let me correct—unless I misunderstood the Senator from Massachusetts—a statement of his respecting the place or the country from which eggs now come in competition to us. The principal place with which we come in competition now is China.

Mr. WALSH of Massachusetts. I stated that particularly about dried eggs.

Mr. JOHNSON. Then I did not hear the Senator. I misunderstood the answer.

Mr. WALSH of Massachusetts. There is no doubt at all about the fact that egg products are imported from China.

Mr. McCUMBER. Mr. President——

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

Mr. WALSH of Massachusetts. I yield to the Senator from North Dakota.

Mr. McCUMBER. Will the Senator allow me to put in a single paragraph of the statement of the Tariff Commission?

Mr. WALSH of Massachusetts. Will the Senator wait until I get through? I desire to finish my remarks on this subject.

Mr. McCUMBER. This is simply on the question of the difference in cost, which the Senator was discussing.

Mr. WALSH of Massachusetts. That will, no doubt, be in order after I have completed my statements. I am practically through now.

Mr. McCUMBER. Certainly; I will wait.

Mr. WALSH of Massachusetts. Mr. President, from the information at hand these high rates are not justified. If any benefit accrues to anybody, it is going to accrue to the so-called middleman; and the information which the Tariff Commission furnishes to the Finance Committee is to the effect that there is not such a difference in the price of Chinese eggs as compared with the domestic eggs as to warrant this very great increase in the price of eggs and egg products—an increase of 200 per cent over present law.

I ask that two letters with reference to the proposed rates on eggs and egg products be inserted in the RECORD.

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

The letters are as follows:

FROZEN EGGS, EVAPORATED EGGS.

WASHINGTON, D. C., *June 15, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: Permit me to offer a suggestion relative to the tariff on the above-mentioned items, in which I believe the Senate committee has been persuaded to make a mistake that might prove very costly. It has increased the rates 140 to 700 per cent, and I doubt whether you can afford to do it.

My clients tell me that the proposed rates would be absolutely prohibitive, and that if they are insisted upon it will totally obliterate our commerce in these products. But leaving them out entirely, an embargo of these commodities would seriously affect certain lines of food production and some very considerable American industries depending thereon. It should not be done.

It should be noted that frozen and evaporated eggs are simply raw materials used in manufacturing, and only by bakers of commercial importance in a few of the big industrial centers. They never come in competition with the domestic egg in the home. To this extent they are noncompetitive. The bakers say they have no facilities for breaking and testing eggs, and that they would simply have to curtail their production if deprived of these prepared eggs.

A rate of 2 cents per pound on frozen and of 7 cents per pound on evaporated eggs would be fair and reasonable. It would yield a good revenue and help American industry, besides aiding the physical well-being of millions.

Any considerable increase over these rates will (1) put the importers entirely out of business, (2) curtail the productiveness of many big manufacturing establishments, (3) react detrimentally upon about 50 per cent of American families, and (4) result in cakeless dinner pails everywhere, besides (5) decreasing the revenue of the country, and all without the slightest compensating advantage to any of the people. I don't believe you want to do it.

Very sincerely yours,

C. E. RICHARDSON.

NEW BEDFORD, MASS., *May 16, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We understand that a tariff bill (H. R. 7456) is now being debated in the Senate, and I desire to call to your attention certain matter in it which, if passed, would be a decided hardship on ourselves and all others in our industry. If we are correctly informed, increases in the tariff as follows are outlined in this bill:

	Per cent.
Dried whole egg	100
Sugar	100
Gelatine	300
Lemon and orange oil	200
Shelled peanuts	400
Shelled almonds	275
Shelled walnuts	200

Cocoa butter, a very large increase, figures of which we have not at hand.

All of these materials are used largely in our business, and the increases outlined would materially affect an industry which has been struggling for a year and a half past to keep its head above water.

I doubt if any of the four so-called independent cracker baking companies in the State of Massachusetts have shown any profits at all in that period, and while not having any desire to shirk any responsibilities, it does seem as though an increase in tariff of the size apparently contemplated would be a burden almost too heavy to bear.

We earnestly request you to use your great influence to the end that we may be relieved from this proposed burden.

Yours very truly,

SNELL & SIMPSON BISCUIT CO.,
EDWARD H. WHITMAN, *General Manager.*

Mr. McCUMBER. Mr. President, the Senator from Massachusetts says that these high rates are not justified. Undoubtedly, from the standpoint of those who want to get their eggs cheaper, they may not be justified, but from the standpoint of those who produce eggs and sell them in the United States I think they are amply justified. I do not know anyone in the farming business or in the poultry business who is making an unreasonable return upon his investment in poultry. I do not think they are making as much in percentage upon their capital invested as are the bakers and those who consume the product of the American poultry farms.

The Tariff Commission report says, on page 661:

In China 2 to 3 dozen can be bought at seaports for the price of 1 dozen here.

From 2 to 3 dozen can be purchased at Chinese seaports for the price of 1 dozen in the United States.

Mr. WALSH of Montana. Mr. President——

Mr. McCUMBER. Now, Mr. President, if that be true, in view of the fact that China is a good-sized country, there is ample opportunity for an enormous development of the Chinese trade and the destruction of the industry in the United States, where it costs from two to three times as much as in China.

I yield to the Senator from Montana.

Mr. WALSH of Montana. Mr. President, I notice that the following sentence appears in connection with the statement just read by the Senator:

When carefully selected and handled, these eggs can be placed on the American market and sold to bakers, who use principally cheaper grades known as "seconds."

That is to say, that out of these eggs that you encounter in the Chinese seaports, when you select them—of course, that means, when you throw out the ones that are more or less tainted——

Mr. McCUMBER. Oh, no, Mr. President; I want to correct the Senator there. It does not mean when you throw out any of them.

Mr. WALSH of Montana. And then when you bring them across the ocean to San Francisco—and I observe that New York is the principal market for them—they are there sold as seconds to bakers who make use of them. The context leads one to the conclusion that the eggs are not of very high character; and, as some one has said, if an egg is bad at all, it is useless.

Mr. McCUMBER. Mr. President, the Senator made a statement there that the record will not bear out at all, namely, that those which are not carefully selected are thrown away. That is not the case at all. They are carefully selected. Those of the better quality are used directly and sold as eggs in the shell. The others are not thrown away at all. They are dried or preserved in other manners, and are used also by the bakers. There is no evidence anywhere that there is any waste whatever in the eggs that are brought over. Of course, if an egg came over rotten, I presume it would be thrown away; but there is no evidence of anything of that character. So we get right down to this proposition: The cost of production in China is about one-third the cost of production in the United States. Of that we have direct evidence. The selling price at the ports in China is about one-third of the selling price of the American egg, as shown by the tariff reports.

Mr. WALSH of Montana. However that may be, it appears that the foreign competition is not substantial, as represented by the following figures: During 1920 there were 1,708,701 dozen eggs introduced into this country, of a value of $617,909, and there were 38 000,000 dozen exported from this country. The total production ran to something like 1,575,000,000 dozens, and the imports amounted to 1,708,000 dozens, or less than one-half of 1 per cent.

Mr. McCUMBER. Yes, Mr. President. Cuba gives us a differential, I believe, of 20 per cent, and that enables us to export heavily to Cuba; and we export to Canada a certain class of very high-grade eggs, which are reexported to England.

Now, let us get the proportionate figures.

In 1913 Canada imported 16,894 dozen eggs into this country. That was under the Payne-Aldrich bill. China imported 95,639 dozen. In 1921 Canada had increased her 17,000 to 763,000 in round numbers, and China had increased her 95,000 to 1,348,000 dozen in round numbers. That shows a pretty rapid progress in the introduction of the Chinese egg, and to some extent also of the Canadian egg, and it certainly justifies the duty we have placed upon eggs in the shell of 8 cents per dozen. Of course, we can buy eggs cheaper for the benefit of these bakers if we will allow the American producer to go out of business and the Chinese producer to supply the American market; but with this protection we do not expect that we will increase the Chinese importation at the expense of the American producer.

Now, Mr. President, I simply want to place in the RECORD the equivalent ad valorem duty.

In 1921 the imports amounted to 3,062,518 dozen eggs, valued at $922,839, or 30 cents per dozen. On the basis of 30 cents per dozen the 8 cents per dozen rate is equal to 27 per cent ad valorem. Compared with the ad valorem given in every other line of industry it will be found that this is much below the average.

Mr. WALSH of Massachusetts. Mr. President, for the further information of the Senator from Montana I want to call his attention to Table 1, summary of trade in eggs and egg products, on page 14 of the Tariff Information Survey on eggs and egg products. The Senator will learn from that table that the proposition briefly is this, to eliminate the importation of eggs and to continue the exportation of eggs, to keep from buying anything abroad, but to let out of America everything that we possibly can sell to the world. This table shows that the value of the imports of eggs and egg products has never exceeded the value of the exportations of eggs and egg products. The figures for the year 1919 show that the imports of eggs and egg products were valued at $3,885,387, while our exports were valued at $12,785,000. In the year 1920 the imports of eggs and egg products were valued at $12,991,000. The value of the domestic eggs and egg products exported was $19,431,000. The following year, 1921, the imports were valued at $10,000,000 and the exports at $11,452,000.

This table shows that there is no serious competition, that our export business has always been worth more than the small amount of imports which are shipped into the country. The committee amendments are based upon the theory that by increasing these high duties we will entirely shut out the imports, we will stop everybody from selling to us, but we will retain the business we are doing with the outside world, and perhaps increase it.

Mr. WALSH of Montana. This matter of a duty on eggs is a question in which I have no interest at all. I do not imagine it amounts to anything. I can not conceive that the importation of the inconsequential amount of eggs or egg products into this country, which the information before us shows comes in, can really be an element in the fixing of the price of eggs throughout the country. That it may affect some one producing eggs in California, where they come in immediate competition with the eggs from China, may possibly be true, but so far as the country at large is concerned, it is an inconsequential matter. I simply spoke of it to show that the claim that these rates represent the difference in the cost of production here and abroad is just a pretense, without any foundation whatever.

I have before me the testimony referred to by the Senator from California, and if I interpret it correctly, it does not at all sustain the contention he makes that the evidence shows a difference in the cost of production between this country and China of 8 cents, or any other amount. I have before me the testimony to which he referred, and I do not find anything in it to show the cost of producing eggs either in this country or abroad. The gentleman to whom he referred said:

We always figure the cost of producing eggs at 25 cents a dozen.

That is all there is on that subject, so far as the United States is concerned, so far as I can discover.

Mr. JOHNSON. Mr. President——

Mr. WALSH of Montana. If the Senator will pardon me, Mr. Boude said:

I am going to put in evidence in a few moments the pre-war prices of sending Chinese eggs as reported by our consuls. Here is a report of an investigation made by the University of Oregon. It shows that the costs before the war were from 2 to 6 cents per dozen as paid by exporters over there, or importers here, whichever way you wish to put it.

Mr. JOHNSON. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from California?

Mr. WALSH of Montana. I yield?

Mr. JOHNSON. I was endeavoring to furnish the testimony to the Senator, who thought there was no testimony upon the subject. He now has had an opportunity, during the debate, to look at the testimony of one witness. If he will take the trouble to look at the testimony of the other witness, Professor Rice, he will see the costs mapped out in the various charts.

It is unfortunate in debating a proposition of this sort that, first, there shall be a statement that there is no testimony of any sort; then, when the Senator has had three or four minutes in which to investigate some of the testimony, he shall reach a conclusion upon that without looking at the rest of the testimony.

I commend to him, not at this time, because it is no time for us to be reading for the first time testimony with which we ought to be familiar, the tariff hearings, the testimony taken before the Finance Committee, where he will find answered in detail and definitely every single query he can put. But I beg him not to take the time to ascertain it now, upon the floor, in a matter in which he says he is not interested at all; but subsequently, during his leisure hours, if he will peruse what has been said by Professor Rice about the egg, doubtless there will be an illumination upon the subject that will be charming to him, and that will make it unnecessary, without adequate information, for him to indulge in his animadversions.

Mr. WALSH of Montana. I looked at the source indicated by the Senator, and I was not able to find the information which he said I would find. Of course, it may be somewhere else.

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

The amendment was agreed to.

The next amendment of the committee was, in paragraph 713, page 102, line 9, to strike out "4" and insert "6"; and on line 10, to strike out "15" and insert "18", so as to read:

Whole eggs, egg yolk, and egg albumen, frozen or otherwise prepared or preserved, and not specially provided for, 6 cents per pound; dried whole eggs, dried egg yolk, and dried egg albumen, 18 cents per pound.

The amendment was agreed to.

Mr. McCUMBER. I ask that we now go to page 110, paragraph 757—peanuts.

The first amendment of the committee, in paragraph 757, was, page 110, line 23, to strike out "3 cents" and to insert in lieu thereof "three-fourths of 1 cent," so as to read:

Peanuts, not shelled, three-fourths of 1 cent per pound.

Mr. WALSH of Massachusetts. Mr. President, I desire to call attention to the fact that there has been a very great reduction made in the committee amendment in the rate upon peanuts. I have been unable to find any explanation for this action, except that peanuts are raised in the Southern States that are represented here by Democratic Senators. I think it is a drive to embarrass Democratic members of this body. I know of no other explanation to be made for reducing the rates upon peanuts to the extent they have been reduced in this amendment. It is an attempt to belittle and embarrass, and provoke opposition to the Democratic Party among the constituents of certain Democratic Senators in this Chamber. It amounts to an attempt to discriminate against constituencies that differs with the majority party.

Mr. TRAMMELL. Mr. President, I do not know by what line of logic or reasoning the committee proposes this reduction. Only a few moments ago we considered, and the Senate adopted, a committee amendment raising the duty on eggs from 6 to 8 cents per dozen. There is no question but that the peanuts produced in this country have considerable competition. When this matter was considered, at the time we passed the emergency tariff bill, it was agreed by both Houses that the rate should be fixed at 3 cents per pound. To reduce that rate to three-fourths of 1 cent per pound is a reduction of practically 75 per cent on this particular farm production.

In certain sections of my State we produce large quantities of peanuts. While we do not favor the policy of a high protective tariff, the position of a great many of my people and of myself is that if everything bought by the people of my State must be purchased where a high tariff prevails, then we feel that our products coming in competition with foreign products should have the same policy of an increased tariff applied. Any other policy is unfair and would work a great injustice upon the producers of my State. I do not want the peanut producers of Florida and other States discriminated against.

I hope the committee amendment will not be adopted, and that the rate as fixed in the emergency tariff act, and as fixed in the pending bill by the House, will be allowed to stand. Under the bill we are now considering the farmers of my State are going to have to pay an increased price for most everything they have to buy on account of the high tariff rates imposed by this measure. This being true, why should they not have the benefit, if there is any, by having the tariff of 3 cents per pound on their peanuts?

I do not know why it is suggested that this rate should be reduced. We have heard a great deal of discussion on the question of the tariff duties fixed upon various products, products which, if the information furnished is correct, have but little foreign competition, products of which we export a great deal more than we import. Yet upon this one article, produced entirely in Southern States, the committee for some reason recommended a reduction in the rate of duty. I hope the reduction will not be made.

Mr. WALSH of Massachusetts. Mr. President, I want to call attention to the difference between what we have just discussed—the duty on eggs—and the duty on peanuts. The only eggs imported into this country which come into competition with domestic production are from China. The only peanuts imported into this country come from China.

Mr ASHURST. Mr. President, what is the difference between the cost of a peck or quart of peanuts in the United States and in China?

Mr. WALSH of Massachusetts. I have not that information.

Mr. ASHURST. That may be important to some of us when we come to vote on this.

Mr. WALSH of Massachusetts. I am calling attention to the fact that the Finance Committee, with a record of importations of eggs from China of an insignificant amount, increased the tariff duties very substantially; with a record before them of a much larger importation of peanuts, compared with the number of peanuts exported, they reduced the rate substantially, and the peanuts come from the same country from which the eggs come; that is, China.

Let us look at these figures to see in what a position the committee is placed when we compare these two cases.

Mr. ROBINSON. Mr. President, I think the statement the Senator is making is accurate and that the same principle applies to the duties we considered last Saturday in relation to rice. There never was an effort made by the committee, or anyone representing the committee, to justify the reductions proposed in the rates upon that commodity. From the beginning it was announced that in all probability the committee would recede from its amendment cutting the rates on rice. The only rates upon agricultural products carried in the emergency tariff law which were reduced by the committee, to my knowledge, were those on rice and peanuts, and, as I have already said, the chairman of the committee and his active supporter, the Senator from Utah [Mr. SMOOT], were good enough to admit, when the matter was discussed by the Senator from Louisiana [Mr. BROUSSARD], the Senator from Arkansas [Mr. CARAWAY], and myself some weeks ago, that the committee had made a mistake in its action in recommneding a reduction of those rates. I then said the amendment was a discrimination against rice, a southern product. As I have already said, no effort was made to justify the reductions, and I am looking for some justification of this reduction.

Mr. WALSH of Massachusetts. Let me call the Senator's attention to these figures. The production of peanuts in the year 1921 was 816,000,000 pounds. The imports were 40,000,000 pounds, the exports only 14,000,000 pounds. Three times as many peanuts were imported as were exported. Yet the rate is reduced very substantially, from 3 cents to three-fourths of 1 cent.

In the case of eggs, we exported more than we imported, and the rate was increased very substantially. How can you explain it? Here is a perfect illustration of the haphazard, bargain-counter method by which this bill has been framed. How can you explain increasing the rates upon eggs, with a record of exports greater than imports, and reducing the rate upon peanuts, imported from the same country, with a record of exports very much larger than imports?

Mr. WALSH of Montana. Mr. President, I merely wish to suggest that perhaps the chairman of the farm bloc will be able to make that explanation.

Mr. WALSH of Massachusetts. I understood the chairman of the farm bloc to have prepared an amendment which he was going to propose, so as to embarrass some Democrats by making them vote for or against it. But I fail to see any justification, in view of this information and a comparison of the tables on eggs and peanuts for this discrimination.

Mr. McCUMBER. Mr. President——

Mr. WALSH of Massachusetts. The Senator will note I am not arguing for an increase. I am simply calling attention to the difference between this rate and the rate upon eggs, and to the further fact that these two products and the rates levied disclose the want of any definite protective tariff principles in preparing this bill.

Mr. McCUMBER. And I want to call the Senator's attention to the difference between the Underwood rate and the rate in the pending bill. The Senator is complaining because we do not give a higher duty upon peanuts and has intimated that it was a discrimination against the industries of one of our Southern States. The Senator forgot to mention that the Underwood-Simmons law put eggs on the free list, while it did take care of peanuts. It gave a duty upon peanuts, but eggs were left off the dutiable list.

Mr. WALSH of Massachusetts. Eggs in the shell.

Mr. McCUMBER. Yes; eggs in the shell.

Mr. WALSH of Massachusetts. There was a duty upon egg products.

Mr. McCUMBER. The committee did not do anything of that character. It raised the Underwood-Simmons duty upon peanuts, and it did it in the face of the fact that some of the industries of the South came and demanded that we should not raise it, but should put peanuts upon the free list. The argument was made by the crushers of peanuts that the Chinese peanut does not come in competition at all with the American peanut; that it is used only for oil; and that the American peanut is used only for edible purposes. I do not think that view was entirely correct. It was surprising, however, to me—it may be through timidity of those who believe in the Democratic theory of tariff—that they did not appear before the committee and ask for a protective tariff in the face of the fact that their own law gave them no protection according to their own theory.

The committee has always been open to Senators from any section of the country who desire a higher duty or a lower duty. Both the Senators from Louisiana were not slow in presenting the case of sugar and molasses to the Senate Committee on Finance. They believed in the protection of those products and they made their views known to the committee.

The Senator from Massachusetts was mistaken when he said that we lowered the duty. We raised the duty above the pres-

ent Underwood-Simmons rate. But I agree with the Senator from Florida [Mr. TRAMMELL] in that I think the committee rates are too low, and on behalf of the committee I ask that the Senate disagree to the committee amendments reducing the rates on peanuts.

Mr. KING. Mr. President, may I inquire of the Senator having the bill in charge if it would not be wise—and I thought I had that understanding with those on the other side—to postpone action upon peanuts until we discuss the oils? I understood that we would treat them all together—peanuts, peanut oil, coconut oil, and so forth.

Mr. McCUMBER. We will go right on to the oil-bearing seeds next, but we should take peanuts first.

Mr. KING. What I had in mind was the oils themselves—soya-bean oil and cottonseed oil—because those subjects are all so interrelated that it is difficult to discuss one without touching the other.

Mr. McCUMBER. That is true, but before we discuss the oil we must dispose of the raw product from which the oil is produced. We must decide that question first. The question of the duty on peanuts themselves will be a controlling element in fixing all the other duties.

Mr. SIMMONS. Mr. President, I understood the Senator to say a little while ago that Chinese peanuts are used principally for the purpose of crushing oil therefrom.

Mr. McCUMBER. No, the Senator misunderstood me. I stated it was claimed by those who are producing the oil—and they were gentlemen from the South, though I do not remember whether they were from the Carolinas or not—that the Chinese peanuts do not come in competition because they claim that the Chinese peanuts are used for oil only. I think they do come in competition, and so stated.

Mr. SIMMONS. Very few peanuts are imported directly from China, though most of them originate in China and are imported through Japan, but practically all which are imported come from the Orient. I think the bulk, though I would not say all, of the peanuts imported into this country are not used as the American peanut is used. The American peanut is used largely in the manufacture of peanut butter and sometimes, to a small extent, in oleomargarine, and to a larger extent for eating purposes, and for the purpose of making candy. As a general proposition it may be said, I think, that practically all the importations of peanuts into this country are converted into oil.

Mr. KING rose.

Mr. McCUMBER. Mr. President, I was about to ask for a yea and nay vote on the question, but if the junior Senator from Utah [Mr. KING] desires to speak I withhold the request for the present.

Mr. KING. As I understand the Senator from North Dakota, his proposition is to recede from the committee amendment.

Mr. McCUMBER. It is.

Mr. KING. And to restore the rate——

Mr. McCUMBER. On unshelled peanuts 3 cents, and on shelled 4 cents per pound.

Mr. KING. Mr. President, the amendment which was recommended by the committee more nearly approximates what would be right and fair—assuming that any duty at all should be levied, which I deny—than the House provision of the bill. I think this provision will prove to be futile in raising the price of peanuts, because of the close relationship between this commodity and other nuts which produce oil and because of the lack of competition from abroad. I shall not say that it is offered to secure support for the bill, but I will say that there are some indications which would lead to that conclusion. It is in harmony with a number of the provisions found in the bill which will not increase the prices of certain agricultural products, but which have gained the support of some for the entire bill upon the theory that agriculture will be benefited This bill seems to be drawn upon the theory of granting tariff rates to all who demand them, and it presents evidences of rivalry to see who could get the highest rates of duty.

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

Mr. KING. Certainly.

Mr. McCUMBER. I say to the Senator, in all fairness, that it is not done for any such purpose. I do expect that some of those who oppose the bill generally will vote that we recede from the Senate committee amendment, but I do not expect to have a single one of them, after they get what they want, to vote for the bill. So I do not want the Senator for a moment to think that the Senate is asked to disagree to the committee amendment with the idea that we will change one single vote on the final passage of the bill. I think that the committee amendments, the same as I think the present bill—and they are very close together—give too low a duty upon peanuts.

Mr. KING. I may not have made myself clear and I may not have fully comprehended the meaning of the Senator or properly interpreted his remarks. What I meant to say was that the provision, like other provisions in the bill, is a sop to the agriculturists for the purpose of securing, if possible, the support of Senators in this body and Representatives in the other body to the entire bill.

Mr. McCUMBER. In reply to that, Mr. President, I state that that is not the purpose, neither is it the expectation.

Mr. KING. Well, Mr. President, it does seem to me that men of the great intelligence of the Senator from North Dakota—and he is an able man, one of the ablest men in public life—must know that a tariff upon many of the products found in the bill, particularly in the agricultural schedule, will not increase the prices of the agricultural products to which those particular paragraphs and schedules refer. The Senator knows that we produce in the United States not hundreds of millions but billions of pounds of corn; that we export corn and wheat and rice and other agricultural products. To say that a tariff upon these products will increase their price in the domestic market it seems to me is to deny the fundamentals of trade and commerce and accepted principles of political economy.

The Senator knows that we produce in the United States of cottonseed oil hundreds of millions, indeed, more than a billion, of pounds; that of animal fats we produce more than a billion pounds, and that our exports exceed 1,000,000,000 pounds annually. Approximately one-third of our total production of animal and vegetable fats is exported. The United States makes the world market and fixes the world's prices. To impose a duty upon vegetable oils, upon peanuts, upon lard, upon animal fats, Mr. President, is a foolish and fatuous proceeding, and demonstrates that those who advocate that policy have given no adequate thought to the situation, or they hope that by some species of psychology or ledgerdemain the agriculturists of the United States can be made to think that they are to receive additional prices for their surplus products, products which find their way into Europe and other countries of the world. Perhaps our Republican friends who are proposing these schedules are giving a lesson in psychology to the farmers and others; they are not dealing in accepted facts with respect to trade and commerce nor are they following accepted principles of political economy.

The Senator from North Dakota has been contending, I suppose—and I came into the Chamber after he had concluded his address—that a duty upon peanuts is important to the American producer. Let me briefly submit a few pertinent facts relating to this matter. The production of peanuts in the United States increased from 1909, when we produced 19,000,000 bushels plus to 46,000,000 bushels in 1918. In 1920 the production declined to approximately 35,000,000 bushels.

The increase was largely due to the peanut-oil and peanut-butter industries, but while the peanut production was increasing more than twofold between the years to which I have referred, the importations of peanuts and peanut oil increased practically threefold. Exports also increased threefold during the same period.

Of the 108,000,000 pounds imported—peanuts and oil—in 1918, 80,220,130 pounds came from Japan. Approximately 3,000,000 pounds came in at Atlantic ports and 103,000,000 pounds at Pacific ports. Freight rates from Suffolk, Va., to San Francisco are high—around 3 cents per pound—while the ocean rate from Japan to Seattle and San Francisco is less than 1 cent per pound. Peanuts can be grown in California, but they are less profitable than other crops.

The haul from Virginia is much shorter to Canada than to San Francisco, and the freight only about one-fourth as much. Canada imposes an import duty of 2 cents per pound.

The prices of peanuts during the past seven years, and the rapid increase in production and consumption, indicate that American growers have not as yet materially suffered from foreign competition. The maintenance of the peanut-oil and peanut-butter industries probably will continue to require foreign-grown peanuts unless American production is appreciably increased. Other uses for peanuts have also increased. It should also be noted that nearly one-half the domestic acreage in peanuts is pastured or "hogged off," and that peanuts often compete in the crop rotation with such products as tobacco, cotton, and corn.

There has been no competition from foreign countries, nor will there be any such as to affect the domestic growers. What limited quantities were imported did not compete with the American crop. If it was suitable for edible purposes, it was

used on the Pacific coast when, because of the high freight rates from the producing sections of the United States, the domestic product could not go.

But the important fact is that the peanuts imported were not comparable for confection or "butter" purposes with the American product and were largely used for their oil content. The peanut oil, because of its relationship to other vegetable oils, particularly cottonseed oil, and its interchangeability with such oils as well as animal fats, can not be regarded as a competitor with them even though it comes from other lands.

Mr. President, the high prices which prevailed in 1919—because, I might say, high prices prevailed with respect to all commodities—made the demand for peanuts grown in the United States for confection purposes and for what is called peanut butter so great that there were none available for oil purposes. Mills which had crushed peanuts for the oil they contained were deprived of the opportunity of doing so. The consumption increased faster than production, and the confection demand and the light import in 1918 caused prices to remain during 1919 and 1920 very high; so, as I have indicated, peanuts in the domestic market were used for other purposes, and thus the oil producers were deprived of the opportunity of acquiring peanuts for the manufacture of oil.

The tariff summary states that—

During the year ended June 30, 1919, there was a decided falling off in importation of peanuts, due mostly to restrictions imposed by the War Trade Board. Imports of oil, on the other hand, increased about 37 per cent over the preceding year, thus bringing the peanut equivalent for 1918–19 up to over 12,000,000 bushels.

* * * * * * *

During the fiscal year 1920 general imports of shelled nuts amounted to 120,344,425 pounds and of unshelled nuts 12,067,988 pounds. There were also imported over 22,000,000 gallons of peanut oil. While these imports are the largest on record, it should be noted that the corresponding domestic harvest was 13,000,000 bushels less than in the preceding year.

The operation of the emergency tariff act is discussed as it relates to peanuts in the report of the Tariff Commission recently transmitted, and it is there stated—

In summarizing the effects of the emergency tariff changes upon the trade in peanuts distinction should be made between the trade in shelled and unshelled. Imports of unshelled peanuts, which have been relatively unimportant in recent years, were not materially reduced after the increase in duty.

Imports of shelled nuts, however, after the increase in duty from three-fourths of 1 cent to 1 cent per pound in the 10 months following the change declined to 6,410,000 pounds, as compared with 22,440,000 pounds, which came in during the same period of the previous year.

But that was, as indicated, chiefly due to the low prices which prevailed, and there was a diminution in the prices of many of the oil products and of many other commodities in the United States. But, as I have endeavored to point out, the imports, whether of peanuts or peanut oil, had no appreciable effect upon the price of the domestic products. The nuts suitable for edible purposes as nuts did not affect the price of the nuts grown in the United States. Nor does the oil compete with the peanut oil produced in the United States.

It must be borne in mind in discussing this question that the price of vegetable oils and animal fats determine the price of peanuts, cotton seed and cottonseed oil, soy beans, soy-bean oil, and coconut oil; or perhaps it might be said that because of their nature and qualities each influences the price of all the others, and all influence if they do not determine the price of each. So I repeat, the price of peanuts is governed largely by the price of vegetable oils and animal fats.

Peanut oil is interchangeable with cottonseed and other vegetable oils and with animal fats. The importation of oriental vegetable oils has not reduced the price of domestic vegetable oils or animal fats because of the enormous surplus produced by the United States, which have established the world price except when by unwise legislation—the emergency tariff act—we prevented such oils from entering the United States. This legislation diverted the oriental vegetable oils, or most of them, except coconut oil, from the Philippines, to Europe, where they came into competition with American products, forcing down the level of world prices and thus affecting, of course, the domestic market.

A tariff upon peanuts, Mr. President, because of the interchangeability of the oil derived from peanuts and for other reasons stated, in my opinion, will not affect the price. Because of the fact that we export vegetable oils and animal fats to the extent of hundreds of millions of pounds annually and because of the fact that peanuts and the oil derived therefrom are taken into account in determining the domestic price of animal and vegetable fats, it is obvious that the price for peanuts is determined by world prices for animal fats and vegetable oils. The result has been, as I have indicated, that when by the emergency tariff act there was in the world only one buyer, treating Europe as one buyer for vegetable oils, including those of the Orient, that situation eventuated in a reduction in the prices of the vegetable oils of the Orient.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. I want to call the Senator's attention to the price of peanuts after the passage of the emergency tariff law. The Senator will recall that under that act on peanuts a protective tariff rate of 3 cents per pound was imposed. I read two advertisements, appearing in the Farmers' Exchange, one of the leading farm papers of North Carolina, of the issue of Saturday, April 12, 1922, under the head of peanuts:

Selected recleaned seed peanuts: North Carolina Runners, 4 cents per pound; White Spanish, 4½ cents. Any amount shipped. Strickland & Baxter, Clio, Ala.

Selected No. 1 seed or roasting peanuts: Alabama Runners, 4 cents per pound; White Spanish, 4 cents per pound. No order accepted for less than 100 pounds. Cash with order. Goff-Hutchison Merc. Co. (Inc. $50,000), Enterprise, Ala.

It appears that cleaned peanuts, seed peanuts, which are the very best grade of peanuts, were selling for 4 cents a pound on April 1, with a protective tariff duty of 3 cents. What would they have sold for without the tariff protective duty upon the theory of this bill? I am informed that peanuts were never selling at such a low price as to-day since the war; that the price is lower than ever before, showing conclusively that the emergency tariff law has not helped the farmers who raise peanuts one particle, as the rates fixed upon other agricultural products have not helped the farmers engaged in raising the products on which duties have thus been imposed.

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

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

Mr. KING. I yield.

Mr. ROBINSON. Supporting the statement just made by the Senator from Massachusetts, there has been called to my attention a publication known as The Progressive Farmer, published at Raleigh, N. C., of Saturday, April 8, 1922, in which peanuts for seed are advertised, and the rates are substantially the same as those mentioned in the publication referred to by the Senator from Massachusetts. I desire to insert in the RECORD, with the consent of the Senator from Utah, the advertisement to which I have referred. This shows that cleaned peanuts of the highest grade for seed purposes were advertised for sale at 1 cent per pound more than the present rate provided under the emergency tariff law.

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

PEANUTS.

Seed peanuts: Small Running, Bunch, and Jumbo; good stock. Write for prices. Slade, Rhodes & Co., Hamilton, N. C.

Selected recleaned seed peanuts: North Carolina Runners, 4 cents per pound; White Spanish, 4½ cents. Any amount shipped. Strickland & Baxter, Clio, Ala.

Seed peanuts: The highest-yielding variety of North Carolinas. J. W. Canady, Sneads Ferry, N. C.

Selected No. 1 seed or roasting peanuts: Alabama Runners, 4 cents per pound; White Spanish, 4 cents per pound. No order accepted for less than 100 pounds. Cash with order. Goff-Hutchison Mercantile Co. (Inc.) ($50,000), Enterprise, Ala.

Mr. ROBINSON. If the Senator from Utah will be kind enough to yield to me further——

Mr. KING. I shall be glad to yield to the Senator.

Mr. ROBINSON. I want to state in this connection that it is extraordinary, beyond my comprehension, that at a time when there is widespread agitation in justification of high tariffs on farm products as necessary for the protection of the American farmer, at a time when the policy of protection is being written into law, the Finance Committee of the Senate should report to this body amendments reducing rates on two agricultural products, and only two agricultural products, and continuing in force or increasing the rates under the emergency tariff law as to all other agricultural products, and that those products should by the law of nature be confined to the southern section of this country, the representatives of which in this body are Democrats. There could have been no other purpose than to play "peanut politics" by attempting to force on record Senators who are committed to a policy of tariff for revenue as favoring protection for the products grown in their own communities.

I am not afraid to meet this issue here or anywhere else. If the policy that is to be written into our tariff laws is a policy of protection, I do not find myself justified, as a representative

of the people of the State of Arkansas, in voting to discriminate against the products of that State. I should prefer to see tariff rates for revenue purposes only, and if the rates now levied under the Underwood law could remain effective as to all products, I should be glad to see that end accomplished. I will not indifferently see a tariff levied for political purposes discriminatory against the products of the section that I represent.

I shall probably vote to restore the House rate. I do not find myself inconsistent in taking that course to prevent discrimination. If I represented a State where peanuts are produced, realizing that the action of the committee justified me in concluding that the amendment was reported for the sole purpose of embarrassing Senators who do not believe in the policy of protection, I would not hesitate to support the action of the committee now, when it proposes to withdraw this discriminatory amendment. Indeed, unless something comes to my knowledge which makes it appear my duty to pursue a contrary course, I shall vote to sustain the proposal of the committee to recede from its amendment.

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

Mr. KING. I yield.

Mr. POMERENE. In connection with what the Senator from Arkansas has been saying, it may be of interest to some Senators—I mean, some Democrats and some Republicans—for me to say that two leading Republican business men from my own State this morning were in my office, and in talking about the high rates of this bill they said that they were both protectionists, but they feared that the effect of the high rates of duty contained in this bill would be to create such a resentment against the protective tariff policy of the country that it would be ruined.

Mr. KING. Mr. President, the statement just made by the Senator from Ohio reflects the attitude of many liberal-minded and sincere protectionists in the United States. There are many Republicans who honestly believe in the protective theory, but who do not believe in a tariff that amounts to an embargo upon many of the products entering into the lives of the people. There are men in the Republican Party who have the vision of the Senators from Wisconsin, if I interpreted their remarks correctly, who took the position that a tariff bill which is so prepared that certain interests—the steel interests, the textile interests, the woolen interests—will be permitted to charge extortionate prices and exercise monopolistic control over such commodities, is not a protective tariff bill but a bill which legalizes exploitation and robbery.

I may differ from one who honestly believes that there should be reasonable protection upon certain industries, and that that protection should be determined by the difference in the cost of production abroad and the cost of production in the United States, but I can respect his sincerity; but anybody who reads the testimony taken by the Finance Committee and by the Committee on Ways and Means of the House—indeed, who reads the speeches coming from the proponents of this bill—will be struck with the fact that the difference in cost of production abroad and the cost of production at home has been entirely ignored and has not been taken into consideration in the preparation of this bill. Indeed, there are in every schedule of the bill many instances where we export large quantities of given products and import less than one-tenth of 1 per cent of such products. Nevertheless the bill carries inordinately high tariff rates—in some instances being over 300 per cent. What is the reason for such a course? Either to deceive the people or, if the product to which the duty applies is susceptible of monopolistic control, to enable those who have the power to exercise a monopoly to form one and to exploit the American people.

Mr. President, I repeat that upon no rational theory, no honest theory as the basis for a protective tariff, can this bill be justified. No argument which has been addressed to the American people by protectionists in the past can be advocated to support the major part of the provisions of this bill.

The Senator from Arkansas calls attention to the fact that the agricultural schedule increased the rates upon practically every agricultural product except two—two which were produced in the South. I am not going to state the reason which prompted the Finance Committee to lower the rates upon rice and peanuts, but it does not need much perspicacity or very much power of discernment to determine the reasons which prompted that most extraordinary and phenomenal procedure upon the part of the committee.

Mr. President, coming now to the item before us, attention was called by the Senator from Massachusetts [Mr. WALSH] to the fact that under the emergency tariff law, which was to be the panacea for the farmers, the price of peanuts has gone down. The Tariff Commission furnishes statistics which exemplify the truth of the statement just made by the Senator.

On page 31 a table is submitted which shows the decline in domestic prices following the passage of this act. The average f. o. b. market price of Virginia and Spanish type peanuts November, 1919, to April, 1922, is shown in this table.

In November, 1919, the price of the Virginia-North Carolina peanuts, jumbo, unshelled, was 15 cents per pound; fancy, unshelled, 11¾ cents per pound; extra large, shelled, 17½ cents per pound; and No. 1 Virginia, shelled, 14¾ cents per pound. The price of the Southeast Spanish—that is one of the varieties produced in the United States—No. 1 shelled was 16¾ cents per pound.

In December the price of the jumbo had declined. The other prices were substantially the same. There had been a slight decline in one or more.

In January, 1920, the prices were substantially the same. There were some slight reductions.

That is also true of February and March.

In April the prices had declined to the following figures: Jumbo, unshelled, 13¾ cents per pound; fancy, unshelled, 10¾ cents per pound; extra large, 15½ cents per pound.

The report does not show the prices for May, June, July, August, September, and October, except as to Southeast Spanish No. 1, shelled; and those prices declined from 16¾ cents in November, 1919, to 13 cents per pound in September, 1920.

In November and December there was a further decline. The fancy, unshelled, went down to 6¾ cents per pound.

In January, 1921, the prices were for jumbo, unshelled, 10⅞ cents per pound; fancy, unshelled, 6 cents a pound; extra large, shelled, 12 cents per pound; No. 1 Virginia, shelled, 4⅞ cents per pound; Southeast Spanish No. 1, shelled, 5½ cents per pound; and Southwest Spanish No. 1, shelled, 6 cents per pound.

The prices were substantially the same for a number of months. In August jumbo, unshelled, were 11⅞ cents a pound; fancy, unshelled, 7⅛ cents; extra large, 12 cents. No. 1 Virginia were down to 4⅞ cents; Southeast Spanish No. 1, 4⅜ cents; Southwest Spanish No. 1, approximately 6 cents per pound.

There was a decline in December. Jumbo dropped to 8¼ cents; fancy, unshelled, 6⅝ cents; extra large, shelled, 8⅝ cents; No. 1 Virginia, shelled, 6¼ cents; Southeast Spanish No. 1, shelled, 4¾ cents; Southwest Spanish No. 1, shelled, 5 3/16 cents.

During the first four months of 1922 the prices were still lower. In January the price of jumbo, unshelled, was 7⅞ cents; 7¼ cents for the fancy, unshelled. In April, 1922, jumbo, unshelled, sold for 6⅛ cents; fancy, unshelled, 5⅛ cents; extra large, shelled, 8⅜ cents; No. 1 Virginia, shelled, 5⅝ cents; Southeast Spanish No. 1, shelled, 5⅞ cents; and Southwest Spanish No. 1, shelled, 6⅜ cents.

The commission states:

> Of greater importance than the import duty in restricting imports was the progressive decline in the price of domestic peanuts in 1921–22. The price of extra large Virginia shelled nuts declined from about 17 cents per pound in January, 1920, to 8⅛ cents in March, 1922. Of especial importance is the fact that the premium on extra large shelled nuts, which amounted to nearly 8 cents in the spring of 1921, due to the shortage of this size in the 1920 crop, was cut down to 3 cents in the spring of 1922.

Mr. President, these figures demonstrate that the imposition of the higher tariff duty was of no advantage to the producers of peanuts in augmenting the price of their product. I repeat, therefore, that the emergency tariff law, so far as it relates to many of the commodities covered by it, was a delusion and a snare. It was a deception practiced upon the farmers for the purpose of inducing them to support the Republican Party. It was to prepare the way for a tariff bill the important schedules of which would be either dictated by the predatory interests of the United States or their influence would be potential in the formulation of such schedules.

Some of the Republican leaders undoubtedly knew, although their platform did not contemplate a tariff revision upward or did not promise the kind of a tariff bill we have before us, that there would be introduced a tariff bill which would be of great advantage to certain interests in the United States which have for so many years profited by the perversion of the taxing power of the Federal Government.

Undoubtedly the steel interests knew that a tariff bill would be reported by the Republican Congress which would enable the steel manufacturers of the United States, who have a monopoly upon steel products, to either maintain their high prices or to increase them, as they may desire. You may not measure the evils or the iniquities of a tariff bill solely by the level of prices which may be maintained for an indefinite period with respect to the commodities to which the bill refers.

The natural tendency following the war, when we should have returned more nearly to normal conditions, was a decline

in prices. It would be just as wrong to use the taxing power to enable monopolies to perpetuate war prices and project them into peace times as to put it into their power to increase those prices.

Mr. WATSON of Indiana. The Senator has said over and over again that the tariff is a tax, and that the amount of the tariff is added to the price in the United States of the product which the consumer has to pay.

Mr. KING. The Senator is in error; I have not stated it that broadly.

Mr. WATSON of Indiana. That has been stated over and over again. I merely wish to ask the Senator how he reconciles the present speech he is making with his oft-repeated declaration of a general character, because he is now arguing that, notwithstanding the imposition of a 3-cent rate on peanuts as against three-eighths of a cent under the Underwood tariff law, the price of peanuts has gradually declined.

Mr. KING. Mr. President, if the Senator had done me the honor to follow what I have said during the discussion of this bill he would have a different view as to my attitude upon tariff questions.

I have said that tariff rates may be a tax; indeed, I have said that the reason assigned by protectionists for the laying of duties was to increase the price of domestic products, and therefore the tariff was a tax. I have challenged attention to commodities which we were exporting and when we were making the world prices, and have stated that as to such commodities the tariff rates fixed in this bill were a delusion and a snare—I used that expression a number of times—and that such rates would not affect the prices of the domestic products.

Mr. WATSON of Indiana. I would like to ask the Senator another question. It is the oft-repeated cry of those who are opposed to the protective system that the tariff is a tax and is always added to the price of the article on which the rate is imposed. Peanuts are being sold for 3 cents, as I understand it, by Virginia and Carolina farmers. The tariff is 3 cents. I suppose, therefore, if we take the tariff off they would get the peanuts for nothing?

Mr. KING. My friend from Indiana——

Mr. WATSON of Indiana. If the tariff is a tax, always added to the price the consumer pays, how does the Senator explain that?

Mr. KING. Does not the Senator believe that the tariff raises prices?

Mr. WATSON of Indiana. I gave my view of the tariff, and I am trying to get the Senator's view.

Mr. KING. I am answering the Senator by asking him a question, if he will permit me to be a Yankee for the moment, as he is sitting by a Yankee.

Mr. WATSON of Indiana. I will permit the Senator to be a Yankee. On a new industry the tariff does raise the price until the home competition cuts the price down. That has been demonstrated over and over for 130 years of American history. Now that I have answered the Senator's question, will the Senator answer the question I asked him? If the tariff is a tax and is always added to the price, how does the Senator account for the fact that we have a tariff of 3 cents a pound on peanuts, and yet peanuts are selling for 3 cents a pound?

Mr. KING. I have answered that and have fully discussed it when other paragraphs of the bill were under consideration. Perhaps the Senator was not in the Senate when I discussed that feature of this matter before. Of course, where we control the world market and fix the world price, where it is an international world price and we determine it, as we do with respect to the price of peanuts and vegetable oils and animal fats, then tariff rates, no matter how high they are placed, are unimportant. If you should put a dollar a pound upon peanuts, it would affect the price, if at all, only as I have indicated heretofore in discussing this item. Peanuts are used in part for the making of vegetable oils. We fix the price of vegetable oils and of animal fats not only here but in the world. In the emergency tariff law certain vegetable oil producing commodities imported from the Orient were subjected to high tariff duties; this resulted in their being sold to Europe, where they were converted into vegetable fats, and took the place, in part, of products which heretofore had come from the United States. If it had not been for the tariff, these oil-producing products would have been brought to the United States, where they would have been crushed and the oils derived therefrom refined, thus giving employment to many Americans. This oil would then have been exported to Europe or used for industrial purposes in the United States. This would have liberated more of our oils and fats for export at higher prices than were obtained. But I say to the Senator from Indiana [Mr. WATSON] that the history of all Republican tariffs shows that the purpose has been to increase domestic prices—to enable the domestic producer to charge more for his product than the foreign market establishes.

The tariffs laid by Republicans have been designed to increase prices, to tax the people, to permit corporations to exploit the people. In this they have been eminently successful. I repeat, if there is no possible competition from abroad, then the tariff is either a palpable frand and designed to deceive the American people, or it is to enable in some way the domestic producers to effectuate stronger combines with respect to commodities which are important to the people and, if possible, increase the prices of the same.

Mr. McCUMBER. Mr. President——

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

Mr. KING. I yield.

Mr. McCUMBER. I think the Senator will agree with me that prices are fixed by the law of supply and demand at the point of consumption, and the point of consumption of peanuts is in the United States. If the price is affected by the law of supply and demand—and in agricultural products there are no combinations of the producers—and we cut off 110,000,000 pounds in a single year by reason of a tariff duty which prevents their importation, will not the Senator agree that the cutting off of that 110,000,000 pounds will have some tendency, at least, toward increasing the price of the product in the United States?

Mr. KING. Let me ask the Senator why prices went down when you passed the emergency tariff law?

Mr. McCUMBER. Prices went down for several reasons. I can give the important reason. It was due to the very close, hard times which have followed since 1920; less demand for peanuts, the same as there was less demand for other things which were more of a luxury than a necessity, and which would feel the effect of the stringent conditions in the country. We can not say, of course, just what the price would be if there had been no importations, or if the 110,000,000 extra pounds had come in. All I want to insist is this, that if the law of supply and demand governs, if you decrease the supply, then necessarily it must have some effect upon the price.

Mr. KING. Mr. President, the record which has been submitted conclusively demonstrates that the emergency tariff law, which was offered by our friends upon the other side as a panacea for the evils from which the American people were suffering, failed to give any relief to the growers of peanuts. Indeed, in the face of this high tariff, the prices of all grades of peanuts have progressively declined.

I submit that because of the close relation of peanuts to other nuts, and the interchangeability, if I may be permitted that expression, of the oil contents of peanuts with cottonseed oil particularly, this rate, in my judgment, will prove abortive in affording any benefit to the growers of peanuts.

But aside from that—and I do not care to take any time in arguing it—I contend that it is not justifiable to impose tariff rates merely for the purpose of enhancing the price of any particular product.

No great revenue will be derived from this product, and the contention of the able Senator from North Dakota, if he contends that prices will be raised by the provision, must be that he is willing to impose a tax upon the people for the purpose of increasing the profits of those who may be engaged in the business. The Senator certainly contends that this is a tax, and he is arguing that the effect of the tax will be to increase the price. Of course, if it is to increase the price, it is to increase the burdens upon the consumer. He justifies that course and defends the position of his party in exercising the taxing power for the purpose of increasing prices. But I protest against—I shall not use the word "hypocrisy," but against the pretense so often exhibited by the proponents of this bill that it will result in great benefit to the agricultural interests of the United States.

There has been a cooperation that is most astounding, for it argues an agreement, a hard and fast agreement, between certain interests to work together and to support all the schedules, notwithstanding the fact that many of the schedules will result inevitably in increasing the prices of the products which the farmers and the agriculturists must purchase. They will be compelled under the provisions of the bill to pay more for their agricultural implements, for their clothing, for their shoes, for all the things they buy, than they would have to pay were it not for the bill and the schedules of the bill. The farmers of the United States are being fooled now, as they have been fooled in the past, by the leaders of the protective school in the United States.

Mr. President, the steel interests and the textile interests in the past have been beneficiaries of the tariff system, and they

have grown rich at the expense of the people by reason of the tariff rates which have been imposed. Several days ago I was discussing the tariff, and alluded to a number of States which had been particular beneficiaries of high tariffs. I alluded among others to the State of Connecticut. The able Senator from Connecticut [Mr. McLEAN] challenged some of the statements which I made. I then said that protection undoubtedly had enriched some in his State, but that the great wealth of Connecticut, Rhode Island, and certain protected States was in the hands of a limited number of corporations and individuals. I called attention to the strikes in the mills of his State, to the impoverishment of the people at work in the mills, to the poverty which existed, and called attention to the fact that the Republicans had by their legislation made it possible for certain industries to reap enormous profits, and that those industries had driven out the American workmen and had imported labor from abroad and forced the wages of the worker down until the wages paid were so pitifully small that poverty and, in too many instances, gaunt hunger were the constant companions of the employees.

A few days later I received a letter, which I have before me, from Mr. Patrick F. O'Meara, president of the Connecticut Federation of Labor, with his office, I think, in New Haven, in which he said that he had read the colloquy between the Senator and myself, and, if I may be pardoned, in his reference to myself he extended congratulations for the defense against a—

system that if permitted to continue will have the serf and slave system that existed in the South before the Civil War beaten all to atoms.

Your statement of the employment of the cheap-wage foreigner in the State of Connecticut is so true that, as I read the speech, I was thinking whether or not your information came as if you were a resident of Connecticut.

Then he said:

During the World War the writer was honored by being selected for membership on one of the three district boards of this State. This, as you will recollect had to do with all appeals over local boards' decisions and all industrial exemptions, and as the secretary of the board for the war term the great part of the evidences submitted on questionnaires brought forth conditions that no State should be proud of, and thousands of these questionnaires had to be written up and completed by others than the registrant, for the reason that the said registrant could neither read or write.

Why I wish to call your attention to the latest reports coming from the United States Department of Labor, which shows that the illiteracy in this State is shameful, and this is the State, little that we are in square miles, that Senators McLEAN and BRANDEGEE wish to convey the information that matters are all serene up here.

During the latter part of the year 1921 the city of New Britain, Conn., had to make an appropriation out of the municipal funds to send back to Spain and Portugal large numbers of cheap foreign laborers that they had brought in there (I refer to the manufacturers), and who were living in such filthy conditions that the city authorities of New Britain thought the best thing to do was to send them out of the city.

Your statement on page 6562—

Speaking of the RECORD—

relative to this State having industrial disturbances is as true as any words coming from the mouth of man, I do hope that on account of the position in the life of the community that I hold that you will not feel that I am entirely biased in my claims, for I have plenty of letters in my office from employers of labor, large and small, in this State thanking the writer for the fairness that I have entertained at all times.

But I can not sit idly by and have conditions go on as they are without protesting from time to time against them, and I was elated when I read of your indictment against Senator McLEAN and his constituents—I refer to the manufacturers of Connecticut. * * *

If the proposed tariff bill goes through they will again reap the harvest that they have for years, and I smile when I read of the claims that German-made watches are being sold so cheaply in the United States, when, as a matter of fact, such a big and influential concern as the New Haven Clock Co., in my home city, is to-day paying wages so low that they never would be accepted only that men are forced to take them to earn a few dollars for their families; the wages are even lower than before the war.

Then he said:

In order to have you feel that the specific information is coming from a person that knows, I wish to state that the writer is a product of the State of Connecticut, born in the city of New Haven, Conn., and know full well of the conditions whereof I write, and if either one of the Senators from Connecticut will deny any of the statements that I have written about I will gladly furnish them to you in affidavit form to back them up.

Mr. President, I repeat the bill is in the interest of certain protected manufacturing concerns, and in order to pass it and to maintain these extortionate rates representatives of the farmers, or the farm bloc, have given their support to the bill, and the farmers, at least some of them, have been made to believe that the bill is in their interest. It is not. It penalizes the farmers and places additional burden upon them. They will be the ones upon whom the burden will fall the most severely when the bill shall be enacted into law and when opportunity shall have been given for the full effect of it to be realized by the American people.

Mr. President, the rate in the item under consideration as recommended by the Senate committee, if any rate at all is required, is adequate, and I hope the action just indicated by the chairman of the committee will not receive the approval of the Senate.

Mr. McCUMBER. Mr. President, I want the attention of the Senator from Utah for just a moment. The Senator asked me a question or two. One of them was, If I was willing to tax the American consumer, if it was a tax, for the benefits that might be derived by the producer. I want to answer him most candidly. I have driven through that section of the Southern States which produces the bulk of the peanuts. I have looked at their homes and at their farm buildings. I have noted that as a rule they are rather dilapidated. Many of them have not had the paint brush upon them for half a century or more. When I compare the condition of those who produce peanuts with the condition of the average people who buy peanut candy and peanut butter, I say to the Senator from Utah, Yes; if I could increase the price of peanuts to those farmers 3 cents a pound and if it added 3 cents a pound to the price of peanut butter, I would do it, and I would do it quickly. If the purpose of a protection is to protect where it is needed, then I would vote for that protection where it is needed, even though it be at the cost of the consumer.

Answering the Senator in that respect, I now want to have his attention to a question which I may ask him. I notice that in the calendar year 1921 we collected in duties on imported peanuts $365,876.48. The Senator will admit that we need the money. The Senator has stated that the emergency tariff duty has not raised the price of peanuts. All right, then. We have obtained $365,000 in revenue from importers without costing the American people one penny. I will admit that, if the Senator wishes. Why, then, does the Senator wish to reduce the rate of duty? Why does he wish to deprive the Government of $365,000, when he admits that it has not added one penny to the cost of the consumer in the United States? I do not think it has added very much to the cost; I will admit that it is mostly a revenue duty.

I want the Senator to give the matter his fair consideration and not his partisan consideration. The Senator is generally very fair in the discussion of these subjects; and while I think his arguments are overloaded with adjectives I am certain that he tries to arrive at a conclusion that is fair and just. The Senator knows, as well as I do, that in a country which is not an exporter of a given product to any considerable extent, but which imports that product, the prices are fixed by the combined production and importation. The Senator must agree with me as to that. If that be true—and no one can deny it—then the Senator must admit if in this country, the place of consumption, the volume of the commodity is reduced to a considerable extent, necessarily the price of the product within the country will be buoyed up. There may be such a depression that we can not prevent the price going lower and still lower, but, nevertheless, the law of supply and demand will hold good, namely, that the greater the surplus the less the price; the greater the deficiency the greater the price.

Let us examine the importations and see whether the emergency tariff rate had any effect upon importations; in other words, whether it had any effect upon increasing or decreasing the volume of the commodity in the United States. I will take the importations for 1920. In 1920 the importations were 8,703,000 pounds, in round numbers, of peanuts not shelled. Now, remember that we did not pass the emergency tariff law until May 27, 1921. Therefore the emergency tariff act was in operation only during six months.

Mr. KING. I hope the Senator from North Dakota will keep in mind, as he is discussing this phase of the case, the fact that our importations of peanuts are largely used on the Pacific coast; that our exportations—and the Senator knows that we exported last year some 14,000,000 pounds—are largely to Canada. Because of the freight rates from Virginia and the Southern States to the West, it is almost impossible at 3 cents a pound to ship there and find a market.

Mr. McCUMBER. The good peanuts which are raised in North Carolina go a great way west.

Mr. KING. The Senator will see by the RECORD, if he will read it, that the freight rates make almost prohibitive the sale on the Pacific coast of peanuts raised in the Eastern and Southern States. By the raising of the tariff duty we are going to provoke retaliation from Canada, and we shall cut off our market for peanuts in Canada. So we are going to hurt the farmer, even conceding that the tariff does swell the price of the domestic product.

Mr. McCUMBER. It is a surprise to me, Mr. President, that we are going to have retaliation from Canada. Canada does not raise any peanuts. I do not know what she would have to retaliate about.

Mr. KING. The Senator from North Dakota certainly did not deduce the idea that I meant that Canada would discriminate in the matter of peanuts, for there is more than one method of retaliation. For instance, when we passed the emergency tariff act imposing a tariff on cottonseed oil, Italy, which does not produce cottonseed oil, retaliated against us, as did also France. There are more ways than one for one nation to retaliate against another. We export many commodities.

Mr. McCUMBER. But countries, as a rule, retaliate by imposing a duty on an article which is competitive.

Mr. KING. Oh, no.

Mr. McCUMBER. But certainly Canada would not have any reason to retaliate one way or another. Our tariff on peanuts is not going to affect Canada in the slightest degree.

Mr. KING. Let me say to the Senator from North Dakota—and I hope he will pardon me for interrupting him——

Mr. McCUMBER. Certainly.

Mr. KING. I make the prediction now that the Senator from North Dakota, in the quiet retreat of his North Dakota home—and we regret very much that he is going there—will find a verification of the prediction that if Congress passes this bill, with the high rates fixed in the schedules, that Canada and other countries that have sought commodities here, either by a combination or otherwise, will seek to find markets elsewhere in which to purchase the products which we now produce and sell to them. We shall, therefore, be the sufferers and our exportations to foreign countries will, in part, fail by reason of the inhibitions against importations which the pending bill provides.

Mr. McCUMBER. Mr. President, I have complained several times about the long speeches which the Senator from Utah has made upon this general aspect of this bill, and I do not want to encourage him to go over them again. I am to-day discussing peanuts, and while I do not claim to have any expert knowledge upon the subject of the raising of peanuts, or, as some one has suggested, "peanut politics," I do know something about the law of supply and demand as to every commodity as it applies at the point of consumption. The suggestion I wish to make is that, first, we derived $365,000 of revenue from the imports of peanuts. If the duty did not raise the price of peanuts, then it did not cost the American public a penny. If it did raise the price or keep the price from falling to the point to which otherwise it would have sagged, then I am glad that we kept the price up at least that high.

I believe that, notwithstanding the fact that, with the depressed conditions prevailing throughout the United States, peanuts went down in value per pound, as did every other commodity. The fact that 110,000,000 pounds of shelled peanuts and some 25,000,000 pounds, as I now remember, of the unshelled were kept out by reason of the tariff duty indicates that the protective duty in the emergency tariff act did some good, or prevented a worse condition ensuing, if Senators prefer to put it in that way. All I am stating is that, so long as we can get nearly a half million dollars in revenue from importations of a certain commodity without affecting the American price, we certainly ought to continue the duty.

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

Mr. SIMMONS. Mr. President, I wish to correct the Senator from North Dakota in an implied statement which he made a little while ago which related to the character of the homes he said he saw in the sections of the South in which peanuts are grown. The effect of his statement was, I think, to create the impression that the peanut growers are not so prosperous as other agricultural classes of the South. The Senator is mistaken. I live in that part of North Carolina where both cotton and peanuts are grown, and I think that the peanut farmers in my State have been about as prosperous in the years that have passed as have the cotton farmers; in fact, there is a feeling among many farmers of the State that the net profits of peanut growing at the prices that have obtained in recent years are as great, if not greater, than the net profits of cotton growing. I myself am rather inclined to think so.

The tenant classes to which the Senator referred—and I assume he was referring to their homes in the agricultural districts of the South—do not live in imposing mansions; they live in small cottages; but I wish to say to the Senator that the houses in which the farmers, especially the tenant farmers, live in the sections where peanuts are largely or chiefly grown are just as good as those in which the farmers and tenants live in the sections where cotton is grown.

Mr. McCUMBER. If the Senator will allow me, what the Senator really means to say, then, is that the difference is about the same in one section as it is in another. The Senator will not claim that during the last few years either of them have been very prosperous?

Mr. SIMMONS. No; they have not, and were not before the war. What I mean to say, and all I meant to say, was that I think the peanut growers of the section in which I live have been just about as prosperous as those who have engaged in other lines of agriculture.

Mr. President, I am quite sure that up to this time the emergency tariff duty of 3 cents a pound on peanuts has added nothing to the price of peanuts; indeed, the farmers of my State are getting on their farms only about 3 cents, although sometimes for a good quality they may get 3½ cents a pound. They are getting, therefore, practically only about the amount of the emergency tariff duty, and, of course, that tariff duty has not been added.

Mr. President, nobody has ever contended, I think, that a tariff duty would add to the price of a domestic product the full amount of the duty where there was actual competition between producers, where there was produced practically enough to supply the domestic demand, and where the producers actively compete.

The trouble about the protective tariff just at this time is that the domestic competition which Mr. McKinley claimed was so essential to the protective principle does not obtain in the United States as to the great majority of manufactured products. As to those in many, if not most, instances, there is no domestic competition. The price is controlled by combination, agreement, association, or understanding; but where there is active competition, as in the case of the peanut industry, nobody would contend that the full amount of the duty could be added to the price, especially where the production is equal to the consumption, or practically equal. There is no competition in this country that is sharper than that between the indpendent growers of peanuts. It is a product that is not grown in large quantities by the individual producer. One hundred acres in peanuts is a very large peanut farm in my State. The average peanut grower probably has no more than 30 or 40 acres in peanuts. They are sold in the open market in competition with the product of all the other growers.

We produce in this country all the peanuts that we need for edible purposes and for purposes of making so-called peanut butter and to meet the large demands of the confection trade of the country. Our importations of peanuts have varied. They have been larger when our domestic crop was subnormal than they have been when our crop was normal. In fact, if you will follow the importations, beginning just about the time of the war, you will see that the importation of edible peanuts was about the difference between the normal production and the abnormal production of peanuts.

Peanuts are imported into this country for an entirely different purpose than that for which the bulk of the peanuts raised in this country are used. Probably between one-fourth and one-third of these nuts grown in this country are never gathered at all.

They are converted into meat. That part which is marketed, that portion which is in good condition—that is to say, not broken and not faulty—is used to supply the market for edible purposes and these other commercial purposes that I have indicated. Practically the only part of our domestic product that is crushed and converted into oil is the faulty peanut and the broken peanut, which have no market value for the other purposes, mainly for food.

The peanuts which we import, probably not altogether, but almost altogether, are used for the purpose of conversion into peanut oil. I think I could show beyond question, Mr. President, if I had the time, that that is true. I do not suppose that will be controverted, however. It is a fundamental law of the trade that the price of peanuts and the price of soya beans and cotton seed are affected by two things—first, the competition between the producers, and secondly, the price of oils. A large operator told me the other day that the prices of these oil nuts—whether coconuts, peanuts, soya beans, cotton seed, or otherwise, and there are a good many of these oil nuts—have for many years followed the price of oils, especially cottonseed oils, where they are used for the purpose of making oils. The price of oils in this country is regulated by the price of oils in Europe, and that is because we either export our great surplus of oils, or we convert it into lard substitutes and export them. So that the prices of oils and the products made out of oils in this country—and that includes all the oils, cotton oil, peanut oil, and all the rest—are fixed in this country by the price of the oil in the great markets of Europe. That is what we import these peanuts from Asia for, to convert them into oil to be sold in part in this country but chiefly abroad. We have built up an enormous and an exceedingly profitable industry

in the sale of our oils and oil products to Europe, practically our only foreign purchaser for these oils.

Europe buys her peanuts and her soya beans just where we buy those that we import for the purpose of conversion into oil. She buys them in Asia and in certain parts of India. In the markets of Asia and in the markets of India the United States and Europe—and Europe is represented in that respect almost entirely by Great Britain, for she is the chief European producer of oil—are the only foreign purchasers of these nuts which are purchased for the purpose of being converted into oil. The effect of the emergency tariff putting a duty upon these low-grade peanuts that are purchased abroad and brought here to be converted into oil has been practically to exclude the American purchaser from those foreign markets.

In the past 10 months we bought only four hundred and thirty-odd thousand bushels of these peanuts. These things can be understood better when the quantity is stated in bushels than when it is stated in pounds. In the past 10 months, therefore, we bought less than half a million bushels of these peanuts. We practically abandoned the market for the purchase of these nuts to our foreign competitors, greatly to the distress of the oil crushers of this country. They see it as clearly as I see it. They have been to my office in great numbers; there have been 15 or 20 of them in there at one time—representatives, delegates appointed to see me, from their several sections declaring that they had been driven by this duty out of the only market where they could get anything like a supply for oil purposes, and were now confined to the faulty peanuts, as here, the American market taking practically all of the good peanuts for edible purposes and paying for them a price that they could not afford to pay for peanuts to crush. They had been driven out, had abandoned the market, with what effect, Mr. President? With the effect that only one foreign purchaser of these nuts was left, and that purchaser was our foreign competitor for our oils. The effect, as they declare to me and as is manifest, is that our foreign competitor in these oils, having no competitor in the markets where he gets his raw material, has been able to beat down the price in that market and to get his peanuts for crushing at a price at which he has never before been able to purchase them, with the result of lowering the price of oils in Europe, thus reducing the price for our exportable surplus. With the emergency tariff duty applying, our buyers could not compete and purchase the foreign peanuts for crushing.

Would it not be much better from every standpoint for us to be permitted to buy our raw material there and maintain the standard of price in that country instead of letting our only competitor without competition buy these nuts at his own price and then convert them into oil, forcing us to meet the competition of that lower-priced oil? This lower price for exportable surplus is undoubtedly reflected in the price of the nuts that we grow in this country, whether those nuts are used for crushing or other commercial purposes.

Mr. President, all I wanted to show in this connection—and I am speaking now more especially about the duty on peanuts—was to show the effect of that duty on growers of edible peanuts; to show that it has operated to prevent our crushers from getting from abroad their supply; and has prevented them from protecting the price of their product in our export market, and that the resulting decline of prices in that market has been inevitably reflected in the domestic price of our oils and all of the domestic products out of which those oils are produced.

I am repeating what these gentlemen have stated to me and what I believe the facts to be. These gentlemen assert that they are not asking for these high duties upon vegetable oils; that they are protesting against them; that their foreign business has been practically ruined as a result of these duties; and that the falling away of their foreign business has resulted in a reduction of prices in their foreign market which has reflected itself disastrously upon the prices of their products in the domestic market.

I have tried to be as brief and concise as possible because I do not wish to take up any unnecessary time.

Mr. KING. May I inquire of the Senator, in view of the situation relative to peanuts, some of the imported articles having been used for oil purposes, if it would not be fair, or at least much fairer than the present provision, to submit an amendment by which peanuts of the grade to be crushed for the oil content should come in in bond, and upon evidence that they were converted into oil, relieved of the duty?

Mr. SIMMONS. That can be done when the bill is open to amendments offered by individual Senators.

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

Mr. CURTIS. I ask for the yeas and nays on agreeing to the amendment.

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

Mr. CURTIS. I ask for the yeas and nays.

Mr. TRAMMELL. Are we about to vote on the amendment in regard to the tax on peanuts?

The PRESIDING OFFICER. That is correct.

Mr. TRAMMELL. My understanding is that the chairman of the committee stated to the Senate that he felt that the proposed decrease was too much, and that the bill should stand as originally reported, with a duty of 3 cents per pound on peanuts. That is the rate carried in the emergency tariff bill and in the bill as it passed the House, and I hope very much that it will be retained at that figure, instead of as the committee amendment proposes, which the chairman says he realizes is too small and should be defeated. That is my understanding of the statement made by him.

Mr. WALSH of Massachusetts. I understand that a negative vote will restore the House rate, and an affirmative vote support the Finance Committee in the lower rate?

The PRESIDING OFFICER. That is correct. The question is on the committee amendment to strike out "3 cents" and to insert in lieu thereof "three-fourths of 1 cent."

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Vermont [Mr. PAGE], and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON].

Mr. NEW. I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. MCKINLEY. I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. CAMERON. I transfer my pair with the junior Senator from Georgia [Mr. WATSON] to the senior Senator from Iowa [Mr. CUMMINS] and vote "nay."

Mr. FERNALD. I transfer my pair with the senior Senator from New Mexico [Mr. JONES] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

The result was announced—yeas 13, nays 52, as follows:

YEAS—13.

Dial	Owen	Smith	Walsh, Mont.
Harrison	Pomerene	Stanley	
King	Shields	Underwood	
La Follette	Simmons	Walsh, Mass.	

NAYS—52.

Ashurst	France	Lodge	Poindexter
Borah	Frelinghuysen	McCumber	Ransdell
Broussard	Gooding	McKinley	Sheppard
Bursum	Hale	McLean	Shortridge
Calder	Harreld	McNary	Smoot
Cameron	Harris	Moses	Spencer
Capper	Heflin	Nelson	Sterling
Colt	Johnson	New	Swanson
Curtis	Jones, Wash.	Newberry	Townsend
du Pont	Kellogg	Nicholson	Trammell
Elkins	Kendrick	Oddie	Warren
Ernst	Keyes	Pepper	Watson, Ind.
Fernald	Ladd	Phipps	Willis

NOT VOTING—31.

Ball	Fletcher	Myers	Robinson
Brandegee	Gerry	Norbeck	Standfield
Caraway	Glass	Norris	Sutherland
Crow	Hitchcock	Overman	Wadsworth
Culberson	Jones, N. Mex.	Page	Watson, Ga.
Cummins	Lenroot	Pittman	Weller
Dillingham	McCormick	Rawson	Williams
Edge	McKellar	Reed	

So the committee amendment was rejected.

The next amendment of the committee was, in paragraph 757, peanuts, on page 110, line 24, to strike out "4" and insert "1½," so as to read:

Shelled, 1½ cents per pound.

Mr. SMOOT. I am directed by the committee to ask that this amendment of the committee be disagreed to.

The amendment was rejected.

The next amendment of the committee was, on page 111, line 11, to strike out "25" and insert in lieu thereof "40," so as to read:

Flaxseed, 40 cents per bushel of 56 pounds.

FLAXSEED AND LINSEED OIL—PARAGRAPHS 760 AND 50.

Mr. WALSH of Massachusetts. Mr. President, the Senate committee amendment to paragraph 760 increases the rate on flaxseed from 25 cents per bushel of 56 pounds, as provided in the House bill, to 40 cents per bushel; and the amendment to paragraph 50 increases the rate on linseed oil from 2½ cents per pound, as provided in the House bill, to 3½ cents per pound.

DIFFERENCES BETWEEN SENATE BILL AND PREVIOUS LAWS.

Under the Underwood Act flaxseed was dutiable at 20 cents per bushel, and linseed oil was duitable at 10 cents per gallon of 7½ pounds (1⅓ cents per pound).

Under the Payne-Aldrich Act flaxseed was dutiable at 25 cents per bushel, and linseed oil was dutiable at 15 cents per gallon of 7½ pounds (2 cents per pound).

Under the emergency act flaxseed is now dutiable at 30 cents per bushel, while the Underwood rate of 10 cents per gallon of 7½ pounds of linseed oil remains unchanged.

The pending bill increases the rate in the Underwood Act on flaxseed by 100 per cent, and the rate on linseed oil by 162½ per cent. It increases the rate in the Payne-Aldrich Act on flaxseed by 60 per cent. and the rate on linseed oil by 133⅓ per cent. It increases the present rates—the Underwood Act, as amended by the emergency tariff act—by 33⅓ per cent on flaxseed and 162½ per cent on linseed oil.

Mr. President, a clear and accurate understanding of the problem of a tariff on flaxseed is possible only when considered in conjunction with the duty on linseed oil. Flaxseed is grown in the United States exclusively for the production of linseed oil.

FLAXSEED—EFFECT OF DUTY UPON DOMESTIC CROP.

Our average production for the years 1914 to 1920 has been 12,000,000 bushels, and our average yearly imports have been 14,000,000 bushels. Our consumption has closely approximated our production plus our imports. Our production has averaged 45 per cent of our consumption and our imports have averaged 55 per cent of our consumption.

It is clearly established that on this particular product—flaxseed—the American grower will collect an increased price for his seed equal to the amount of any tariff levied on imports of foreign flaxseed. It has been proven conclusively that previous tariffs in both Democratic and Republican tariff bills have never operated so as to induce the growing of a greater quantity of flaxseed in the United States. The statistics show that these previous tariffs have never resulted in promoting the development of flax growing to the end that we might eventually grow all we require.

The duty on flaxseed has never had the effect of being a "protective" tariff in the commonly accepted idea that a duty is protective when it protects the production of an article at home against the same article produced abroad so that the industry may be developed. It has merely operated as a bounty for flax growers when they chose to grow flax instead of wheat. This is made very clear by the Tariff Commission in their publication entitled "Agricultural Staples and the Tariff, Information Series No. 20" (p. 127).

Neither have high prices for flaxseed caused by great demand contributed to an increase in its production. Price fluctuations of from $2 to $3 per bushel have taken place without creating a larger production.

There can be no question regarding the accuracy of the Tariff Commission's statements that the fundamental obstacles to the production of flaxseed in the United States are such that the production of flaxseed is not one that can be encouraged or developed in a practical manner, no matter how high a tariff might be imposed on foreign flaxseed.

The levying of a duty on flaxseed can not, therefore, be justified on any other theory than that of its being merely a bounty, and if the leaders of the agricultural bloc think they are obtaining a bounty for American flaxseed growers through the combination of rates on linseed oil and flaxseed they have advocated and vigorously forced into this bill they are very much mistaken.

COMPARATIVE DUTIES ON FLAXSEED AND LINSEED OIL.

There are 19 pounds of linseed oil obtained in actual practice from a bushel of flaxseed, weighing 56 pounds. Imports are in the form of both flaxseed and linseed oil, and therefore American flax growers when seeking protection require a duty on imports in the form of linseed oil that has been crushed in the linseed-oil mills of Holland and England, as well as upon flaxseed from Canada, the Argentine, or India.

So far as our flaxseed growers are concerned, the total duty on 19 pounds of oil must be relatively the same as the duty on 1 bushel of flaxseed. Let us see what the duty actually is on flaxseed as provided for in this bill.

The Senate committee amendment to paragraph 760 of this bill fixes the duty on flaxseed at 40 cents per bushel of 56 pounds, as compared with 3½ cents per bushel on oil or 66½ cents upon the 19 pounds of oil in a bushel.

Mr. President, flax growers who are interested in what the farm bloc has done for them would naturally notice with gratification the proposed rate of 40 cents, which is double the duty of 20 cents per bushel in the Underwood-Simmons law; but if they examine the discount list and the penalty list, which is inserted in the later paragraphs of this bill, and fathom the intricacies of all of the strings that are tied to the regular schedules they would doubtless be less jubilant.

On page 269 of this act a joker has been inserted which by actual operation would reduce the flax growers' net protection from 40 cents per bushel, as provided for in paragraph 760, to 30 cents per bushel. This special drawback provision reads as follows:

Where two or more products result from the manipulation of imported merchandise, the drawback shall be distributed in accordance with their relative values at the time of separation.

In order to be sure that this special provision would operate to reduce the amount of the specified duty on flaxseed by 25 per cent, due to the nondutiable by-product obtained therefrom, I addressed a letter to the Treasury Department and asked their opinion relative to the operation of this drawback provision, and I have received a letter from the Treasury Department from which I will read:

Under the act of 1909 it was the practice to distribute the drawback accruing to linseed oil and linseed-oil cake produced from imported flaxseed according to their relative values at the time of separation in accordance with the decision of the court in the case of the United States v. Dean Linseed Oil Co. (87 Fed. 453). The provisions of section 313 of the pending tariff bill as amended by the Senate Finance Committee appear to be substantially the same as the drawback provisions of the act of 1909.

A bushel of flaxseed will be separated into 19 pounds of linseed oil and 37 pounds of oil cake. The flaxseed importer will then export the 37 pounds of oil cake to Europe and claim a drawback in spite of the fact that oil cake itself is on the free list. The Treasury Department will calculate the value of the products which the flaxseed importer obtained through the simple process of separating the oil and cake by adding the value of the 19 pounds of oil according to the market price existing at the time of separation and the value of the 37 pounds of linseed cake which the importer has shipped to Europe. It will then be found that the value of the 37 pounds of linseed cake which has been reexported will average slightly over 25 per cent of the combined value of the 19 pounds of oil and 37 pounds of linseed cake, and the flaxseed importer will receive a drawback from the Treasury Department approximating 25 per cent of the duty which he paid on the bushel of flaxseed.

The drawback of 25 per cent of the 40 cents duty which the flaxseed importer paid will amount to 10 cents and thereby the net duty which the flaxseed importer will have paid will amount to only 30 cents and not 40 cents as provided for in paragraph 760.

Mr. President, we must therefore consider these tariff rates on flaxseed and linseed oil on the basis of the duty on flaxseed being actually 30 cents per bushel of 56 pounds and not 40 cents per bushel, as the agricultural bloc would have the farmers believe.

Let us now see what the duty is on linseed oil. Paragraph 50 of this bill fixes the duty at 3½ cents per pound, and 3½ cents multiplied by 19—there are 19 pounds of oil obtained from a bushel of flaxseed—equals 66½ cents. Therefore the facts are that the duty on flaxseed in this bill for the benefit of flax growers is 30 cents per bushel, and the duty on the oil content of a bushel of flaxseed after it is separated from the cake is 66½ cents per bushel.

In other words, Mr. President, the importers of flaxseed—only 14 in number—are invited by the farm bloc and the majority members of the Senate Finance Committee to collect a subsidy amounting to 36½ cents on the 19-pound linseed oil content of every bushel of flaxseed grown in the United States and on every bushel that is imported from Canada and the Argentine.

To suppose that a small band of 14 importers who control this business will decline such an invitation when they have already been shown to have adopted other means of accomplishing the same thing without the aid of a tariff would be absurd. Is it not amazing that the farm bloc should be promoting with

all of their energy and vigor a system whereby 14 closely cooperating flaxseed importers should collect on the American farmers' production of flaxseed more protection than the grower received himself, and in addition thereto a subsidy at the same extortionate rate on all of the flaxseed that is imported?

Mr. President, the process of separating linseed oil and cake from the flaxseed is very simple. In fact, the process is so simple that I believe the importers of bird cages, hair dryers, and cuckoo clocks, against whom a Member of this body spoke so vehemently a few days ago, employ more labor in unpacking the foreign cuckoo clocks, hair dryers, and bird cages than do these flaxseed importers employ in removing linseed oil from its container—the flaxseed. It would, therefore, be just as logical to grant the importers of cuckoo clocks some special rates to protect the workmen who unpack the boxes of them as they come from Germany as it is to provide special rates for these 14 flaxseed importers so that they may be enabled to swell their treasuries by $9,400,000 in excess of what their legitimate profits would be.

The favorable consideration accorded the flaxseed importers is due to the fact that they have qualified in the eyes of the majority members of the Finance Committee as captains of industry. They must have linseed-oil mills as an adjunct to their domestic and importing business in order to separate the linseed oil from the flaxseed, but there is no diversity of interest. They all work together and they all ask the farm bloc and the majority members of the committee to rate them as American manufacturers and to overlook the fact that more than half of their business is importing. They have insisted that they be given high rates of duty for the protection of their "manufacturing industry," although at least 60 per cent of their subsidy would be collected by them through importing operations.

Linseed-oil mills crushing flaxseed with 33 per cent oil yield only pay wage earners an amount equal to 2½ per cent of the value of their production. The following is an extract from the report of the United States Bureau of the Census for 1919:

Number of linseed mills	26
Number of wage earners	2,173
Wages paid wage earners	$3,052,000
Value of products	$120,638,000

Tariff protection for linseed-oil mills above the protection they pay on flaxseed can not be justified by any appreciable difference in the labor costs here and abroad.

Sometimes excessive tariff rates are automatically reduced by keen competition in the home market. In the case of the linseed-oil industry 26 linseed-oil mills, owned by about 14 companies, crush all the oil that is crushed in America, and 5 companies control 75 per cent of this business.

It is, therefore, certain that the tariff will be collected in its entirety by such a small number of operators. A representative of one of these linseed-oil mills stated before the Committee on Ways and Means that the difference in labor costs in linseed-oil mills here and abroad was not a serious matter. The American mills, with their superior facilities for distribution, can also secure a premium on domestic linseed oil over the prices of foreign linseed oil with the tariff added.

The Payne-Aldrich Act created a differential for the American linseed-oil mill operators of 17½ cents on the oil content of a bushel of flaxseed.

Those who framed the Underwood-Simmons law found that there was little labor cost in the crushing of flaxseed and reduced the Payne-Aldrich differential to 5 cents on the oil content of a bushel of flaxseed. This differential fully protected our linseed-oil mills, as shown by the small imports of linseed oil as compared with the large imports of flaxseed.

The Republican Party upset the scientifically adjusted rate in the Underwood-Simmons law by their ill-advised emergency tariff, which raised the duty on flaxseed from 20 cents per bushel to 30 cents per bushel without granting any increase in the duty on linseed oil. This reversed the differential in favor of foreign oil mills, and since the present law became effective we have imported relatively larger quantities of linseed oil than flaxseed; and pointing to the results of this haphazard emergency tariff, the American linseed-oil monopoly are now using this as an argument to obtain a differential in their favor far in excess of any slight difference that may exist between the cost of crushing linseed in the mills abroad and in this country.

Here is what the linseed crushers, the Government, and the farmers will receive, based on an average year of 12,000,000 bushels domestic crop and 14,000,000 bushels of imported flaxseed:

The Government will collect duties on 14,000,000 bushels of imported flaxseed at 30 cents per bushel	$4,200,000
The farmer will collect tariff protection on 12,000,000 bushels at 30 cents per bushel	3,600,000
After deducting the above amounts paid by linseed crushers in duties and tariff protection for their flaxseed, their excessive subsidy of 36½ cents on the oil content of a bushel of flaxseed will equal	$9,490,000
Total cost of this scheme to be paid by the manufacturers and others using linseed oil as a raw material equals	17,290,000

American paint, varnish, oilcloth, and linoleum industries which use linseed oil as a raw material will have to add the 66½ cents collected by the American linseed-oil monopoly to the price of their products, and this amount will be unavoidably multiplied as the linseed oil passes through the channels of industry and trade, to be paid by the consumer at the retail stores.

This tariff, at its cost to consumers as above explained, will be paid one-half by American farmers and one-half by American consumers. The result to the farmer, on the basis of 66½ cents protection given the linseed-oil mills, not to mention the increase which will accrue as the manufactured products pass through the hands of the manufacturer, wholesaler, and retailer, will be as follows:

Cost to farmer in purchase of products made from linseed oil	$8,645,000
Protection received by the farmer from the tariff on flaxseed	3,600,000
Loss to the farmer	5,045,000

If the farmers' tariff on flaxseed is allowed to be so prostituted by the rates on linseed oil as proposed in the pending bill, the result to the farmer is a tremendous loss, while thousands of substantial industries and American consumers will be forced to submit to exploitation.

Mr. President, I have a very large number of letters and telegrams from paint manufacturers and organizations in the State of Massachusetts protesting against this duty, particularly upon linseed oil, which I ask to have inserted in the RECORD.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Without objection, it will be so ordered.

The letters and telegrams are as follows:

HOLYOKE CENTRAL LABOR UNION,
Holyoke, Mass., April 24, 1922.

Hon. DAVID WALSH,
United States Senator, United States Senate, Washington, D. C.

HONORABLE SIR: The Holyoke Central Labor Union desire to protest to you against the exorbitant rate of duty on linseed oil and flaxseed oil. We believe that there is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small.

We also want to protest against the proposal of Senator LADD of North Dakota, as made by him on January 5, relative to flaxseed and linseed oil.

It is the hope of the above named body that you will see your way clear to work and vote for an amendment to the bill, making a radical reduction in the duty on both linseed and flaxseed oil, as the proposed high tariff on both linseed and flaxseed oil will be one of the causes of stopping a great deal of repairs on buildings as well as retarding much new work for some time to come. Thanking you in advance for past and present favors, I remain,

Respectfully yours, JOSEPH L. MARION, *Secretary.*

MILFORD, MASS., *April 13, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 2½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. As there are 19 pounds of linseed oil obtained from a bushel of flaxseed, this rate of 2½ cents per pound on linseed is equal to 47½ cents per bushel.

There is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small. The Bureau of the Census extract for the year 1919 shows the wages paid in linseed oil mills to be only 2½ per cent of the value of the products produced.

We also protest against the proposal of Senator LADD, of North Dakota, made by him on January 5 before the Senate Finance Committee urging that the rate of duty on flaxseed be increased to 40 cents per bushel, and that the duty on linseed be increased from 2½ to 3½ cents per pound.

We urge that a duty of 20 cents per bushel net, and not subject to any drawback on oil cake, be adopted on flaxseed, and a duty of not over 12 cents per gallon of 7½ pounds be adopted on linseed oil.

Hoping you will see that this injustice is eliminated from the pending tariff bill, we remain,

Yours very truly,

LOCAL NO. 216, BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
By CHAS. E. DEWING, *Secretary.*

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
Boston, April 4, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: I have been instructed to write you, on behalf of Local 258, protesting the passage of a bill now pending in regard to the tariff on flaxseed and linseed oil.

Yours respectfully, R. W. BENNETT, *Recording Secretary.*

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA, LOCAL UNION NO. 257,
Springfield, Mass., March 31, 1922.

MY DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 2½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. As there are 19 pounds of linseed oil obtained from a bushel of flaxseed, this rate of 2½ cents per pound on linseed oil is equal to 47½ cents per bushel. As the duty on flaxseed in paragraph 760 is 25 cents per bushel, which after deducting the drawback amounts to 18½ cents per bushel, the duty on linseed oil is most unjust, as it forces all linseed oil consumers to pay 29 cents per bushel more protection to the linseed oil mills than the oil mills pay to American farmers or to our Government in duties on imported flaxseed.

There is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small. We also protest against the proposal of Senator LADD, of North Dakota, that the rate of duty on flaxseed be increased to 40 cents per bushel and that duty on linseed oil be raised from 2½ to 3½ cents per pound.

We urge that a duty of 20 cents per bushel net, and not subject to any drawback on oil cake, be adopted on flaxseed, and a duty of not over 12 cents per gallon of 7½ pounds be adopted on linseed oil.

Hoping that you will see that this matter is given attention, I am,

Respectfully yours,

P. H. TRIGGS,
Secretary of Local Union No. 257.

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
Union No. 253, of Holyoke, Mass., April 12, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 3½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. We also protest to you against the duty on flaxseed. Hoping you will see that this injustice is eliminated from the pending tariff bill, we remain,

Yours very truly, ROBERT GOODWIN, *Recording Secretary.*

BROTHERHOOD OF PAINTERS, DECORATORS, AND PAPERHANGERS OF AMERICA,
Union No. 75, of Fall River, Mass., April 24, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: The Senate Finance Committee has reported out the tariff bill with a provision for a duty on linseed oil and flaxseed. If the recommendation becomes a law, it will greatly increase the cost of linseed-oil varnish and all painting material. So I ask you to try and work for an amendment to the bill, as it will greatly reduce the amount of our work. I remain,

Fraternally yours, P. O. DUCHARME,
Recording Secretary Local 75.

HOLYOKE, MASS., *April 20, 1922.*

Hon. DAVID WALSH,
United States Senate, Washington, D. C.

DEAR SENATOR: We desire to protest to you against the exorbitant rate of duty of 2½ cents per pound on linseed oil in paragraph 50 of the Fordney tariff bill. As there are 19 pounds of linseed oil obtained from a bushel of flaxseed this rate of 2½ cents per pound on linseed oil is equal to 47½ cents per bushel. As the duty on flaxseed in paragraph 760 is 25 cents per bushel, which, after deducting the drawback, amounts to 18½ cents per bushel, the duty on linseed oil is most unjust as it forces all linseed oil consumers to pay 29 cents per bushel more protection to linseed oil mills that the oil mills pay to American farmers or to our Government in duties on imported flaxseed.

There is no justification for such a differential in the rates on flaxseed and linseed oil, as the labor in linseed crushing is very small. The Bureau of the Census extract for the year 1919 shows the wages paid in linseed oil mills to be only 2½ per cent of the value of the products produced.

We also protest against the proposal of Senator LADD, of North Dakota, made by him on January 5 before the Senate Finance Committee, urging that the rate of duty on flaxseed oil be raised from 2½ to 3½ cents per pound. This proposal would make the duty on flaxseed exorbitant and make the rates of duty on linseed oil even more unjust than those originally contained in the Fordney bill.

We urge that a duty of 20 cents per bushel net and not subject to any drawback on oil cake be adopted on flaxseed and a duty of not over 12 cents per gallon of 7½ pounds be adopted on linseed oil. Any rates higher than these will cause an unjust increase in the cost of linseed oil products, such as paint and enamel, and furthermore, any greater differential than 10 cents per bushel on flaxseed and linseed oil would result in an exploitatory subsidy for linseed oil mills to which they have no just claim. Hoping you will see that this injustice is eliminated from the pending tariff bill, we remain,

Yours very truly,

HOLYOKE BUILDING TRADES COUNCIL,
FRANK R. ELTING, *Secretary.*

BOSTON, MASS., *January 20, 1922.*

DAVID I. WALSH,
United States Senate, Washington, D. C.:

We protest the proposed tariff on flaxseed of 40 cents per bushel and 26½ cents per gallon on linseed oil. We think it an outrage against the paint and varnish manufacturers. This is legislation for the few against the many. Is this American justice we have been proud of?

WADSWORTH, HOWLAND & CO. (INC.).

BOSTON, MASS., *March 31, 1922.*

DAVID I. WALSH,
United States Senate, Washington, D. C.:

We protest against proposed duty on linseed oil of 3½ cents per pound. We can't survive if any more handicaps are put on our industry.

WADSWORTH, HOWLAND & CO. (INC.).

BOSTON, MASS., *August 25, 1921.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SENATOR: We dislike to bother you with the many cares and troubles that must constantly arise for you as our Senator, but we do feel that it is of the utmost importance that we enter our protest against the Fordney tariff bill as it now reads regarding animal and vegetable oils and fats.

It would seem to the writer that any man would know that there should not be any tariff on these raw materials. Take, for instance, China wood oil. Under this Fordney bill there will be a tariff of 40 cents per gallon, which is nearly as much as we used to pay for it. What will be the result of any such tariff as that? The foreigners will make the goods up and ship it right into the United States and beat us.

There should be no tariff on flaxseed. Every manufacturer of paints and varnishes knows that we are no longer an export country in flaxseed, but are only one of the large importing countries; still they go to work and put a tariff on flaxseed. It seems as if they are working in every way to put manufacturers in our line out of business.

For instance, normally we use 30,000,000 bushels of flaxseed per year in this country, and this year if we can raise over 8,000,000 or 9,000,000 bushels in this country we will be doing well, and our production of flaxseed is growing less and less while the demand is increasing.

It does not seem possible that men who think could go over this bill as regards these two items and have a broad-minded love of our country in view when they promote any such bill as this.

Yours very truly,

WADSWORTH, HOWLAND & CO. (INC.),
ARTHUR P. FELTON, *President.*

BOSTON, MASS., *January 20, 1922.*

DAVID I. WALSH,
Senate Finance Committee, Washington, D. C.:

We protest against a tariff of 40 cents a bushel on flaxseed and 26½ cents on linseed oil. It is an outrage on the paint industry.

JAS. H. PRINCE PAINT CO

NORFOLK DOWNS, MASS., *March 31, 1922.*

Senator WALSH,
Washington, D. C.:

Understand Finance Committee is considering adoption of 3½ cents per pound duty on linseed oil. This exorbitant duty on the principal raw material of our industry will greatly curtail consumption of our products. We emphatically oppose a duty in excess of 12 cents per gallon.

NORFOLK VARNISH CO.

Mr. WALSH of Massachusetts. Mr. President, I hold in my hand a very remarkable letter, which I am going to ask to have read from the desk. It is a letter from a manufacturer of Philadelphia, Pa., who uses linseed oil in very large quantities. This letter shows the extent of the burden which will be placed upon him by the exaction of the very high prices that will follow the imposition of this high duty. It is a letter which I am sure is similar to letters that have been received by other Senators from like manufacturers in various parts of the country; but he states the whole story better than I could state it, and I am going to ask the Secretary to read the letter in full to the Senate.

Mr. McCUMBER. The Senator, I understand, asks that the letter be read?

Mr. WALSH of Massachusetts. Yes.

Mr. McCUMBER. I think every Senator has received that letter and read it. It is quite a lengthy letter, as I now recall.

Mr. WALSH of Massachusetts. Ordinarily, I should not ask that it be read; but this is a very important subject, and I think it will contribute something to the debate.

The PRESIDING OFFICER. Without objection, the letter will be read.

The reading clerk read as follows:

CONGOLEUM CO. (INC.),
Philadelphia, Pa., July 6, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: As a manufacturer of linoleums and felt base floor coverings and a large user of linseed oil, we desire to protest against the proposed compensatory duty of 3½ cents per pound on linseed oil, which is based on a proposed duty of 40 cents per bushel on flaxseed.

This duty on linseed oil is equivalent to an increase of approximately 16 cents per gallon over the Underwood rate, which means that if the duty becomes effective we will be obliged to pay 16 cents more per gallon for linseed oil.

This company uses at least 1,000,000 gallons of linseed oil per year. An increase of 16 cents per gallon would mean that our cost of production would be increased $160,000 annually. To cover this increase in the cost of production it would be necessary to increase our selling prices by $240,000 per year, which in turn would be increased by the retailers to $360,000 per year. Therefore for this $160,000 increase in our production cost the ultimate consumer would pay approximately $360,000.

This condition arises from the fact that any increase in the cost of raw materials entering into a manufactured article is charged into the cost of production. The selling price of the manufactured articles is based on certain percentages of the cost of production. For example, if an article costs $1 to manufacture, the selling price might be 133 per cent of this cost Should the raw materials entering into the said article be increased 16 cents, then the total production cost becomes $1.16 and the selling price would then become 133 per cent of $1.16. This same principle also applies to the retailers' cost and selling prices; consequently any increase in the cost of production means a greater increase in the selling price to the retailer and still greater increase to the ultimate consumer.

According to the Bureau of Census report for 1921, the oilcloth and linoleum industry consumed over 9,000,000 gallons of linseed oil, which means that the increased cost to the whole industry and to the consumer would be nine times the above figures, which amounts to an increased cost to the industry of $1,440,000 and an increased cost to the ultimate consumer of at least $3,240,000.

A bushel of flaxseed, which weighs 56 pounds, yields 19 pounds of linseed oil, or approximately 2½ gallons. Under the Underwood Tariff Act there was a duty of 20 cents per bushel on flaxseed. This made the market price of flaxseed 20 cents a bushel higher than if there had

been no duty, because a large portion of the flaxseed used was imported, and therefore the domestic price would equal the imported price plus the duty of 20 cents per bushel. This additional cost of 20 cents per bushel was equivalent to 8 cents per gallon, which meant that the Underwood tariff rate on flaxseed increased the cost of linseed oil by 8 cents a gallon. The linseed-oil producer was given a duty of 10 cents per gallon, which enabled him to absorb this additional cost plus a profit of 25 per cent on the increase of 8 cents.

Under the proposed duty flaxseed will be increased at the net rate of 10 cents per bushel over the Underwood rate. The gross rate is 40 cents, but there is a drawback equivalent to 10 cents per bushel on linseed cake in the drawback provisions of the bill, which makes the net rate of 30 cents per bushel. This increase of 10 cents per bushel over the Underwood rate is equivalent to an increase in the cost of linseed oil of 4 cents per gallon, which means that the linseed-oil producers should have a duty of 5 cents more per gallon over the Underwood rate to cover this increased cost of production and allow them a 25 per cent profit on the increase. This would then make the total rate of duty on linseed oil 15 cents per gallon as a compensatory rate of 30 cents net per bushel on flaxseed.

Instead of this the linseed-oil manufacturers are granted a rate of 26¼ cents plus per gallon, which means that for an increase in their cost of production of 4 cents per gallon over the Underwood rate they wish to obtain an increased duty of 16¼ cents, which will enable them to get 16¼ cents more for their oil to offset an increase in the cost of 4 cents. If this rate becomes effective, the linseed-oil producers will receive 11¼ cents per gallon more than they actually need to offset the increased cost of production plus a 25 per cent profit on the increase. This 11¼ cents excess profit means that the linoleum and oilcloth industry would be obliged to pay $990,000 more for its linseed oil, while in turn the consumer would pay $2,227,500.

In a statement made by Senator LADD, as reported in the CONGRESSIONAL RECORD of May 15, 1922, it was claimed that the cost of conversion of flaxseed into linseed oil was 50 cents per bushel, and that the European cost was 25 cents per bushel. Also, that labor in Europe is not receiving anything like 50 per cent of the wages paid in the United States. This company investigated the labor costs in England and received from the National Seed and Crushers' Association, of London, the average rates of pay paid in England by the linseed-oil crushers. This letter is attached hereto.

These rates of pay expressed in our money, with exchange at $4.40 per pound sterling, are as follows:

	Cents per hour.
Molders	26.1
Pressmen	28.8
Grinders	25.6
Parers	25.2
General labor	25.2

Although we do not employ any molders, pressmen, or parers, we employ common labor and grinders in the linoleum business, and the wages in these classes of labor range between 30 cents and 35 cents per hour at the present time.

The rates of pay for general labor paid by the linseed-oil crushers in England are approximately the same as paid for the same class of labor in other industries of which we have authentic records. It can be readily seen that England is paying considerably more than half of the wages paid in the United States.

The conversion cost or crushing cost of linseed oil is analogous to the crushing of cotton seed, excepting the cotton seed requires more work and labor in preparing the seed for the crusher. The cottonseed crushers have always been able to crush their products as cheaply as any foreign country, and even requested that there be no tariff on cottonseed and similar foreign oils. The reason for this condition is due to the fact that the labor cost in crushing oil seeds is an exceedingly small increment. In the crushing of linseed oil the labor cost is 2½ per cent of the total value of the product as shown by the 1919 census. The above rates of English labor indicate that their rates per hour are approximately 70 per cent of the American rate, which would mean that the actual labor saving would be 70 per cent of 2½ per cent, or approximately three-fourths of 1 per cent of the value of the products. This means that if the British labor was as efficient as the American labor, the cost of production would be reduced by three-fourths of 1 per cent of the value of the products. This saving is so small that it will not begin to pay the transportation costs on the finished products between England and America. At the present time, however, American labor, from personal observations that the writer has made in other industries in England, is far more efficient than the English labor, and although the rates of pay per hour in England are lower than the rates of pay in the United States, the output per hour in the United States is much greater, thereby offsetting to a large extent the advantage gained by lower rates per hour.

If the proposed rates of duty on linseed oil become effective, the costs of certain grades of floor coverings which this company manufactures and is now exporting will be increased to the point where it will probably be necessary to either discontinue the export business or else manufacture such products in the countries where such floor coverings are now being exported. In either case, this will mean the withdrawal of this amount of business from the United States, resulting in a reduction in purchases and employment of labor, which again reacts on the linseed-oil crusher and on the farmer.

We furthermore wish to state that we are urging that the proposed rates of duty on linoleums be reduced, as they are much higher than is necessary to equalize the difference in the cost of production between linoleums manufactured in England and those manufactured in the United States. The exact amount of the reduction that we are urging in the rates on linoleum is dependent upon the rate of duty that will apply to linseed oil.

Approximately 60 per cent of the floor coverings manufactured by this company are sold in the agricultural districts, and we believe that this ratio of distribution will apply to the other manufacturers of linoleums and oilcloths. Consequently 60 per cent of the burden of the excessive duty on linseed oil, as carried by the ultimate consumer of floor coverings, falls upon the farmer.

The farmer is also a very extensive user of linseed oil in the form of paints which he buys to paint his buildings and equipment. Here again the excessive duty on linseed oil will fall upon the farmer.

There are nearly 1,000 paint manufacturers in the United States who use linseed oil as a basic material. We can not understand how the proposed duty on linseed oil can be regarded as protective when it imposes an unwarranted burden upon the American farmers and all other consumers and accomplishes nothing but the creation of an excessive profit for the few operators of a simple oil-separating process.

We feel that it is incumbent upon the Senate to reduce the proposed 3½ cents per pound duty on linseed oil to 2 cents per pound, which would be equivalent to 15 cents per gallon. This rate will provide ample compensation and ample protective margin for the flaxseed-crushing operation as compared with the proposed rate of 40 cents per bushel (30 cents net) on flaxseed.

Very truly yours,

A. E. VAN BIBLER, *Secretary.*

THE NATIONAL SEED CRUSHERS' ASSOCIATION,
London, June 23, 1922.

H. SHELDON TIEL, Esq.,
The Congoleum Co. (Inc.), Philadelphia.

DEAR SIR: With reference to your call here to-day, I have pleasure in giving you information as to the rates of wages paid to the employees in the English oil mills.

As you will understand, the rates vary slightly in different towns, country mills mostly paying slightly lower rates than city mills. The following, however, are the principal rates applicable in Hull, which is the center, by about 50 per cent of the seed-crushing business of the United Kingdom:

	Shillings.
Pressmen	63
Molders	57
Grinders	56
Parers	55
General labor	55

The above rates are for a working week of 6 shifts of 8 hours each, say a week of 48 hours. The practice on this side is to work three squads of men in the 24 hours, the first start working from 6 a. m. till 2 p. m., the second set from 2 p. m. till 10 p. m., and the third set from 10 p. m. till 6 a. m.; each squad of men takes rotation. The men on the first shift one week take the second shift the next week and the third shift the following week, and so round. In actual practice there is one shift of eight hours dropped in the three weeks, owing to the intervention of the Saturday, so that a man in his three weeks cycle really works 48 hours the first week, 48 hours the second week, and 40 hours only the third week. No deduction of wages is made for the third week; he receives the same wage for that period. In each shift of 8 hours there is a break of 20 minutes for meals at half time.

We shall be happy to give you any further information you desire.

Yours faithfully,

J. W. PEARSON, *President.*

Mr. WALSH of Massachusetts. Mr. President, when paragraph 50 is taken up I shall move to reduce the rate on flaxseed oil from 3½ cents to 2 cents.

Mr. McCUMBER. Mr. President, I am profoundly affected by the plea which has just come from the manufacturers of linoleum, who, of course, use considerable flaxseed or linseed oil in the manufacture of their product. However, I am not prepared to shed copious tears when I recall that they have asked and received the full compensatory duty upon the flaxseed oil in the rates which have been given them for the protection of their product against English and other manufactures. I do not find that any one of them is requesting that their product be placed upon the free list or that the rate on it be materially reduced.

Mr. WALSH of Massachusetts. I understood the objection made by the writer of the letter which has just been read was that these rates would compel him to charge such a high price for his product that he would be unable to do any export business.

Mr. McCUMBER. However, I think they will continue to import just as long as we are producing less than one-third of the product consumed in the United States, and I have no doubt that the duty may possibly also affect their export trade. That would naturally follow.

I read with great interest how these extra duties would be charged to the consumer, and that the consumer would have loaded upon his shoulders the extra weight of 3½ cents a pound on the oil that is used in the linoleum.

I can not help pausing a moment and casting my eyes over the record of their charges for linoleum in 1920. They were not mourning at that time about the consumers. At that time they were asking several times the former value of their product, and they were importing their linseed oil without the payment of any of these higher duties.

They are just like all other human beings; they are going to get all they can for their product, and the measure of what they will receive will be the ability of the public to purchase. That is what they have done in the past and that is what they will do in the future, and they will charge all that the trade will bear, and they will do this, tariff or no tariff. They would like to charge that and at the same time prevent the producer of the flaxseed from receiving due compensation for his labor in producing their raw product. But, Mr. President, this duty will not be added to the cost of linoleum for the simple reason that the trade will not allow an increase in price. The price of this product will come down, as the prices of all other products will recede.

I was not in the Chamber when the Senator from Massachusetts began his argument, but I am going to presume that he abandoned the stock argument which we have heard on the other side so often, that the farmer got no benefit out of the emergency tariff. I do not think he mentioned that subject. It was mentioned with a great deal of vehemence when the crop of the world sent peanuts down, but it is forgotten when the conditions of the world send flaxseed up.

I am trying to be as reasonable as possible in the consideration of the effect of a duty on any commodity. I have never

claimed that the tariff was going to change the whole world prices of any commodity, and have always insisted that prices in the United States would go up and down to correspond with general world production. That was true of the peanut crop; it is true of the flaxseed crop.

But I want to call attention to this one fact, that while world prices of flaxseed, after we passed the emergency tariff bill, went upward, the American prices were sent upward away beyond the world level of prices, and the difference between the world level of prices and the American level of prices during the same period measures accurately the benefit we obtained from the emergency tariff law.

We passed the emergency tariff law in the month of May, 1921. In the month of April, the preceding month, the price of No. 1 northwestern American flaxseed was $1.54 a bushel. We passed our law the next month, and during that month the average was $1.79. It then went upward each month until May, 1922, when the average price per bushel was $2.76. So the farmer is receiving now $1.22 a bushel more than he received just prior to the passage of the emergency tariff act. That does not mean he is getting a benefit of $1.22 a bushel by reason of the emergency tariff act, not by any means; but if we look at the world level of prices, which is measured in the free-trade port of Buenos Aires, we will find that the price at Buenos Aires of La Plata flaxseed in April, 1921, was $1.15 and in May, 1922, it was $1.91. It was 76 cents higher than it was the month previous to the enactment of the emergency tariff law. Therefore, while the world's level of prices advanced 76 cents a bushel, American prices advanced $1.22 a bushel, or a difference of 46 cents a bushel. We at least got that benefit.

We did not get the full benefit for another reason. When the emergency tariff bill came over from the House we were in a hurry to get it through so that, as far as possible, we could check the downward tendency of prices of the products covered by it. The weakness of that bill was that while it gave a sufficient protection upon the flaxseed, it gave no differential to take care of the importations of the linseed oil. The result was that linseed oil came into the country in enormous quantities, instead of the raw product, the linseed itself, and that held the prices down. Except for that, during the entire year we would have had the full benefit of our tariff difference, and in fact, even as it was, we received practically the same difference that was measured by the emergency tariff.

Mr. President, I want to make the record complete in regard to a few items. The act of 1909—the last Republican tariff bill—gave a duty of 25 cents per bushel upon flaxseed. The act of 1913 cut it down only 5 cents, making it 20 cents per bushel. The bill as it passed the House gave back the old Payne-Aldrich rate of 1909 of 25 cents a bushel. The emergency tariff law gave us 30 cents a bushel, and the proposed law fixes 40 cents per bushel as the rate.

Now, during the calendar year 1921 the imports amounted to 12,326,244 bushels as compared with a production in the United States of 8,112,000 bushels. But in addition to that nearly 20,500,000 bushels came into the United States in the shape of linseed oil, and that brought the entire importations to the equivalent of about 33,000,000 bushels.

We derived some revenue from this product independent of the protection. Under the act of 1913, in the first half of the year 1921, we collected in duties $903,636.20. After the emergency act passed we collected $2,341,408.80, or a total of $3,245,045. On the basis of $1.65 per bushel, the average unit value for the calendar year 1921, the rate of 40 cents per bushel is equal to 24 per cent ad valorem.

Now, Mr. President, we have shown a great advantage to the American farmer in the emergency tariff. We will be able to maintain a very much better average, I think, with the present proposed tariff rate. As to the differential of 3½ cents per pound, my colleague, the junior Senator from North Dakota [Mr. LADD], having had long experience as a professor in the agricultural college of that State and also as president of the college, has very extended knowledge concerning the matter of a proper differential in the matter of this particular tariff duty, and if that Senator will allow me to impose upon him I will ask his opinion and judgment as to the proper differential.

Mr. LADD. Mr. President, in speaking at this time I want to give attention to both flaxseed and the soya bean, which come under this paragraph. The Senator from Massachusetts [Mr. WALSH] called attention to the fact that a large amount of the oil imported into this country of late had been imported by the crushers, and that is true. Why by the crushers? Because they were unable to compete with European countries in the importation of flaxseed. The tariff on flaxseed was placed at 30 cents under the emergency tariff law and the oil remained at 10 cents per gallon. Naturally the oil was being imported into the country by the importers; so the crushers, in order to retain their customers, found it necessary to meet the demands of the markets to become able to import flaxseed and became importers of the oil for no other purpose than to keep their customers until they could again become buyers of the flaxseed.

We had a tariff of 30 cents on flaxseed in 1890, and at that time the tariff on oil was greater than the tariff on flaxseed, being 32 cents per gallon. In 1894 the tariff was reduced to 20 cents per bushel on flaxseed, and on oil to 20 cents, just the same as on the flaxseed per bushel. In 1897 it was changed to 25 cents per bushel on the seed, and remained the same—20 cents—on the oil. In 1909 it was 25 cents on the seed and reduced to 15 cents on the oil. Under the Payne-Aldrich bill the tariff was 20 cents on the seed and 10 cents per gallon on the oil.

In 1913, when the Underwood-Simmons law went into effect, we were producing in this country 28,853,000 bushels of flaxseed. We were producing about 25,000,000 bushels each year, with the exception of one year, when there was a shortage of crop due to nearly complete failure, drought, and so forth, when it fell to something like 12,000,000 bushels. In 1920, because of lack of protection, we find the amount of flaxseed produced here was only 7,661,000 bushels. In 1913 we were importing 5,000,000 bushels of flaxseed. In 1920 we were importing 23,000,000 bushels of flaxseed. Of oil, in 1913 we imported 172,522 gallons, but of linseed oil, in 1920 we imported 4,550,391 gallons.

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

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

Mr. LADD. I yield.

Mr. KING. Can the Senator give the differences in prices for finished product—that is, for linseed oil—in 1912, 1913, and 1914, and also in 1918, 1919, 1920, and 1921?

Mr. LADD. I do not know that I have those data here.

Mr. KING. Let us see how much the advance was, not only on the oil from pre-war years to a period during and since the war but as well the prices before the war and since, on flaxseed.

Mr. LADD. I have the prices for the flaxseed, but not for the oil.

Mr. KING. That range was about 300 or 400 per cent above the pre-war price, was it not?

Mr. LADD. In 1912, on the basis of 100 cents, it was 114.7, or $1.147. In 1919 it was $1.99, in 1920 it was $1.766, in 1921 it was $1.629; the data was furnished me, I may say, by the Department of Agriculture. On the oil I can not give the figures, as I do not have them with me at this time.

In the first four months of 1922 we imported 8,954,958 gallons of oil, or about twice the amount in four months as for the preceding year. In other words, to put it in another form, during the month of January, 1922, we imported thirty-one times as much linseed oil as in the same month for 1921. During the month of February, 1922, we imported sixty-nine times as much as in the corresponding month for the preceding year. In March, 1922, we imported eight hundred and seventy-three times as much oil as in March, 1921. In April, 1922, we imported sixty-five and one-half times as much as in April, 1921. In May, 1922, we imported sixty-three and one-half times as much as was imported for the corresponding month in 1921. In other words, we imported in May, 1922, 3,716,209 gallons, as compared with 58,399 gallons in May, 1921.

I asked the Department of Agriculture to furnish me certain data, and I want to call attention to what they say with regard to the duty:

> A still more important factor perhaps is the localization of our linseed-oil industry along the eastern seaboard. The eastern mills, far removed from the flax-producing sections of the United States, have come to depend almost entirely upon Canada, Argentina, and British India for their raw materials. More recently even the western crushers located in Minneapolis and Chicago have begun to use Argentina seed. The freight rate on flaxseed from Minneapolis and Duluth to New York is 86½ cents per 100 pounds, or at the rate of 52 cents per bushel. In contrast with this rate the ocean freight rate from Argentina to New York is from $3.50 to $4.50 a ton of 2,240 pounds. The $4.50 rate applies to up-river ports and is at the rate of 11 cents per bushel. In September of last year, when large quantities of flaxseed were being imported from Argentina, the freight rate was approximately 35 cents per bushel.

Mr. KING. Mr. President——

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

Mr. LADD. I yield.

Mr. KING. I may not have heard at a distant part of the Chamber, but I understood the Senator to fix the highest price of flaxseed at less than $2.

Mr. LADD. No; I stated that in 1912 the price was $1.14. I am speaking of the farm price, the price which the farmer received. The data was received from the Department of Agriculture. In 1913 the farm price was $1.19; in 1920, $1.766; and in 1921, $1.629.

Mr. KING. If the Senator will in his time indulge me for a moment, I find in the United States Department of Agriculture Yearbook for 1920 the following figures, which seem to be somewhat at variance with those given by the Senator. We find the low price at Cincinnati in 1913 was $1.50 per bushel; at Minneapolis, $1.23⅛ per bushel; at Milwaukee, $1.25½ per bushel; at Duluth, $1.22⅝ per bushel. In January, 1914, substantially the same figures are given. In 1915 $1.70 is given as the low price in Cincinnati, $1.59½ in Minneapolis, $1.51½ in Milwaukee, and $1.61½ in Duluth. Those are the low prices.

Mr. McCUMBER. Mr. President——

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

Mr. LADD. I yield.

Mr. McCUMBER. The Senator from Utah is in error as to any variance between his statement and that of my colleague. My colleague is quoting the farm prices and the Senator from Utah is quoting the prices at the city. If the Senator from Utah will turn back to page 601 of the document to which he was referring, he will find the farm prices which correspond with what the junior Senator from North Dakota has stated.

Mr. KING. There may not be any variance in the sense implied by the Senator. If those prices indicated the commercial prices, then, of course, there is a variance.

If the Senator from North Dakota will pardon me a moment further, in 1916 prices had risen to $2.85 in Cincinnati and corresponding increases at the other points which I shall not take the time to indicate. In 1917 the price was $3.75 per bushel in Cincinnati. The highest price was $4.25 per bushel. In Minneapolis the high price was $3.46; in Milwaukee the high price $4.32; in Duluth the high price $4.36 and the low price $3.46. In 1918, $3.75 was the low and $4.25 the high in Cincinnati, and there were corresponding increases at the other points. In January, 1919, $3.25 was the low and $5.50 was the high in Cincinnati, with corresponding increases at the other points, the price being as high as $6.73 at Duluth. In 1920 the low price in Cincinnati was $4.50 and the high price was $5, the average being $4.62. In Minneapolis the low was $4.63 and the high $5.45. In Milwaukee the low was $4.70 and the high $5.35. At Duluth the low was $4.68 and the high $5.36. The prices increased from January right along down to July of that year, when the low price was $5 in Cincinnati. In Minneapolis the price was lower, being $3.11 and $3.87½, while $3.94 was the high price at Duluth.

So there was considerable spread, to use a word which has been employed a great deal during the debate, between the farm and the commercial price of the seed to which I have referred.

Mr. LADD. Mr. President, there is no question about that, but the prices I am giving are the prices which the producer is going to receive for the crop which he grows. During the war, of course, there were higher prices paid because of the demand, and the expense of production was also greater.

Mr. KING. The Senator will see that the prices went up over 300 or 400 per cent, and I presume that the prices now are very much higher than they were in 1913. There must be some profiteering somewhere which reflects itself in higher prices for linseed oil which are carried on to the farmer and to everybody else who employs linseed oil in painting and for other purposes for which it is legitimately used.

Mr. LADD. Can the Senator from Utah give the price of linseed oil per gallon during the war and the price of linseed oil at the present time?

Mr. KING. I do not have those prices here.

Mr. LADD. Linseed oil was as low as 69 cents a gallon during the past winter, and I think it is something like 72 cents wholesale according to the last quotation of the price that I noticed.

Mr. KING. My recollection is that the last price I saw was 87 cents a gallon. The pre-war price was 50 cents, or thereabouts, a gallon. A short time ago the price was from 75 to 100 per cent above the pre-war price, which, of course, is an impediment to painting and to building operations and to the general use of this very essential commodity.

Mr. LADD. That is very true; but that does not give the producer of the commodity any greater return. The report which has been furnished by the Secretary of Agriculture further states:

> It does not require any extended calculations to show that American flaxseed can not, on the basis of present production and transportation costs in this country, compete with Argentine flaxseed which, after paying an import duty of 30 cents a bushel can still be landed in New York more than 20 cents cheaper than flaxseed from the Middle West.

Mr. WALSH of Massachusetts. Will the Senator yield to me for a moment?

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

Mr. LADD. I yield.

Mr. WALSH of Massachusetts. I understand that the Payne-Aldrich law levied a duty of 25 cents per bushel upon flaxseed and that that law contained a drawback provision, and that the Underwood law levied a rate of 20 cents per bushel without any drawback provision. I further understand that the price of flaxseed has constantly increased from 1913 to 1920; in fact, that it has increased from $1.75 a bushel to nearly $5 a bushel. In the face of the fact that, despite the elimination in the Underwood law of the drawback provision of the Payne-Aldrich law and a reduction from a rate of 25 cents to 20 cents, the prices have increased, does the Senator say that the reduction of the rate and the elimination of the drawback in the Underwood law are responsible for the reduction in the production of flaxseed in this country?

Mr. LADD. They are in part responsible; but that reduction is not the only factor; there are other factors that enter into the question. The Senator from Massachusetts spoke of one of those. I can not agree with him wholly. The Senator said that flax was a sort of a "catch crop" for a part of the farmers. That I do not think to be true. Flax is a crop grown by farmers on new soil or newly broken land. On the old land years ago the farmers were obliged to abandon the production of flax for the reason that a disease, known as flax wilt, destroyed the plant and the crop did not succeed. The cultivation of flax was then confined more largely to new land, but that condition has been overcome at the present time. For the past six or seven years there has been on the market a variety of flaxseed which is immune to these diseases. Just as a person who has been vaccinated for smallpox is immune to smallpox, so one of these varieties of flaxseed is immune to the flaxseed wilt. So flax is coming back into cultivation in the older parts of the West where it was formerly grown. Flax yields an income to the farmer which is less than yielded by wheat in the wheat-growing sections, as is shown in the report of the Secretary of Agriculture, from which I have quoted. That flax production has rapidly decreased in this country since 1913—that it has fallen from 25,000,000 or 29,000,000 bushels a year to from 7,000,000 to 8,000,000 bushels a year—is due in a large measure to the lack of protection, and the fact that the emergency tariff failed to furnish proper protection on the oil has been the means of closing practically every crushing plant in this country. Without adequate protection on both the oil and the flax, the farmer would have no home market for the flax that is produced in this country.

The demand for linseed oil in 1913 was about 40,000,000 gallons, but during the past few years the demand has increased to approximately 75,000,000 gallons, while the quantity produced in this country has rapidly decreased. Under proper protection flaxseed, in my judgment, would come back as a large and important crop all through the Northern States, from New England to Montana, and would be grown not only on new lands but on the old lands.

In the report which is furnished by the Department of Agriculture they say further:

> Furthermore, since the United States is at the present time a large importer, an increase in the tariff which would reduce our importations would probably result in lowering the price in foreign markets to points which would enable American importers to buy in foreign markets in spite of the protection afforded by the higher tariff, so that the farmer would not profit to the full extent of the increase in the tariff rates.

I ask that this report may be printed in full as part of my remarks.

The PRESIDING OFFICER. Without objection, that order will be made.

The report referred to is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF MARKETS AND CROP ESTIMATES,
Washington, October 29, 1921.

(Memorandum for Dr. H. C. Taylor, Chief Bureau of Market and Crop Estimates.)

PROPOSED INCREASE IN THE IMPORT DUTY ON FLAXSEED, WITH SPECIAL REFERENCE TO ENCOURAGEMENT OF FLAXSEED PRODUCTION IN THE UNITED STATES.

DEAR DOCTOR TAYLOR: The undersigned, acting as a special committee, under your oral instructions of October 3, 1921, submit the following report on the production and international trade in flaxseed, with particular reference to the possibilities of encouraging the production of flaxseed in this country by increasing the import duty from 30 to 50 cents per bushel.

Respectfully submitted.

O. C. STINE,
Agricultural Economist, Office of Farm Management and Farm Economics.
C. R. BALL,
In charge Cereal Investigations, Bureau of Plant Industry.
C. L. LUEDTKE,
Assistant in Market Information, Foreign Information Section, Division of Agricultural Statistics and Prices.

PROPOSED INCREASE IN THE IMPORT DUTY ON FLAXSEED, WITH SPECIAL REFERENCE TO ENCOURAGEMENT OF FLAXSEED PRODUCTION IN THE UNITED STATES.

FAXSEED A PIONEER CROP.

Flaxseed has always been know as a pioneer crop, thriving on the frontier and moving with it. It has been produced generally on the first soil of newly cleared or newly broken lands and has been a cash crop for the new settler or farmer distant from market. In all of the northern States it has been for a period an important crop. Before the Revolution the northeastern and middle States produced and exported considerable quantities of flaxseed. Before the Civil War, Ohio and Kentucky had become important producers and Cincinnati was an important primary market for flaxseed. Flax production has shifted west with the westward movement of settlement until now the most important producing centers are in the most recently developed lands in the northern Great Plains area, embracing the States of Minnesota, South Dakota, North Dakota, and Montana.

FLAX WILT AND COMPETITION WITH OTHER CROPS.

Flax wilt and profitableness of other crops have been two important factors in causing the shift in flax production. The wilt by causing the crop to fail after the second or third year on the same land compelled farmers to shift cultivation. After a few years it could have been grown again, but markets for other farm products had developed and so it was not as profitable to grow it as other products. If these two factors continue to operate in this way our flax production may soon be a thing of the past and the United States will be compelled to depend upon foreign countries for its entire supply. Fortunately, wilt resistant varieties have been developed which will enable farmers to grow flax continually on their farms. These varieties thus far have not yielded as well as the flax commonly grown; therefore the use of wilt-resistant seed will increase the cost per bushel of producing flaxseed.

However, in those portions of the corn belt where flax has not been grown recently, it is probable that the organism causing wilt is not present, at least, not abundantly. In that case it would not be necessary to use seed of resistant but lower yielding varieties until the wilt appears and becomes destructive. Seed free from wilt infection should be used wherever possible. Such seed, generally, can be obtained in Montana or western North Dakota, where wilt is not widely destructive. Those needing seed of the wilt-resistant variety probably can obtain it from the North Dakota Agricultural College, Agricultural College, N. Dak.

If the growing of flaxseed is to be encouraged in the corn belt, it should be made a neighborhood or community enterprise in order to facilitate the distribution of seed and the marketing of the crop. It would be most economical to distribute at least a carload of seed in each producing community. At any rate, a sufficient acreage should be sown in each community to insure the production of at least a carload of seed so that it could be shipped economically to a central market. One difficulty in growing flax, even on the border of the flax area, is that there is not a ready market for small lots of seed. It is very desirable that a group of farmers grow a sufficient acreage to insure production of a crop that can be marketed economically.

UNITED STATES PRODUCTION DECLINES.

The period since 1908 has seen a general decline in the production of flaxseed in the United States. North and South Dakota, Minnesota, and Montana now produce 84 per cent of the domestic crop, which in 1920 amounted to 10,990,000 bushels. The production this year is estimated at 8,878,000 bushels. This decline in production, coupled with the growing demand for linseed products, has made the United States essentially a flaxseed importing country.

WORLD ACREAGE AND PRODUCTION.

Argentina is the largest producer of flaxseed in the world. The average acreage is around 3,000,000 acres. India follows a close second. The United States is third with 2,000,000 acres; then comes Canada with an average of 1,000,000 acres, while Uruguay, Japan, and several European countries each cultivate from 50,000 to 100,000 acres. In most of the European flax-growing regions the flax is raised primarily for its fibers. In the United States, Canada, and Argentina, as well as in India, flax is produced primarily for the seed. The area and production in the principal flax-producing countries of the world in 1921 and for a five-year period, 1909–1913, were as follows:

Countries.	Area.		Production.	
	Average 1909–1913[1]	1921	Average 1909–1913[1]	1921
	Acres.	*Acres.*	*Bushels.*	*Bushels.*
Argentina	3,683,000	[2] 3,484,000	31,989,000	[2] 42,025,000
India	3,821,000	[2] 2,234,000	19,773,000	[2] 10,760,000
Russia in Europe (except Poland)	3,217,000	.....	19,772,000	.....
United States	2,490,000	1,242,000	19,505,000	8,252,000
Canada	1,036,000	786,000	12,068,000	7,160,000
Other countries	1,014,000	.....	7,073,000	.....
Total	15,261,000	7,746,000	110,180,000	[3] 68,197,000

[1] 5-year average, except in a few cases where 5-year statistics were not available.
[2] Harvest in February.
[3] Exclusive of Russia and "Other countries."

It will be observed from the foregoing table that the 1921 flax acreage in the principal flax-producing countries of the world was about one-half the average acreage during the five-year period from 1909 to 1913. It will further be noted that the 1921 production, exclusive of Russia and other countries not shown, was about 62 per cent of the five-year pre-war average. Prior to the war the Russian Empire produced about 20,000,000 bushels annually, and Europe, outside of Russia, produced about 3,000,000 bushels. Russia, however, may now be left out of the discussion because she is not yet producing quantities in excess of her demands.

The acreage sown to flax in Argentina has been around 3,000,000 acres since 1903, showing little change from year to year. No acreage or production estimates have been received as yet for the 1921–22 crop. The acreage in Canada this year is almost one-half that of 1920. The latest reports give the production this year at 7,160,000 bushels, which is about 800,000 bushels less than the 1920 crop. The 1920–21 crop in India this year was 10,760,000 bushels, or about 6,000,000 bushels less than the crop of the previous year.

INTERNATIONAL TRADE IN FLAXSEED.

Argentina leads not only in production but also in her exports of flaxseed, which amount to approximately 90 per cent of her production. India exports about 80 per cent of her production. Russia, however, exports only about 25 per cent or 5,000,000 bushels. The average annual imports of the United States and certain European countries during the three years preceding the war (1911–1913), and in 1919 and 1920 are shown in the following table compiled from official and other sources:

Average annual net imports of flaxseed into principal flax-consuming countries.

	Average 1911–1913	1919	1920
	Bushels.	*Bushels.*	*Bushels.*
Austria-Hungary	1,872,000	.....	.....
Belgium	3,348,000	979,000	716,000
Bulgaria	.....	.....	.....
Denmark	520,000	709,000	1,054,000
France	6,243,000	.....	1,217,000
Germany	15,102,000	.....	2,075,000
Italy	1,698,000	519,000	871,000
Netherlands	6,254,000	3,718,000	3,647,000
Norway	445,000	351,000	332,000
Sweden	904,000	695,000	1,085,000
United Kingdom	15,091,000	20,536,000	15,575,000
Total	51,477,000	27,507,000	23,412,000
United States	7,290,000	14,036,000	24,616,000
Grand total	58,767,000	41,543,000	48,028,000

Prior to the war the total consumption of all Europe averaged around 63,000,000 bushels, of which 40,000,000 bushels were imported. During the three years immediately preceding the war the total imports of Europe averaged over 51,000,000 bushels, and those of the United States during the same period averaged around 7,000,000 bushels. In 1918, with Germany, Belgium, Hungary, Denmark, and the Netherlands taking no flaxseed and Italy taking very little, we find Europe's net imports in that year reduced to about 11,000,000 bushels. Following the armistice, after readjustments began to be made, the Netherlands, Italy, Denmark, and France imported quantities more nearly approaching their normal imports, until in 1919 the European net imports aggregated 28,000,000 bushels. In 1920 her imports dropped to 23,000,000 bushels, less than half the average imports during the three years immediately preceding the war. This decrease was due largely to reduced importations of the United Kingdom, which imported 5,000,000 bushels less in 1920 than during the previous year. Most of the other countries, however, notably Denmark, France, Germany, Italy, and Sweden, all showed increases in their 1920 imports.

Europe is gradually recovering her former position as a flax-importing country. The best evidence of this will be found in the following table, showing the exports of flaxseed from Argentina—the chief source of European and American flax imports—during the first seven months of the present calendar year compared with the totals for 1920:

Exports of flaxseed from Argentina.

Countries.	1920	Jan. 1 to July 31, 1921
	Bushels.	*Bushels.*
United Kingdom	5,079,714	5,709,678
France	469,501	784,129
Belgium	1,435,470	1,684,629
Germany	947,151	1,290,163
Italy	276,362	19,762
Netherlands	3,547,280	2,805,590
Denmark	1,391,495	605,281
United States	18,770,476	7,390,095
Other countries	9,434,586	12,249,742
Total	41,352,036	32,539,069

From an analysis of the foregoing table it will be observed that the exports of flaxseed from Argentina to the United Kingdom, France, Belgium, and Germany during the first seven months of this year exceed the total exports to those countries during the calendar year 1920. Attention is particularly directed to the relative volume of flaxseed taken by the United States and the United Kingdom this year as compared with a year ago.

In considering the world's trade in flaxseed as a whole it is not necessary to give any consideration to the trade in linseed oil, because the principal producing countries export very little oil, though some countries export linseed oil crushed from imported seed. In studying the trade of any one country, however, it is well to consider the seed equivalent of the oil.

IMPORTS OF FLAXSEED INTO THE UNITED STATES.

The average annual imports of flaxseed into the United States from 1911 to 1913 were 7,297,000 bushels. In 1919 there were 14,036,000 bushels imported, while in 1920 the imports amounted to 24,641,000 bushels, all of which, with the exception of 1,863,000 bushels, came from Argentina. So far this year (January 1 to September 30, 1921) 8,602,884 bushels of flaxseed have been imported into the United States, as against 19,301,932 bushels for the corresponding period of 1920. Of the 8,602,884 bushels imported so far this year Argentina contributed 5,938,596 bushels, while Canada furnished 2,370,378 bushels,

the remainder (293,910 bushels) coming from other countries. The imports of flaxseed into the United States during the past 10 years are given in the following table:

Imports of flaxseed into the United States.

	From Argentina.	From Canada.	From other countries.	Total.	
				Fiscal year.	Calendar year.
Fiscal years ending June 30:	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*
1910	3,209,087	1,410,398	383,011	5,002,496	9,158,779
1911	5,021,137	2,251,083	3,227,007	10,499,227	7,480,115
1912	1,210,628	3,510,883	2,120,295	6,841,806	7,833,180
1913	429,254	4,732,316	132,726	5,294,296	6,580,154
1914	None.	8,647,168	6,067	8,653,235	9,246,530
Calendar years:					
1914	73,555	9,166,249	6,726	.....	9,246,530
1915	11,097,624	3,447,372	151,627	.....	14,696,623
1916	8,744,795	4,210,197	147,012	.....	13,098,004
1917	1,712,178	7,004,638	677,471	.....	9,394,287
1918	9,668,119	3,240,043	66,314	.....	12,974,476
1919	12,353,932	1,279,132	403,120	.....	14,036,184
1920	22,778,359	1,637,813	225,018	.....	24,641,190
1921 (9 months)[1]	5,938,596	2,370,378	293,910	.....	8,602,884

[1] Preliminary.

ACREAGE NECESSARY TO PRODUCE UNITED STATES REQUIREMENTS.

Increase in the production of flaxseed in the United States may be brought about either by increased acreage or by increased yield per acre, or both. The average acreage planted to flaxseed in the United States during the period 1910–1920 was 1,900,000 acres, the tendency being a gradual reduction during the decade. The average annual production during the period was about 14,700,000 bushels, with a 7,500,000-bushel crop in 1919, which was the smallest crop harvested since 1879. The average excess of imports over exports for the period, including the seed equivalent of linseed oil, was about 11,900,000 bushels, making our average net supply about 26,500,000 bushels. The largest supply for any one year was in 1912, when it amounted to 33,000,000 bushels, followed by 31,000,000 bushels in 1919 as a close second. The large supply in 1912 was the result of a good crop from a large acreage, while in 1919 it was due to the large import of 24,500,000 bushels of flaxseed.

Acreage, production, yield per acre, and average farm price per bushel of flaxseed in the United States, 1902–1921.

Year.	Acreage.	Production.	Average yield per acre.	Average farm price (Dec. 1) per bushel.
	Acres.	*Bushels.*	*Bushels.*	*Cents.*
1902	3,740,000	29,285,000	7.8	105.2
1903	3,233,000	27,301,000	8.4	81.7
1904	2,261,000	23,401,000	10.3	99.3
1905	2,535,000	28,478,000	11.2	84.4
1906	2,506,000	25,576,000	10.2	101.3
1907	2,861,000	25,851,000	9.0	95.6
1908	2,679,000	25,805,000	9.6	118.4
1909	2,712,000	25,856,000	9.4	.....
1909[1]	2,083,000	19,513,000	9.4	153.0
1910[2]	2,467,000	12,718,000	5.2	231.7
1911	2,757,000	19,370,000	7.0	182.1
1912	2,851,000	28,073,000	9.8	114.7
1913	2,291,000	17,853,000	7.8	119.9
1914	1,645,000	13,749,000	8.4	126.0
1915	1,387,000	14,030,000	10.1	174.0
1916	1,474,000	14,296,000	9.7	248.6
1917	1,981,000	9,164,000	4.6	296.6
1918	1,910,000	13,369,000	7.0	340.1
1919	1,572,000	7,661,000	4.9	438.3
1920	1,785,000	10,990,000	6.2	176.6
1921	1,242,000	8,878,000	7.2	[3] 162.9

[1] Census returns.
[2] Figures adjusted to census basis.
[3] Farm price Oct. 1, 1921. Price on Oct. 1, 1920 was 279.7 cents.

The additional acreage necessary to produce an amount equal to our net imports of flaxseed and seed equivalent of linseed oil, based upon a 10-year average yield per acre—7.6 bushels, 1911–1920—would have been 3,000,000 acres in 1919, when the net imports—during the fiscal year ending June 30, 1920—were approximately 24,700,000 bushels. The required additional acreage in 1920, when our net imports were 16,700,000 bushels, computed on the above basis, would have been 2,000,000 acres. It is interesting to note in this connection that the average yield for the United States in 1920 was only 6.2 bushels, so that 2,000,000 additional acres actually planted in 1920 would not necessarily have produced an amount equal to our net imports during that year. On the other hand, it should be remembered that our imports in 1919 and 1920 were unusually heavy—the heaviest, in fact, on record. Based on our average net imports during the past 10 years, including the heavy imports in 1919 and 1920, it would only have required 1,500,000 additional acres to produce an amount equal to our net imports.

Another fact to be kept in mind is the variation in the average yield per acre in the several States in which flaxseed is grown. The 10-year average yield in Wisconsin, for example (1911–1920), was 12.2 bushels per acre; in Minnesota, 9.3 bushels per acre; in North Dakota, 7.5 bushels per acre, and in Montana, the State with the largest flax acreage, 6.7 bushels per acre. The following table shows the acreage, production, and average yield per acre of flaxseed in the principal flax-producing States during 1920, with the average yield covering a 10-year period (1911–1920):

Acreage, production, and average yield per acre, 1920, and average yield, 1911–1920.

States.	Acreage.	Production.	Average yield per acre.	Average yield 1911–1920.
	Acres.	*Bushels.*	*Bushels.*	*Bushels.*
Wisconsin	9,000	99,000	11.0	12.2
Minnesota	320,000	3,040,000	9.5	9.3
Iowa	12,000	120,000	10.0	9.9
Missouri	6,000	45,000	7.5	7.0
North Dakota	735,000	3,896,000	5.3	7.5
South Dakota	220,000	2,200,000	10.0	8.3
Nebraska	5,000	45,000	9.0	7.6
Kansas	23,000	159,000	6.9	5.8
Montana	451,000	1,353,000	3.0	6.7
Wyoming	4,000	33,000	8.2	8.5
United States	1,785,000	10,990,000	6.2	7.6

The variation in the average yield per acre in the different States clearly shows how the localization or distribution of the additional flax acreage among the several States might change the basis for an estimate of this kind.

COMPARISON OF YIELD AND COST OF PRODUCTION.

In the period from 1908 to 1916, inclusive, the average yield of flaxseed per acre was 5.07 bushels in Russia, 5.08 bushels in British India, 8.42 bushels in the United States, 9.11 bushels in Argentina, and 11.07 bushels in Canada. Unfortunately there are no comparable data as to the cost of producing flaxseed in these countries, except in the case of Canada, where flaxseed production is confined to the newer farming regions and where the methods of cultivation are substantially the same as in the United States. The general level of prices and wages and the methods of cultivation in the other countries are so obviously different as to render all comparisons in the absence of authoritative cost data misleading and valueless.

RELATION BETWEEN PRICE AND COST OF PRODUCTION.

In considering the price necessary to obtain increased production we must take into account the long-time average price of the crops with which flax competes. In the Northwest flax competes with oats and wheat. In the corn belt the competition of corn would also be a factor. The average farm price, yield, and value per acre of flax in the United States, 1905–1914, compared with oats, wheat, and corn, are given in the following table:

	Average price per bushel.	Average yield per acre.	Average value per acre.
	Cents.	*Bushels.*	
Flax	132.7	8.8	$11.68
Oats	38.7	29.6	10.46
Wheat	85.1	14.8	12.59
Corn	54.5	26.6	14.50

It will be observed that the farm price of flax is greater than that for any of the competing crops, but the yield of flaxseed per acre is less than the yields of the other crops. The average value of flaxseed produced per acre was greater than the value of oats but less than the value of wheat or corn. If the cost per acre of producing each crop were equal, the prices should rank as indicated in the following table:

Relative value per acre.

Flax	100
Oats	90
Wheat	108
Corn	124

However, the cost of production is not the same in each case. The office of Farm Management and Farm Economics has conducted cost of production studies of these crops. The following table shows some of the most important items of cost for each crop and the relative costs per acre:

Relative cost of production per acre, flax, oats, wheat, and corn.

	Yield per acre.	Man labor.	Horse labor.	Seed.	Twine.	Other costs, per cent of total.	Man labor cost.	Relative total costs.
Flax (North Dakota)	*Bushels.* 7.5	*Hours.* 5.6	*Hours.* 19.5	*Bushels.* 0.5	*Pounds.* [2] 1.8	*Per cent* 40.1	*Per cent* 22.4	100
Oats (North Dakota)	33.0	5.6	17.4	2.0	1.9	41.4	23.4	96
Wheat (Minnesota)	8.1	8.2	22.4	1.4	2.2	32.9	20.5	160
Corn (corn belt)	43.0	19.0	46.2	.14	0.0	14.6	31.1	244

[1] Computed by finding the per cent 1 hour of man labor was of the total cost of production in each case and dividing the result obtained for flax by each of the other results.
[2] Comparatively little of the flax crop is bound either in North Dakota or other States.

It will be seen from the foregoing data that an acre of flax can be produced more cheaply than an acre of wheat or corn, but is more expensive than oats. If the yields were the same the prices per bushel would rank in the order of relative costs, but the yields differ. In the following table are shown the relative prices per bushel of flax, oats, wheat, and corn from 1905 to 1914, with the price of flaxseed as a basis. The second column shows the relative prices on September 1, 1921, and the third column shows what the prices of the other products

should have been to have kept the normal price relations or to have been relatively as profitable as flaxseed:

	Relative farm prices per bushel 1905–1914.	Farm prices Sept. 1, 1921.	Prices on the basis of pre-war relations.
	Cents.	*Cents.*	*Cents.*
Flax	100	165	165
Oats	29	30	48
Wheat	64	101	106
Corn	41	56	68

SUMMARY AND CONCLUSIONS.

As we have already pointed out, the amount of additional acreage necessary to produce the equivalent of our net imports of flaxseed would vary according to the average yield per acre selected as a basis for the estimate. The possibility of securing this additional acreage, however, would be dependent in a large measure upon the relation between the cost of production of flax and other farm products and the prices received for them. While the gross return per acre on flaxseed is less than that for any of the competing crops except oats, it is a very difficult problem to determine what price for flaxseed would be necessary to stimulate production. Since the flaxseed production has been continually declining with the pre-war relation between these crops, it seems evident that the price of flax must be maintained relatively higher than it was before the war. If the elements of cost change, an adjustment of the price to meet an increase in the relative cost of producing flaxseed must follow.

There are also a number of other factors which should be considered in this connection. Among these are the difficulties that would be encountered in obtaining and distributing the right kind of seed, in the event it were proposed to increase the flax acreage. Then there is the problem of marketing flaxseed in an area which does not commonly grow it. While soil and climate would permit flax to be grown in most parts of the United States, it can not be suddenly reintroduced into areas in which it is not now being grown and be advantageously marketed. In many isolated places it could not be marketed with advantage and it would, therefore, be desirable to have any additional acreage in flaxseed confined to or in proximity to existing flax areas.

A still more important factor perhaps is the localization of our linseed-oil industry along the eastern seaboard. The eastern mills, far removed from the flax-producing sections of the United States, have come to depend almost entirely upon Canada, Argentina, and British India for their raw materials. More recently even the western crushers, located in Minneapolis and Chicago, have begun to use Argentine seed. The freight rate on flaxseed from Minneapolis and Duluth to New York is 86½ cents per 100 pounds, or at the rate of 52 cents per bushel. In contrast with this rate, the ocean freight rate from Argentina to New York is from $3.50 to $4.50 a ton of 2,240 pounds. The $4.50 rate applies to up-river ports and is at the rate of 11 cents per bushel. In September of last year, when large quantities of flaxseed were being imported from Argentina, the freight rate was approximately 35 cents per bushel. In addition to the freight rate there is an export tax payable in Argentina amounting to approximately 8 cents per bushel at the present time.

The comparative cost of production and the prevailing prices in Argentina and other foreign countries are two additional factors. While it has not been possible to obtain any comparable data on production costs in foreign countries, the following comparison of prices for flaxseed in Argentina and Minneapolis on certain dates in September, 1921, is of interest:

	Argentina.	Minneapolis.
	Per bushel.	*Per bushel.*
Sept. 1	$1.71	$1.93½–$1.96½
Sept. 8	1.67	2.01½–2.02½
Sept. 15	1.51	2.08–2.11

The Minneapolis prices represent official closing cash prices on the above dates. The Argentine prices are the cash prices based on the rate of exchange prevailing on the above dates. The difference between Argentine and Minneapolis prices is from 22½ cents a bushel on September 1 to 57 cents a bushel on September 15. While this is hardly a fair comparison, it at least serves to illustrate the spread between Minneapolis and Argentine prices.

It does not require any extended calculations to show that American flaxseed can not, on the basis of present production and transportation costs in this country, compete with Argentine flaxseed which, after paying an import duty of 30 cents a bushel, can still be landed in New York more than 20 cents cheaper than flaxseed from the Middle West.

No discussion of this subject would be complete without pointing out the danger of the largely increased production of flaxseed with resulting lower prices. While the United States imports flaxseed the price in this country will be determined by the price in foreign markets plus the cost of transportation including the tariff. A tariff which would result in raising the price of linseed oil and paints in which it is used above the point at which they could be exported would put this country in a position of producing for the home market only. The price of flaxseed could then be maintained on the basis of the home demand and supply until our production increased to the point where a larger market was demanded, when we would again meet foreign competition, with the possible result of lower prices. Furthermore, since the United States is at the present time a large importer, an increase in the tariff which would reduce our importations would probably result in lowering the price in foreign markets to points which would enable American importers to buy in foreign markets in spite of the protection afforded by the higher tariff, so that the farmer would not profit to the full extent of the increase in the tariff rates.

Mr. LADD. Mr. President, I have a letter from one of the linseed companies in this country, in which they state:

We have with us in this country at the moment our South American representative, who advises us that growing conditions were never better in the Argentine for a bumper flaxseed crop. Last year it is estimated that they raised a crop which permitted an exportation of something like 32,000,000 bushels of flaxseed. This was considerably less than the crop of the previous year, from which was shipped, including carry over, something like 54,000,000 bushels.

It is our representative's opinion that if weather conditions do not change the present favorable outlook Argentina this year can raise a crop which will permit the exportation of over 40,000,000 bushels of flaxseed. Indications in our own Northwest, particularly in North Dakota, show a slight increase in acreage, with very favorable weather conditions. * * *

With an increase of from eight to ten million bushels in the Argentine and industrial conditions not improving in the United Kingdom and the Continent, unless the flaxseed and linseed oil tariff schedule is corrected, we may look for considerable recession in the price of the coming crop of flaxseed in this country, as it is evident from reports that we get from the other side that the industrial condition is not improving and we can expect a repetition of the competition under which the linseed industry and the flaxseed farmer have been laboring during the life of the emergency tariff bill.

With regard to the question of the rate on linseed oil. In the CONGRESSIONAL RECORD of May 15, on page 6962 and following pages, I presented data furnished me by the mills as to the difference of cost based on the actual figures of mill production. For instance, one of the large mills that crushed in 1921 1,274,085 bushels of flaxseed furnishes a table of costs, and on the basis of those costs, using an average of 50 cents per bushel conversion here and 25 cents per bushel abroad, which latter figure is borne out by sales prices of foreign oil here, it is demonstrated as of March 24, 1922, that the difference in conversion cost would be 3.4 cents per gallon, or approximately 3.5 cents per gallon. The same is true of Montreal, Canada, factories and other factories.

This data has been presented and may be found in full in the CONGRESSIONAL RECORD, and it clearly indicates that the difference in the cost, the difference in exchange, and the difference in freight as compared with the ocean rate, warrant the belief that 3.5 cents is none too great in order to protect both the farmer and crushers from the importation of oil rather than of flaxseed.

I wish also, while I am on my feet, to speak of the soya bean.

Mr. WALSH of Massachusetts. Mr. President——

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

Mr. LADD. I yield.

Mr. WALSH of Massachusetts. Do I understand the Senator has concluded his explanation of the high compensatory duty upon linseed oil?

Mr. LADD. I may have something further to say as I discuss the question of the soya bean.

Mr. WALSH of Massachusetts. I wish to know if the only information which the Senator has obtained in reference to the cost of production here and abroad is the information which he has just said he received from one of the large crushers.

Mr. LADD. I received information from several mills, as indicated in the RECORD of May 15, not only in this country but in Canada as well, and also from the data which I presented from the Department of Agriculture.

Mr. WALSH of Massachusetts. I thought possibly the Senator in discussing the compensatory duty had overlooked the drawback provision of this bill. I hardly think the Senator and the committee have taken that into account?

Mr. LADD. I do not think I understand the Senator.

Mr. WALSH of Massachusetts. The drawback provisions of this bill reduce from 40 cents per bushel to 30 cents per bushel the high duty which will have to be levied upon imported flaxseed, and I fear that the committee and the Senator from North Dakota in fixing the compensatory duty upon linseed oil have not borne in mind that there is to be a reduction of 25 per cent upon the duty paid upon the imported flaxseed. That, of course, ought to reduce very materially the compensatory rate to the linseed-oil manufacturer. I do not think the Senator has had that called to his attention heretofore.

Mr. LADD. Yes; and I have the figures as to the difference made by the drawback.

Mr. WALSH of Massachusetts. Has the Senator calculated upon a reduction of 25 per cent in the duty upon the imported flaxseed by reason of the drawback provision of this bill?

Mr. LADD. I am not ready to concede that the reduction amounts to 25 cents per bushel.

Mr. WALSH of Massachusetts. The Senator knows that when flaxseed cake is exported, as it is exported, the duty paid on the imported flaxseed will be refunded and that rebate will amount to 25 per cent of the duty paid.

Mr. LADD. That is taken into consideration in these data that I have given there, showing the drawback.

Mr. WALSH of Massachusetts. I thought the Senator was simply stating conversion costs.

Mr. LADD. All the data were summarized in the conversion costs.

Mr. WALSH of Massachusetts. Does the Senator dispute my allegation that the labor cost in the crushing of flaxseed is only 2½ per cent of the cost of production?

Mr. LADD. That depends on whether——

Mr. WALSH of Massachusetts. The Census Bureau figures show that.

Mr. LADD. I have here the data that were furnished last year by the Government of the rates in 1921. In the United States the rate for pressmen and molders was 50 cents per hour, while in England the rates were 31 and 28 cents per hour, respectively.

Mr. WALSH of Massachusetts. That is only of consequence if the labor item is a serious one. The letter which was read at the desk has annexed to it a letter from an English crusher showing what he paid his laborers who work in the crushing factories; but the basic argument here is that the cost of labor is only 2½ per cent of the total cost of production, so that if there is a difference between the English labor cost and the American labor cost, it can only affect the 2½ per cent of the cost of production.

Mr. LADD. As stated, I want to take up at this time the question of the soya bean.

I call attention to the fact that in Wallace's Farmer for May 19, 1922, appears an editorial article on the soya bean, in which the growing of the soya bean is encouraged, and it says:

Soya beans have been grown in the Corn Belt for 30 years, but until very recently we have been cautious about advising our readers to grow them on any very extensive scale. Nine out of ten of the varieties as introduced from Manchuria have not been adapted to Corn-Belt conditions. Moreover, until recently we have not known how to plant, cultivate, and harvest the crop with the minimum of labor.

* * * * * * *

Of course, the most practical way to utilize soya beans on the average farm is to plant them with corn. The object of this article, however, is to urge more farmers to give soya beans a trial as a seed and hay crop. Wherever winter wheat and corn are grown, we believe that the soya bean has a potential field of usefulness. * * * We believe that in one-half of the State of Iowa it is worth while to consider introducing winter wheat and soya beans into the rotation as a substitute for oats, and perhaps also as a partial substitute for clover.

I ask that this article be published in full as part of my remarks.

The PRESIDING OFFICER. Without objection, leave will be granted.

The article is as follows:

TRY SOY BEANS.

Soy beans have been grown in the Corn Belt for 30 years, but until very recently we have been cautious about advising our readers to grow them on any very extensive scale. Nine out of ten of the varieties as introduced from Manchuria have not been adapted to Corn-Belt conditions. Moreover, until recently we have not know how to plant, cultivate, and harvest the crop with the minimum of labor.

During the past five or six years soy beans have been rapidly passing out of the experimental stage. Fairly well adapted varieties have been found for every section of the Corn Belt. It has been found that weeds can be kept down with the minimum of labor by giving one or two harrowings before the beans come up and then two or three harrowings in the afternoon, when the bean plants are dry, when they are from 3 to 6 inches high. More and more grain threshermen are learning to thresh soy beans by reducing the speed of the cylinder to 300 or 400 revolutions per minute and removing the concaves and part of the cylinder teeth.

Of course the most practical way to utilize soy beans on the average farm is to plant them with corn. The object of this article, however, is to urge more farmers to give soy beans a trial as a seed and hay crop. Wherever winter wheat and corn are grown we believe that the soy bean has a potential field of usefulness. In Missouri and the southern half of Illinois they are substituting soy beans more and more extensively every year for oats, using a rotation of corn, soy beans, wheat, and clover. And in case of clover failure they can double up on the soy beans. Soy beans harvested for grain or hay in early September leave a stubble on which wheat may be drilled without preparation of any kind. We believe that in one-half the State of Iowa it is worth while to consider introducing winter wheat and soy beans into the rotation as a substitute for oats and perhaps also as a partial substitute for clover.

We still do not know enough about varieties and harvesting methods of soy beans. In every community, however, are men who are willing to lead the way and who get paid for leading the way by selling seed at a good price. We hope that those of our readers who are experimentally minded and who have the least bit of time available will start experimenting this year with soy beans. The beans can be planted any time during May or the first 20 days of June.

Circular 65 of the Iowa station at Ames, Farmers' Bulletin 973 of the United States Department of Agriculture, and Bulletin 195 of the Missouri station at Columbia, all of which may be secured free on application, give excellent information on soy beans. We are convinced that soy beans are a coming crop, and that 10 years from now the acreage will be ten times as great as it is to-day.

Mr. LADD. There were imported during the past year 12,322,877 bushels of soy beans at a cost of $1.65 per bushel.

I have here a letter that I call attention to, from the Department of Agriculture, in which the writer says:

I might say that the soy bean has been slowly but steadily increasing in importance in America during the past 10 years. It is one of the most productive as regards seed production of the legumes adapted to the temperate climates. The value of the crop for seed, pasture for sheep and hogs, for hay, silage, soil-improving purposes, and the possibilities of the seed for the production of oil and meal and as a food give the soy bean a high potential importance.

Although grown primarily for forage purposes, the production of seed in many sections of the South and in the Corn Belt has become a very profitable industry, especially during the past three or four years. The large increase in acreage for seed production has led to the seeking of an outlet for surplus seed. At the present time agricultural authorities in Indiana, Ohio, and Illinois have taken up the oil-crushing proposition with several manufacturers. We are informed that several mills in these States have installed, or will install in the near future, machinery for crushing the 1922 crop of soy-bean seed for oil and meal. One mill in Ohio at the present time is utilizing domestic-grown seed for this purpose.

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

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

Mr. LADD. I do.

Mr. KING. I was interested in the statement made by the Senator that arrangements have been made for crushing soya beans in Indiana and other places. Does not the Senator know that there are more than 700 seed-crushing machines in the United States which will crush soya beans as well as cotton seed, and that they are employed only about half the time because of a lack of sufficient seed to crush?

Mr. LADD. I will also call the attention of the Senator to the fact that the same facilities and machinery that crush cotton seed and linseed are not adapted to the handling of soya beans. I have had quite a little experience in the extraction, having made an investigation in practically every State in the section where soya beans are grown, and I found that the methods used for soya beans were quite different.

Mr. KING. I think the Senator will admit that the crushing machines now in existence have handled soya beans and have crushed them successfully and extracted the limited amount of oil which they possess, and their owners have only regretted that there were not more soya-bean seeds produced so as to give them employment during a greater part of the year.

Mr. LADD. As I have stated—

One mill in Ohio at the present time is utilizing domestic-grown seed for this purpose. Moreover, many associations, particularly in Illinois, are investigating the possibilities of community oil mills.

All indications point to a greatly increased acreage for seed production in 1922. The latest crop estimates show the following acreages of soya beans for seed production: In 1919, 1920, and 1921, 155,000, 156,000, and 186,000 acres, respectively; the seed produced for these years being 2,045,000, 2,278,000, and 2,815,000 bushels, respectively. It must be borne in mind that these figures represent only the soya beans grown for grain production. In some of these States growing large acreages of the crop it has been estimated that about 90 per cent of the crop is grown for hay, silage, pasture, and soil-improving purposes.

Although the production of seed in 1921 was greater than in any previous year some concern was felt in the large seed-producing States that there would be considerable surplus seed left in the hands of the growers. From the latest reports from these States indications are that the entire supply of seed will be required for increased acreage, and there is a likelihood of seed shortage in several sections.

The soya bean is one of the most important crops that can be grown for the improvement of the soil, for the introduction of nitrogen into the soil, and for enriching the soil for other crops. It is perhaps as widely grown as any other crop in this country, and under proper protection there would be a very large increase, to the advantage of our people in this country.

I take just two oils, calling attention first to the soya bean:

In 1912 we imported 28,000,000 pounds of soya-bean oil. In 1919 we imported 337,000,000 pounds, an enormous increase.

In the case of coconut oil, in 1912 we imported 32,000,000 pounds, and in 1919, 490,000,000 pounds.

From 1912 to 1919 the increase in these two oils—that is, coconut and soya-bean oil—amounts to 767,000,000 pounds. These are displacement oils for the cottonseed, the peanut, the linseed, and other oils; and the soya bean could be produced in this country with great advantage to the farmers, and at the same time furnish the necessary soya-bean oil for use in this country, if there were adequate protection.

Mr. FRELINGHUYSEN. Mr. President——

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

Mr. LADD. I yield to the Senator.

Mr. FRELINGHUYSEN. For information, I should like to ask the Senator, who has made a considerable study of this question, whether in this production in the State of Ohio any of the crop was utilized for industrial purposes. Were any of the soya beans crushed and used commercially, outside of the forage crop?

Mr. LADD. This letter states that one factory in Ohio is at the present time utilizing domestic grown seed for the purpose of extracting the oil. I am informed that one of the large houses in Chicago is preparing to handle the seed from Indiana for the present year of 1922, and is putting in crushers and necessary machinery to handle the seed from Indiana.

Mr. FRELINGHUYSEN. Can the Senator state to what extent the oil is used and what is the nature of the industry that is using it? Is it used to any appreciable extent? What is the production of this factory?

Mr. LADD. That I can not tell the Senator. I have not the information, except as it is furnished in this letter. I knew that it was in existence, and knew that these arrangements were being made in Chicago for the Indiana crop. The oil itself is used, of course, as a substitute for linseed oil; it is used in linoleum production; it is used in soap manufacture, and various other industries

Mr. FRELINGHUYSEN. But there is no actual evidence that this domestic oil is now being used in any industry?

Mr. LADD. No; for the reason that the bean has been grown almost wholly as a forage and soil-improvement crop thus far; but attention has been called to the value of the crop for oil production for a number of years, beginning with about 1912 or 1913. For example, at the North Dakota Agricultural College many experiments were carried on each year, from that time on up until the present time, in securing the seed and experimenting with the soya bean as produced in nearly every State. I might say, for the Senator's information, that the two States that furnished the soya bean richest and best in oil were New Jersey and Utah.

Mr. President, I believe that the rate asked for flaxseed is not unreasonable. It is not higher in proportion to conditions at this time than the rate accorded under the Payne-Aldrich law. If we are to build up in this country the industry of flax production we must furnish adequate protection, and with reasonable protection it will again become one of the important crops of the Northern States.

Mr. KING. Mr. President, before the Senator takes his seat, I heard a portion of the statement of the Senator from Massachusetts. As I recall, he directed the attention of the Senate to the fact that certain manufacturers of linseed oil, some 9 or 10 of them, were making enormous profits, and it is quite likely that the farmers were not getting an adequate price for their product or, at any rate, were not getting a sufficient proportion of the cost of the product to the consumer. Does the Senator challenge the accuracy of the statement made by the junior Senator from Massachusetts as to the enormous profits which are made by this Linseed Oil Trust?

Mr. LADD. Mr. President, I will not attempt to answer that, but I do believe that during the war there were enormous profits made by those companies, as there were by many other companies. In other words, there was profiteering all along the line. I have every reason to believe they were profiteering with the rest.

Mr. KING. Is not this bill, as now fashioned, with the differential which is provided between the flax and the linseed oil, in the interest of those profiteers?

Mr. LADD. I do not think so. In 1890, when the duty was 30 cents on flaxseed, it was 32 cents on the oil, and there was then a large amount of flax grown in the country. But the fact that Argentina is now producing the flax in enormous quantities, since the country has been opened up, much more cheaply than we can produce it, and with water rates much less than our farmers can obtain, makes it impossible for our farmers to compete.

Mr. KING. Is it not true that this is a frontier crop, and that there has been a diminution of production?

Mr. LADD. Yes.

Mr. KING. And whatever increase there was was under the Underwood law, when it was practically free, or was entirely free?

Mr. LADD. No; under the Underwood law there was a rapid falling off in production. In 1912 we produced over 28,000,000 bushels. In the previous years we produced about 25,000,000 bushels, with the exception of one year, but in 1921 it was down to 8,000,000 bushels. Under the war pressure there was some stimulation. I know that in North Dakota, at the request of the Government the North Dakota Agricultural College did everything it could to encourage the production of flax and wheat in order to meet the demands, and in 1912 there were produced 28,000,000 bushels, in round numbers.

Then in 1913 the production was 17,000,000, in 1914 it was 9,000,000, and in 1918 it had increased again to 13,000,000 bushels. In 1919 it was 7,000,000, in round numbers. In 1920 it was 10,000,000, and in 1921 it was 8,878,000 bushels. So that there was not an increase but a decrease.

The Senator asked whether this was not a frontier crop. It has been a frontier crop in the past. It has been a crop grown on newly broken land. But the reason it was not grown on other land was because of the wilt disease, which destroyed the crop. As soon as the flax was from 4 to 6 inches high the disease attacked it, and completely destroyed fields of it. The farmers therefore did not attempt to grow it. But with the production of a wilt-resistant flax grown at the present time, which is immune from the disease, the flax is now grown, for example, in the eastern part of North Dakota much more largely than on the new lands of the western part of the State, and it is coming on as a crop in Minnesota and Wisconsin.

Mr. KING. Mr. President, the matter under discussion is flaxseed oil, but the Senator from North Dakota has directed attention to soya-bean oil, and just for a moment I want to detain the Senate.

A study of the facts shows that under the emergency tariff law the import of soya beans has been very small. No beans have been crushed for oil in the United States since 1918, and through 1921. The oil, as stated by the Senator, is imported in the crude form and refined in the United States, and is used largely in the soap industry.

A few days ago the Senator made a speech in which he referred to certain vegetable oils, and I am in receipt of a communication which I desire to read, in view of the Senator's statement to-day, because I think it explains one part of the Senator's address which he did not fully amplify, and from which misapprehensions or deductions may be drawn which perhaps the Senator did not intend to be drawn.

The writer of the letter states as follows:

We note in some recent remarks of the Hon. E. F. LADD, Senator from North Dakota, that he has made, as reported in the CONGRESSIONAL RECORD, statements relating to foreign vegetable oils (duties on which we are actively opposing for reasons set forth in detail in the remarks of our special committee printed on pages 5162 to 5173, inclusive, in the tariff hearings) which require correction.

On page 6962, CONGRESSIONAL RECORD of May 15, 1922, Senator LADD states "Our excess of importation for vegetable oils above exports amount annually for the same period (1914–1920) to 292,317,000 pounds."

May I add, in parentheses, that the Senator has repeated practically the same statements during his remarks to-day.

The imported vegetable oils to which Senator LADD refers are cottonseed oil, soya-bean oil, peanut oil, and coconut oil.

We desire to point out how entirely erroneous and misleading such statements as those of Senator LADD might be to those not properly informed.

By those acquainted with the inseparable market relationship of edible oils and fats of both vegetable and animal origin the mistake would never be made of endeavoring to compare imports of the four named vegetable oils with exports of edible vegetable oils.

Any comparison of imports with exports of edible domestic oils and fats, of which cottonseed oil is second most important, is meaningless unless it includes the edible animal fats and oils, such as hog lard, oleo oil, neutral lard, and oleo stearin.

The combined domestic production of edible fats and oils of animal and vegetable origin, exclusive of butter, is 3,600,000,000 pounds per annum. Any tariff discussion must consider this great figure in the aggregate.

To discuss domestic edible oils and fats without including the edible animal fats and oils would be tantamount to discussing the currency system and referring only to the silver thereof, without reference to the gold and other kinds of currency.

It is no more logical to compare the imports of foreign vegetable oils with the exports of cottonseed oil than it would be to compare the latter with the imports of automobiles. Cottonseed oil is an edible oil and the imported oils are largely used for industrial purposes in this country, although in Europe the tendency to utilize them in edible products to the exclusion of our cottonseed oil has about destroyed all of our export business, owing to the exclusive monopoly of foreign vegetable oils Europe has enjoyed since the passage of the emergency tariff.

In order that you may have complete information on this subject, we attach hereto a sheet carrying detailed figures relating to the period between 1914–1920, to which Senator LADD referred.

I ask to have the statement referred to printed in the RECORD.

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

Table showing exports of edible fats and oils from United States for the seven years from 1914 to 1920, inclusive, and imports of these fats and oils for industrial and to a limited extent for edible usage.

Item.	Imports.	Exports.
	Pounds.	*Pounds.*
Lard		3,610,652,741
Cottonseed oil	113,734,372	1,379,000,000
Lard substitutes		427,339,565
Oleomargarine		67,305,166
Oleo oil		530,681,388
Neutral lard		146,377,970
Corn oil		65,542,346
Stearin (animal)	16,830,137	90,348,109
Peanut oil	374,345,945	6,513,000
Soya bean oil	1,088,231,531	98,985,000
Coconut oil of non-Philippine origin	502,096,892	159,640,000
Coconut oil expressed from copra of non-Philippine origin	705,000,000	
Total	2,800,238,877	6,582,384,286

Coconut oil coming from the Philippines and coconut oil made from Philippine copra is not included in the above table because this movement is equivalent merely to a shipment from one part of the United States to another. Such coconut oil and copra would never be subject

to a duty and will therefore have to be treated strictly as American production when matters in relation to the tariff are under discussion.

Total exports of American edible oils and fats for the seven years exceeded imports by 3,782,145,409 pounds, or an average annual excess of exports of 540,000,000 pounds.

A most significant fact is that the highest prices ever obtained for cottonseed oil in the history of the cotton-oil industry were obtained in the years when the importations of foreign oils were heaviest. In the year 1919, third in importance of imports, and following on 1917 and 1918, greater still in imports, crude cotton oil reached the peak price of 25 cents per pound.

Price deflation when it came was not caused by importations of foreign oils but by the same conditions which caused the slump in the price of cotton, hogs, corn, wheat, hides, and all other agricultural products. Importations of foreign vegetable oils had then greatly diminished.

The period from 1914 to 1920 is, of course, not comparable with what has gone before or will come after. Imports were larger then than they could ever be under normal conditions because our country was supplying Europe with munitions of war and was itself at war. Vegetable oils were one of the most valuable items in the production of munitions of war.

That importations fell when war conditions were past may be seen by comparison of the following table of imports and exports for the individual year 1920, the last complete year available before tariff restrictions interfered with importation.

For the year 1920.

	Pounds.
Combined imports of oils and fats listed in table above and also exclusive of Philippine production	398, 712, 408
Combined exports of hog lard, cottonseed oil, oleo oil, etc., as listed above	1, 043, 423, 732
Excess of exports over imports for the year 1920	644, 711, 324

Mr. KING. The statement shows no lard imports, but exports of 3,610,662,741 pounds; of cottonseed oil there was imported 13,734,372 pounds, and the exports were 1,379,000,000 pounds. No lard substitutes were imported, but our exports were more than 427,000,000 pounds. There was no oleomargarine imported, but our exports were more than 67,000,000 pounds. There was no oleo oil imported, but our exports were more than 530,000,000 pounds. Of neutral lard there were no imports, but 146,000,000 pounds of exports. Of corn oil there were no imports, but more than 65 000,000 pounds of exports. Of stearin (animal) there were 16,000,000 pounds of imports, but 90,000,000 pounds of exports. Of peanut oil there were 374,000,000 pounds imported and 6,513,000 pounds exported. Of soya-bean oil there were 1,088,000,000 pounds imported and 98,000,000 pounds exported in that form. That would be the reexports; that is, in the original form. Of coconut oil of non-Philippine origin there were 502,000,000 pounds imported and 159,000,000 pounds exported. Of coconut oil expressed from copra of non-Philippine origin there were 705,000,000 pounds imported. So that the imports were 2,800,000,000 pounds, and for the same period the exports were more than 6,500,000,000 pounds.

The total exports of American edible oils and fats for the seven years exceeded imports by 3,782,145,908 pounds, or an average annual excess of exports over imports of more than 540,000,000 pounds.

This report says:

The period from 1914 to 1920 is, of course, not comparable with what has gone before or will come after. Imports were larger then than they could ever be under normal conditions, because our country was supplying Europe with munitions of war and was itself at war. Vegetable oils were one of the most valuable items in the production of munitions of war.

For the year 1920 I find that the combined imports of oils and fats listed in the table above, also exclusive of Philippine production, amounted to 398,712,408 pounds, but the exports of hog lard, cottonseed oil, oleo oil, and so forth, as listed above, amounted to more than 1,043,000,000 pounds. I therefore think that the writer very justly complains of the statement of the Senator from North Dakota, because if you speak of imports and exports of vegetable oils only, without considering their interchangeability with animal fats, you must necessarily leave an incorrect impression in the mind of the auditor, when we take into account that the vegetable oils serve the place of animal fats, and vice versa; and when you take into account the fact, to use the Senator's expression, which I do not quite admit is accurate, that there are displacements, you must take into account the fact that if a displacement occurs it merely furnishes opportunity to fill the void or the vacancy by some other suitable product, and thus increase our exports. For instance, if we import soya-bean oil, or other low-grade vegetable oils, which we do not see fit to use for edible purposes because of their inferiority measured by the American product, the American cottonseed oil for instance, it simply means that those oils are used for industrial purposes instead, perhaps, of some of the higher grade American oils, and thus the higher grade American vegetable oils find a better market at better prices in European countries.

If the soya-bean oil and other low-grade vegetable oils produced in the Orient are not brought here and refined or used for industrial purposes they are absorbed readily by European buyers, we not being in competition if we have a high tariff, in consequence of which the American export market is to that degree impaired, and Europeans who are so greatly in need of edible fats will be compelled perhaps to use for edible purposes inferior grades of oil, which they would ordinarily use for industrial purposes, and thus take the place of our edible oil and to that extent diminish our edible exports.

The Senator, it seems to me, in the position which he is taking is advocating a policy which is injurious not only to the more than 700 companies engaged in the crushing of seeds, who have more than $200,000,000 invested, who have more than 32,000 employees, but is injurious to the farmers who grow the cotton seed and other vegetable products, the oils of which constitute a part of the edible products of the United States as well as of foreign countries.

Mr. LADD. Mr. President, I can hardly agree with the statement of the Senator. I am fairly familiar with the letter he read and the source of his information and the purpose of it. If we produced soya-bean oil in this country it would be identically the same as the soya-bean oil produced from the soya beans grown in Manchuria. As long as we are using in this country 337,000,000 pounds of soya-bean oil in a single year, as we did in 1919, after the war, as against only 28,000,000 pounds in 1912, it would seem to indicate that much more of our home-produced oils—our cottonseed, peanut, and linseed oils—have been displaced and this other oil has taken its place in the manufactures.

I was not comparing the animal oils. I shall compare those when we come to that question. I was, rather, dealing with the question of vegetable oils as they occur. The same is true of coconut oil. Four hundred and ninety million pounds of coconut oil in 1919 took the place of that much American oil that might have been produced by the American farmers.

Mr. FRELINGHUYSEN. Mr. President, I want to ask the Senator a question. He referred to the year 1919 as the high-water mark of importation of soya-bean oil. As I understand it, the emergency tariff act placed a duty of 2 cents a pound on soya-bean oil, did it not?

Mr. LADD. Yes.

Mr. FRELINGHUYSEN. What has been the importation since that duty was placed upon soya-bean oil?

Mr. LADD. For the three months following the enactment of the emergency tariff law, and that is the only data I have, it was 2,054,000 pounds. That was for the three months following the enactment of the emergency tariff law. Since that time I have no data.

Mr. FRELINGHUYSEN. Then for three months it was a little over 2,000,000 pounds, as against 195,000,000 pounds in the year 1919. Would it not seem to indicate, I ask the Senator from North Dakota, that the duty of 2 cents on this oil, which is not produced in this country, had diverted that oil to other markets?

Mr. LADD. Yes, Mr. President, but at the same time we are still importing of the foreign oil to take the place of the oils produced in this country, and instead of importing oils I would use the products produced by the American farmer, North, South, and West.

Mr. FRELINGHUYSEN. I want to take a fair view of the question. If an industry could be created that would supply the domestic market and not interfere with the tremendous business that the farmer has in edible fats, I would be willing to support a tariff for that purpose. But has the duty in any way encouraged the production of soya-bean oil or any increased planting of soya beans for the purpose of its use in commercial lines?

Mr. LADD. It is true that for the first time Ohio has now taken the lead and is operating a factory. In Chicago they have made preparations to handle the 1922 crop, and this has all come about under our tariff. For 28 years, or, as the Secretary of Agriculture said, for 30 years, we have been experimenting and have only reached a stage where we have begun to encourage production in this country.

Mr. FRELINGHUYSEN. But the Senator has not assured me that the amount of production has increased here. He has not given me any figures to show that this tremendous consumption of imported oil, utilized in the industries, can be supplied by our domestic productive area. It is only a small portion and, therefore, unless the farmer can produce in quantity sufficient to meet the needs of the industries and also to supply the refining industry of this country which utilizes the soya-bean oil for rerefining purposes and export, it would seem as if it was a direct tax until we could produce it in this country in sufficient quantities to meet the demand.

Mr. GOODING. Mr. President, I want to ask the Senator from New Jersey if he thinks we will ever produce soya beans unless we give them proper protection? The fact is that they

are grown in almost every State in the Union. They are one of the most important fertilizer crops that we grow. There is no question about growing enough to supply this country, and the whole world, so far as that is concerned. There is not a State in the Union in which they can not be grown, but they can not be grown and never will be grown by America until they are properly protected.

Mr. FRELINGHUYSEN. I am ready to answer the Senator. He asks a perfectly reasonable and fair question. No; I do not believe soya beans will ever be grown in this country. Soya beans are at the present time used for forage purposes and will continue to be used for forage purposes. I do not believe that the farmers of the West will ever find it profitable, even with the 4-cent duty, to grow a sufficient crop to supply the domestic market. More than that, if that is done it will reclaim the present tremendous export market that we have and it will deprive the farmer himself of his outlet for his edible hog lard and other products, because while that transition is going on it will drive these vegetable oils into the European market, and there they will meet the farmer of the West with his hog lard and the farmer of the South with his cottonseed oil.

I am perfectly willing to go to a certain length, as the bill provides, and to put a duty upon the vegetable oils where they grow in edible quantity. That is what the committee did. But I am unwilling to put a tax of millions of dollars upon the industries of the country and at the same time to deprive the farmer himself of his export market. I am a protectionist, but I do not believe in this case as does the Senator from Idaho, who is also a good protectionist. I want to go along with him in his policy of protection, but I do not believe that the optimism which he has for this product will ever be realized.

Mr. GOODING. The Senator goes along very nicely as long as it does not interfere with some manufacturing concern over in New Jersey. There he stops all the time.

Mr. FRELINGHUYSEN. That is manifestly unfair, and the Senator knows it. I have voted, religiously and consistently, for the duties on the farm products of the West; but when I see a duty placed upon a product that I do not believe will be manufactured here, which will simply be a tax, I can not go along with the Senator. I ask the Senator if he believes that any of the duties which have been imposed upon the industries of the East have been unfair, and which he is unwilling to support? I am supporting this proposition and I am supporting the committee proposition.

Mr. GOODING. Mr. President, I want a spirit of fairness all the way round. That is all I am asking. The people who are asking for soya-bean oil to be placed on the free list are none other than the soap people of the country. The purpose, if the Senator will permit me, is to bring in soya beans with practically no duty at all upon them and beat down the prices of the American vegetable oils and soya beans and soya-bean oil in this country. That is the purpose.

I happened to be present when Mr. Heldman was presenting his testimony in the interest of a duty on soya beans, when he told the story of the production of soya beans in Manchuria, where, after the crop is harvested, it is hauled to the seaport from 150 to 200 miles distant. The natives start out with a few sacks of soya beans on a wooden cart with wooden axles, with a driver and a greaser, and they proceed to the seaport to sell their soya beans. When they reach a tavern at night, the droppings from the horses pay for the lodging of the driver and the attendant. That is the condition, if you please, which the American farmer is forced to compete with, as evidenced by the natives in Manchuria growing soya beans. Of course we will not grow soya beans in America as long as we have to meet that condition under free trade. We will only grow them when we get a proper protection, and that is all we are asking for in this instance.

Mr. McCUMBER. Where did the hired man carry his wages?

Mr. GOODING. I do not know whether he had a safe along with him for that purpose or not, and he did not have to stop in a hotel in America overnight or it would have taken all the soya beans that he could carry to market to pay his hotel bill.

Mr. FRELINGHUYSEN. Mr. President, I have heard before this argument regarding the soap manufacturer utilizing the soya bean and vegetable oils. It is true that he does. It is also true that he purchases large quantities of the farmer's products. It is also true that he asks for a moderate protection on certain of his products. But I venture to say that the most important of the soap maker's business in the United States is his export business, and that he very little cares about the duty on the lower-cost products of laundry soap. I venture to say he would be willing to have it removed. But he is concerned with the cost of his raw material. I know that if there is a duty placed upon those raw materials which are not produced here, it increases the cost of production or affects his export trade, because Europe can buy those raw materials and meet his product in this market with free raw materials on which he pays a duty.

Mr. GOODING. Mr. President, I realize that in reexporting the soap makers will get their duty refunded, of course, so it will not interfere with the soap makers in their export trade at all. There is a general provision in the bill which takes care of that matter. There is a general provision of the bill relative to that.

Mr. FRELINGHUYSEN. Mr. President, whenever it becomes necessary for a manufacturer to go to a customhouse in order to get a refund, it necessitates an increased overhead charge, and every transaction of that character increases the cost of production. That is the reason why the provision for a refund, or a drawback, as it is called, is not attractive so far as this immediate question is concerned. I desire to say to the Senator from Idaho [Mr. GOODING] that the point is this: This duty has been placed upon this commodity in the hope that under the provisions of the pending bill the western farmer may raise soya beans and that some one will build factories in which they may be crushed. That is a hope which, in my opinion, is not to be realized, because other crops are more profitable than are soya beans. If America is not to be an outlet for vegetable oils, it simply means that Europe will be, and the result will be to back up the production of 750,000 barrels, I think it is, of cottonseed oil that is exported. I am a protectionist; I wish to protect every industry that may be fostered in this country; but when the imposition of a duty would affect the farmers so seriously, I do not believe in such imposition.

Mr. GOODING. Will the Senator yield to me?

Mr. FRELINGHUYSEN. I refuse to yield further. The Senator from Idaho may make his speech after I shall have concluded.

The PRESIDING OFFICER. The Senator from New Jersey declines to yield further.

Mr. FRELINGHUYSEN. Mr. President, the complaint of the milk producers, the dairy farmers of the country, who came before the Committee on Finance was that these vegetable oils were largely used in food products, and for that reason they wanted a tariff against adulterations such as filled milk and butter substitutes. In the Committee on Finance I supported that policy, and a duty was imposed, although such action is in face of the experience of three months of the emergency tariff law which shows that our imports have dropped practically to a negligible quantity. I took the position, however, that where vegetable oils went into the industry throughout the country and were not produced here the imposition of a duty on them increased the cost of consumption, and, therefore, that we should not impose a duty. That is the position of the committee and that is the position I am defending. I do not believe it is either wise or practicable or that it will help the farmer one iota to impose this proposed duty without the bonding provision on these vegetable oils. I repeat, I am defending the committee's position. I believe that if the duty be imposed without the bonding provision it will seriously affect the market for the farmers' edible products, such as hog lard and cottonseed oil.

I still further believe—and I have believed all along—that, as to the vegetable oils which are produced only in foreign countries it would be better that they should be admitted free of duty.

Mr. LADD. Under date of May 19, 1922, Wallace's Farmer has an editorial, of which I merely desire to read a few words as follows:

> It is more important that there be a tariff of 2 or 3 cents a pound on those tropical fats and oils that are used for nonedible or soap purposes than that there be a tariff of 3 or 4 cents a pound on the edible fats and oils.

The editorial further on says:

> Such a tariff will be a very real benefit to the farmers of the cotton South, the Corn Belt, and the cattle country of the West.

I ask that the editorial may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The editorial is as follows:

PUT A TARIFF ON TROPICAL OILS USED FOR SOAP.

The Senate tariff bill which is now up for discussion provides for a tariff of 3 to 4 cents a pound on such vegetable oils as coconut oil, soy-bean oil, etc. It is provided, however, that in case these oils are used for the making of soap, or other nonedible purposes, that they can come in free. This means that we shall import into the United States every year free of tariff charges several hundred million pounds of coconut oil and soy-bean oil—or two or three times as much as we imported of these oils previous to the war. During the war, when

Germany, England, and Holland lost their grip on the cheap tropical oil trade of the Orient, the American soap manufacturers stepped in. And now they are using about three times as much coconut oil and soy-bean oil in the manufacture of soap as they did before the war. The coconut oil and soy-bean oil is being substituted in soap manufacture for home-grown oils and fats, such as tallow, lard, cottonseed oil, corn oil, etc.

The United States can produce her own fats. We don't want to make the mistake of Germany and build up an agriculture which in time of war can not be rapidly modified to furnish our full supplies of fats at home. Our soap manufacturers should be taught again to depend as largely on the fats and oils coming from American farms as they did before the war.

It is more important that there be a tariff of 2 or 3 cents a pound on those tropical fats and oils that are used for nonedible or soap purposes than that there be a tariff of 3 or 4 cents a pound on the edible fats and oils. As a matter of fact, there is enough coconut oil coming in free from the Philippine Islands every year to supply the demand for edible fats and oils. Even more important than the tariff on hides is the tariff on tropical oils used for soap purposes. Such a tariff will be a very real benefit to the farmers of the cotton South, the Corn Belt, and the cattle country of the West.

Mr. McCUMBER. Mr. President, we are climbing this soya bean hill, but it seems to have been soaped down before we got to it; so I hope we shall go back and consider the matter on which we are to vote, I hope, in a very short time. Before doing so, however, I wish to correct an error which I think was made by the junior Senator from Massachusetts [Mr. WALSH] in arriving at the conclusion that the crushers of flaxseed, the manufacturers of linseed oil, after having sold and exported the linseed cake and meal would receive practically a rebate of 10 cents, which would reduce the duty paid by them to 30 cents instead of 40 cents. In arriving at that conclusion the Senator from Massachusetts, of course, has to assume that the crushers export every pound of the meal and of the by-products from their mills. As a matter of fact, I understand they do not export more than about 45 per cent, as shown in the last four or five years by the figures of our exportations. Therefore, the rebate the crushers would get would only have been upon above 45 per cent of their product. Even if it were 50 per cent, the rebate would only be half of what the Senator from Massachusetts has assumed it would be, and would amount to about only 5 cents per bushel instead of 10 cents per bushel.

Mr. WALSH of Massachusetts. My authority for the statement is the brief of Spencer Kellogg & Sons, who are one of the importing flaxseed crushers. They state plainly in the beginning of their brief that these drawbacks on the exportation of linseed cake, on which there is no duty itself, amounted to 6½ cents rebate on each bushel of flaxseed which they imported, and which would be equal to 25 per cent of the duty which they paid when importing the flaxseed.

Mr. McCUMBER. That is all right, but the Senator will see that if the manufacturers of linseed oil only exported about 45 per cent of what they have imported, they could get a rebate not on the whole but only on the 45 per cent; and the 45 per cent would be 4½ cents per bushel instead of 10 cents per bushel, the estimate as made by the Senator from Massachusetts. I simply wish to make that correction. The Senator's figures would be accurate if all of the product were exported and if the manufacturers received the full hundred per cent; but they receive only 99 per cent, and they receive that on about 45 per cent of the importations and not upon 100 per cent.

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

Mr. WALSH of Massachusetts. Of course, the figures I gave were based upon the exportations under the Underwood law, under which no drawback was allowed; in fact, there has been no drawback since the Payne-Aldrich law. Of course, all of the flaxseed cake has not been exported, but the right to export it exists, and the greater the quantity which is exported the larger would be the drawback, and it is possible on previous estimates that it might reach 25 per cent.

Mr. President, I have waited patiently to hear some explanation for this very high compensatory duty, a duty of 36½ cents upon a bushel of flaxseed when converted into oil, but I have not heard any explanation, and I can not let this debate close without again protesting against such a tremendous subsidy to the flaxseed crushers of the country.

Let me repeat the figures very briefly. The crushers' subsidy under the Underwood law was 5 cents; the crushers' subsidy under the Payne-Aldrich law was 19 cents; the crushers' subsidy under the House provisions of this bill is 29 cents, and the Senate amendment makes the crushers' subsidy 36½ cents per bushel of flaxseed. It is indefensible.

Either the Underwood law did them a tremendous injustice, the Payne-Aldrich law did them an injustice, and the House provision did them an injustice, or we are giving the crushers a gift, a subsidy of 36½ cents, that is not warranted or justified by the facts. The farmer gets only 30 cents a bushel, while the crushers get 36½ cents for simply crushing the seed into oil, and the public must pay 66½ cents per bushel increased price for flaxseed when purchased as linseed oil. This is one of the worst provisions of the pending bill. It can not be justified. It involves an increase from 5 cents under the present law to 36½ cents, an increase of nearly 700 per cent.

I am frank enough to say that under the emergency tariff the crushers were not treated fairly, for there was no provision made to give them an increased compensatory duty, the emergency tariff act merely increasing the duty upon flaxseed and not increasing the duty to the crushers. I am willing to be fair to them, but I can not see how any Senator in this Chamber can justify taxing the American people 36½ cents per bushel simply for the process of crushing flaxseed into linseed oil.

I am going to repeat the figures before the vote is taken. The farmers will get out of this protection $3,600,000, if this duty shall be reflected in increased prices to the farmer. The Government will get $4,200,000 revenue on the importations, and the crushers, after paying the farmers their $3,600,000 and the Government its $4,200,000, will put in their pockets $9,500,000. Senators talk about protecting the farmers, and yet you give the farmers $3,600,000 and give the crushers $9,500,000, and the thousands and tens of thousands of farmers and other consumers will be compelled to pay the subsidy given to the crushers.

The cost of labor in the linseed crushing mills of this country is only 2½ per cent of the cost of production. The duty proposed is a gift, pure and simple, and every paint manufacturer and user of paint in this country, and every manufacturer of other products in which linseed oil is used, know that to be the fact. As the Senator from New Jersey said, their attitude is not so much on account of the business they do in America, where possibly they can obtain increased prices, but they know that their export business—and our manufacturers of paint and linoleum and oilcloth are doing a very extensive export business—when these rates are pyramided on the finished product will make prices prohibitive for export purposes.

Now, I am going merely to quote a few sentences from letters addressed to me from the crushers of other oil seeds, and each of them says that there is absolutely no need of a protective duty upon these vegetable oils. A compensatory duty may be necessary by reason of the duties levied upon the raw product, but they do not want protection and they do not need it, because there is practically no difference—little difference, if any—between the cost of crushing abroad and in this country.

The first letter that I have is from Aspegren & Co., of New York. The writer states:

I am interested in a great many mills in the South, and I have practically all my money invested in same, which I mention so that you can realize the importance of the subject to me. The mills I am interested in are located in Virginia, Louisiana, North Carolina, Georgia, and Texas.

I am not familiar with the linseed oil, castor oil, and rapeseed oil business, but I am fully familiar with the cottonseed oil, soya-bean oil, peanut oil, and coconut-oil crushing.

The cost of crushing oil seeds abroad and in the United States is a comparatively small one, the Bureau of Census, I believe, giving the cost at from 2½ to 4 per cent of the value of the product. It is therefore a negiligible factor, and we have so many other advantages that we can easily offset the small difference in cost.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I do.

Mr. BROUSSARD. From whom is this letter?

Mr. WALSH of Massachusetts. That letter is from Aspegren & Co., of New York, and is signed by John Aspegren, president of the company.

Another letter I have is from the French Oil Mill Machinery Co., who are cottonseed crushers, located at Piqua, Ohio:

We are in receipt of your favor of the 13th in reference to the relative difficulty in crushing linseed, cotton seed, and copra. There is no great difficulty in crushing either material. The method of preparation is considerably different. Cotton seed is the most complicated, requiring not only the cleaning of the seed but also the linting and separating of the hulls from the meats.

And there is a lower duty upon cottonseed oil than there is upon linseed oil, though the process is much more difficult and much more expensive.

With either linseed or copra it is simply a cleaning process preparatory for the crushing, and the linting and hulling operations are not required.

Another letter from Mr. Albert G. Kahn, of Little Rock, Ark., says:

The American vegetable crude-oil mills do not need to be subsidized by a tariff in order to operate successfully. In fact, these mills have no direct concern in a tariff. The function which they perform is a manufacturing one. They are presumed to buy their raw materials,

crush them, and sell the manufactured products at a margin sufficient to reimburse them for their service. You will therefore see that they are only interested in maintaining this margin or toll. What arguments have recently been made in favor of a tariff by some cottonseed-oil mill operators are presumably in the interest of the American farmer or producer of oil-bearing materials.

I personally think that even from the farmer's point of view, so long as we have an exportable surplus of American edible fats, a tariff would be a boomerang.

Yours very truly, A. G. KAHN.

Another letter from the South Texas Cotton Oil Co., of Houston, Tex.:

Answering question in your letter of May 27, I do not believe American vegetable-oil mills need to be subsidized by a tariff in order to operate successfully, if for no other reason than that the industry has grown to its present size and importance in the United States without any tariff.

Another letter from the Palestine Oil & Manufacturing Co., of Palestine, Tex.:

Without going into any exhaustive argument, I will answer the second paragraph of your letter by stating most emphatically that I do not think American vegetable-oil mills need to be subsidized by a tariff in order to operate successfully. On the other hand, I believe the Fordney-McCumber tariff bill will work a hardship on not only our industry but all industries producing edible fats, including manufacturers of finished edible products, the cotton raiser, the cattle and hog raisers, and I might say the soap industry.

Another letter, which I will not take the time to read, from the American Cotton Oil Co., of New York, is to the same effect. I ask unanimous consent to have it printed as a part of my remarks:

The PRESIDING OFFICER. Without objection, it will be so ordered.

The letter referred to is as follows:

THE AMERICAN COTTON OIL CO.,
New York, May 31, 1922.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I beg to acknowledge your letter of May 27, requesting information as to our views concerning the necessity of tariff protection for the American oilseeds-crushing industry.

In reply we beg to advise that the operation of crushing oilseeds and oleaginous materials is a comparatively simple process of separating the oil content of oilseeds and oleaginous materials from the fibrous content, which operation is almost entirely a mechanical one.

The American cottonseed-oil industry, which is now composed of over 700 mills, has been built up without any tariff protection, and the copra-crushing industry in the United States has also been built up without any tariff protection. The labor cost in crushing cotton seed is approximately 4 per cent of the value of the finished product, and considering the comparatively small factor of labor cost it is clear that if the foreign labor cost was only 50 per cent of the American cost, that the difference in the cost of crushing oilseeds here and abroad would not exceed 2 per cent of the value of the finished products. However, when oilseeds are crushed in the United States a great advantage is gained, because of the fact that the shipment of these oils from foreign oil mills entails considerable loss in leakage as compared with no loss when the oil is transported to the United States in the form of seed.

The American industry, on account of its economical facilities for distribution, also enjoys further advantages, the sum total of which, in our opinion, more than offsets the small difference which may exist between the labor cost in foreign mills and the labor cost in American mills. We own 24 cottonseed oil mills, scattered throughout the cotton-growing States, and these mills have always been operated by us without any tariff protection whatever. There has been no change in the world situation which would now cause us to advocate tariff protection for American vegetable oil mills, as we believe they are in a position to compete with foreign vegetable oil mills.

If I can be of any further assistance I shall be very glad to have you advise me.

Respectfully yours, W. J. CASSADY,
Vice President.

Mr. WALSH of Massachusetts. Mr. President, these letters show that the difference in the cost of crushing abroad and in this country is very insignificant. They show that the labor cost is a very insignificant item in the total cost of production, and they show that this compensatory duty of 36½ cents per bushel upon the linseed oil in a bushel of flaxseed can not be justified, can not be defended; and I say it is an outrage to tax the American people 66½ cents on every bushel of flaxseed when they purchase it as linseed oil.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Louisiana?

Mr. WALSH of Massachusetts. I do.

Mr. BROUSSARD. May I inquire of the Senator whether he has read all of the letters from the crushing companies?

Mr. WALSH of Massachusetts. I have read only part of them; only the portion that refers to the difference in cost.

Mr. BROUSSARD. Has the Senator any letters from soap manufacturers?

Mr. WALSH of Massachusetts. I have letters from soap manufacturers, yes; but I have not read them, because I have myself been interested in only one item in this paragraph—flaxseed and linseed oil. The Senator from Utah [Mr. KING] has charge of the other items, so I have confined my discussion entirely to flaxseed; and, as the Senator knows, linseed oil is not used in making soap. Some of the other vegetable oils are used in soap making.

Mr. BROUSSARD. I was led to ask the question on account of the fact that the Senator read letters only from cottonseed crushers.

Mr. WALSH of Massachusetts. Simply to learn from them what I had been informed of, and I wanted to have it confirmed, that the most expensive seed to crush is the cotton seed. I think the Senator will agree with me in that; and yet the rate here on cottonseed oil is less than on linseed oil, which is made by a very much simpler process, does not require nearly as much expense, and the labor item is very much less; and yet here the rate is higher than the rate upon cottonseed oil.

Mr. President, I want to be fair about this. I consider this duty one of the most outrageous in the whole agricultural schedule. I think it is the most indefensible. I think it is an outrage to burden the industries of this country and the consumers who must use linseed oil with this excessive duty.

I do not think it can be defended, and I think the committee ought not to give such a high compensatory duty to 14 crushers who have been under indictment for violating the laws of the land and seeking to control prices, and who will be the beneficiaries of this increased protective tariff duty. It seems to me that there is absolutely no justification for this increased duty to the crushers.

I have not said much about flaxseed. I do not think it is of nearly so much importance as the duty given to the crushers. Let the farmers know that when they vote for this duty for the crushers they vote about 30 cents protection to themselves and 66 cents protection to the crushers who crush the seed into oil. It can not be justified.

Mr. President, I ask permission to have printed at the end of my remarks a table showing the differentials between duties on linseed oil and flaxseed in various tariff acts.

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

Table showing differentials between duties on linseed oil and flaxseed in various tariff acts.

	Cent per bushel.
Senate rate (H. R. 7456):	
Flaxseed, 40 cents per bushel (less drawback on cake)	30
Linseed oil, 3½ cents per pound (19 pounds per bushel)	66½
Crushers' subsidy	36½
House rate (H. R. 7456):	
Flaxseed, 25 cents per bushel (less drawback on cake)	18½
Linseed oil, 2½ cents per pound (19 pounds per bushel)	47½
Crushers' subsidy	29
Emergency act:	
Flaxseed, 30 cents per bushel (no drawback)	30
Linseed oil, 10 cents per gallon (7½ pounds)	25
Crushers' penalty	5
Underwood Act:	
Flaxseed, 20 cents per bushel (no drawback)	20
Linseed oil, 10 cents per gallon (7½ pounds)	25
Crushers' protection	5
Payne-Aldrich Act:	
Flaxseed, 25 cents per bushel (less drawback on cake)	18½
Linseed oil, 15 cents per gallon (7½ pounds)	37½
Crushers' subsidy	19

House rate (H. R. 7456) granted linseed-oil crushers increase in subsidy between Underwood differentials of 5 cents per bushel and House differential of 29 cents per bushel, or an increase of 480 per cent.

Senate rate (H. R. 7456) grants linseed-oil crushers increase in subsidy between 5 cents per bushel in Underwood Act and differential in the Senate rates of 36½ cents per bushel, or an increase in the crushers' subsidy of 31½ cents per bushel, or 630 per cent increase over the Underwood differential, whereas farmers' duty on flaxseed has only been increased by 10 cents per bushel, or 50 per cent increase.

The Underwood differential of 5 cents per bushel gave the crushers a 98½ per cent monopoly on imports of linseed oil by forcing its importation to this extent in the form of flaxseed. Why increase the 5 cents per bushel protection for the crushers by 630 per cent when the 5-cent differential gave them a monopoly?

Mr. McCUMBER. Mr. President, I desire to place in the RECORD three exhibits from the testimony which was presented to the Finance Committee.

Exhibit A is the cost of production of linseed oil in the United States from Argentine linseed.

Exhibit B is the cost of production of linseed oil in Europe from Argentine linseed.

Exhibit C is a calculation of drawback on exported oil cake manufactured from 1 bushel of imported linseed oil dutiable at 40 cents per bushel of pure seed.

All three of these take as the basis the landed cost in the port of New York, and the three together show, after making every allowance for drawback, and so forth, that there is a necessity for a duty of 3.4 cents per pound. The committee, to make it an even figure, placed it at 3½ cents, or 3.5 cents per pound.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent to have printed in the RECORD as

part of his remarks the documents which he has described. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

FLAXSEED CRUSHERS' TARIFF COMMITTEE,
March 28, 1922.

Hon. P. J. MCCUMBER,
Chairman Senate Finance Committee,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The flaxseed crushers in the United States beg to present herewith their exhibits, dated March 24, 1922.

Exhibit A: Cost of production of linseed oil in the United States from Argentine linseed.

Exhibit B: Cost of production of linseed oil in Europe from Argentine linseed.

Exhibit C: Calculation of drawback on exported oil cake manufactured from 1 bushel imported linseed dutiable at 40 cents per bushel of pure seed.

Accordingly we submit that if imported flaxseed is made dutiable at 40 cents per bushel, then—

Linseed oil should be made dutiable at 3½ cents per pound if without provision for drawback allowance for exported oil cake.

If provision for drawback on oil cake is made in the pending tariff law linseed oil should be made dutiable at 3 cents per pound.

Exhibits A and B herewith show that at the same base price for imported linseed from Argentina the conversion costs in the United States are 3.4 cents per pound of oil higher than in Europe.

Exhibit C herewith shows drawback on exported oil cake if provided by law is the equivalent of 3.6 cents per gallon, or forty-eight one-hundredths cent per pound of oil—hence a difference of one-half cent per pound in the above proposlas for duty on linseed oil.

The method of our calculations and the figures incorporated in the accompanying statements have been submitted to Messrs. De Long and Zapoleon, experts of the United States Tariff Commission.

Very respectfully,

FLAXSEED CRUSHERS' TARIFF COMMITTEE,
C. T. NOLAN, *Member.*

(Inclosure as indicated.)

MARCH 24, 1922.

EXHIBIT A.

Cost of production of linseed oil in the United States from Argentine linseed.

	Per bushel.
Price of Argentine linseed at New York, this date, for but 96 per cent purity	$2.18
4 per cent additional to bring cost to 100 per cent seed purity to conform to oil-yield calculations	.0872
Duty added to cost of seed	.40
Manufacturers (United States of America) cost of conversion of seed into oil and oil cake packed, sold, and ready to ship, not inclusive of plant depreciation nor of trade discount, cartage, and freight	.50
	3.1672
Less value of oil-cake product, 37 pounds, at normal price, $30 per 2,000 pounds	.555
	2.6122

	Per gallon.
Divisor, 19 pounds of oil, the yield from 1 bushel of seed equals cost of 1 pound of oil, $0.1375, or per gallon of 7.5 pounds	$1.03125
Cost of linseed oil manufactured in Europe, including its transportation in barrels to United States, Atlantic seaports (see accompanying statement B)	.7760
Difference per gallon	.25525
Difference in conversion costs per pound of oil	.034

EXHIBIT B.

Cost of production of linseed oil in Europe from Argentine linseed.

	Per bushel.
Cost of Argentine linseed calculated the same in Europe as in New York this date, basis 96 per cent purity	$2.18
Four per cent additional to bring cost to 100 per cent seed purity to conform to oil-yield calculations	.0872
Duty, none	.00
Manufacturers (European) cost of conversion of seed into oil filled into barrels, sold and ready to ship	.25
	2.5172
Less value of oil-cake product 37 pounds, at normal price $30 per 2,000 pounds f. o. b. steamer, New York basis, equivalent in England to $36.75 per 2,000 pounds	.68
	1.8372

	Per gallon.
Divisor—19 pounds of oil, the yield from one bushel of seed, equals cost of one pound of oil $0.1375, or per gallon of 7.5 pounds	$0.7275
Plus transportation of oil in barrels to United States Atlantic seaports	.0485
Total cost to United States Atlantic seaports per gallon of oil	.7760
Difference in conversion costs per pound of oil	.034

NOTE.—Where international money exchange rate enters in the above the calculation is at $4.40 per pound sterling—current exchange rate.

EXHIBIT C.

Calculation of drawback on exported oil cake manufactured from 1 bushel imported linseed dutiable at 40 cents per bushel of pure seed.

	Bushel.	Per cent.
Linseed oil yield, 19 pounds: value, 10 cents per pound	$1.90	77.4
Oil cake yield, 37 pounds; value, 1½ cents per pound	.555	22.6
	2.455	100.0

Duty on cake yield from 1 bushel of linseed, 22.6 per cent of 40 cents, is $0.0904, which reduced to oil equivalent per pound is 0.48 cents per pound, or 3.6 cents per gallon.

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

The amendment was agreed to.

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

The ASSISTANT SECRETARY. On line 14, page 111, it is proposed to strike out the word "pound," and to insert the same word with a semicolon and the following words:

Soya beans, four-tenths of 1 cent per pound; cotton seed, one-third of 1 cent per pound: *Provided*, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph.

Mr. LADD obtained the floor.

Mr. WALSH of Massachusetts. Mr. President, I was about to ask that the Senator from Utah [Mr. KING] be sent for, because he is interested in this item. May I ask the senior Senator from North Dakota [Mr. MCCUMBER] whether he intends to take up, immediately following the action upon paragraph 760, paragraph 50, which deals with the oils?

Mr. MCCUMBER. Yes, Mr. President.

Mr. WALSH of Massachusetts. I ask because I want to make a motion to reduce the rate on linseed oil. That will be taken up immediately?

Mr. MCCUMBER. Yes.

Mr. LADD. Mr. President, I move to amend line 14 by striking out "four-tenths of 1 cent" and substituting therefor "1½ cents."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota [Mr. LADD] to the amendment of the committee.

Mr. WALSH of Massachusetts. Let the amendment be stated, please.

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

The ASSISTANT SECRETARY. It is proposed to amend the committee amendment on lines 14 and 15 by striking out, after the words "soya beans," the words "four-tenths of 1 cent," and in lieu thereof inserting "1½ cents."

Mr. WALSH of Massachusetts. Mr. President, in view of the fact that the Senator from Utah [Mr. KING] is not in the Chamber I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Heflin	Moses	Simmons
Borah	Johnson	Nelson	Smith
Broussard	Jones, N. Mex.	New	Smoot
Bursum	Jones, Wash.	Newberry	Spencer
Calder	Kellogg	Nicholson	Sterling
Cameron	Kendrick	Norbeck	Sutherland
Capper	King	Oddie	Townsend
Colt	Ladd	Overman	Trammell
Curtis	La Follette	Pepper	Underwood
Dial	Lenroot	Phipps	Wadsworth
Ernst	Lodge	Poindexter	Walsh, Mass.
Frelinghuysen	McCumber	Ransdell	Walsh, Mont.
Gooding	McKinley	Sheppard	Watson, Ind.
Hale	McNary	Shortridge	Willis

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from North Dakota [Mr. LADD] to the committee amendment, which the Secretary will again report.

The ASSISTANT SECRETARY. In the amendment proposed by the committee, page 111, lines 14 and 15, after the words "soya beans," strike out "four-tenths of 1 cent," and insert in lieu thereof "1½ cents."

Mr. KING. Mr. President, I presume that no appeals to the blocs, groups, alliances, and confederations on the other side, who perhaps get some assistance on this side, will affect the result with respect to the matter under consideration.

A few moments ago the Senator from North Dakota made complaint because in describing the pending bill I had employed some of the language of Mr. Roosevelt in describing Republican tariff bills, Senator Dolliver in describing the Payne-Aldrich bill, and the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] and other eminent Republicans in describing former Republican tariff bills. The Senator from North Dakota would be very glad if I would employ the adjective "good" and say that this was a good tariff bill. He would be more gratified if I should say it was a just tariff bill; but if I should say either I would be wholly inaccurate. It is neither good nor just. It is bad and it is unjust, and I expect my friend would complain about those two adjectives.

It is astonishing the point of view we entertain. Any Republican or Democrat who says that this bill is a delightful, a beautiful, a delectable, and a just measure would sing a song that would come with great delight to the ears of the able Senator from North Dakota. But the able Senator does

not like to have anybody tell the truth about this bill. To call it an inequitable bill is exceedingly offensive to him. He does not like that adjective. He will hear the adjective now; he will hear it when he retires to the quietude of his private life. He will hear it many years after this, because the American people believe that it is a bad bill, an inequitable bill, and that belief will be confirmed after the bill goes into operation.

We are confronted with an amendment, recommended, I am told, by the committee, to increase the rates reported by the bill, after due consideration, I suppose, from four-tenths of a cent to a cent and a half, which would be an increase of nearly 300 per cent.

Mr. SMOOT. It is not a committee amendment.

Mr. KING. Then I was laboring under a misapprehension. I congratulate the committee upon their moderation. May I inquire whether the committee is suggesting this at all?

Mr. SMOOT. The junior Senator from North Dakota offered the amendment.

Mr. KING. With that understanding, I do not think I shall take the time to discuss it. I understood the committee itself was offering this amendment.

Mr. McCUMBER. The Senator may possibly omit one or two of his adjectives.

Mr. KING. No; I still say it is a bad bill, because even if this amendment should not prevail there are so many other bad provisions in the bill that I would not want to withdraw the criticism heretofore made. But in view of the fact that this is not offered by the committee I can not believe it will get any support. I shall not, therefore, take any of the time of the Senate to discuss it.

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

The amendment to the amendment was rejected.

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

Mr. McCUMBER. Mr. President, the committee moves to amend this amendment by striking out, after the word "pound," on line 16, page 11, the balance of the said line and all of line 17; in other words, to strike out the words: "*Provided*, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph." That would leave the matter so that the screenings and impurities, instead of bearing the higher rate, would bear a 10 per cent duty.

The PRESIDING OFFICER. The chairman of the committee desires to modify his amendment, and the question, therefore, is on the committee amendment as modified.

Mr. GOODING. Mr. President, I do not think those who have been supporting the amendment offered by the Senator from North Dakota understood just what they were voting for. I am not finding any fault with the Chair at all, who is perfectly fair, but we expected a roll call. Possibly we are to blame for not calling for it. I ask the chairman of the committee if he will permit a reconsideration of the vote just taken on soya beans?

Mr. McCUMBER. I have no objection.

Mr. WALSH of Massachusetts. Neither have I any objection.

Mr. GOODING. Then I would like to discuss the amendment of the Senator from North Dakota relating to soya beans for just a few minutes.

The PRESIDING OFFICER. Let the parliamentary situation be straightened out. Without objection, the vote whereby the amendment to the amendment, on page 111, line 14, was disagreed to will be reconsidered.

Mr. WALSH of Massachusetts. Then the question is on the amendment offered by the Senator from North Dakota [Mr. LADD] to the Committee amendment?

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from North Dakota [Mr. LADD] to the committee amendment, on which the Senator from Idaho will be heard.

Mr. GOODING. Mr. President, I doubt if there is any duty in this bill more important to the American farmer than the duty that is asked for by the Senator from North Dakota on soya beans.

Just a few days ago I placed in the RECORD a statement of farm changes that have been taking place in this country. In the year 1920, as I remember, 60,000 men, women, and children left the farms in the States of Ohio, New York, and Michigan simply because the soil was so poor that they were unable to earn a living.

Soya beans are coming into a great use in this country as fertilizer. Possibly no other crop is doing more to bring back the fertility of the soil in America than soya beans in those States where they are used, and it is a bean grown to a very large extent now in many of the States.

In the South, in those sections where the boll weevil has made it impossible to grow cotton any longer, soya beans are being grown to quite an extent, and since the passage of the emergency tariff law, which gave 2 cents a pound on vegetable oil and soya bean oil, we are establishing crushers in this country, and we are growing beans for seed.

I have here an article appearing in the Country Gentleman, which I shall not read much of, but I shall ask that it be printed in the RECORD, because to my mind it is a very good article. The title of the article is "More Soys," and it is written by J. Sidney Cates. I read just a paragraph:

MANY FARMERS SEE IN THE BEANS A SOUND NEW MONEY CROP.

Last year witnessed a 20 per cent increase in acreage of soya beans planted for seed, and the harvested crop totaled but slightly under 3,000,000 bushels. The Corn Belt seems suddenly to have discovered the possibilities of the soy as a money crop, just as six or eight years ago the farmers out there found the great value of beans for growing along with corn for soil improvement and for hogging down.

I ask that this article be printed in the RECORD.

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

[From the Country Gentleman, April 1, 1922.]

MORE SOYS—MANY FARMERS SEE IN THE BEANS A SOUND NEW MONEY CROP.

(By J. Sidney Cates.)

Last year witnessed a 20 per cent increase in acreage of soy beans planted for seed, and the harvested crop totaled but slightly under 3,000,000 bushels. The Corn Belt seems suddenly to have discovered the possibility of the soy as a money crop, just as six or eight years ago the farmers out there found the great value of beans for growing along with corn, for soil improvement, and for hogging down.

Recently I journeyed into Illinois to find out how the men on the farms were handling this new money crop, and what it was displacing in the old and well-established systems. At the office of C. H. Oathouse, farm adviser for Champaign County, I interrupted a conference with four or five farmers who were arranging for a cooperative shipment of a car of beans to a large paint and oil manufacturer at Cleveland.

"There is a big surplus of beans in the county," explained Mr. Oathouse, "although we estimate the area planted for seed here next season is going to increase fivefold. We are, however, having no difficulty at all in finding a market. There will be ample oil-mill facilities near by for handling any quantity of beans we may produce."

"Our new rotation to include soy beans eliminates oats," explained one of the farmers. "We are working a four-field system—corn, soy beans, wheat, pasture; the pasture being made up of alsike, sweet clover, and timothy. The oat crop has never been satisfactory, but nothing else seemed to fit in after corn.

"With the better varieties of beans which have come on the market the past few years the problem seems to be solved. And there is not such a rush of early spring work as with the oat crop. After corn is planted and before it requires cultivation the bean crop is put out. We plant everything solid with a grain drill, using about a bushel of beans to the acre. Planting in rows and cultivating, as is done so extensively in North Carolina, does not give such good results in yield here as does the plan we follow; and besides, the land is left ridged to some extent when the crop is removed and takes considerable work to get in shape for wheat which follows."

"How do you handle the weed problem?" I inquired, going on to explain that experience in most sections showed that the beans started off so slowly in the early season that weeds and grass often choked the broadcast crop and seriously cut down yields.

"We have worked up our own system of keeping the crop clean," spoke up Mr. Oathouse. "To begin with, we harrow the land well before starting to seed with the grain drill. At this time a lot of weed seeds have already germinated and are killed. Then, when the beans break through the ground, we go over it with a weeder. It does not seem to do any damage to the beans, and is very effective in cleaning out grass, provided the land is not baked to a hard crust. On baked land what we call a rotary hoe is the tool to do the business. You might compare this instrument to a disk harrow with just the spokes of the wheel instead of solid disks. The rotary hoe can be used until the beans are 6 to 8 inches high, and it does not seem to injure them at all. After that time they will smother weeds. When harvest time comes we go in with an ordinary grain binder."

"Don't you shatter a lot of the beans with a binder?" I asked.

"That would be the case with your row-grown beans," he replied. "But our crop grown thick on the land, develops an upright habit of growth with no wide-spreading branches to be crushed in the grain binder. No, we do not figure any more loss from shattering in harvesting beans than we do in harvesting wheat or oats, though if the crop is very dry we do like to carry on the work as much as possible early in the morning, when it is more or less damp from the dew."

Wheat follows beans under the Illinois system, without any further preparation of the land. In fact, the grain drill is started right after the reaper, the two implements often going around the field 50 yards apart, the bean bundles being dropped off on land already seeded to wheat.

"In Champaign County," said Mr. Oathouse, "we have had a couple of meetings of those interested in growing beans. We have figured that about twenty-five or thirty thousand bushels are grown in the county. We believe that this acreage will increase fivefold in 1922. Every fellow who had beans last year will increase his planting, and he will be joined by all his neighbors. This increase will be at the expense of corn as well as oats. All the farmers are waiting for is full and definite assurance of a general market. We believe there need be no uneasiness on this point. One factory in Decatur, which now handles

30,000 bushels of corn a day, will put in bean equipment. A cotton-oil mill in East St. Louis has equipment and is asking for 15,000 tons next year."

A YEAR OF RECORD YIELDS.

Yields last year were the highest ever known. A number of small-acreage yields averaged more than 40 bushels to the acre. One farmer told me he had out 100 acres of the poorest land on his farm and lacked 3 bushels of making 2,000. The crop brought $3,000. I dare say there is not a hundred-acre cornfield which last year yielded so much in money value.

Will Riegel, manager of the Mahary farms at Tolono, Ill., where a 6,100-bushel crop was grown last year, told me their average was approximately 35 bushels to the acre. The first cash crop of beans was raised on these farms in 1909, and the manager declares that beans have been the most profitable crop raised ever since. Mr. Riegel says that now the land, through long growing of beans, is getting too rich and that the rotation will have to be changed.

Doctor Smith, over at the University of Illinois, told me they were recommending soys to take the place of red clover in rotations.

"From the standpoint of soil fertility," said he, "the soy has a rather prominent place with us here in Illinois. The last 10 years we have had five failures with red clover; that is, it failed to come up the second year of its biennial life. Sweet clover is filling this gap where there is lime in the soil. In the presence of lime sweet clover practically never fails. The soy can be depended on to make a crop under either circumstance."

I found a number of Corn Belt men making an excellent go of soys as the main crop.

The three Fouts brothers, at Camden, Ind., own farms close together, and they call the group Soyland. They are not only making money selling seed, but by feeding hogs and sheep. Soys are the main crop on all three farms.

Edwin Johnson, of Stryker, Ohio, has made an excellent thing of soys as the main money crop. He has three farms devoted to the business, and also gets the neighbors far and wide to grow beans for him on contract. His production runs into the thousands of bushels.

I encountered one Illinois farmer whose main enterprise is pork production. He fed this pork last year on corn, balanced up with soy beans instead of tankage. But he did not grow a stalk of corn on the place; the whole farm was put out to beans. These he sold and with the proceeds bought corn. He figures that he got in this way three times the corn that he would have secured by planting it.

At present the price of soy beans in the Corn Belt is the lowest in many years, seed selling on farms at $1.30 to $1.60 a bushel. But seemingly this is going to stimulate rather than retard the production of beans as a money crop. In the first place, it simplifies the problem of getting seed for planting. And, in the second place, the present price of beans expands the market demand, not only through the greater use of seed but for oil and meat production. It is a practical certainty, I was told, that several crushing establishments will go up in the Middle West this year.

Probably the most important thing developed at the Chicago meeting of the Central States Soy Bean Growers' Association, held in November, was a move to standardize the variety names. A committee was formed to take over the work of getting rid of duplicate names of varieties. This committee was made up of one experiment-station man who works on soy beans and one prominent grower for each of the States represented in the association. Soy Bean Specialist Morse, of the Department of Agriculture, was made chairman of this committee. The department and the station men of the committee have agreed to grow all the present varieties having several names this coming season. The study of duplicate names will be made during the growing season.

Approximately 150 variety names are now in common use, though the number of really different varieties is probably less than 100. The Mongol, for instance, is sold under the name of Hollybrook, Roosevelt, Medium Yellow, Medium Early Yellow, and several other aliases. The Ito San is also called Early Yellow, Medium Early Yellow, and Medium Yellow. The old Mammoth Yellow is sold as both Early and Medium Yellow. The old Tar-Heel Black has been sold through the North as Early Black, Early Mammoth Black, and Medium Black. The Peking is sold as Sable, Essex, Red Sable, Black Champion, and Extra Select Sable. And this list could be greatly extended.

HEAVIER-YIELDING VARIETIES.

As the soy-bean crop is just beginning to reach out for a larger place in our agriculture, it is particularly important that these duplicate names be eliminated. The crop is grown now all the way from the Gulf to the Canadian border, and success with it depends far more than is the case with ordinary crops on getting a well-adapted variety. When variety names become meaningless, important studies in variety adaptation are lost in the resulting confusion.

In North Carolina, where more seed beans are raised than anywhere else, 34 per cent of the crop is grown for seed. Illinois now comes next with 28 per cent of the whole planted area harvested for seed. No other State saves for seed as much as 21 per cent of the total planted area. Throughout the Corn Belt a great deal more than half the total soy area represents interplanting with corn. This is also true in North Carolina. In other parts of the South the soy bean, to a greater extent, occupies the land all by itself. In Virginia only 29 per cent of the crop is interplanted; in South Carolina, 39 per cent; and in Georgia, 35 per cent.

It is common talk through the Middle Western States that soy beans yielded last year almost double what they ever did before. I am at a loss whether to lay this merely to a very propitious season or to consider that in large part it is due to better cultural methods and the use of heavier-yelding varieties. Probably all three factors enter into the equation. It is a pretty clear case, however, that the recent greatly increased interest in soys through the Corn Belt, particularly the northern edge of the corn States, can be attributed to better varieties.

We have at last gotten round to searching similar latitudes in northeastern Asia for soy varieties adapted to the northern edge of this country. For unrecorded ages orientals have depended largely on the soy for food, and they have naturally accomplished much in seed selection. By beginning where they left off—or perhaps I had better say, reached—we have been able to make a rapid stride in pushing the beans north.

New varieties, some 300 in number, were brought in from Manchuria during the winter of 1913–14. The whole importation was tested out at the Government farm at Arlington, Va., and the markedly inferior ones were discarded.

Before this importation of seed the soys had a very cramped northern limit of maturity. The new kinds mature a crop farther north than a corn crop is dependable. From West Branch, Mich., and from northern Wisconsin there came back reports of one sort yielding more than 40 bushels to the acre. The yield for forage in these northern latitudes is also heavy. There are numerous reports of more than 6,000 pounds to the acre of air-dry material throughout Michigan and Wisconsin, coming from the new Manchuria beans.

Over in New England, where the heavy freight rate on western grain is a serious burden to dairymen, these new Manchurian kinds seem to deserve a large place. The old varieties were not considered safe in New England farther north than Amherst; frost would come before the beans matured. Now, well up in New Hampshire and Vermont and over in south Maine, the Black Eyebrow and Mandarin, probably the most promising of the Manchurian kinds, ripen a heavy crop of seed.

Heretofore we have made large importations of both soy beans and soy oil. Now that we have got tested seed of varieties adapted to the climate of our richer lands there is a prospect of our not only filling our own needs but of producing a bean surplus to send out to other countries.

The soy bean is worked up into a great variety of table products. And in this, as in all lines of soy appreciation, we are merely taking a leaf from the history of Asiatic people. Over there it has stood the tests of unrecorded thousands of years.

Mr. GOODING. In this country to-day, Mr. President, we are growing 40,000,000 acres more of farm crops than we are consuming. It is estimated that the increased consumption in this country of farm products is equal to 2,000,000 acres a year. At that rate it is going to take 20 years in this country for our consumption to catch up with our farm production.

Now, if we are going to bring any permanent prosperity back to America we have to have a balanced condition upon the farm. The trouble is we are growing too much wheat and not enough wool; we are growing too much cotton and not enough sugar; and so it goes on down the line. If we will make an effort to protect the agricultural industries which have been on the free list, so as to bring about a balanced crop condition on the farm, we will not be forced for very many years to find a foreign market for farm products of the country, and we will stabilize our agricultural industry. We will never have prosperity, if you please, until we develop every agricultural interest up to our own requirements at least, and that is what we are not doing. If we will develop the crops in this country in which we have not yet reached our own consumption it will take care, if you please, of the 10,000,000 acres of farm products for which we are now forced to find a market in foreign countries. Above all, soil exhaustion is taking place in every State in the Union. There is no exception to that rule. Above everything we ought to encourage a crop such as soya beans, which mean so much to the soil fertility.

There is not going to be any prosperity in this country until the farmer gets better prices for his product, and he is not going to get a better price until we have a balanced condition, nor is there going to be any return to the farm until the farmer gets a square deal in the country and is able at least to furnish the American people with the farm products which we can grow so successfully in this country. Therefore I hope the amendment of the Senator from North Dakota [Mr. LADD] will prevail.

The Senator from New Jersey [Mr. FRELINGHUYSEN] is entirely mistaken in one of his statements. The farmers are growing soya beans in this country and they are growing them for seed. We are crushing them, and if we can be given an opportunity by proper protection, so that we do not have to compete with the natives of Manchuria, we can do vastly better. There they will haul the soya beans 100 or 200 miles to market, taking a week or 10 days to make the trip, with only three or four bags; and that is the competition the farmers of this country have to meet. We can not develop the soya-bean industry and we can not develop any other industry in the face of such competition.

The Senator from New Jersey also said there was not much importation of the soya bean. I send to the desk a short article, which I would like to have read, telling the story of a cargo of soya-bean oil just reaching Norfolk.

Mr. FRELINGHUYSEN. Before the article is read and before the Senator takes his seat I would like to correct a statement he made. He stated I said there were no soya beans grown in this country. I did not say that. I said there was no appreciable crushing of soya beans for soya-bean oil. I have here a letter from the United States Department of Agriculture——

Mr. GOODING. I agree with the Senator in that statement, but they are crushing and starting to crush more, and they will crush a great deal more if they are given the opportunity.

Mr. FRELINGHUYSEN. The United States Department of Agriculture on June 19 said:

> If any domestic grown soy beans are being crushed at all, it is only in negligible quantity.

The Senator spoke of large quantities of soy-bean oil being imported, and said that I said there was none being imported.

Mr. GOODING. The Senator said very little was being imported.

Mr. FRELINGHUYSEN. I did not make that statement. I said that the record would show that 195,000,000 pounds of soy-bean oil had been imported in 1919, and as to the first three months after the emergency tariff act went into effect, placing a duty of 2 cents per pound on soy-bean oil, the Senator from North Dakota [Mr. LADD] read the figures showing that only 2,000,000 pounds had been imported. I called attention to the decline in the importations after the duty became effective.

The PRESIDING OFFICER. The Secretary will read the article as requested by the Senator from Idaho.

The reading clerk read as follows:

[From the Norfolk Ledger-Dispatch, Tuesday, June 30, 1922.]

CUSTOMS DUTY ON SINGLE CARGO HERE IS ABOUT $100,000—SHIP ARRIVES WITH BIG LOAD SOY-BEAN OIL—REVENUE TO BE PAID BY PORTSMOUTH COMPANY AS OIL IS TAKEN FROM TANKS.

Uncle Sam will get more duty out of the cargo being discharged at the Army base to-day by the Japanese steamer *Mayebashi Maru* than out of any single importation of merchandise at Hampton Roads since 1914.

M. M. Vipond, deputy collector of customs, had it figured out this morning that the 1,800 tons of soy-bean oil brought from Darien, Manchuria, in the deep tanks of the Japanese steamer would eventually increase the revenue of the Norfolk customhouse by approximately $100,000. The money will not be received right off the bat, however, for the Portsmouth Cotton Oil Refining Co., the owners of the oil, recently bonded the tanks at their Portsmouth plant in which the oil is to be stored and the duty will be paid upon it as it is gradually withdrawn for refining.

The oil brought here from Darien by the *Mayebashi Maru* is one of a number of shipments recently received by the great refinery at Portsmouth, but heretofore no duty has been paid at Norfolk, the oil having been transshipped to Manila, where the duty was collected. Other direct importations, it is understood, will be made this summer by the same concern, which is among the three largest refiners of vegetable oils in this country.

DUTY 20 CENTS A GALLON.

Until the passage of the emergency tariff bill a few months ago soy-bean oil was upon the free list. Now the duty is 20 cents per gallon. The heavy duty was imposed at the solicitation of American producers of soy beans and of peanuts. There is little difference between peanut and bean oils.

The *Mayebashi Maru* is expected to complete discharge of the oil to-day and proceed to Philadelphia.

At the Army base the oil is being discharged in the company's own tank cars which bear it over the belt line to the Portsmouth plant.

Mr. RANSDELL. Mr. President, I wish to say just a few words in regard to the pending item. I would like to have my Democratic friends from the South, before voting upon this item, to consider that the soya-bean industry is one of the most promising in the South, in my judgment, as a successor, to some extent, of cotton in the region which is now being devastated largely by the boll weevil. It is extremely difficult, especially for a Caucasian, in the South to make a living by planting cotton.

I have looked into the question of the soya bean considerably, and am convinced that a white man, in the cotton portion of the South where soya beans grow better than they do in the northern portions of the country, can by the use of improved machinery make a great deal more money annually as the result of his labor than he could possibly make from cotton. It requires about as much labor to cultivate soya beans as it does to cultivate corn. Soya beans can be planted by machinery, cultivated by machinery, harvested by machinery, and ordinarily produce pretty nearly, if not quite, as much yield per acre as can be obtained from corn. A considerably better price can be secured per bushel for soya beans than for corn. More money can be made, considerably, as the result of a year's labor in soya beans than in cotton. I am thoroughly convinced of that fact.

Let us see some of the uses of the soya bean. They produce the most remarkable hay. Southern farmers all know there is no better hay than pea-vine hay. Soya-bean hay is just as good as pea-vine hay. It is easier to cure than the pea-vine hay. Soya beans carry into the ground just about as much nitrogen as the pea vines. They improve the soil just about as much as the pea vines, and are tremendously valuable in the South for improving the soil.

All agriculture in the country is interested in improving the soil. Our yields are diminishing all over the land. Cotton is coming down in its annual production, as corn is coming down and as wheat is coming down. Everything that grows from the soil is coming down in its annual production per acre, and one of the very interesting problems before the Senate to-day is whether or not we shall lease Muscle Shoals to Mr. Henry Ford in order that he may give us cheap fertilizer for the improvement of the land for agriculture.

Mr. President and Senators, if we can plant a crop of soya beans in the soil and make as good financial returns out of that crop and at the same time build up the soil wonderfully, to be followed by crops of cotton or corn or sugar or rice or wheat or any other product, because all crops that grow out of the ground are wonderfully benefited by the nitrogen placed in the soil by nature's best feeder, the soya bean, it would seem wise to make more use of that crop. It is a most valuable crop in that connection.

I wish to impress upon my friends from the South, and especially those along the Atlantic coast, where the boll weevil is becoming so bad, that they have got to do something in that section to fight that awful pest. They have got to have some money crop other than cotton. They can not live if they do not have a money crop. They can get that money crop from the soya bean and at the same time save the tremendous fertilizer bill they are now obliged to pay. If they could keep their cotton lands reasonably fertile without having to pay the perfectly colossal fertilizer bills which they are now obliged to pay, the returns on their agriculture would be very much heavier. I say to them that they can get that kind of a crop through the intelligent use of the soya bean. The crop also will add materially in producing fine hogs and fine beeves. In a small way I have had a few acres of soya beans on my plantation, and I know the nature of the crop, and that nothing fattens hogs more rapidly than the soya bean. Soya-bean meal is a splendid feed for beeves.

When the oil is extracted from soya beans that oil makes a splendid substitute for paint. It answers the purposes of a mixture of turpentine and linseed oil, which I believe are used largely in the manufacture of paint. Soya-bean oil to a great extent takes the place of linseed oil in the manufacture of paint. It is a valuable commodity.

The growing of soya beans is very largely a new industry in our country. We seek by tariff duties to build up new industries. When they are thoroughly well established there is probably no reason for placing an import duty on their products; but, I repeat, this is a new industry in our country. It is beginning to grow up in practically every State in the Union, for while, to a great extent, the soya bean flourishes best in the South, there are certain varieties which flourish in the most northern State of the Union. I am satisfied that varieties will be developed which will flourish along the Canadian border, and every part of the Union will ultimately be able to grow this plant successfully.

We need new plants in this country, Mr. President; we ought to do something to develop a new industry in America; and I say to you, sirs, in the most serious manner, that, to my mind, this is the most promising new agricultural plant with which I am familiar. I sincerely hope the amendment to the committee amendment proposed by the Senator from North Dakota [Mr. LADD] to increase the duty on soya beans may be adopted.

Mr. GOODING. I desire to call the Senator's attention to the fact that there is a duty of 3 cents a pound on soya-bean oil; and, in my judgment, that duty will be of little use with a duty of only four-tenths of 1 cent a pound on soya beans. The importers will ship in soya beans and crush them and, of course, in that way bring in soya-bean oil for about a cent a pound duty, as I understand, or not more than a cent and a quarter a pound, as compared with the 3-cent duty which the committee has given to soya-bean oil. So, if we wish to make effective the duty on soya-bean oil, there should be imposed a duty of at least 1½ cents a pound on soya beans.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Dakota [Mr. LADD] to the amendment of the committee.

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

The yeas and nays were ordered.

Mr. SMITH. I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. SMITH. Is the vote about to be taken directly on the question of the proposal to impose a duty of 1½ cents on soy beans?

The PRESIDING OFFICER. The Senate is about to vote on the amendment offered by the Senator from North Dakota [Mr. LADD] to the committee amendment providing a duty of 1½ cents a pound on soy beans.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah will state his parliamentary inquiry.

Mr. KING. We are about to vote now, as I understand, upon the amendment offered by the Senator from North Dakota increasing the rates provided by the committee amendment about 300 per cent.

The PRESIDING OFFICER. The question has been correctly stated. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I am paired with the senior Senator from Georgia [Mr. HARRIS]. On this question I am informed that he would vote as I intend to vote. Therefore I feel at liberty to vote, and vote "nay."

Mr. UNDERWOOD (when Mr. HARRISON's name was called). The junior Senator from Mississippi [Mr. HARRISON] is absent. He is paired with the junior Senator from West Virginia [Mr. ELKINS]. If the Senator from Mississippi were present he would vote "nay."

Mr. McKINLEY (when his name was called). Transferring my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Oregon [Mr. STANFIELD], I vote "yea."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I am informed that if he were present he would vote as I intend to vote on this question. Therefore I feel free to vote, and vote "nay."

The roll call was concluded.

Mr. CAMERON. Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. HALE. I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I have been informed that if he were present he would vote as I intend to vote. I therefore feel at liberty to vote, and vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). I understand that the senior Senator from Virginia [Mr. SWANSON] has not voted. I promised to pair with him for the afternoon, but I find I can transfer my pair with him to the junior Senator from Maryland [Mr. WELLER]. I do so, and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. ROBINSON]; and

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES].

The result was announced—yeas 28, nays 28, as follows:

YEAS—28.

Ashurst	Heflin	McNary	Ransdell
Broussard	Johnson	New	Sheppard
Bursum	Jones, Wash.	Nicholson	Shortridge
Cameron	Kellogg	Norbeck	Sterling
Capper	Kendrick	Oddie	Townsend
Gooding	Ladd	Phipps	Warren
Harreld	McKinley	Poindexter	Willis

NAYS—28.

Borah	Frelinghuysen	Nelson	Smoot
Calder	Hale	Newberry	Spencer
Colt	King	Overman	Underwood
Curtis	Lenroot	Pepper	Wadsworth
Dial	Lodge	Pomerene	Walsh, Mass.
Ernst	McCumber	Simmons	Walsh, Mont.
France	Moses	Smith	Watson, Ind.

NOT VOTING—40.

Ball	Fernald	McCormick	Robinson
Brandegee	Fletcher	McKellar	Shields
Caraway	Gerry	McLean	Stanfield
Crow	Glass	Myers	Stanley
Culberson	Harris	Norris	Sutherland
Cummins	Harrison	Owen	Swanson
Dillingham	Hitchcock	Page	Trammell
du Pont	Jones, N. Mex.	Pittman	Watson, Ga.
Edge	Keyes	Rawson	Weller
Elkins	La Follette	Reed	Williams

So the amendment of Mr. LADD to the committee amendment was rejected.

Mr. LADD. I desire to reserve the right to present and to have a separate vote upon the amendment to the committee amendment when the bill reaches the Senate.

The PRESIDING OFFICER. The Senator has that right under the rule. The question is on agreeing to the committee amendment as modified.

Mr. McCUMBER. Mr. President, I desire to modify the committee amendment by striking out the colon after the word "pound," in line 16, page 111, and inserting a period; and also by striking out the words:

Provided, That no allowance shall be made for dirt or other impurities in seed provided for in this paragraph.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KING. Mr. President, I have a statement on the question of soya beans and oil, vegetable oils and animal fats and their interchangeability, and the effect of importing soya beans and soya-bean oil, which tends to show that importations are beneficial, in that they not only give employment to a large number of American people but give us a market for cottonseed oil about which the Senator from Louisiana is so solicitous. I ask that the statement be inserted in the RECORD without reading.

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

The statement referred to is as follows:

The proposed tariff on foreign vegetable oils is a boomerang. It will depress the price of hog lard, corn oil, cottonseed oil, and other oils and fats produced by American farmers. The proposed tariff on coconut oil, peanut oil, soya-bean oil, and cottonseed oil will depress the price of domestic vegetable and animal oils used in the manufacture of butter and lard substitutes, and thereby the price of butter and lard will be adversely affected.

The proposed tariff on foreign vegetable oils will make the price of cottonseed oil lower, and thereby the price of vegetable lard will be lower. Consequently hog lard will be made lower in price by the competition of lower-priced vegetable lard made from domestic vegetable oils. This will adversely affect the price of hogs and corn.

The proposed tariff on foreign vegetable oils will depress the price of oleo oil, neutral lard, and cottonseed oil—the principal ingredients of oleomargarine or butter substitutes. This will adversely affect the dairy farmer.

Tariffs on commodities of which we produce an exportable surplus, however, are totally inoperative as "protection," and are in fact actually injurious to American farmers, forcing them to sell their crops at reduced prices. Let us demonstrate this to you as it applies to vegetable oils and animal fats:

The United States is the greatest producer of edible oils and fats in the world.

We give herewith our production for a typical year, 1921. These are the same figures appearing on the pictorial chart, but converted into carloads of 30,000 pounds each.

Please note the tremendous exports:

TABLE 1.—*United States production and exports of edible oils and fats, calendar year 1921.*

	Production.	Exports.
	Carloads.	*Carloads.*
Hog lard	63,333	29,766
Cottonseed oil	43,333	8,400
Vegetable lard, produced from above cottonseed oil	.....	1,600
Oleo oil	4,933	4,266
Oleo stearine	2,366	1,090
Neutral lard	2,133	766
Corn oil	2,900	146
Peanut oil	1,300	60
Total	120,298	46,094

These are the primary fats from which are produced other articles, such as oleomargarine, salad oils, etc. These derivative products are not included because this would cause duplication.

America must ship abroad 46,000 carloads of edible vegetable oils and fats and sell them at international prices in order to dispose of our total production of 120,000 carloads. American farmers, who produce these products, have to sell nearly as much outside the tariff wall as they sell inside. Refer to pictorial chart on reverse side and you will see clearly how the American farmer is necessarily interested in maintaining good market conditions outside the tariff wall. If the conditions outside the tariff wall—in Europe—are maintained in as favorable condition as possible, the markets inside the wall or at home will be good; but the wall deprives the United States of any voice in making prices outside the wall, and while killing the American farmer's voice in price making outside the wall and giving this power entirely to the astute strategists of Europe the wall has also depressed our home market, because when selling exportable surplus crops like the great group of interchangeable edible oils and fats produced in the United States the home market on the average can be no better than the export market.

The domestic buyer will not pay our farmers any more than the export buyer will pay. The wall is a boomerang, because it removes the United States as a rival bidder in other agricultural countries and the buyers in Europe, on whom we must depend for the sale of our 46,000 carloads of surplus, are given a clear field and complete power to bargain us against foreign farmers in Asia, Africa, and South America, who also have surpluses which they must sell to Europe. Thus it is clearly proven how these duties on exports are absurd and actually of negative effect.

We are not telling you what may happen in the future, but what has actually happened during the past 12 months under the emergency tariff bill, which shut foreign soya-bean oil, cottonseed oil, and peanut oil out of the United States by high duties.

When the fall crops of 1921 were ready for market, European buyers had undisputed control of the new crops of soya-bean oil, peanut oil, cottonseed oil, and other foreign fats. They let us "hold the sack." They made us offers for our surpluses at prices measured by the depressed prices at which they could purchase the foreign vegetable oils. They did exactly what is stated on the reverse side of this folder. We therefore were helpless sellers, with no power to bid and still forced to meet the competition of foreign vegetable oils in the surplus-consuming area of the world—Europe. Instead of meeting the competition with some control over it we met it in aggravated form.

This report from the American consul at Dairen, Manchuria, dated February, 1922, shows exactly what happened:

"The new American tariff on soya-bean oil prevented export to the United States, and the consequent withdrawal of an important purchaser caused the price to drop. Europe was a large purchaser, how-

ever, and the stock of soya-bean oil at present on hand is proportionately much smaller than that of bean cake."

Europe made lard substitutes out of these foreign vegetable oils, and our exported hog lard had to compete with a foreign product which had been depressed in price by our emergency tariff. Our corn growers and hog raisers suffered in place of being "protected." They were forced to sell hog lard to Europe at low prices by the action of the emergency tariff, which lowered the price of foreign vegetable oils and then diverted them into our own export market.

Europe would not buy our cottonseed oil at price asked by our farmers. Our exports of refined cottonseed oil have declined tremendously, as shown by the following comparison:

	Period 1921.	Period 1920.
	Pounds.	*Pounds.*
November	3,033,884	18,231,215
December	5,054,022	37,471,254
January	4,915,632	66,458,248
February	3,546,072	35,321,571
Total	16,549,610	157,482,288

Europe bought 5,249 carloads of our refined cottonseed oil during the above four months' period before the emergency tariff, and only 552 carloads during the same period after the emergency tariff, a reduction of 4,697 cars, or nearly 90 per cent. Had not our cotton crop been very short this year our cotton growers would have been unable to sell their seed to the cottonseed-oil mills. They would have been obliged to use it on the farm for fertilizer and feed, owing to the destruction of their export market for cottonseed oil by the action of the emergency tariff.

Some dairymen, because of their lack of knowledge concerning this subject, demanded that foreign vegetable oils be excluded from the United States, claiming that these foreign vegetable oils were so cheap that substitutes for butter would be made from them, and thereby the price of butter would be depressed. Is this not absurd? You have seen from the foregoing tables that we exported in 1921, a typical year—typical with the exception of cottonseed oil—8,400 carloads of cottonseed oil, 4,933 carloads of oleo oil, 766 carloads of neutral lard, 146 carloads of corn oil, and 60 carloads of peanut oil, or a total of 13,638 carloads of American edible oils and fats that are the very prime ingredients of butter substitutes. These quantities, exported, vastly exceed the quantity used in our domestic oleomargarine industry. Had our cotton crop been normal our exportable surplus of domestic oils and fats suitable for butter substitutes would have been 20,000 carloads.

The American dairymen, therefore, have been badly advised. Foreign vegetable oils and fats, such as coconut oil, soya-bean, cottonseed oil, and peanut oil are on the average inferior in quality for butter-substitute making to our own domestic oils and fats, and are used principally in the United States for industrial purposes, such as soap making, tanning, rubber substitutes, etc. The foreign oils, therefore, if freely admitted to the United States, turn the wheels of our industries, enable us to manufacture soap and other products at prices that are in line with world prices, and thus enable the American manufacturer to sell his finished product at home and abroad, and at the same time this quantity of these foreign vegetable oils and fats thus diverted from Europe will leave a corresponding demand in Europe for edible products to be filled from our great exportable surplus of higher-grade edible oils and fats made up of 893,000,000 pounds of hog lard, 252,000,000 pounds of cottonseed oil, 48,000,000 pounds of vegetable lard, 32,700,000 pounds of oleo stearine, 23,000,000 pounds of neutral lard, 4,400,000 pounds of corn oil, 128,000,000 pounds of oleo oil, and 1,800,000 pounds of peanut oil.

American dairymen produce 1,700,000,000 pounds of butter, or 53,333 carloads. This is a tremendous quantity. The American dairyman's competition from butter substitutes is right in his own front yard—American cottonseed oil, corn oil, peanut oil, oleo oil, and neutral lard. These very products are exported in tremendous quantities, and in favoring a tariff on foreign vegetable oils he has gone hunting with the wrong end of the gun.

The American dairyman should know that he can not escape the competition of butter substitutes and that any tariff procedure that depresses the price of the great surplus quantity of domestic butter-substitute making vegetable oils and fats produced by other American farmers will only increase his competition from butter substitutes made from domestic fats and oils. If he persists in his ill-advised demands for duties on foreign vegetable oils he will accomplish nothing but the reverse of what he desires.

(a) By killing the United States as a rival buyer of these foreign vegetable oils in the Orient we would allow their price to be depressed in the primary markets.

(b) These oils will then go to our foreign customers in Europe at the depressed price, depressed by our inability to bid for them.

(c) They will then displace a relative quantity of our own higher-grade edible oils and fats in Europe or will be the means by which we are bargained down to lower prices for our own surplus.

(d) Thereby our own home markets will be correspondingly reduced and the American dairyman instead of being obliged to compete with butter substitutes made from cottonseed oil costing, say, 10 cents per pound, will have to compete with butter substitutes made from cottonseed oil selling at 9 cents per pound; he will have to compete with lower-priced oleo oil, neutral lard, peanut, and corn oils. All choice ingredients for oleomargarine.

The oils and fats which America produces in great quantities command the best price when sold for edible usage. Our great cottonseed-oil industry, when it first started, had to seek a market for its cottonseed oil in the soap kettle. Scientists then found out how to refine this product and make vegetable lard from it, or imitation hog lard. The cottonseed oil proved of much greater value for this purpose than for its original and less valuable use in the soap kettle. American soap makers, therefore, had to give up this oil and American cotton growers found the price of cotton seed greatly enhanced by the better paying market for the oil in edible usage. This has been true of practically all American oils and fats. As fast as their production has been developed they have proven to be the premier oils and fats of the world for edible purposes, and our industries have been continuously hard pressed to find new supplies suitable for soap and other inedible products.

We do not produce sufficient industrial oils and fats for our needs, as shown by the following table:

TABLE 2.—*United States production and exports of inedible oils and fats.*

	Production.	Exports.
	Carloads.	*Carloads.*
Tallow	10,883	460
Greases	11,366	(1)
Lard oil	566	20
Fish and whale oil	1,666	26
Total	24,481	506

[1] Not available.

By comparing our exports of edible oils and fats (Table 1), 46,094 carloads, and our exports of inedible oils and fats (Table 2), 506 carloads, it will be seen that our exports of inedible oils and fats are very small. In fact, these exports merely result from unusual circumstances and conditions and the fact that our supply of industrial oils and fats is less than our requirements is illustrated by the following table:

TABLE 3.—*United States imports and reexports of foreign industrial oils and fats, calendar year 1921.*

Carloads of 30,000 pounds.	Imports.	Reexports.	Net imports.
Coconut oil	6,000	300	5,700
In form of copra	3,764	90	3,674
Soya-bean oil	576	82	494
Peanut oil	100	None.	100
Cottonseed oil	22	None.	22
Palm oil	770	12	758
Palm-kernel oil	79	None.	79
Tallow	60	None.	60
Olive-oil foots	532	5	527
Total	11,903	489	11,414

Linseed oil, flaxseed, castor oil rapeseed oil and chinawood oil, cod oil and cod-liver oil are omitted because they are not interchangeable with the major edible and soap-making oils and fats in general usage.

It will thus be seen that our net imports of these foreign industrial oils and fats was 11,414 carloads, while from Table No. 1 it will be seen that we exported 46,094 carloads of our domestic high-grade edible fats during the same period. These foreign industrial oils are used in the United States almost entirely for industrial purposes. Only a small quantity of these foreign oils and fats are used in low-grade edible products.

It is perfectly clear that our domestic vegetable and animal oils are of such superior quality for edible purposes that after supplying our own requirements of them for food we export the balance for use as food in foreign countries. Instead of using our surplus of high-grade edible fats for industrial purposes at lower prices in our factories, we sell them abroad at the higher edible price level and import the lower-grade and cheaper varieties for our industries. A highly profitable arrangement for all concerned—the American farmer and the American consumer.

Furthermore, for the sake of argument, if it were to be admitted that all of these foreign vegetable oils were used for edible purposes, the entire net imports of foreign vegetable oils, per Table No. 3—11,414 carloads—would only be 25 per cent of our exports of edible oils and fats, per Table No. 1. Foreign coconut oil is used principally in the manufacture of laundry soap. Most of our foreign coconut oil is imported from the Philippines and no tariff can be collected on these imports, and hence the futility of any duty at all on coconut oil. Soya-bean oil is used principally in soap making. Foreign cottonseed oil is of inferior quality and is used principally for soap making.

The foreign oils and fats in the above table and the oil-bearing seeds and materials from which they are expressed should all be allowed duty-free entry into the United States. Our industries would thus be supplied with suitable oils and fats for industrial purposes and the markets of Europe would thus be maintained in favorable condition to receive our exportable surplus of edible oils and fats at higher prices. A balance sheet for any previous year will show large exportations of edible oils and fats, with foreign vegetable oils imported principally for industrial purposes. Even during the World War years, of the quantity of foreign vegetable oils and fats imported the quantity used in low-grade edible products was trivial compared with our exports of American edible oils and fats.

Some who have never studied this problem may say, "If we are producing more vegetable oils and animal fats in the United States than we need, we should shut the foreign oils and fats out and use our own for every purpose; we don't need any more." Where is there an American hog raiser, corn grower, or cotton grower who would prefer to sell his surplus hog lard, corn oil, or cottonseed oil to an American soap factory for 5 cents per pound for soap making when he could sell his surplus for edible purposes abroad at from 10 to 12 cents per pound? Any farmer will agree that he should sell his products wherever and for whatever purpose they will bring the highest price, and the market in which he can get the best price and sell for the most valuable usage is the market he really should protect, whether it be England, Holland, or Turkey makes little difference. Europe can not produce sufficient foodstuffs for her large population. Her people must eat; they will pay more for hog lard, cottenseed oil, oleo oil, corn oil, neutral lard, and peanut oil for edible purposes than Americans would ever pay for these fats in the form of soap with which to wash their hands. To endeavor to force these high-grade fats back into the soap kettle would be absurd and disastrous to American farmers and dairymen.

* * * * * * *

Europe is the world's food surplus consuming market. Our proposed tariff on products of which we produce an exportable surplus can not by any stretch of imagination force Europe to pay us higher prices;

but these tariffs actually reduce world-price levels by transferring the power to dictate prices from the sellers to the buyers, from the United States to Europe.

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

The amendment as modified was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment reported by the Committee on Finance.

Mr. McCUMBER. I ask now to return to paragraph 50, on page 21.

The PRESIDING OFFICER. The amendment in paragraph 50, on page 21, will be stated.

The ASSISTANT SECRETARY. On page 21, paragraph 50, line 17, after the words "Castor oil," it is proposed to strike out "4½" and in lieu thereof to insert "3," so as to read:

PAR. 50. Oils, expressed or extracted: Castor oil, 3 cents per pound.

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

Mr. KING. I move to strike out "3" and insert in lieu thereof "2."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the amendment reported by the committee.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will report the next committee amendment.

The ASSISTANT SECRETARY. On the same page, line 18, it is proposed to strike out the words "cottonseed oil, coconut oil, and soya-bean oil, 2 cents per pound."

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

The amendment was agreed to.

The next amendment of the Committee on Finance was, in the same paragraph, same page, line 20, after the word "oxidized," to strike out "2½" and insert "3½," so as to read:

linseed or flaxseed oil, raw, boiled, or oxidized, 3½ cents per pound.

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

Mr. WALSH of Massachusetts. Mr. President, that is the oil upon which I argued against the imposition of such a high rate. I move now that the numerals "3½" be stricken out from the committee amendment and that the numeral "2" be inserted in place thereof.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts to the amendment reported by the committee.

Mr. WALSH of Massachusetts. On that amendment I ask for the yeas and nays.

The PRESIDING OFFICER. Let the Secretary report the amendment to the amendment.

The ASSISTANT SECRETARY. On page 21, line 20, the committee propose to strike out "2½" and to insert "3½"; the Senator from Massachusetts [Mr. WALSH] now moves in lieu of the numerals "3½" proposed to be inserted by the committee that there be inserted the numeral "2."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts to the committee amendment, upon which the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CALDER (when his name was called). I am paired with the senior Senator from Georgia [Mr. HARRIS]. I therefore withhold my vote.

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

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRIS (when the name of Mr. WATSON of Georgia was called). I desire to announce that my colleague the junior Senator from Georgia [Mr. WATSON] is detained on account of sickness.

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and will vote. I vote "nay."

The roll call was concluded.

Mr. HARRIS. I transfer my pair with the Senator from New York [Mr. CALDER] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. CAMERON. Making the same transfer as before, I vote "nay."

Mr. SUTHERLAND. I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Iowa [Mr. RAWSON] and will vote. I vote "nay."

Mr. ERNST (after having voted in the negative). I transfer my pair with my colleague the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Illinois [Mr. McCORMICK] and will let my vote stand.

Mr. COLT (after having voted in the negative). I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Vermont [Mr. PAGE] and will let my vote stand.

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

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

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 12, nays 44, as follows:

YEAS—12.

Ashurst	Heflin	Pomerene	Underwood
Dial	King	Simmons	Walsh, Mass.
Harris	Overman	Smith	Walsh, Mont.

NAYS—44.

Borah	Hale	McKinley	Sheppard
Broussard	Harreld	McNary	Shortridge
Bursum	Johnson	Moses	Smoot
Cameron	Jones, Wash.	Nelson	Spencer
Capper	Kellogg	Newberry	Sterling
Colt	Kendrick	Nicholson	Sutherland
Curtis	Ladd	Norbeck	Townsend
Ernst	La Follette	Oddie	Wadsworth
France	Lenroot	Pepper	Warren
Frelinghuysen	Lodge	Phipps	Watson, Ind.
Gooding	McCumber	Ransdell	Willis

NOT VOTING—40.

Ball	Elkins	McKellar	Reed
Brandegee	Fernald	McLean	Robinson
Calder	Fletcher	Myers	Shields
Caraway	Gerry	New	Stanfield
Crow	Glass	Norris	Stanley
Culberson	Harrison	Owen	Swanson
Cummins	Hitchcock	Page	Trammell
Dillingham	Jones, N. Mex.	Pittman	Watson, Ga.
du Pont	Keyes	Poindexter	Weller
Edge	McCormick	Rawson	Williams

So the amendment of Mr. WALSH of Massachusetts to the amendment of the committee was rejected.

The PRESIDING OFFICER (Mr. STERLING in the chair). The question now is on the amendment of the committee.

Mr. WALSH of Massachusetts. Mr. President, I think this is such an excessive duty, amounting to a subsidy of over $9,000,000 annually on linseed oil to 14 crushers in this country, that I must ask for the yeas and nays upon the committee amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. CAMERON (when his name was called). Making the same transfer as before, I vote "yea."

Mr. ERNST (when his name was called). Making the same transfer as before, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. UNDERWOOD (when Mr. HARRISON's name was called). I desire to announce that the Senator from Mississippi [Mr. HARRISON] is absent, and is paired with the Senator from West Virginia [Mr. ELKINS]. If the Senator from Mississippi were present, he would vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. HARRIS (when the name of Mr. WATSON of Georgia was called). I desire to announce that my colleague, the junior Senator from Georgia [Mr. WATSON], is detained on account of sickness.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. COLT (after having voted in the affirmative). Has the junior Senator from Florida [Mr. TRAMMELL] voted?

The PRESIDING OFFICER. He has not.

Mr. COLT. I have a general pair with that Senator. I transfer that pair to the junior Senator from Vermont [Mr. PAGE], and will allow my vote to stand.

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

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

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 41, nays 16, as follows:

YEAS—41.

Broussard	Hale	McNary	Smoot
Bursum	Harreld	Moses	Spencer
Calder	Johnson	Nelson	Sterling
Cameron	Kellogg	Newberry	Sutherland
Capper	Kendrick	Nicholson	Wadsworth
Colt	Keyes	Oddie	Warren
Curtis	Ladd	Pepper	Watson, Ind.
Ernst	Lenroot	Phipps	Willis
France	Lodge	Poindexter	
Frelinghuysen	McCumber	Ransdell	
Gooding	McKinley	Shortridge	

NAYS—16.

Ashurst	Jones, Wash.	Pomerene	Townsend
Borah	King	Sheppard	Underwood
Dial	La Follette	Simmons	Walsh, Mass.
Harris	Overman	Smith	Walsh, Mont.

NOT VOTING—39.

Ball	Fernald	McLean	Robinson
Brandegee	Fletcher	Myers	Shields
Caraway	Gerry	New	Stanfield
Crow	Glass	Norbeck	Stanley
Culberson	Harrison	Norris	Swanson
Cummins	Heflin	Owen	Trammell
Dillingham	Hitchcock	Page	Watson, Ga.
du Pont	Jones, N. Mex.	Pittman	Weller
Edge	McCormick	Rawson	Williams
Elkins	McKellar	Reed	

So the amendment of the committee was agreed to.

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

The ASSISTANT SECRETARY. The two following amendments have been agreed to heretofore, after modifications by the committee.

The next amendment is, on page 21, lines 24 and 25, where it is proposed to strike out "peanut oil, 2½ cents per pound," and the semicolon.

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

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 22, line 1, after the words "rapeseed oil," the committee proposes to strike out "1½ cents per pound" and to insert "6 cents per gallon."

Mr. KING. Mr. President, I should like to inquire what the ad valorem would be under that rate?

Mr. McCUMBER. The rate in the House text is 1½ cents per pound. There are about 7½ pounds to a gallon. Therefore the 6 cents per gallon would be a reduction of about 50 per cent.

Mr. KING. I move to strike out the numeral "6" and insert in lieu thereof the numeral "4."

Mr. McCUMBER. Before we vote upon the motion I would like to answer the Senator's question as to the equivalent ad valorem. The equivalent ad valorem is 7½ per cent, and the rate, I desire to say, is the same as that in the Underwood law.

Mr. KING. I withdraw the motion, in view of the statement as to the ad valorem.

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

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment on page 22.

The ASSISTANT SECRETARY. On page 22, beginning with line 4, the committee proposes to insert a new paragraph, as follows:

PAR. 50a. Coconut oil, 4 cents per pound; cottonseed oil, 3 cents per pound; peanut oil, 4 cents per pound; and soya-bean oil, 3 cents per pound: *Provided*, That such oils may be imported under bond in an amount to be fixed by the Secretary of the Treasury and under such regulations as he shall prescribe; and if within three years from the date of importation or withdrawal from bonded warehouse, satisfactory proof is furnished that the oil has been used in the manufacture of articles unfit for food, the duties shall be remitted: *Provided further*, That if any such oil imported under bond as above prescribed is used in the manufacture of articles fit for food there shall be levied, collected, and paid on any oil so used in violation of the bond, in addition to the regular duties provided by this paragraph, 3 cents per pound, which shall not be remitted or refunded on exportation of the articles or for any other reason.

Mr. KING. Mr. President, a parliamentary inquiry.

A number of instances have arisen during the consideration of the bill where the situation was substantially as it is here, and I inquire whether or not, when we reach the paragraph providing for nondutiable commodities, that paragraph may be amended by taking one or more of the items in the paragraph now under consideration and transferring them by appropriate motion?

The PRESIDING OFFICER. The Chair will settle that question when it is reached.

Mr. KING. Of course, I presume that will be done, and I do not ask the Chair to decide the case in advance. Yet the Chair will see that if a failure to make the motion would preclude, when we reached the nondutiable list, a motion to transfer any of the items in this paragraph to the nondutiable list, I would feel constrained to submit the motion now. But it seems to me that the proper time to make the motion would be when we reach the nondutiable list. I think it has been decided heretofore, during the progress of the bill, that an amendment to an amendment such as this would not preclude, when we reach the nondutiable list, an amendment to transfer to the nondutiable list an item agreed to now. With the understanding that I may move to transfer to the free list some of the items in this paragraph, if not all, I shall not submit the motion to transfer now.

I move to strike out the numeral "4," in line 4, and to insert in lieu thereof the numeral "2," so as to read:

Coconut oil, 2 cents per pound.

Mr. McCUMBER. Mr. President, I want to make a very short statement concerning this added paragraph.

The Committee on Finance, in considering the duty on vegetable oils, faced one of its most difficult tasks. The committee was confronted, on the one hand, by a plea to protect dairy and agricultural industries against imports of cheaper foreign oils. On the other hand, there were large manufacturing industries, principally those producing soap, paints, and varnishes, which would be adversely affected by a duty on these oils. These industries are on a substantial export basis. For example, the foreign shipments of soaps in 1919 were in excess of $15,000,000, or approximately 5 per cent of the total domestic production, and the exports of pigments, paints, and varnishes were more than $25,000,000, or about 7 per cent of the domestic output. It is evident that these domestic industries would be placed at a disadvantage in the world's market if forced to pay a premium for raw materials as compared with their European competitors.

The question of protection to American industries involves domestic cottonseed and linseed oils and the large dairy industries. In the case of cottonseed and linseed oils the committee, after careful consideration, reached the conclusion that so far as manufacturing uses other than for food products are concerned the displacement of these oils by imports is not serious. About 85 per cent of the cottonseed oil consumed in the United States is used for edible purposes, primarily in the manufacture of lard substitutes. Cottonseed oil, because of the better price that can be obtained for its use in food products, has a very limited use for inedible purposes and has been replaced by cheaper oils. It can therefore be seen that any competition to domestic vegetable oils from imported oils is largely in the manufacture of edible products.

Linseed oil may be replaced by soya-bean oil to a limited extent in the manufacture of paints, linoleum, and oilcloth. However, it is very inferior to linseed oil and will not be used unless the linseed oil exceeds it very much in price. At the present time the linseed oil is lower than the soya-bean oil, and therefore soya-bean oil would not be used at all.

In 1919 the quantity of soya-bean oil used in the paint and varnish industry was approximately 10 per cent of the linseed oil so used and was 5 per cent of the entire domestic production of linseed oil. But it will be remembered that at that time flaxseed, the raw product, was from $4 to $5 per bushel. It is therefore evident that the replacement of domestic linseed oil by soya-bean oil is relatively small and has definite limitations due to technical superiority of the former.

The question as to protection on vegetable oils narrows itself to competition with domestic cottonseed and peanut oils in the manufacture of edible products, and the more severe competition offered by those cheaper imported oils to the American dairy industry. Although butter must face competition from butter substitutes made from domestic cottonseed oil, regardless of the tariff, this competition becomes more intense from substitutes made from cheaper imported oils—coconut and peanut. The committee therefore reached the conclusion that if the proposed duties were levied on imports of coconut, cottonseed, peanut, and soya-bean oils, when imported for use in the manufacture of edible products, they would ade-

quately protect the domestic oil industry and would serve as a stimulus to further developments of the dairy industry in the United States.

We therefore propose this provision in the bill, which allows a rebate if the imported oils are not used for edible purposes. This would protect the dairy products and at the same time give the soap manufacturers the benefit of those cheaper products which they desire to use in order to maintain their export business.

Mr. KING. May I inquire of the Senator if the investigations of the committee did not disclose the fact that the coconut and soy-bean and peanut oils imported into the United States are substantially all used in industrial concerns, or for industrial purposes, and to that extent perhaps displace the higher grade domestic products which, in America, we are permitted to manufacture into edible products for export, and thus get control of the export market of the world in animal and vegetable fats?

Mr. McCUMBER. No; I think that is hardly accurate. They are used, of course, for both edible and unedible products. They are used in the manufacture of soap; they are used in the manufacture of imitation butter, and so forth; and by this proviso we protect the dairy interests of the country against the use of the cheaper foreign oils to take the place of butter fats, and at the same time we do not interfere with the interests of the soap makers in their export trade.

Mr. KING. Mr. President, I think the able Senator from North Dakota has not quite accurately stated all the facts with respect to the imported vegetable oils. I will qualify that. My information is that these vegetable oils which are imported—soya-bean, coconut, and a very little amount of peanut oil—are all used for industrial purposes, the soya bean particularly for the manufacture of soap.

Mr. McCUMBER. May I ask the Senator what scope he desires to give to the statement "for industrial purposes"? Of course, making butter is an industry.

Mr. KING. I did not mean that making butter is an industrial purpose. I mean, principally, for soap, for automobiles, and so forth.

Mr. McCUMBER. The Senator means for nonedible purposes?

Mr. KING. Yes; for nonedible purposes.

Mr. McCUMBER. Of course, that would be true of soy bean oil, but I think it would not be true of coconut oil, or of peanut oil, or other oils used in the manufacture of edible products.

Mr. KING. I have not time to refer to all the information and the data which I have here, but the statements in the data I have show, as I now recall, that substantially all the soy-bean oil and the coconut oil and the peanut oil is used for soap purposes and for industrial purposes—that is, for nonedible purposes—and by using those oils for those purposes, it liberates the edible oils and the animal fats produced in the United States for the production of butter fats and other edible products not only for use at home but for export, and as a result we have secured the markets of the world.

The effect of a tariff duty such as this would be the same as the result of the emergency tariff act, which diverted these industrial vegetable oils from the United States to Europe. There many of them were manufactured into edible products, though the edible products were inferior to the edible products which we would have sent to Europe, but because of the necessities of the people they were compelled to utilize those oils for that purpose. Now, every pound of oriental oil that is diverted from America and sent to Europe is an injury to the cottonseed growers of the South and to the farmers, I might also say, of the United States. The result is that when the emergency tariff law was enacted there was only one purchaser in the Orient for the vegetable oils, and that was Europe. Prior to that there were two purchasers; that is, the competing oil men of the United States and the competing oil men of Europe.

That resulted in higher prices for the vegetable oils of the Orient, and the higher prices of the oils in the Orient were reflected in the United States and higher prices were paid for the oils produced here. But just as soon as the emergency tariff law was enacted, so that the producers of the oriental oil had only one market, to wit, Europe, their price went down. There was no competition in the bidding, and with the lowering of their prices, because there was only one bidder, to wit, Europe, those lower prices were reflected in diminished prices here and the cottonseed men of the South obtained a less price for their oil than they otherwise would have received.

What was the result? Those oils which would have come to the United States and have largely entered into industrial uses were sent to Europe and there manufactured into edible products, and the American oil men and shippers of edible and inedible oil products lost a large part of their market. So instead of the emergency tariff law being a benefit to the oil producers of the United States, either the producers of vegetable oils or the producers of animal fats, it was a detriment.

There was also another injury which resulted from this procedure. When we import those oils from the Orient we must refine them. That furnishes work for a large number of people. As stated, that oil goes into soap and into other inedible products of the United States. So American manufacturers and American employees were injured by the exclusion of these oils which formerly were brought from the Orient. It is absurd to say that there is any benefit to the producer of these animal fats or vegetable oils by the imposition of the tariff duty when, as everybody knows, the United States is a great field for the production of animal fats, as well as for the development of vegetable oils.

I call attention now to a chart which I have here, which corroborates, I think, the statements I have made.

Mr. McCUMBER. Mr. President, before introducing the chart will the Senator yield to me to present a unanimous-consent request?

Mr. KING. Certainly.

Mr. McCUMBER. I ask unanimous consent that when the Senate closes its session on this calendar day it take a recess until to-morrow at 11 o'clock a. m.

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

Mr. KING. May I inquire of the Senator if he expects to get a vote this evening? It will take me some time to analyze this chart.

Mr. McCUMBER. I do not think we can get a vote tonight upon this paragraph. So I was about to ask for a short executive session.

Mr. KING. Very well; I shall be glad to yield for that purpose.

RIVER AND HARBOR IMPROVEMENTS.

Mr. JONES of Washington. I desire to submit a report from the Committee on Commerce.

The PRESIDING OFFICER. Without objection, the report will be received.

Mr. JONES of Washington. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and I submit a report (No. 813) thereon.

I invite the attention of Senators to the measure. It does not appropriate any money; it simply adopts projects, making appropriations in order. There are two amendments which the committee have made to the bill, to which there will possibly be opposition. I know that we can not pass the measure unless it can be done without taking very much time. I could not ask the Senator from North Dakota [Mr. McCUMBER], in charge of the tariff bill, to lay aside that bill unless I could assure him that there would be very little discussion on the river and harbor measure. So I hope that Senators will examine the amendments which are made to the bill in order that we can probably ascertain some time in the near future about what length of time it will take to pass the bill. As I said, if I find we can pass it in probably an hour or such a matter, I shall confer with the Senator from North Dakota about it.

Mr. LENROOT. I should like to ask the Senator from Washington whether the report filed by the committee presents a comprehensive explanation of the two amendments to which he has referred?

Mr. JONES of Washington. It does not cover them extensively, but it brings out the salient facts, I think, with reference to each one.

The PRESIDING OFFICER. The bill will be placed on the calendar.

EXECUTIVE SESSION.

Mr. McCUMBER. 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 15 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, July 11, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 10 (legislative day of April 20), 1922.

COLLECTOR OF CUSTOMS.

Fred A. Bradley, of Buffalo, N. Y., to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N. Y., in place of George G. Davidson, jr., whose term of office will expire July 15, 1922.

NAVAL OFFICER OF CUSTOMS.

Joseph W. Pascoe, of Easton, Pa., to be naval officer of customs in collection district No. 11, with headquarters at Philadelphia, Pa., to fill an existing vacancy.

REGISTERS OF THE LAND OFFICE.

Edwin E. Winters, of Alabama, to be register of the land office at Montgomery, Ala.

Louis W. Burford, of Colorado, to be register of the land office at Del Norte, Colo.

Edgar T. Conquest, of Colorado, to be register of the land office at Sterling, Colo.

Charles R. Smith, of Colorado, to be register of the land office at Durango, Colo.

Fred C. Stoddard, of Montana, to be register of the land office at Missoula, Mont.

PROMOTION IN THE REGULAR ARMY.

MEDICAL CORPS.

To be captain.

First Lieut. William Le Roy Thompson, Medical Corps, from July 6, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

First Lieut. Donald Frank Stace, Coast Artillery Corps, with rank from July 2, 1920.

COAST ARTILLERY CORPS.

First Lieut. Joe David Moss, Field Artillery, with rank from October 7, 1919.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 10 (legislative day of April 20), 1922.

REGISTER OF THE LAND OFFICE.

Robert Bruce Milroy to be register of the land office, Yakima, Wash.

PROMOTIONS IN THE ARMY.

Clarence Charles Williams to be Chief of Ordnance, with rank of major general.

Joseph Frank Janda to be colonel, Adjutant General's Department.

Louis Stewart Chappelear to be lieutenant colonel, Adjutant General's Department.

Richard Kerr Cravens to be lieutenant colonel, Adjutant General's Department.

Robert Whitfield to be lieutenant colonel, Adjutant General's Department.

Andrew Jackson White to be major, Adjutant General's Department.

Eugene Ross Householder to be major, Adjutant General's Department.

Edward Roth, jr., to be major, Adjutant General's Department.

Paul Theodore Bock to be major, Air Service.

Kenneth McCatty to be captain, Coast Artillery Corps.

William Anthony Woodlief to be captain, Adjutant General's Department.

Sherman Robert Ingram to be captain, Veterinary Corps.

Morton Donald Adams to be first lieutenant, Coast Artillery Corps.

Stephen Richard Wood to be chaplain, with rank of major.

Henry Jouette Geiger to be chaplain, with rank of captain.

POSTMASTERS.

ARIZONA.

Patrick D. Ryan, Fort Huachuca.

ILLINOIS.

William L. McKenzie, Elizabeth.

Mancel Talcott, Waukegan.

LOUISIANA.

Novilla T. King, Simsboro.

NEBRASKA.

Elmer W. Couch, Henry.

Mildred E. Johnson, Mead.

NEW JERSEY.

Edmund A. Kenney, River Edge.

Jennie Madden, Tuckahoe.

NORTH CAROLINA.

Sadie M. Mullen, Huntersville.

SENATE.

TUESDAY, *July 11, 1922.*

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

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

The Vice President being absent, the President pro tempore (Mr. CUMMINS) took the chair.

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. McLEAN. Mr. President, on yesterday in my temporary absence the Senator from Utah [Mr. KING] took occasion again to refer to the effect of protection upon the industries in some of the Eastern States, and especially in the State of Connecticut. I agree with him as to the effect of a protective tariff upon the great industrial States of the country that have "prospered enormously," as he says, but I do not agree with him in some of the conclusions which he reached in regard to the effect of protection upon the workingmen of the country who are engaged in the manufacturing industries. The Senator from Utah took occasion, among other things, to say:

> The steel interests and the textile interests in the past have been beneficiaries of the tariff system, and they have grown rich at the expense of the people by reason of the tariff rates which have been imposed.

I am quoting from page 10109 of yesterday's RECORD.

Mr. President, the fact that this is the greatest and richest Nation in the world, pays by far the highest wages in the world, and the further fact that a day's work in this country will buy anywhere from three to six times as large an amount of the basic necessities of life as a day's work will buy in many other countries in the world, would seem to justify the Senator from Utah, when he discusses the demerits of the protective system, in devoting a few moments to this discussion of the merits of the system as demonstrated by the industrial record of the country under protective tariff.

The Senator went on to say:

> Several days ago I was discussing the tariff, and alluded to a number of States which had been particular beneficiaries of high tariffs. I alluded among others to the State of Connecticut. The able Senator from Connecticut [Mr. McLEAN] challenged some of the statements which I made. I then said that protection undoubtedly had enriched some in his State, but that the great wealth of Connecticut, Rhode Island, and certain protected States was in the hands of a limited number of corporations and individuals. I called attention to the strikes in the mills of his State, to the impoverishment of the people at work in the mills.

I do not remember that the Senator specified any particular strike in Connecticut. I did not know that there was any strike now existing in Connecticut of any consequence.

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

Mr. McLEAN. Certainly.

Mr. KING. I spoke in the past, that there had been strikes, a great many strikes. I did not speak of any in the present.

Mr. McLEAN. Oh, it probably is true that there have been strikes in Connecticut in the past, but I think there is no State in the Union whose record is freer from serious strikes than the State of Connecticut, and it is because, as I shall undertake to show later, that the wages paid in Connecticut are probably as high as those paid in any community on earth for similar services.

I quote further from the Senator's remarks of yesterday, where he said that these strikes resulted in the impoverishment of the people at work in the mills, and where he called attention—

> to the poverty which existed, and called attention to the fact that the Republicans had by their legislation made it possible for certain industries to reap enormous profits, and that those industries had driven out the American workmen and had imported labor from abroad and forced the wages of the worker down until the wages paid were so pitifully small that poverty and, in too many instances, gaunt hunger were the constant companions of the employees.