CONFIRMATIONS.

Executive nominations confirmed by the Senate July 15 (legislative day of April 20), 1922.

ASSISTANT DIRECTOR BUREAU OF FOREIGN AND DOMESTIC COMMERCE.

Louis Domeratzky to be assistant director Bureau of Foreign and Domestic Commerce.

REGISTERS OF THE LAND OFFICE.

Louis W. Burford to be register of the land office at Del Norte, Colo.

Charles R. Smith to be register of the land office at Durango, Colo.

Edgar T. Conquest to be register of the land office at Sterling, Colo.

PROMOTIONS IN THE ARMY.

William LeRoy Thompson to be captain, Medical Corps.

Donald Frank Stace to be first lieutenant, Air Service.

Joe David Moss to be first lieutenant, Coast Artillery Corps.

Clarence Francis Hofstetter to be captain, Ordnance Department.

Joshua Ashley Stansell to be captain, Signal Corps.

SENATE.

MONDAY, *July 17, 1922.*

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

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

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Fletcher	McCumber	Sheppard
Ball	Glass	McKinley	Shields
Borah	Gooding	McLean	Simmons
Brandegee	Hale	McNary	Smith
Broussard	Harreld	Moses	Smoot
Calder	Johnson	Nelson	Spencer
Capper	Jones, N. Mex.	New	Sterling
Caraway	Jones, Wash.	Nicholson	Trammell
Culberson	Kellogg	Oddie	Underwood
Cummins	Kendrick	Overman	Walsh, Mass.
Curtis	Keyes	Phipps	Walsh, Mont.
Dial	King	Pomerene	Warren
Edge	Ladd	Ransdell	Willis
Ernst	Lodge	Rawson	

Mr. SHEPPARD. I desire to announce that the Senator from Georgia [Mr. WATSON] is absent on account of illness, and that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness in his family.

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

THE LEAGUE OF NATIONS.

Mr. BRANDEGEE. Mr. President, I ask unanimous consent that there may be printed in the RECORD in 8-point type an interview carried in the New York Times of to-day entitled "League unhampered by us on mandates, declares Hughes."

It is an interview given by Secretary of State Hughes to the correspondent of the New York Times in relation to his responding to communications received from the League of Nations, and in refutation of the intimation that the course adopted by this Government had hampered the administration of the mandates by the League of Nations.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as follows:

[From the New York Times of Monday, July 17, 1922.]

LEAGUE UNHAMPERED BY US ON MANDATES, DECLARES HUGHES—SECRETARY CONTRADICTS FOSDICK, WHO CHARGED THAT WE "NEARLY WRECKED" LEAGUE PROGRAM—EXPLAINS DELAY ON REPLIES—SAYS RECORDS SHOW WILSON ADMINISTRATION ANSWERED ONLY 15 OUT OF 33 NOTES—INTENDS COURTESY ALWAYS—COOPERATION IN HEALTH WORK CERTAIN, HE TELLS NEW YORK TIMES CORRESPONDENT.

[Special to the New York Times.]

WASHINGTON, July 16.—Secretary Hughes defended to-day, in an interview obtained by the New York Times correspondent, his course in dealing with the League of Nations, and answered criticisms that he had been discourteous to the league and had hampered it in its work. These criticisms were voiced yesterday in a statement issued by Raymond B. Fosdick, former undersecretary general of the league.

Mr. Hughes was seen by the correspondent at Greystones, his suburban residence, near Rock Creek Park. When his attention was called to Mr. Fosdick's comment he made an exception to the general practice of Secretaries of State and talked freely, with the understanding that what he said might be published.

One of the statements made in his interview was that in the last 14 months of the Wilson administration 18 communications out of 33 from the League of Nations had not been answered. This was shown by an examination of the files of the State Department, the Secretary said. One of the charges against Mr. Hughes by advocates of the league has been that he failed to respond to its communications, and Mr. Fosdick repeated the charge in his statement published to-day.

The Secretary made public on Friday his answer to Hamilton Holt, president of the Woodrow Wilson Democracy of New York City, who asked whether it was not time for the Harding administration to give the people an unequivocal statement of its position regarding the League of Nations.

In his statement, as printed in the New York Times to-day, Mr. Fosdick said that Mr. Hughes's response to Mr. Holt "is interesting for what it omits," and he cited several instances of alleged shortcomings of this Government in dealing with the league. He ended the statement by saying:

"Do we have to treat the league with contempt just to prove we do not belong to it? Nonmembership is one question; open hostility is another."

DENIES HAMPERING MANDATES.

The first statement by Mr. Fosdick to which Secretary Hughes called attention was "that the attitude of the State Department on the league's program of mandates nearly wrecked the whole plan." To this Mr. Fosdick added:

"For over a year the mandate situation has been blocked, and the vast territories involved have been deprived of international supervision, which was one of the most forward-looking principles laid down in the covenant of the league."

Mr. Hughes said that he was "surprised and deeply regretted that such a statement had been made." He felt obliged, he said, to characterize it as "seriously misleading." He thought it a pity that those who were so keenly interested in the work of the League of Nations should not endeavor at least to be fair to their own Government.

It was contrary to the fact, said Mr. Hughes, to state that the attitude of the State Department with respect to the mandates had "nearly wrecked the whole plan" or that "for over a year the mandate situation has been blocked" through the State Department.

The Secretary said that the facts were these:

There were three classes of mandates—the A, B, and C mandates. The C mandates related to the former German islands in the Pacific Ocean and to territory in Southwest Africa. Instead of the program being blocked by any attitude of this Government, the other powers had gone ahead and, in December, 1920, issued mandates without waiting for a treaty with this Government.

Secretary Hughes recalled the fact that soon after he came into office he addressed identical notes to the powers relating to the mandates, and especially with reference to Yap. The result was, he added, that the propriety of the position of this Government was recognized and a treaty had been made with Japan relating to the administration of the mandate for the Pacific islands north of the Equator, on terms to conserve American interests.

There had been no treaty yet, he went on, with respect to the islands south of the Equator or the territory in Southwest Africa, but mandates had been issued. So far from the attitude of the American Government, in asking assurances for the protection of American interests, blocking the way, administration under the mandates had actually gone on, he said.

The A mandates, Mr. Hughes stated, related to former territories of Turkey. These, it was recognized by the powers, could not be issued until there was a treaty of peace with Turkey. The United States, he pointed out, did not go to war with Turkey, and had in no way delayed the consummation of a treaty that would furnish a basis for issue of mandates.

POINTS OUT ALLIES' DELAYS IN REPLYING.

Secretary Hughes said that after stating in April, 1921, the general attitude of the United States on the subject of mandates, he sent in August notes to all the powers concerned, stating specifically the provisions that were deemed necessary to protect the United States in the case of both A and B mandates.

It should be remembered, he added, that the guaranties of these mandates ran only to the members of the League of Nations and their nationals. The United States simply sought fair and equal opportunity and the same rights for the United States and its nationals that members of the league would have in the territories acquired by the Allies as a result of the vic-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

tory to which the United States contributed. The other powers concerned recognized this as a reasonable position, he said. It was also necessary, Mr. Hughes stated, to have assurance of protection for our missionaries and educational institutions.

Mr. Hughes said he had no desire to criticize the action of any of the powers, but in view of Mr. Fosdick's criticism of the State Department, it was fair to say that there had been no reply to the notes of August, 1921, on the A and B mandates until the latter part of December. Even then, the reply with respect to the Mesopotamia mandate was specifically postponed, and, as to that mandate, the Secretary said that he was still awaiting a reply from the British Government.

Mr. Hughes told the Times correspondent that following the notes, received in December, he had interviews during the Washington conference, in January, with Lord Balfour (then Arthur J. Balfour) regarding the Palestine mandate. After the conference this matter was the subject of a formal communication in April. Within the last two or three weeks, Mr. Hughes said, he had received further communications on this subject and had promptly replied.

So far as the Syrian mandate was concerned, the Secretary said that he received no answer from the French Government to the proposals in his note of August until three or four weeks ago. The matter had then been promptly taken up, and he believed that an agreement had been substantially reached between this Government and France with regard to the terms of that mandate.

The Secretary again called attention to the fact that none of these A mandates could actually issue until the treaty with Turkey had been arranged.

The B mandates relate to former German territories in East Africa, Togoland, and the Cameroons, the mandates to be held by the British and French. Secretary Hughes said that he made his suggestions as to the provisions for the protection of American interests in his note of August and the answers in December related to these. The matter was taken up again after the Washington conference. Three or four weeks ago he received the text of the proposed conventions as to the mandates and replied at once so that the subject could be dealt with at the coming meeting in London.

It would thus be seen, the Secretary stated, that the attitude of the United States had not delayed matters in connection with the C mandates or the A mandates, while, so far as the B mandates were concerned, the attitude of the United States, which he held was entirely reasonable and had been met by the other powers, was fully explained in August, and, so far as the United States was concerned, could have been disposed of then. Secretary Hughes was glad to say, he remarked, that the conventions, now virtually agreed upon, were the same as those he had proposed in August.

AS TO NOT ANSWERING LEAGUE.

Mr. Hughes said that he was pleased to note that Mr. Fosdick's reference to alleged neglect to answer communications from the league apparently related to a period prior to August, 1921. Certainly, since that time, the Secretary said, he had been most solicitous to see that all communications were dealt with, as he said in his letter to Mr. Holt, courteously and appropriately.

With regard to the period prior to August, 1921, Secretary Hughes made it clear that he did not regard himself as personally responsible for any delay that had occurred. He said that he did not think it accurate to say that no communications had been answered prior to August, but certainly, when he found out what had not been answered or acknowledged, he had directed that the whole matter should be taken up and that suitable acknowledgments should be made.

Mr. Hughes added that he had been advised, as a result of an examination of the department files, that in the last 14 months of the preceding administration 33 communications were received from the League of Nations, of which only 15 had been answered. When he came into office he did not know of this accumulation and he dealt with the matter when it was brought to his attention.

So far as the white-slave traffic is concerned, the Secretary said that, as he had pointed out, there was nothing new in the attitude of this Government. The United States had refused to adhere to the convention of 1910 for the reason that it involved provisions relating to matters which, under our system of government, fell exclusively within the control of the States. Our recent attitude, he added, was in conformity with this position. The Secretary said that this had been made clear to the other Governments inquiring, and, he was quite sure, to the secretary general of the League of Nations as well. The United States, of course, he said, was doing its share by Federal and State legislation to combat the evils involved.

So far as the international health bureau is concerned, Mr. Hughes answered that he could only repeat what he had said in his letter to Mr. Holt, that he was advised that the interests of health had not suffered by maintaining the international office at Paris intact, and he was assured that there had been established a proper degree of cooperation between that office and the league office. This Government, said Mr. Hughes, desired to do all in its power and is constantly acting to promote the cause of health.

At the end of the interview Secretary Hughes said that while the United States had none of the obligations of members of the league, he, of course, always desires to recognize the obligations of courtesy.

PETITIONS.

Mr. CAPPER presented resolutions of the Chambers of Commerce of Concordia, Hill City, and Atchison, all in the State of Kansas, favoring full enforcement of the decree of the United States Supreme Court ordering divorcement of the Central Pacific Railway from the Southern Pacific Co., etc., which were referred to the Committee on Interstate Commerce.

Mr. TOWNSEND presented a petition of sundry citizens of Adrian, Mich., praying for the enactment of legislation to prohibit transmission through the mails of information giving odds, bets, and tips on horse races, prize fights, etc., which was referred to the Committee on Post Offices and Post Roads.

He also presented a resolution unanimously adopted by the China Farmers' Club, of St. Clair County, Mich., favoring the passage of the so-called French-Capper truth in fabric bill, which was referred to the Committee on Interstate Commerce.

He also presented resolutions of the city council of the city of Chicago, Ill., protesting against the lynching and burning of human beings and favoring the passage of the so-called Dyer antilynching bill, which were referred to the Committee on the Judiciary.

He also presented resolutions unanimously adopted by the Pensacola (Fla.) Chamber of Commerce, favoring the passage of the bill (H. R. 10159) to protect interstate and foreign commerce against bribery and other corrupt trade practices, which were referred to the Committee on Interstate Commerce.

BILL AND JOINT RESOLUTION INTRODUCED.

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

By Mr. SHIELDS:

A bill (S. 3839) granting a pension to Sallie E. Pyle (with accompanying papers); to the Committee on Pensions.

By Mr. KING:

A joint resolution (S. J. Res. 225) supplementing the trading with the enemy act; to the Committee on the Judiciary.

AMENDMENT OF COTTON FUTURES ACT.

Mr. DIAL. Mr. President, on April 21, 1921, I introduced the bill (S. 385) to amend section 5 of the United States cotton futures act, approved August 11, 1916, as amended. On February 13 of the present year I introduced the bill (S. 3146) to amend section 5 of the United States cotton futures act, that being intended as a substitute for the former bill which I had introduced. The bills were referred to the Committee on Agriculture and Forestry, which appointed a subcommittee, and various hearings were had. Some time since the subcommittee reported to the full committee, but the full committee has made no report to the Senate. Several days since I gave notice that I would move this morning to discharge the Committee on Agriculture and Forestry from the further consideration of Senate bill 3146. I now ask unanimous consent to call up that motion.

The VICE PRESIDENT. Is there objection?

Mr. DIAL. I hope there will not be any discussion at all.

Mr. McCUMBER. I do not know how much time will be required or what debate will be indulged in.

Mr. DIAL. I could not hear the Senator's statement.

Mr. McCUMBER. I am not informed as to what extent the debate will be protracted upon the motion. I do not wish to consent to laying aside the tariff bill to take up anything else unless it is something that we can dispose of right away.

Mr. DIAL. I hope there will be no objection at all.

Mr. RANSDELL. Mr. President——

Mr. SMOOT. The Chairman of the Committee on Agriculture and Forestry is not present.

Mr. RANSDELL. I was just about to say that the chairman of the committee is not present. I am tremendously interested in the subject, and if it is taken up I shall feel obliged to discuss it. I do not care to discuss it now. I would be compelled to take some time, however, to discuss the measure if it is proposed to discharge the great Committee on Agriculture and

Forestry from its care of one of the most important measures ever submitted to it, when the committee has been working on it, to my certain knowledge, very laboriously and has not yet reached a definite conclusion. If it is desired to discharge that committee, which in a way is a reflection on it, I certainly would be obliged to have something to say in defense of the committee before that action is taken, and it would require a good deal of time.

Mr. McCUMBER. In view of the probable time that would be taken, I hope the Senator suggesting the motion will talk to the chairman of the Committee on Agriculture and Forestry and see if he can not get an agreement to take up the matter and dispose of it with very short debate. I do not feel like consenting now to laying aside the tariff bill to discuss another subject.

Mr. DIAL. I do not mean, of course, to cast any reflection on the Committee on Agriculture and Forestry, although I think there has been unnecessary delay. I have a telegram which I received from the Senator from Louisiana [Mr. RANSDELL] in June, 1921, asking me to postpone the matter then until he returned. The matter has been delayed unnecessarily. Of course, I make no reflection whatever upon the committee, but I understand they are hopelessly divided. I think I am entitled to a hearing on the bill. So far as the chairman of the committee is concerned, I gave notice on Friday that I expected to move this morning to take up the bill. I am sorry the chairman is not here. The fact is that some time ago the chairman of the committee, the Senator from Nebraska [Mr. NORRIS], told me to make the motion and that he would join in asking that the matter be brought before the Senate.

Mr. SMOOT. Does the Senator ask for action at this time?

Mr. DIAL. Not action on the bill. I merely ask leave to call up the motion.

Mr. SMOOT. I shall have to object.

Mr. DIAL. I hope there will be no discussion of it. I merely desire to take up the motion in order to get the bill on the calendar.

Mr. SMOOT. I object.

Mr. BORAH. Mr. President, I want to ask the Senator from South Carolina a question, if I may do so.

Mr. DIAL. I yield to the Senator from Idaho.

Mr. BORAH. How long has the bill been before the committee?

Mr. DIAL. The first bill was referred to the committee on April 21, 1921.

Mr. RANSDELL. May I ask the Senator when the last bill to which he referred was presented?

Mr. DIAL. On February 13, 1922, it was introduced and referred to the committee, but I may say that the two bills are very similar.

Mr. BORAH. As I understand, the chairman of the committee does not object to this matter coming up to-day?

Mr. DIAL. He told me he would join in the motion.

Mr. SMOOT. I object if it is going to lead to any discussion, and I am sure it will do so at this time. I have no objection to the Senator from South Carolina making his motion at some time when it will not interfere with the consideration of the tariff bill.

Mr. DIAL. Mr. President, the bill for which I desire consideration is the most important, according to my mind, which could possibly be passed for the protection of the growers of cotton of the South. It is not merely a local matter, but it is a national matter. Under present conditions, in all probability there will not be enough cotton raised this year to supply the mills of the world next year; and in all probability many mills in the United States will be shut down next year. The time for the sale of this year's cotton is already approaching; indeed, some of the present crop is now on the market. If the bill which I desire considered shall not be passed pretty soon, it will not afford any relief for the sale of the present crop. I have been extremely patient. So far as objecting to the consideration of this bill is concerned, of course, Senators have a right to object; but I propose to discuss the bill many times, if it is necessary to do so in order to get action upon it, for I think I am entitled to a vote of the Senate on the proposition.

I wish to repeat to all Senators here that this proposed legislation is not a local matter but is a national matter, and other Senators are as much interested in this subject as am I. I am going to appeal particularly to Senators from the South to join me in helping to get the bill passed. I do not believe it will meet any serious objection; in fact, I know of but one Senator on the floor who objects to the bill on its merits, but dilatory tactics have been applied all of the time to prevent its consideration. I desire the matter disposed of.

Mr. BORAH. Could not the Senator offer his bill as an amendment to the pending tariff bill?

Mr. DIAL. I am going to offer it as an amendment to the tariff bill and to every possible proposition that I can under parliamentary law, and I will thank the Senator from Idaho for helping me.

Mr. OVERMAN. Mr. President, I should like to inquire of the Senator from Louisiana why some kind of a report can not be made on the bill. I think the bill should be reported either adversely or favorably, or without prejudice. The bill has been here for over six months, and I do not see why the committee does not make some sort of a report on it.

Mr. RANSDELL. Mr. President, in answer to the question of the Senator from North Carolina, I will say that I should be delighted to have an adverse report made on the bill; I do not object to that at all. I wish, however, to make just a very brief statement in reference to the measure.

Several years ago we had considerable debate in regard to cotton futures legislation.

Mr. SMOOT. Mr. President, if we are going to discuss the question, we might just as well let it come up now, and have it disposed of, rather than have time occupied three or four different times by debate and discussion.

Mr. RANSDELL. I will say to the Senator from Utah that I want to help him to make all the progress he can with the tariff bill, and I am not going to make a speech now. I am merely going to say a few words more.

Legislation in regard to cotton futures was threshed out here ad nauseam several years ago, and a law was passed making several substantial changes in the existing legislation, as the Senator from Utah will recollect. That law, known as the Smith-Lever cotton futures bill, corrected a number of alleged evils at that time. If there are any other evils now, we would like to correct them, but the measure of the Senator from South Carolina, in the opinion of the subcommittee which examined it, and in the opinion of the Committee on Agriculture, will not correct those evils. I am prepared to explain the matter fully at any time, but I am not going to take up the time of the Senate now to do so. The legislation proposed by the Senator from South Carolina does not afford the correction of the evil which the Senator desires.

I am a cotton grower; I am not a cotton manufacturer; I am interested in getting the best price possible for cotton. I assure the Senator from South Carolina that I will join my colleagues on the Committee on Agriculture in reporting his bill back to the Senate with an unfavorable report to-morrow, but not with a favorable report. If that will satisfy the Senator from South Carolina, I will gladly join the committee in taking such action.

Mr. DIAL. That would be perfectly satisfactory to me. All I ask the committee to do is to make some kind of a report on the bill.

Mr. RANSDELL. I will try to get that done, I will say to the Senator from South Carolina.

Mr. DIAL. I thank the Senator. On June 11, 1921, the Senator from Louisiana sent me the following telegram:

LAKE PROVIDENCE, LA., *June 11, 1921.*

Senator DIAL,
Washington, D. C.:

Please do not press action on your cotton-futures amendment until I return on 19th. Friends insist your amendment will destroy the exchanges, and I agree with them; therefore it should receive closest consideration. Am detained here by very important business.

JOS. E. RANSDELL.

The Senator says he is a cotton grower; so am I, and what I want to do is to secure the enactment of a law which will help the growers of cotton. I am glad to know that the Senator will consent to have the bill reported, even though the report be without recommendation, and I will leave it to the Senate to say whether or not my amendment does not cure the defects of which complaint is made.

I deny that the law now on the statute books was discussed ad nauseam several years ago. I do not think any such designation could be applied to the discussion which took place on the present law. That law corrected many evils which had grown up under the old custom, and it has saved our people millions and hundreds of millions of dollars every year, but it needs some amendment now.

Mr. CARAWAY. Mr. President, I rather imagine the Senator from Utah himself wanted me to make a speech, because he looked at me and smiled. I dislike to join with him in a filibuster against the tariff bill, although I have done so once or twice, as I thought, at his invitation. However, I should like to make a brief statement.

Long before the Senator from South Carolina [Mr. DIAL] introduced his bill to regulate the cotton exchanges I intro-

duced a real, genuine farmers' bill to protect the farmers against the extortions and robberies of those who sell what they do not own and never expect to own. The committee is considering it. I do not want to be critical of the committee, but I myself think that they ought to have reported that bill, and I think they ought to have reported it favorably, and I believe that even the Senator from South Carolina will join with me in voting for its passage, because I am sure when he discovers that his bill will outlaw the lower grades of cotton and be a fine spinners' bill but a poor farmers' bill that he will not press it.

Of course, the Senator from Louisiana will join in adverse reports on both of them. He is one of those farmers who is designated in my section of the country as a "shade-tree" farmer. I seriously doubt if he would know a cow from a horse if the cow were dehorned, but he honestly thinks he is a farmer and is for the farmer. I never expect to be able to convince him of his error, but I expect to find every other Member of the Senate agreeing with us and against his view.

I want to say now seriously that the situation does require consideration. It requires an amendment of the law which permits people to sell what they never owned and never expect to own and other people to buy what they do not expect to receive and do not want to receive. It seems to me indefensible that we should say that gambling is morally wrong and forbid it when the gambling is done with cards or dice, and yet permit gambling in the prime necessities of life, thereby destroying almost to a certainty the producer and very largely burdening the consuming public of America. The man who plays poker and loses money loses what he owns and the man who wins from him gets what the other man owns; they hurt each other and also hurt society; but the man who gambles in the products of the farm, who gambles in that which he does not own, and, if he loses, loses that which he does not possess, hurts the consuming public and destroys the farmers. I have seen the future market cost the producers of cotton in my State in half a day a million dollars when there was not a bale of spot cotton involved in the transaction and the men who sold and the men who bought neither owned nor expected to own the products they sold. That sort of a situation, Mr. President, I do not believe the Senate is going to allow to continue.

I want the Committee on Agriculture, of which I am a member, to report out a genuine farmer's bill. I do not mean that in the sense that the farmer is entitled to particular consideration, but I mean a bill which will prevent people who never farm and who never expect to farm from destroying the man who does farm by wholesale gambling in the farmer's products and selling those products long before they are produced. If I had the money I could go on the cotton exchange and sell or buy, as the case might be, 50,000,000 bales of cotton in any season, before a single acre was planted and when no man living could know whether there would be 10,000 000 bales grown or 15,000,000 or only 6,000 000 bales, and when no man could know what the demand would be. Yet men thrive, they grow rich, by selling this product in amounts which exceed the most optimistic dreams of actual production.

I know it is true, Mr. President, that a man who deals in that which he does not own and sells that which he knows he can not deliver is either a fool or he has some means of controlling the price of the product when settlement day shall come; and since the gamblers in cotton are able to make money by their gambling, I take it that that negatives the statement that they are fools. It then becomes apparent that, by some process, they are able to control the price of the product in which they gamble, otherwise they could not afford to gamble in that product. No man could afford to sell a thing that he does not own and knows he never can own and agree to pay the man to whom he sells the difference between what it is really worth and the fictitious value which he has placed upon it by reason of his bargain in the futures market, unless he has some way to control that market.

I know; I have watched the operation; I have produced cotton and I have sold cotton, and I know that the people who sell cotton on the New York and New Orleans exchanges have each year taken hundreds of millions of dollars from the farmers and given them nothing in exchange. I want some bill enacted to correct that situation. The bill I have introduced will do that.

Mr. POMERENE obtained the floor.

Mr. RANSDELL. Mr. President, will the Senator from Ohio yield to me for a few moments. I wish to say just a few words, inasmuch as I have been called a farmer who did not know a cow from a horse. If I did not, I am quite sure that my friend from Arkansas could inform me thoroughly in regard to both cows and horses, and, of course, everything else that is known on the farm.

Mr. CARAWAY. I think the Senator knows as much about cows and horses as he does about the cotton futures exchange act.

Mr. RANSDELL. Now, Mr. President, just a word about this bill. I am going to quote very briefly from a distinguished gentleman from the city of Little Rock, Ark., a constituent of the Senator who has just taken his seat. I refer to Mr. S. Y. West, of Little Rock, who is said to be a cotton buyer and exporter.

Mr. CARAWAY. Yes; he deals in futures. I know him very well. It is a very excellent business, and so long as that business continues legal, I presume he has a perfect right to engage in it, but that is his business, and I know him intimately well.

Mr. RANSDELL. He says he is a cotton buyer and exporter; he speaks for himself and the Little Rock Cotton Exchange and the Arkansas Cotton Trade Association, and says that he is not a member of any futures exchange. I say for him that he appeared before the subcommittee of which the Senator from New Hampshire [Mr. KEYES] is chairman and gave testimony there very fully, and I never heard a more intelligent man testify before a committee of any House of Congress than he during the 23 years in which I have been a Member. He may deal in futures; I believe he does. Here are some of the things he says:

> I have very little to add to the wisdom of these gentlemen who have been speaking here this morning.

Let me say, Mr. President and Senators, that this subcommittee, composed of the Senator from New Hampshire [Mr. KEYES], who does not live in a cotton region, the Senator from South Dakota [Mr. NORBECK], who does not live in a cotton region, and the Senator from South Carolina [Mr. SMITH], who is a cotton grower, summoned witnesses from various sections. They took all the testimony they could get. They heard the Senator from South Carolina [Mr. DIAL] and the Senator from Arkansas [Mr. CARAWAY]. They heard everybody who wanted to testify in regard to the matter. I have here a document of 175 pages of this testimony. They heard people from the various sections of the South where cotton is raised, and they were not convinced that there was anything very far wrong.

Mr. CARAWAY. Mr. President, may I interrupt the Senator?

Mr. RANSDELL. I yield to the Senator.

Mr. CARAWAY. Is it the impression of the Senator that this subcommittee is not going to report some kind of a bill to change the present system?

Mr. RANSDELL. I understand that the subcommittee reported back the Dial bill to the full committee without recommendation. I do not understand that they have reported back the bill of the Senator from Arkansas at all, pro or con.

Mr. CARAWAY. If the Senator will stay here a little while, he will understand that they will.

Mr. RANSDELL. All right; I will stay here just as long as the Senator from Arkansas will, or anyone else.

Now, I want to go on and read just a little bit from the testimony of this witness; and I refer to page 42 of the hearings before the subcommittee on Senate bill 385, Senate bill 399, Senate bill 3146, and Senate bill 2231. Mr. West says:

> A number of years ago, before we had marine insurance, people who shipped stuff around the world had to make much larger profits than they do to-day, when we can, for a very small premium, have our marine risks insured. The cotton people, under the present system, have price insurance.

I call that to the attention of Senators. This future business is a price insurance.

Mr. CARAWAY. May I ask the Senator another question? It insures the price to the speculator and the dealer, but who insures the farmer that he is going to get anything from it?

Mr. RANSDELL. One gets the same insurance that the other does.

Mr. CARAWAY. Does the Senator contend that the man who buys cotton takes out a guaranty that the farmer shall get a certain price for it?

Mr. RANSDELL. If the result of this speculation causes the price to go up, as it is very apt to do and in many instances does, then the farmer who owns the cotton will get the benefit of the increased price.

Mr. CARAWAY. Nobody will live long enough to see him get it.

Mr. RANSDELL. I shall be very glad to answer the Senator's questions, but I am not going to be deterred from presenting this evidence:

> The cotton people, under the present system, have price insurance, and it would be much better if these exchanges were called price-insurance associations, as Lloyd's is called an insurance, than if they were really called futures.

He goes on:

Lloyd's is not an incorporation, as an insurance company is in this country, at all. It is just a meeting place where these underwriters get together, this terrible speculating that we hear so much about. We have underwriters of marine risk, underwriters of fire, underwriters of credit insurance, underwriters of all sorts of insurance. They are speculators, if you please. That is just exactly what they are, speculators, as much so as in the cotton business. In the cotton business there is a price underwriter. He bets it is going up or down, just like if I have insured a home in Little Rock, the insurance company will bet me a hundred dollars to two that it will not burn up this year. That is all it amounts to.

Then I asked Mr. West:

And the ultimate buyer in this country is the spinner?

I am not representing spinners. I am trying to represent the producers. Mr. West replied:

Yes, sir; he is the spinner. I am a buyer this minute and a seller the next. I am one of those horrible middlemen, and maybe I should be eliminated, and I will be whenever there is a cheaper way of handling the cotton crop than the present one; I will go by the board, and ought to go by the board.

Now, I want Senators to listen especially to this sentence:

The spinners, being much wealthier men, commanding much greater credit than any conceivable combination of farmers that I can think of, if we have no futures markets, the spinners could get together and make a combination of credits and would not pay very much for the commodity which they were trying to buy, because the speculator would not be in there. Maybe some man in India believes cotton is selling too cheap in the United States and he buys a lot of cotton here. That helps to stabilize the price. It helps the spinner because it gives the farmer enough money so that he won't starve to death.

Mr. President, we had this bill up in a pretty lively form a year or so ago, when the Senator from Alabama, Mr. Comer, was here. He was tremendously interested in it, and in the course of that debate he admitted that he and his family owned about 200,000 spindles. I do not know whether or not that influenced him, but it is natural for a man to be influenced by self-interest. There is nobody in the Senate growing cotton, so far as I know, who is so tremendously interested in this Dial bill.

I asked Mr. West this question:

Suppose the spinners were the only buyers, Mr. West, and they chose to get out of the market for a few weeks; what would happen then?

The spinners, mind you, are the men who use the cotton. They are the only people who use it. We can not use cotton in its raw form. We must use it as cloth. It has to be converted into thread or into cloth before it can be used, and the spinners are the people who convert it. They are the people who use it.

Mr. West replied:

It would be just like it was in 1914. There would be no bottom to it.

The Senator from New Hampshire [Mr. KEYES] said:

Then I understand your position to be that they are really a protection to the grower?

Mr. West answered:

Positively.

Senator KEYES. It is a fact that they do not buy through the exchanges?

Mr. WEST. I should say that 98 per cent of the spinners, or 99 per cent of them, never take up a bale through the exchange, Senator. The exchange is simply an insurance association. It is a body politic. The cotton exchanges do not make money at all; just like you might belong to a church or something of that kind. It is just a trading place.

Mr. CARAWAY. Mr. President, will the Senator let me interrupt him?

Mr. RANSDELL. I shall be delighted to have the Senator do so.

Mr. CARAWAY. The Senator spoke of insuring a house against fire. Do you ever insure a house until there is a house to insure?

Mr. RANSDELL. No; I do not believe you do.

Mr. CARAWAY. They sell cotton when there is no cotton, do they not? If that is so, the Senator's analogy about the insurance is absolutely inapplicable.

Mr. RANSDELL. I have known people to sell lumber that was not cut, either—to take it on future contract to be delivered at a certain time.

Mr. CARAWAY. We are not talking about that.

Mr. RANSDELL. That is an analogous case.

Mr. CARAWAY. No. The man who sells the lumber expects to produce the lumber and deliver it; but there were 100,000,000 bales of cotton sold last year that were not in evidence, were they?

Mr. RANSDELL. There were a good many sold, and there were a great many bales of cotton insured which are not in existence. Now let me read you, right in that connection——

Mr. CARAWAY. Mr. President——

Mr. RANSDELL. Hold on now; I have the floor.

Mr. CARAWAY. Yes; I know that.

Mr. RANSDELL. All right, sir. I will answer the Senator politely, but when he asks a question I am going to answer it before I let him ask another one. Then I will let him ask another, and 40 of them if he wishes.

Mr. CARAWAY. I will wait until I can get the floor.

Mr. RANSDELL. All right.

The Senator asked about the 100,000,000 bales. Here is what his constitutent, Mr. West, says about that:

Then we are attacked about this 100,000,000 bales traded in when only 10,000,000 bales are raised. You take the matter of fire insurance on that same number of bales, you will find it relatively about the same number as the 100,000,000 they speak of being traded in on the future exchanges, because every time I move a bale of cotton from one warehouse to another—buy it, for instance—when it is moved out of the warehouse that insurance policy is canceled out and when it gets to my warehouse my policy covers it. When it gets to the depot my policy is canceled out and another one takes effect when it gets on the railroad. Then when it arrives at the compress at Little Rock the railroad policy is canceled out and the other policy takes effect at Little Rock. Then when I sell that cotton, if it goes on the railroad again, I cancel my Little Rock insurance and another policy takes it up, and so on, and it is carried right through. Each bale of cotton is insured, on an average, against—

Bear that in mind—

against fire about six different times. There are 10,000,000 bales of cotton and there are at least 60,000,000 bales insured against fire.

If that is not an analogous case to the 100,000,000 bales traded on in the futures market, where, as every man knows, the future market is used as a hedge, I should like to know what is an analogous case.

Mr. SIMMONS. Mr. President——

Mr. RANSDELL. I yield to the Senator from North Carolina.

Mr. SIMMONS. I know that the Senator is discussing a very important question, and one in which southern Senators are deeply interested, but I wish the Senator might let us go on with the bill before the Senate. This matter will all have to be gone over again.

Mr. RANSDELL. Mr. President, I think that request of the Senator is very reasonable. If the Senator will just allow me to put into the RECORD one or two additional brief paragraphs here—and I am entirely willing to put them in without reading—I will yield the floor and let the tariff debate go ahead.

I ask that I may put in, on pages 43, 44, and 45 of the hearings before the subcommittee the testimony of Mr. West. If I may be permitted to put that in the RECORD now, I will yield the floor, provided, of course, that we are not going to have this debate in extenso. If so, I shall have to speak in reply.

Mr. SIMMONS. I rose to ask Senators on this side if they could not withhold their discussion of this matter until the bill comes before the Senate.

Mr. RANSDELL. I gladly yield.

Mr. SIMMONS. I understand that one speech provokes another speech. I hope that we may all agree to drop the subject until the bill comes before the Senate.

Mr. CARAWAY. Mr. President, may I interrupt the Senator? I am perfectly willing to let it go on. The Senator from Louisiana is something like the lady who was testifying, who was asked by an attorney if she had told all she knew about the matter in controversy, and she said, "Yes; she thought a little the rise."

Mr. RANSDELL. I have no doubt the Senator thinks I have told more than I know about it, but Senators will probably find that I know just a little bit more—not half as much as the Senator from Arkansas knows, of course. No one could know as much on any subject as he knows on all, but I will try to say a little bit more about it when the proper time comes.

Mr. SIMMONS. I think we all agree that that is one of the senatorial infirmities. We are very apt to talk a great deal about subjects that we do not know much about.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Without objection, the matter referred to by the Senator from Louisiana will be inserted in the RECORD.

The matter referred to is as follows:

STATEMENT OF MR. S. Y. WEST, LITTLE ROCK, ARK.

Senator RANSDELL. Will you please give yoor name, Mr. West, your residence, and your business?

Mr. WEST. S. Y. West, cotton buyer and exporter, speaking for myself and the Little Rock Cotton Exchange and the Arkansas Cotton Trade Association, not a member of any futures exchange.

I have very little to add to the wisdom of these gentlemen who have been speaking here this morning, but, boiled down very briefly, the thing looks to me like it comes to this: A number of years ago, before we had marine insurance, people who shipped stuff around the world had to make much larger profits than they do to-day, when we can, for a very small premium, have our marine risks insured. The cotton people, under the present system, have price insurance, and it would be much better if these exchanges were called price insurance associations, as Lloyd's is called an insurance, than if they were really called futures.

Senator RANSDELL. They are really price insurance?

Mr. WEST. They are really price insurance associations. They are not themselves companies. It is simply a place for people to meet.

Senator RANSDELL. It is very much like Lloyd's in that respect, is it not?

Mr. WEST. Yes; it is, exactly. Lloyd's is not an incorporation, as an insurance company is in this country at all. It is just a meeting place where these underwriters get together, this terrible speculating that we hear so much about. We have underwriters of marine risk, underwriters of fire, underwriters of credit insurance, underwriters of all sorts of insurance. They are speculators, if you please. That is just exactly what they are, speculators, as much so as in the cotton business. In the cotton business there is a price underwriter. He bets it is going up or down, just like if I have insured a home in Little Rock, the insurance company will bet me a hundred dollars to two that it will not burn up this year. That is all it amounts to.

Any changes, as we know, upset confidence. I am from a farm State. The exchange that I represent there, of which I happen to have been president, 60 per cent of its membership are farmers, and we do not know a lot about the technical side of these things, but we do know this: We know what happened to us there in our State. I am also interested in a little bank. Futures went up very high in 1919 and 1920, during the winter of 1920, and then the next fall they were very cheap, and still kept getting cheaper. The man who had taken price insurance—and they were forced to do it in my town of Little Rock, because the banks would not loan them any money—was able to pay off his bank, and there was not a dollar lost by a bank in Little Rock on a cotton man. In other sections of Arkansas, where they are not quite so conservative, cotton shippers and merchants, the banks do not understand the economic functions of the futures, they did, or lots of them, and I will say they are in a poor condition. I don't mean that any of the banks are going to bust down there, but they are not flourishing with money.

Here is a buyer and here is a seller. Their interests are diametrically opposed. They have got very little in common. The buyer wishes to buy as cheaply as possible always, and the seller wishes to sell at the highest price obtainabe all the time.

Senator RANSDELL. And the ultimate buyer in this country is the spinner?

Mr. WEST. Yes, sir; he is the spinner. I am a buyer this minute and a seller the next. I am one of those horrible middlemen, and maybe I should be eliminated, and I will be whenever there is a cheaper way of handling the cotton crop than the present one; I will go by the board, and ought to go by the board. The spinners, being much wealthier men, commanding much greater credit than any conceivable combination of farmers that I can think of—if we have no futures markets, the spinners could get together and make a combination of credits and would not pay very much for the commodity which they were trying to buy, because the speculator would not be in there. Maybe some man in India believes cotton is selling too cheap in the United States and he buys a lot of cotton here. That helps to stabilize the price. It helps the spinner, because it gives the farmer enough money so that he won't starve to death.

Senator RANSDELL. Suppose the spinners were the only buyers, Mr. West, and they chose to get out of the market for a few weeks. What would happen then?

Mr. WEST. It would be just like it was in 1914. There would be no bottom to it.

Senator RANSDELL. Just like some other agricultural commodities—no bottom?

Senator KEYES. Then, I understand your position to be that they are really a protection to the grower?

Mr. WEST. Positively.

Senator KEYES. It is a fact that they do not buy through the exchanges?

Mr. WEST. I should say that 98 per cent of the spinners, or 99 per cent of them, never take up a bale through the exchange, Senator. The exchange is simply an insurance association. It is a body politic. The cotton exchanges do not make money at all, just like you might belong to a church, or something of that kind. It is just a trading place.

Senator RANSDELL. The spinners do use the exchange as an insurance to hedge? When a spinner wants a thousand bales of spot cotton six months in advance he will go on the exchange and buy a thousand bales of future cotton for the time?

Mr. WEST. That is right.

Senator RANSDELL. To insure that he is going to get his spots at the price?

Mr. WEST. Mr. Chairman, I did not mean that the spinners did not use the exchanges as price insurance, but for the actual acquisition of their spot cotton which they spin they do not use it.

Senator KEYES. Yes; that is what I understood.

Mr. WEST. That is the way I understood your question.

Senator DIAL'S bill, the one that he withdrew and the one that he now wishes passed, I believe that is the thing we are talking particularly to-day——

Senator KEYES. Yes; also a bill introduced by Mr. CARAWAY.

Mr. WEST. Well, I was going to come to that, too.

Senator DIAL'S bill would have the same effect upon the marketing of cotton as if insurance companies with whom I have my fire insurance policies would say to me, "I will only insure certain qualities of your cotton against fire." Immediately my financial backers, my bankers, would want to know, "Well, what part of that cotton is insured? That is the cotton that we want to loan money on. We won't loan you any money on this other cotton that you can not get fire insurance on." That is, the whole thing is a question of insurance. A great many people don't believe in insurance. I think Senator CARAWAY does not believe in insurance. He told me that yesterday afternoon—that he had practically no insurance. We are able to get this price insurance to handle cotton on about as close a profit as possible, 1½ to 2 per cent, and out of that we have to pay everything. If I handle 50,000 bales of cotton in a year, at $2 a bale, and do $5,000,000 worth of business, if I make $50,000 a year on my business I am delighted and have done very well. People in the wholesale dry-goods business, wholesale jobbers and grocers who handle $5,000,000 worth of business, if they don't clear pretty near a million they feel like they have got a very hard deal. That is true in the State of Arkansas. I don't know about any place else. Without price insurance it would be impossible for us to do business on so small a margin.

Senator DIAL misunderstands the functions of the future exchanges, I believe. He wishes to force everybody to trade on a modified form of section 10 of the Smith-Lever bill. Now, I am from the country, and before the passage of this Smith-Lever bill I felt that people in my position were at a very serious disadvantage many times. Under the present system I have just as much protection as anybody. The Government functions in this matter just as in any other law for the protection of the farmer, and the Smith-Lever bill is as much a protection for the farmer as for the cotton exchanges.

Mr. CARAWAY wishes in his bill to eliminate the speculator.

Senator RANSDELL. That would destroy the exchanges?

Mr. WEST. That would destroy the price-underwriting feature of the cotton exchanges just as if you said to any insurance underwriter they could not any longer underwrite. To-day you get credit insurance from Lloyd's. It costs you pretty big, but you can get it. In 12 months' time they will guarantee the bank against loss under certain conditions.

Then we are attacked about this 100,000,000 bales traded in when only 10,000,000 bales are raised. You take the matter of fire insurance on that same number of bales: you will find it relatively about the same number as the 100,000,000 they speak of being traded in on the future exchanges, because every time I move a bale of cotton from one warehouse to another—buy it, for instance—when it is moved out of the warehouse that insurance policy is canceled out, and when it gets to my warehouse my policy covers it. When it gets to the depot my policy is canceled out, and another one takes effect when it gets on the railroad. Then, when it arrives at the compress at Little Rock, the railroad policy is canceled out and the other policy takes effect at Little Rock. Then, when I sell that cotton, if it goes on the railroad again, I cancel my Little Rock insurance and another policy takes it up, and so on, and it is carried right through. Each bale of cotton is insured on an average against fire about six different times. There are 10,000,000 bales of cotton, and there are at least 60,000,000 bales insured against fire.

Senator RANSDELL. That is a very interesting fact. I did not realize that, but I see the truth of it.

Mr. WEST. Mr. Chairman, you asked for suggestions that would better the situation.

Senator KEYES. Yes. We would certainly be very glad to have them if you have any.

Mr. WEST. No. I must frankly admit that I am not intelligent enough to offer any constructive suggestions on this subject, unless it would be to increase the number of grades deliverable on a contract rather than to decrease them. That is the interest of my State, because we are pretty far north and our growing season is short. Our cotton is generally of poorer grade than the rest of the people's, with the exception of western Tennessee, Missouri, and northern Mississippi, possibly. That is the only suggestion I could make of that nature.

Another thing. We all know that uncertainty upsets confidence, and we have had this Smith-Lever bill as an excellent thing, but this business of putting a law in that changes your price insurance policy over night is very destructive of confidence in values. I think one thing that is the matter with the markets now—it has been sluggish for six weeks or more—one thing is the fear on the part of a lot of us that something drastic will be done in regard to futures, and our ability to get price insurance will be destroyed or so badly impaired that we won't be able to finance our business.

The head of the Arkansas Bankers' Association, president of one of the biggest banks in that State, told me that if this law passes there was not a firm that would do business in Arkansas in the cotton business that his bank would be willing to loan more than 40 per cent of the value of cotton or any other commodity which could not get price insurance which in a very short time would concentrate the cotton business into the hands of a very powerful, rich firm. People working way back in the woods, willing to work for a small profit, sort of keep the thing from getting into the hands of a very few people.

Senator RANSDELL. Mr. West, do you know of any very well-defined sentiment in your State for the passage of this Caraway bill or the Dial bill?

Mr. WEST. The only sentiment in my State is in opposition to both bills. I have heard no favorable expression about either.

Senator RANSDELL. But there is a decided opposition to them?

Mr. WEST. The very fact that I am here, sent here by my exchange to fight this thing——

Senator RANSDELL. Which is not a futures exchange at all?

Mr. WEST. Not at all.

Senator RANSDELL. And you are not a member of any futures exchange?

Mr. WEST. Not at all. There is only one man a member of our spot exchange in Little Rock, Ark., that is a member of any futures exchange, and I think he is the only member of any futures exchange in the State of Arkansas.

Senator KEYES. He is a member, as I understand it, as an individual?

Mr. WEST. As an individual; yes, sir.

Senator KEYES. Not representing your exchange?

Mr. WEST. Not representing our exchange at all. Now, as I told you, 60 per cent of our membership are farmers.

Senator RANSDELL. That is, cotton farmers; men who produce cotton themselves?

Mr. WEST. Yes, siree.

Senator KEYES. Mr. West, do you agree with the previous witness that the passage of the proposed legislation, instead of benefiting the grower, would actually injure him?

Mr. WEST. Yes, sir. I think he would be very much in the same predicament that he was in 1914, when there was no futures market. With price insurance I am ready to buy cotton every day at a pretty fair value, based on that price insurance, and without it I could not.

Senator RANSDELL. And there are a great many other people in your position, sir, ready to buy cotton every day, thereby furnishing buyers for the commodity?

Mr. WEST. Yes, sir.

Senator RANSDELL. And without these exchanges you would not be buying?

Mr. WEST. I would not.

Senator RANSDELL. So there would be no people in the market purchasing the commodity, and without purchasers it would naturally go down, wouldn't it?

Mr. WEST. Yes, sir. I agree thoroughly with the other witnesses in that respect. I think it is much better for the farmer. He gets a better price. He can market and does market, I believe, 60 or 75 per cent of his cotton in a very few months out of the year. The mills do not buy anything like that amount of cotton from the farmer at that time. Somebody must take up that slack. They must carry that stock of cotton just as a wholesaler carries a stock of dry goods, or whatever business he may be in. The reason he carries it is because he is convenient to the market, for his retailers to come in and buy from him. The farmer is selling from 60 to 70 per cent of his product in 90 days, and the world is using 1,000 per cent, or about 100 per cent of his product, in 12 months. You can readily see what would happen to him without a lot of people taking up that slack in that time.

Senator KEYES. Is there anything more, Senator RANSDELL?

Senator RANSDELL. No more from this witness. I have one or two more witnesses. Are you willing to go on?

Senator KEYES. Yes; for a while.

Senator RANSDELL. I now wish to produce Mr. Evans, of Houston, Tex.

Mr. DIAL. Mr. President, just one word, and then I will stop. The Senator from Arkansas said that my amendment would interfere with the marketing of low-grade cotton. I do not desire to interfere with the 10 grades tenderable under the law as fixed now, but I have no objection to joining the Senator from Arkansas or the other Senators in making a greater number of grades tenderable, if that is thought advisable. That is not the object of my amendment at all.

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 PRESIDING OFFICER. The Secretary will state the pending amendment.

The READING CLERK. In paragraph 905, page 125, the committee proposes to strike out lines 3 to 9, inclusive, as follows:

PAR. 905. Cotton cloth with extra threads introduced by means of the lappet or swivel shall be dutiable at the rate on the basic cloth and, in addition thereto, 7½ per cent ad valorem.

Cotton sateens, woven with eight or more harness, shall pay, in addition to the rate on cotton cloth, 10 per cent ad valorem.

Mr. LENROOT. I would like to have the Senator from Utah explain that amendment. Is paragraph 905a intended to take the place of it?

Mr. SMOOT. It is.

Mr. LENROOT. Then I think before we vote on the pending amendment there ought to be an explanation both of the part that is proposed to be stricken out and of the paragraph proposed to be inserted.

Mr. SIMMONS. The Senator from Utah does not propose to strike out all of paragraph 905?

Mr. SMOOT. No; just the part which has been read. I do not propose to strike out that part reading:

Tire fabric or fabric for use in pneumatic tires, including cord fabric, 25 per cent ad valorem.

In my original remarks I called attention to this particular paragraph, and I will repeat my statement briefly. The part of paragraph 905 proposed to be stricken out by the committee reads as follows:

PAR. 905. Cotton cloth with extra threads introduced by means of the lappet or swivel shall be dutiable at the rate on the basic cloth and, in addition thereto, 7½ per cent ad valorem.

Cotton sateens, woven with eight or more harness, shall pay, in addition to the rate on cotton cloths, 10 per cent ad valorem.

Paragraph 905a is to take the place of that part of paragraph 905 which I have just read, and it will read as follows:

PAR. 905a. In addition to the duty or duties imposed upon cotton cloth, there shall be paid the following duties, namely: On all cotton cloths woven with eight or more harnesses, or with Jacquard motions, or with drop boxes, or with lappet or swivel attachments, 12 per cent ad valorem.

Then the committee have offered an amendment to strike out of the committee amendment, following what I have just read, these words:

For cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem.

That is to be stricken out, and this proviso will be inserted following the words "ad valorem", on line 16:

In no case shall the duty or duties imposed upon cotton cloth in paragraph 903 or 905a exceed 45 per cent ad valorem.

In other words, as I have so often stated upon the floor, taking into account the rates upon cloth found in paragraph 903, and all the cumulative duties of any name or nature, the rate shall not exceed 45 per cent ad valorem.

Mr. LENROOT. Do I understand, then, that with the proposed committee amendment there will be imposed a flat rate of 12 per cent ad valorem, with 45 per cent as the maximum on all cotton cloths woven in this way?

Mr. SMOOT. The weaves are very difficult, and it takes one person to each loom. One person can not run more than one loom in manufacturing this class of goods.

Mr. LENROOT. How did the committee arrive at 12 per cent as being the proper addition?

Mr. SMOOT. It is always understood by every manufacturer that it costs from 10 to 15 per cent more, depending on the class of loom that is being run. The running of the loom in making that class of goods costs at least 15 per cent more, with the Jacquard weave, and some of the eight harness weaves, I suppose, run 10 per cent, and with the swivel even more than that, and 12 per cent was the rate the House agreed upon.

Mr. LENROOT. Do I understand that the Senator's statement is that it costs from 10 to 15 per cent more to manufacture this cloth than to manufacture the plain cloth? Is that the statement?

Mr. SMOOT. Not the labor cost alone, but taking the cost of the article itself into consideration.

Mr. LENROOT. How much additional does the article itself cost on account of putting in these figures?

Mr. SMOOT. Ten to fifteen per cent.

Mr. LENROOT. If that is true, is not the committee adding as a tariff rate the entire cost?

Mr. SMOOT. I took particular pains to say to the Senator that it was not only the labor cost alone but it was upon the article itself.

Mr. LENROOT. The Senator says now that it costs from 10 to 15 per cent ad valorem upon the entire article to make this figure. That is what the Senator said.

Mr. SMOOT. I did not mean to state it as broadly as that. I meant that it cost 10 to 15 per cent more on the goods itself to manufacture this line of goods in this country than it does in foreign lands.

Mr. LENROOT. If that is the statement, what basis did the Senator have? I can not find any information upon the subject. In the hearings the Senator himself seemed to seriously question that.

Mr. SMOOT. I rather thought it was too high; but taking the cost of the goods and the labor cost in foreign countries and in this country into consideration, it was demonstrated to the committee that 12 per cent was necessary. The Senator will notice that the House put in a provision that, exceeding No. 30, the rate should be 15 per cent ad valorem, and the Senate committee struck that out. I thought the 15 per cent ad valorem was too high, and so stated before the committee, and we decided upon the 12 per cent on all sizes of yarns, taking the lowest rate that the House had put in.

Mr. LENROOT. Taking the lowest rate that the House had put in?

Mr. SMOOT. Yes; the House put in 12 per cent ad valorem for cloths containing yarns, the average number of which does not exceed 30, and then exceeding 30, 15 per cent ad valorem. That was the provision the House put in.

Mr. LENROOT. The House?

Mr. SMOOT. No; I am mistaken about that. That was what the Senate committee first proposed.

Mr. LENROOT. It is a very substantial increase.

Mr. SMOOT. That is true. If the Senator will look at the equivalent ad valorem in the act of 1909, he will see that without that limit the tax would have run up to 60 and 65 per cent, but the committee thought that in no case should it run above 45 per cent. This does not say "less than 45"; it changes it so that it will state that it shall not be more than 45 per cent. So the very fancy goods—I do not care what they are, how they are woven, upon what loom they are woven, if they are cotton—can not carry a heavier rate of duty than 45 per cent. I want to state frankly to the Senator that this is one of the amendments which many of the manufacturers think is a very drastic provision.

Mr. LENROOT. This amendment was proposed by Mr. Lippitt himself.

Mr. SMOOT. Oh, no; it was not proposed by Mr. Lippitt himself in the form it is presented. Mr. Lippitt proposed that the rate should be not less than 45 per cent.

Mr. LENROOT. I mean the original committee amendment.

Mr. SMOOT. There is quite a difference, if you figure the equivalent ad valorem. This is a limit upon the rates on the fine goods, I say to the Senator now, which is just as low as it is possible to give with safety.

Mr. LENROOT. The amendment as originally reported by the committee is word for word the amendment proposed by Mr. Lippitt himself. Is not that true?

Mr. SMOOT. Mr. Lippitt does not propose that in no case shall the rate be more than 45 per cent.

Mr. LENROOT. I understand that.

Mr. SMOOT. I will say to the Senator that, without any limitation, in many cases it would go to 60 or 65 per cent. That is why I insisted that there should be a limitation, and that limitation is put in covering the cloths in paragraphs 903 and 905a.

Mr. SMITH. Mr. President, I would like to call attention to the fact that we are striking out that part of paragraph 905 through which the lines are drawn, but the Senate on Saturday, in place of lowering the duty on these dyed and figured cloths, raised it. The Senate has lowered the duties proposed for single gray yarn and for advanced yarns. It has also, to a less

extent, lowered the duties on plain gray cloths and on plain bleached cloths.

I desire to call your attention to the fact that on advanced cloths, including printed, dyed, colored, or woven figured, the Senate has increased the duties up to 80s by reason of substituting a rate of advance of five-sixteenths instead of three-tenths of 1 per cent ad valorem per number. Under the House rates the minimum ad valorem at 80s would have been 29 per cent American valuation; the Senate bill carried 39 per cent foreign valuation, and this has been increased to 40 per cent foreign valuation. The Senate has slightly reduced the rate on advanced cloths above 80s average yarn count, but as imports of this particular class are most largely under 80s, it should be noted that such cloths have now a wider differential over gray and bleached cloths and a much wider differential over the yarns from which they are made than was intended in either the House or the Senate bill.

In other words, by substituting five-sixteenths we have raised it to 40. With the addition of a compensatory duty it will run it up to in the neighborhood of 45, and then on all woven cloth with eight or more harnesses, with Jacquard motions, or with drop boxes, you have added an additional 12 per cent. It is true the Senator has offered an amendment that the rate shall not exceed 45 per cent.

Mr. SMOOT. That is true.

Mr. SMITH. But you start out practically with a 45 per cent rate on this kind of cloth. You have kept the parity on the plain gray yarns and cloths, but when you get to this paragraph you have increased it from about 25 per cent up to 45 per cent.

Mr. SMOOT. Mr. President, we have passed over all those paragraphs, and there is no question as to what the rates are. The highest rate that is given is on cloth above No. 80. The rate is not less than 15 per cent ad valorem, and for each number above 80, five-sixteenths of 1 per cent ad valorem; and 45 per cent is the highest rate that can possibly be given on the finest goods in paragraph 903.

Mr. SMITH. Let us take imported gingham. Under the Underwood Act the importers pay 20 per cent, and under paragraph 903 they will pay 30 per cent. The committee adds an additional 12 per cent under paragraph 905a, which raises the duty to 42 per cent above the other cloths. This is in addition to what we have already provided for in paragraph 903. We have amply taken care of that under paragraph 905a, in that we have given gingham a differential of about 10 per cent over the plain cloths already. In other words, the plain gray and the ordinary run of cloth pay 30 per cent under the modification in regard to these figured cloths, and you have raised that to 40, and now you add an additional rate by virtue of the so-called Jacquard motions and drop boxes. Anyone familiar with the Jacquard process knows that in standard figures the cards are made by the millions. After the machine is set up any kind of a weaver has no more trouble in producing the figures than he does on the ordinary loom.

Mr. SMOOT. No; he does not have any more trouble in producing the figure if it runs all right, but he has to have more knowledge to run the loom, and he can work only one loom.

Mr. SMITH. The Senator knows that in the use of the Jacquard machine it is an attachment to the loom and practically adds no additional expense except the overhead charge for fixing the machine, and it becomes as standard and permanent as the loom itself.

Mr. SMOOT. The Senator also knows that he can take a plain loom and run a plain piece of cloth, and almost any weaver can run it; but almost any weaver can not run a difficult pattern that is woven on a Jacquard loom.

Mr. SMITH. It takes not a particle more experience to run a loom with the Jacquard attachment than to make a piece of brown cloth, for the machine is automatic. The attachment is as automatic as the loom itself, and when it is a standard fissure the cards are printed by the millions. All manufacturers who use standard patterns use the standard Jacquard machine, and they draw their threads through the dies at particular places, and when the machine starts it is automatic. That is familiar to anyone who knows anything about cotton-cloth weaving.

Mr. SMOOT. The Senator gives a description of what the loom boss does who fixes the loom ready for some one to operate, but then he tries to make us believe that whenever any thread breaks a novice can fix it, for almost any novice who knows anything about it can run a plain piece of cloth, because the loom will run itself when it is once set. But I have seen the time when 50 or 100 threads would break through some accident. Who would put them through the holes in the card in a case like that? Does the Senator think a novice can do it? If he does, he is greatly mistaken.

Mr. SMITH. The Senator knows that on the Jacquard loom the Jacquard thread when it breaks indicates itself where it is broken as much as it does in the ordinary plain cotton weave.

Mr. SMOOT. That is not what the Senator from Utah said at all. The Senator from Utah has seen as many as 100 and sometimes 200 threads break at once, and they stop just as quickly as when one thread breaks.

Mr. SMITH. But these are different. They are put through as quickly as any one thread, for the reason that when they break they indicate where they came from.

Mr. SMOOT. I learned to weave and I know what it is to weave a plain piece of cloth. I know that I could not have gone from a plain piece cloth loom over to a Crompton loom and drawn the threads in the Crompton harness correctly without having had experience in that kind of work. I do not care what the Senator said; I know that to be true.

Mr. SMITH. As a matter of course this is a mere question of opinion, but I would like to have some authority. If I had thought anyone would question the fact that the standard Jacquard process was any different from the ordinary process when the machine was set up I would have been delighted to bring along some authorities to show that when the machine is set up any man in the factory can operate it. The same is true of the drop box, in which we have the colored yarn that automatically is fed into the warp just as the ordinary thread when the loom is installed with that process.

Mr. SMOOT. The drop box is quite different from the Jacquard.

Mr. SMITH. It is no more difficult to work the drop box than it is the Jacquard.

Mr. SMOOT. The Senator is talking about something with which he never had any experience; I know what I am talking about.

Mr. SMITH. But that is a mere difference of opinion.

Mr. SIMMONS. Mr. President, I would suggest that these are the two great cotton experts of the Senate and it seems they can not agree at all. I am afraid Mr. Lippitt has rather confused somebody, and that we need arbitration here.

Mr. SMOOT. I am not an expert on the raising of cotton. I never did that; I never have taken any interest in how it is raised; but I do know, after the cotton gets into the mill, what has to be done with it. I do not think the Senator from South Carolina has ever worked a day in a mill. I have worked in the mill. I have used cotton with woolens; I have used cotton mixed with wool, and the process is exactly the same.

Mr. SMITH. I doubt if they had the Jacquard machine when the Senator was in the mill.

Mr. SMOOT. Oh, yes; they had the Jacquard machines. We have had them for 40 years or more.

Mr. SMITH. What I desire to state is that the Senator's opinion on this matter or my opinion on the matter does not change the fact. The fact is open to any Senator. I assert, and will risk my reputation on this particular article, that the cost is practically negligible, after the machines are installed, when it comes to the question of operating the machine.

Mr. SMOOT. I want to call the Senator's attention to the fact that there never has been a tariff bill written, including the existing law, which made more than a 10 per cent difference in the Jacquard weave and the plain woven cloth.

Mr. SMITH. But that does not justify it. If the facts had been known when the other laws were being written, as Senators ought to know the facts now, they would not have written it then and they would not write it now.

Mr. SMOOT. Any Senator knows that where we have to take one man to run the loom, or one good, experienced weaver, whether it be a man or woman, it costs more to produce goods than it does where we can take an automatic machine and one person can tend 10 or 12 or even 16 of them. There is no need of arguing that.

Mr. SIMMONS. Then I would suggest to the Senator that he do not argue it.

Mr. SMOOT. It is an absolute certainty, as I view it.

Mr. LENROOT. Mr. President, the Senator from Utah just stated that there was no law, which would include the present Underwood law, where there was not a difference of 10 per cent or more between the Jacquard woven goods and the ordinary goods. Did I correctly understand the Senator to say that under the present Underwood law there is a difference of 10 per cent or more for this particular class of goods?

Mr. SMOOT. I am speaking of the Jacquard cloths under the Underwood law, which run as high as 40 per cent.

Mr. LENROOT. Covered by this paragraph?

Mr. SMOOT. Oh, no; not covered by this paragraph.

Mr. LENROOT. That is confined to upholstery.

Mr. SMOOT. It is the same principle exactly that is used in the other.

Mr. LENROOT. Under the Underwood law many of these goods are coming in under the rate for woven goods, are they not?

Mr. SMOOT. The drop-box goods would come in as woven goods.

Mr. LENROOT. Certainly.

Mr. SMOOT. And the drop-box ginghams about which we have been talking are the highest price ginghams and higher in price than the American ginghams.

Mr. LENROOT. But they are coming in now, and the Senator stated there was a difference under the present law of 10 per cent or more for the Jacquard woven goods. Now, the Senator does not mean that, when the Jacquard woven goods come within this class of cloth?

Mr. SMOOT. Take, for instance, the damask cloth under the Underwood law to-day. Has the Senator the rates there under the Underwood law on damask cloth?

Mr. LENROOT. I believe I have.

Mr. SMOOT. They are all made by the Jacquard loom. I think the rate is 25 per cent. As the Senator will notice on the building-up rates of the existing law, they were built why? Because of the kind of loom that has been used. Tapestries are all the same way, the upholstery cloths are the same way, and I know there is a special rate in the existing law.

Mr. LENROOT. Only upon upholstery goods.

Mr. SMOOT. And tapestries and cotton damask.

Mr. LENROOT. Not upon table damask.

Mr. SMOOT. Table damask is only 25 per cent.

Mr. LENROOT. Yes; but there is no special provision for it as there is for the Jacquard. Is it not true, I ask the Senator, that under the Payne-Aldrich law there was a specific cumulative rate given for Jacquard woven goods, with a maximum per cent per square yard?

Mr. SMOOT. No; it was not a maximum.

Mr. LENROOT. That is my recollection.

Mr. SMOOT. I think the Senator is in error when he speaks of 2 cents a yard. There is an additional rate given on all cotton cloth in which other than the ordinary warp and threads are used.

Mr. LENROOT. Now, can the Senator turn to the provision of the Payne-Aldrich law covering Jacquard woven goods? There is no special provision for it except for upholstery.

Mr. SMOOT. For special goods?

Mr. LENROOT. Was that in the Payne-Aldrich law? There is no differential, I believe.

Mr. SMOOT. But the rate provided in the Payne-Aldrich law, the equivalent ad valorem provided, is higher than the cumulative rates added in the pending bill with a limit of 45 per cent ad valorem.

Mr. LENROOT. Let us see whether that is so or not. Of course we have no classification and there are no figures upon it unless the Senator has them.

Mr. SMOOT. I have the figures.

Mr. LENROOT. Will the Senator read them?

Mr. SMOOT. The average under the Payne-Aldrich law was 44.82 per cent, and under the present bill it is 35.88 on the samples that we had at the time.

Mr. LENROOT. But take the actual imports.

Mr. SMOOT. Those are the actual imports.

Mr. LENROOT. Under the Underwood classification they all come in under woven figures and tapestry and upholstery.

Mr. SMOOT. I want to say, before the Senator proceeds further, that the changes we have made will bring the rate down considerably lower than 35.88.

Mr. LENROOT. Let us see. The import price of printed, dyed, colored, or woven figures, all four together, was 34 cents a yard on the imports of 1921. The Senator does not question that, of course. That would add, even at that rate, 4 cents a yard additional duty by reason of those processes. The Payne-Aldrich law did not add more than 2 cents per square yard. Is not that true?

Mr. SMOOT. I can not say what the average was, I will say to the Senator.

Mr. LENROOT. I was just reading the figures of the imports. Is not that double the rate under the Payne-Aldrich law?

Mr. SMOOT. If that is the case, there is a higher class of goods coming in and the prices have been higher. There is no doubt about that. The equivalent protection would be no more. As I said, this shows that the prices existing in 1910, when the equivalent rates upon these importations amounted to 44.82 per cent, at to-day's prices are only 35.88 per cent; but what would they be if the price was down to what it was in 1910? Therefore, I say that under the pending bill we ought to limit it so that no rate shall be more than 45 per cent. I want to say to the Senator that it is claimed that this rate is a hardship upon the eastern manufacturers.

Mr. LENROOT. The difficulty again arises. The committee is making a limitation of 45 per cent which will apply upon the very high quality goods, the very high count goods. Of course it will not apply upon the other goods, and the effect of the paragraph is to very greatly increase the duty upon the lower goods, because the maximum will not apply.

Mr. SMOOT. No manufacturer can afford to make goods upon the Jacquard loom unless they are specialties, and this paragraph applies to that character of goods. No manufacturer can afford to run a swivel loom to make ordinary common goods. Even if the rate were 100 per cent, they would not undertake it; it could not be done. This rate only applies to a certain variety of goods which are woven in a special way. It does not apply to articles which are ordinarily used by the great mass of the people of the United States. They, of course, use bedspreads and also tablecloths, but we have those classified by themselves. By the way, I wish to say that we are going to cut the rate on table damask to 30 per cent, and by the time we get through with the cotton schedule I do not believe anybody in the United States ought object to it. The only thing we could do would be to cut the rates on low-count yarns and upon plain goods. I have tried to support a consistent protective tariff bill, I do not care to what part of the country it may apply. I think that is the only proper way to legislate.

Criticism is being offered here because a duty of 7 cents a pound having been imposed on long-staple cotton, it is proposed to give a compensatory duty. As I stated on Saturday, there is no manufacturer who desires the imposition of a duty of 7 cents on long-staple cotton; they do not want to be charged up with the compensatory duty which that action makes necessary, but the Senate in its wisdom has decided to try to establish a long-staple cotton industry in the United States. If there is anything to which it may be charged, it is to that and nothing else.

Mr. LENROOT. Will the Senator at that point yield, for I should like some information?

Mr. SMOOT. I yield.

Mr. LENROOT. As I understand, according to the statistics, cotton cloths made of long-staple cotton are imported at a less price than are the cotton cloths which are made of the ordinary southern cotton, are they not?

Mr. SMOOT. I will say to the Senator that happened, as was explained the other day, in the case of cloth of very low-count yarns. That is why we took out and put by themselves, with only a 25 per cent rate, cotton tire fabrics made wholly of long-staple cotton. Such cloth is made of low-count threads, and therefore the necessity does not exist as it does when a piece of cloth is made of a fine cotton thread. I know the Senator understands that.

Mr. LENROOT. I wondered why it was that imports of cotton cloths made from long-staple cotton come in at a less price than other cotton cloth.

Mr. SMOOT. That is why it is. I will say further to the Senator from Wisconsin that there is one great defect in this bill. As I said the other day, in view of the reduction which has been made in the low count yarns, at some time when such low count yarns are made into fancy cloths we are going to suffer through importations of that particular cloth in a particular year. That will not happen, perhaps, in many years, I will say to the Senator, but such importations will come in, for there will be fancy cloths woven of low-number yarns and finished to take the place of the finer cloths. That involves a most difficult process and it is not every manufacturer who can manufacture such goods.

Mr. LODGE. Mr. President——

Mr. SMITH. I should like to call the attention of the Senator from Utah to the third clause of paragraph 503, which relates to "cotton cloth, printed, dyed, colored, or woven-figured, containing" certain yarns. On Saturday we increased the differential on these particular kinds of cloth, which includes the Jacquard weave, 10 per cent, whereas under the present law the differential is only 2½ per cent. In addition to that, in paragraph 905a there is an additional duty imposed on identically the same goods of 12 per cent, which gives 22 per cent differential on this kind of cloth as against the other cloth.

Mr. SMOOT. Mr. President, these are dobby cloths, and whenever in a tariff bill an article is specifically named, of course it always takes the rate applicable to it over and above

the rate on articles which are not specifically named, but which may be construed to be the same class of goods. There will not be any question as to the rate if the goods are woven on the Jacquard loom or by the swivel process.

Mr. LENROOT. Does the Senator mean to say that there are no imports of woven cloth coming in under the countable cloth paragraph?

Mr. SMOOT. Yes; I should think there are.

Mr. LENROOT. When they come in under these provisions, in addition to the increase that we made in the countable cloth paragraph, they will bear a duty of 12 per cent ad valorem.

Mr. SMOOT. But we give them, as the Senator understands, an extra per cent not because of the fact that they are woven but because they are printed, dyed, or colored.

Mr. LENROOT. They are woven also.

Mr. SMOOT. Certainly; but that does not make the difference, unless it should be some kind of figured woven cloth or dyed or colored.

Mr. LODGE. Mr. President, I wish to say in connection with what the Senator from Wisconsin [Mr. LENROOT] has stated that I have found great difficulty in securing figures as to the different classifications. The statistics are given for cotton cloths, but it is almost impossible to tell what are ginghams and what are fine goods; in fact, I know of no way of getting that information. Therefore the statistics are very unsatisfactory. If I can get the floor, I wish to say something about that matter.

Mr. SMITH. Mr. President, what is the use of paragraph 905a when the same cloth has been covered in paragraph 903, with a differential of 10 per cent? That is 8 per cent over the differential existing under present law. Then, the committee selects certain specific woven figured goods and adds 12 per cent. What is the use of section 903 if the committee is going to take care of that with an additional section—905a? There is already a differential of 10 per cent provided to protect this identical kind of cloth.

Mr. LODGE. Mr. President, I will leave it to the Senator from Utah [Mr. SMOOT] later to answer the last question of the Senator from South Carolina. I should like to say something in general about this part of the schedule, because it is of such vast importance to the State which I have the honor in part to represent.

When I heard the Senator from South Carolina talking about the Jacquard loom, which, by the way, was invented in 1835——

Mr. SMITH. And by a Frenchman.

Mr. LODGE. It reminded me of a story of Rufus Choate. He had a patent case involving a loom invention, and his junior counsel brought to him the client, who wished an interview with him. The client sat down, and said, "Of course, Mr. Choate, you understand the principle of the Jacquard loom." Mr. Choate replied, "Of course, of course; but assume for the moment I do not understand the principle of the Jacquard loom, and expound it to me." As I have listened to this debate it has seemed to me that an exposition of the Jacquard loom would not be out of place.

Mr. President, I did not mean to discuss that question; but the State which I have the honor in part to represent has 11,206,855 spindles, equal to the number of spindles of both North Carolina and South Carolina, which are the two next States in order. The total number of spindles in New England is 17,542,926. Spindles, perhaps, do not give a very good idea of the point I wish to emphasize; but there are employed in the State of Massachusetts in the cotton-textile industries 124,000 persons. That probably means that at least 300,000 people in my State derive their living from the cotton-textile industry. As we have a population of nearly 4,000,000, the Senate can understand what a very serious matter anything affecting the cotton industry is to Massachusetts.

I may add that the figures which I have just obtained from the census show that those 124,000 people were employed 93 per cent of the time during the year.

I merely mention this to impress upon the Senate the very great gravity of the cotton schedule to the people of Massachusetts and of New England. The number of people employed in 1913 in the whole cotton goods industry of the country was 430,000. It is, therefore, a very large and very important industry.

I have said nothing about the question of the yarns or the coarse goods, but this matter of the fine goods is of vital importance to us. The great development of the cotton textile industry in the South, in which everybody must rejoice, has, of course, limited the field, so far as the coarser cotton goods are concerned, and their place in New England has been filled, or we are attempting to fill it, by the manufacture of finer goods which we can make in our climate, but which can not be made in all climates, the temperature and humidity both being important.

I wish in this connection to speak briefly about the cotton schedule as it was reported to the Senate. I have not worked out all the changes which the Senate committee has made, but there are certain general propositions which I think ought to be considered.

In order to understand thoroughly the cotton schedule reported to the Senate, it ought to be considered in its relation to the other two great textiles—woolens and silks—and to previous tariffs. In all previous Republican protective tariffs the three great textile products—cotton, silk, and woolen cloths—were in a general way protected alike. That is, the rates were from 40 to 60 per cent, roughly averaging perhaps 50 per cent.

The average rate of duty on importations of cotton cloth under the Dingley and McKinley laws was about 42 per cent, with maximum rates on such importations of from 55 to 60 per cent. That, of course, applies to all cotton cloths and does not make an exception in favor of the fine goods. If it were possible to find the average rate that applied to all cotton goods for consumption, both domestic and imported, the rate probably would have been about 50 per cent.

This general equality of treatment between cottons, silks, and woolens was entirely abandoned for the first time in the Underwood law. That law gave a flat rate of 45 per cent on silk cloth, 35 per cent on woolen cloth, and on cotton cloth gave rates that varied from 9 per cent to 30 per cent, the average rate on importations in 1920 being 22 per cent, which is about one-half the silk rate and only a little more than one-half the woolen rate, and yet the difficulties of the industry are quite equal.

The present bill as it came from the House retained this discrimination, the rates on cotton cloth being very much below previous Republican tariffs and not much higher than the Underwood rate. These rates were only slightly raised by the Finance Committee as applied to cotton cloth in general. For instance, on colored cloth made from No. 40 yarn the Underwood rate is 20 per cent, the committee rate 27 per cent. On colored cloth made from No. 50 yarn the Underwood rate is 22½ per cent, the committee rate 30 per cent.

The principal items of the cotton schedule consist of the duties on cotton yarns, on cotton cloth, and those that are applied especially to a few particular fabrics, such as upholstery, blankets, and so forth.

The principal change that has been made by the Senate committee as compared to the House bill is in the duty upon cloths, where paragraph 905a has put additional duties of 12 and 15 per cent upon certain classes of fancy woven cloths. The committee has further amended that proposed paragraph, fixing the rate at 12 per cent throughout, and providing that it shall not at any point exceed 45 per cent. The reason for the change is because the bill as reported from the House made a variation in cotton-cloth duties that depended solely upon the fineness of the yarns of which those cloths were composed, the duty being higher as the yarn became finer. This, of course, is a legitimate cause for variation, as the conversion cost—that is, the cost other than the cost of cotton—increases as the yarns become finer; but this is not the only cause of increased conversion cost. An equal or greater variation in weaving costs results from the ornamentation of the fabric with various kinds of checks, figures, and patterns in what are generally described as fancy woven cloths.

The effect of the omission of the House bill to give consideration to this factor of costs results in the more artistic and difficult fabrics, requiring the most skill to produce, actually having a lower rate of duty than the simple, ordinary, and most easily woven fabrics. The result is, of course, unjust and undesirable, as, instead of encouraging the development of the higher branches of cotton manufacturing, it puts a premium upon their importation.

The House rates not only gave no consideration to these artistic productions of the loom, but the rates of duty that were proposed for the cotton schedule were far below those proposed for the sister industries of silks and woolens, and also far below those of any previous Republican cotton-cloth schedule.

I have here a table showing the Underwood rates, the Finance Committee rates on ordinary bleached cloths, the Finance Committee rates on fancy cloths as affected by paragraph 905a, the Finance Committee rates on woolens and silks, and the Payne-Aldrich and Dingley rates on cotton. I ask to have the whole table printed at this point in my remarks.

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

The table is as follows:

Average yarn.	Underwood ad valorem rate.	Committee ad valorem, not fancy.	Committee fancy woven.	Committee woolens.	Committee silk.	Payne-Aldrich and Dingley.
	Per ct.	*Per ct.*	*Per ct.*			
20	15	20	32	40 to 55 per cent.	Not less than 55 per cent.	Average imports about 42 per cent; maximum over 60 per cent.
30	15	22.5	34.5			
40	20	25	37			
50	22.5	27.5	39.5			
60	25	30	42			
70	25	32.5	44.5			
80	27.5	35	47			
90	27.5	35	47			
100	30	35	47			

Mr. LODGE. They show the difference. For instance, on the average yarn No. 20 the Underwood rate is 15 per cent; the committee rate on not fancy, 20 per cent; the committee rate on fancy woven, 32 per cent—not at all a serious increase. This goes all through until you get to No. 100, where the Underwood rate was 30 per cent, the committee rate on not fancy 35 per cent, and the committee rate on fancy woven 47 per cent.

The rates on colored cloth as covered, as I understand, by the recent committee amendment, are about 5 per cent higher than the rates on these bleached cloths, the maximum being 40 per cent for plain cloth and 52 per cent for the highly decorated fancy woven fabrics.

By reference to this table it is possible to see how far below either the committee's woolen and silk rates or the Payne-Aldrich and Dingley cotton rates the committee's proposed basic rates for ordinary cotton cloths are. The Payne-Aldrich and the Dingley rates applied alike both to ordinary and to fancy woven fabrics, but were made high enough to give reasonable protection to the ornamental and artistic weaves. This made in many cases rather high rates on ordinary weaves, practically none of which were imported. The intense domestic competition that has always existed in the cotton manufacturing industry, however, reduced all fabrics to a similar basis of profit, ordinary cotton fabrics always selling materially below the parity of foreign fabrics plus the duty, so that in this industry, at least, the height of the duty is by no means a measure of the cost of such duty to the consumer.

The table also shows the duties that will apply to the fancy woven cloths. The great bulk of these cloths are made of yarns from 20s to 50s, the duties on which will run from 32 to 39.5 per cent. As will be seen, even these are materially below the Payne-Aldrich and Dingley rates, or the minimum woolen and silk rates of the present bill. It is not until we reach fancy cloths made from No. 80 yarn, where the duty will be 47 per cent, that we approach the woolen and silk duties, and the quantity of such fabrics is practically negligible. Of course now we have put in the limitation of 45 per cent, so that it will not even reach the 47 per cent as proposed in the original committee report.

It seems to me—and I have given some attention to the matter—that the cotton schedule as presented to the Senate, and still more so since the amendments have been offered, is extremely low. The committee rates for cloths of ordinary weaves made of yarns below 50 probably do not average one-half as high as the Payne-Aldrich and Dingley rates, and these cloths comprise a very large percentage of the total cloths made. They have been estimated to make up fully 75 per cent of that total. Even with the extra rates, the duties on fancy woven goods will still be materially under the rates of previous Republican tariffs.

The cotton industry consider this schedule a great experiment. They know of no reason in the relative conversion costs of turning silk, wool, and cotton into cloth why one material should be treated radically different from the others. All three industries are carried on under similar conditions, with the same general types of machinery, in the same locations, and the workers in one branch frequently change to the others. The cotton schedule may perhaps be high enough to retain the industry that has already been developed here. It may open the door to great inroads by foreign manufacturers. No one can speak positively on that point, as sufficient data do not exist.

The Underwood bill has resulted in great increases of importations of cotton cloth, from which the industry is now suffering badly. The argument we have heard so much of here about there being no importation does not apply to this schedule. The importations for the last two years of the Payne-Aldrich law of what is classified as cotton cloth in the Department of Commerce reports upon imports vary materially from previous years, but were, for the fiscal year 1912, $7,638,631; for the fiscal year 1913, $7,717,809. The average rate of duty in the latter year was 40.97 per cent. The average rate of duty in this bill, as I understand, is 35 per cent. The importations under the Underwood law for the calendar year 1920 were $44,802,000, and for the calendar year 1921 $29,426,000.

To show further what a disaster the Underwood rates would be to the cotton-manufacturing industry of New England if they or anything like them are allowed to continue, I am going to submit a table showing monthly importations of cotton fabrics classified as cotton cloth from January, 1921, up to and including March, 1922, these being only a portion of the importations that are made under the cotton schedule, which shows an increase from $1,724,710 for the first month to $5,702,277 for March of this year, the latter being at the rate of $68,427,324 per annum, of importations in this one branch of cotton manufacturing alone, as against less than $8,000,000 annually under the Payne-Aldrich law.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

Importations classified as cotton cloth.

January, 1921	$1,724,710
February, 1921	1,615,046
March, 1921	2,747,976
April, 1921	2,392,746
May, 1921	2,452,723
June, 1921	1,719,795
July, 1921	1,965,943
August, 1921	1,756,607
September, 1921	2,338,193
October, 1921	2,874,197
November, 1921	3,358,779
December, 1921	4,479,534
January, 1922	4,346,869
February, 1922	4,777,415
March, 1922	5,702,277

Mr. GOODING. Mr. President, I should like to ask the Senator from what country the imports come? Does the table show that?

Mr. LODGE. I have not looked at the countries of export. They are all given here.

Mr. GOODING. I wish to say that any imports we receive from countries with depreciated currency are very much greater when the gold value is added to them. That is, there is a greater volume coming in with a depreciated currency.

Mr. LODGE. In reply to the Senator's first question, the principal imports come from Switzerland—this is colored cloths, but it gives the source—5,094,000 square yards. Great Britain—England, 7,790,000 square yards; Scotland, 2,954,000 square yards. The other importations, except from Japan, are comparatively small. From Japan we got 1,874,000 square yards of colored cloth.

Mr. GOODING. The point I wanted to make is that the figures of the imports from countries where they have a depreciated currency, which imports come in on the foreign valuation, do not show the real, true amount of imports, as far as volume is concerned, coming from those countries.

Mr. LODGE. That is true.

Mr. GOODING. They are even very much greater than what they seem, measured by the volume which comes in, which, of course, has the effect of the displacement of labor in this country.

Mr. LODGE. The currencies of Switzerland, Great Britain, and Japan are less affected than those of other countries.

Mr. GOODING. Yes; that is true.

Mr. LODGE. Mr. President, I have here the schedules showing the steady growth of these importations of cotton cloths from January, 1921, when they amounted to $1,724,000, to March, 1922, when they amounted to $5,702,000. They are steadily going up.

That means that the mills of New England, which are especially equipped to make these fine goods, are being deprived of business at the rate of about $60,000,000 a year, according to the present figures, and it would be almost disastrous if we should not give these fine goods some additional protection over the coarse goods. Of course, it is to duties on these articles to which the importers of foreign goods particularly are opposed. They are fancy goods; they have not a popular sale; and they are in the nature of a luxury. They are a perfectly reasonable subject for a revenue duty.

During the war the foreign cotton manufacturing industry was, of course, greatly disorganized, as all the industries of the European countries especially were; but it is getting back to normal in the countries I mentioned, and they are now making these large importations into this country.

It must be remembered that fancy cotton goods require a great deal of labor. Labor is a more important portion of the expenditure in the manufacture of cotton goods than in other goods. As the Senator from Utah said a little while ago,

where a man can run only one loom it is very much more expensive to make those goods than where one man can run 16 mules.

The samples to meet fashions have to be prepared and submitted to customers, and the actual cloth is only made as orders are received, so it frequently takes several months, perhaps the better part of a year, to start such a business. It is now getting established, and if the duties, which have been cut down by the committee already, are cut still further it will have a most disastrous effect on what constitutes a very valuable part of the New England industry of cotton spinning. I want to repeat what I began with, that there are about 124,000 people earning their living in the cotton mills of Massachusetts. That means that at least 300,000 people are dependent for their daily bread on the work of those mills.

I also want to repeat that those mills have run 93 per cent of the time, and employment has been given for that period, on the average, through the year, and if this were cut any lower than the committee proposes it would produce results in Massachusetts, and in New England generally, of the most serious kind. I have asked for no increases. So far as I am concerned, I have submitted to the reductions of the committee; but I do hope the Senate will not cut these duties any further, especially on the expensive, fine goods, which can perfectly well afford to pay the duties, and which are of enormous importance to the maintenance of the entire industry in the United States.

Mr. SMITH. Mr. President, I want to submit for the RECORD the total amount of imports and the consumption of cotton cloth for the calendar year 1921, giving the count of the yarns used in the composition of the cloth.

Figuring these imports in relation to American production, we import less than 1 per cent of the American production of all counts, and of the imports into this country less than 15 per cent are of the fine class of figured woven goods. This is a table gotten up by the Tariff Commission.

Mr. LODGE. If the Senator will allow me, he does not assume that the fine goods are made exclusively of fine yarns?

Mr. SMITH. I did not say anything of the kind. I gave the count of the yarns.

Mr. LODGE. It is almost impossible to get a proper classification of these things. I have been trying for some time to get it and to know just what composes the $60,000,000 worth of goods which have been imported from January, 1921, to March, 1922, and to find just what constitutes the $60,000,000 of imports is very difficult.

Mr. SMITH. At the customs, of course, under the provisions of our law, they have to take into account the count of the yarn.

Mr. LODGE. I know that, of course.

Mr. SMITH. According to these tables, it will be found that less than 15 per cent of the total is the woven, figured goods, and the total will figure out less than 1 per cent of the American production of cotton cloth. I ask to have the statement printed in the RECORD in connection with what the Senator from Massachusetts has said.

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

Imports for consumption of cotton cloth for calendar year 1921 (in square yards).

NOT WOVEN FIGURED.

	Unbleached.	Bleached.	Dyed.	Printed.	Colored.	Total.
Nos. up to 9...	94,837	194,806	56,216	36,642	9,440	391,941
Nos. 10 to 19...	383,724	716,086	881,333	1,021,170	366,779	3,369,092
Nos. 20 to 39...	847,678	1,396,900	13,103,659	1,816,461	4,613,550	21,778,248
Nos. 40 to 49...	550,905	515,891	5,198,644	1,033,305	2,572,118	9,870,863
Nos. 50 to 59...	728,748	421,796	1,996,479	323,170	456,682	3,926,875
Nos. 60 to 79...	3,706,606	1,422,677	2,099,168	220,228	641,732	8,090,411
Nos. 80 to 99...	6,718,991	2,367,777	2,453,620	460,834	863,300	12,854,522
Nos. above 99..	5,594,048	12,435,693	12,637,455	551,915	2,382,877	33,601,988
Total....	18,625,537	19,471,626	38,426,574	5,463,725	11,906,478	93,893,940

WOVEN FIGURED.

Nos. up to 9...	18,321	14,982	28,986	28,920	5,281	96,490
Nos. 10 to 19...	7,738	125,379	294,342	653,549	197,168	1,278,176
Nos. 20 to 39...	89,356	133,249	569,476	606,740	1,791,139	3,189,960
Nos. 40 to 49...	45,249	54,352	732,216	903,441	1,779,990	3,515,248
Nos. 50 to 59...	122,454	256,516	180,823	202,881	477,584	1,240,258
Nos. 60 to 79...	57,842	357,937	870,271	262,553	1,452,451	3,001,054
Nos. 80 to 99...	193,857	164,527	161,174	852,968	405,540	1,779,066
Nos. above 99..	192,875	1,114,501	1,016,414	549,021	1,473,256	4,346,067
Total....	727,692	2,221,443	3,853,702	4,060,073	7,583,409	18,446,319

Imports for consumption of cotton cloth for calendar year 1921 (in square yards)—Continued.

TOTALS.

	Unbleached.	Bleached.	Dyed.	Printed.	Colored.	Totals.
Nos. up to 9...	113,158	209,788	85,202	65,562	14,721	488,431
Nos. 10 to 19...	391,462	841,465	1,175,675	1,674,719	563,947	4,647,238
Nos. 20 to 39...	937,034	1,530,149	13,673,135	2,423,201	6,404,689	24,968,208
Nos. 40 to 49...	596,154	570,243	5,930,860	1,936,743	4,352,108	13,386,111
Nos. 50 to 59...	851,202	678,312	2,177,302	523,051	934,236	5,167,133
Nos. 60 to 79...	3,764,448	1,780,614	2,969,439	482,781	2,094,183	11,091,455
Nos. 80 to 99...	6,912,848	2,532,304	2,614,794	1,313,802	1,269,840	14,643,588
Nos. above 99..	5,786,923	13,550,194	13,653,869	1,100,936	3,855,133	37,948,055
Total....	19,353,229	21,693,069	42,280,276	9,523,798	19,489,887	112,340,259

Mr. LODGE. I am very glad to have that table printed. Of course, $60,000,000 of importations of cotton cloths, I have no doubt, seems trifling to the Senator from South Carolina in comparison with the total manufacture, but taking $60,000,000 worth of cotton cloth from the manufacture of American mills is a very serious thing indeed.

Mr. SMITH. Mr. President, I do not care to enter into any discussion of the point made by the Senator from Massachusetts save to make one remark. The larger per cent of cloths which are imported, of the finer grade, are manufactured from cotton which we do not produce in this country. They are manufactured from the Egyptian cotton. Therefore the American manufacturer is hardly handicapped in that respect, because he has practically the same access to the supply of the raw material that the foreigner has. For the same reason, the American manufacturer has found it more profitable to manufacture the standard American type of goods, and he is preempting the markets of the world; and these finer goods, as was brought out the other day, are more of novelties and specialties than of any standard varieties.

The only effect of the imposition of this higher rate on cloths of that kind will be to raise the rate on approximately comparable goods in this country, for which we have no competitor in the world. I do not think any duty we might impose, or the absence of any duty, would affect the importation of the kind of goods of which the Senator from Massachusetts has spoken, because in any event we would have to let in free of duty the Egyptian cotton. We have seen fit to impose a duty upon that cotton, with a totally inadequate supply in this country, so that we shall have to pay a duty upon the importation of the cotton we desire to weave in competition with England, handicapping the American manufacturer to that extent, even if he desired to import the finer Egyptian cotton, and making it more difficult for him to meet the competition if he were in the field in that kind of goods.

My information is to the effect that these novelties and fine specialties are better prepared, and the fact is, perhaps, there is more profit in our manufacturing the other forms which take up practically all the spindles.

Mr. LENROOT. Mr. President, it seems very clear to me that the duty now proposed is illogical. It does not give any protection to the higher counts, and gives an excessive protection to the yarns of the lower counts. The Senator from Utah will correct me if I am wrong in the statement that if a cloth that is woven is dyed with vat dyes that cloth would not get a penny of protection under the amendment if it were No. 80. It would not receive one penny of benefit under this amendment. Am I correct or not?

Mr. SMOOT. No; with the maximum of 45 per cent it would not.

Mr. LENROOT. It would not get a penny of protection, but when we come down to a cloth of No. 55 it would get the full benefit of the 12 per cent. How can the Senator defend such a proposition as that?

Mr. SMOOT. I thought I showed the Senator that that is absolutely necessary.

Mr. LENROOT. How can the Senator defend giving an additional rate to a cloth of a low count and giving no additional rate whatever to a cloth of a higher count?

Mr. SMOOT. The Senator must know that they must be woven on a certain loom and in a certain way before that applies to them at all, and they are all novelties, no matter whether they are 40's or 60's or 80's. Many times novelties have a fine warp, and of course filling. Some of the very low counts of yarns are the most difficult goods to make. Nothing will be covered by this provision unless it has been woven in a certain way, and all these goods are novelties or specialties.

Mr. LENROOT. That is true, and if woven in a certain way, and if the count is as high as 80, the industry will get no benefit from this paragraph. If the count is as low as 60, it will get practically the full 12 per cent.

Mr. SMOOT. That comes from providing a maximum rate.

Mr. LENROOT. Certainly it does.

Mr. SMOOT. And the committee thought that a maximum rate ought to apply. In some of these counts, 120's and 160's, without the maximum rate the tax would run away above 45 per cent.

Mr. LENROOT. That is true, but if the cloth with a count of 80 does not need the protection, then a cloth of 60 does not need the protection. That is my point.

Mr. SMOOT. That would be true, but the count of 80 does.

Mr. LENROOT. But it does not get it under the amendment.

Mr. SMOOT. It will just about get it.

Mr. LENROOT. No; it does not get it at all under the amendment, if it happens to be vat dyed, and if it is not vat dyed the utmost it would get would be 5 per cent.

Mr. SMOOT. Yes; under my proposed amendment.

Mr. LENROOT. Not under the Senator's amendment.

Mr. SMOOT. Oh, yes.

Mr. LENROOT. I think if the Senator will read it he will see that it is not.

Mr. SMOOT. Oh, yes, it is.

Mr. LENROOT. Will the Senator read the amendment and see whether it is?

Mr. SMOOT. It reads as follows:

In addition to the duties imposed in paragraph 903, there shall be paid the following duties, namely: On all cotton cloths woven with 8 or more harnesses, or with Jaquard motions, or with drop boxes, or with lappet or swivel attachments, 12 per cent ad valorem for cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem. In no case shall the duty or duties imposed upon cotton cloth in paragraphs 903 or 905a exceed 45 per cent ad valorem.

Mr. LENROOT. The vat dyes are in paragraph 903.

Mr. SMOOT. But in the vat-dye provision it is named there as the addition.

Mr. LENROOT. I have it—

That when not less than 40 per cent of the cloth is printed, dyed, or colored with vat dyes, there shall be paid a duty of 5 per cent ad valorem in addition to the above duties.

That is not taken care of.

Mr. STERLING. Mr. President, where does the Senator from Wisconsin find the language which he just read?

Mr. LENROOT. At the top of page 124. As the amendment now stands, I insist that a cloth with a count of 80 will not receive one single penny under the committee amendment, but if it has a count of 60 it will get eleven and a fraction per cent, almost the full benefit of the amendment. That can not be justified. It is not logical, because if there is any additional duty that can be justified at all, it is justified upon the higher counts rather than the lower counts.

Mr. SMOOT. I do not know what more I can say in relation to these fancy cloths than I have already stated. I will assure the Senator of one thing, that as to some of the lower count yarns made in the fancy goods, they can not be woven unless woven by the dobby process or by a Jacquard loom, because of the fact that the twist in the thread is not sufficient and the thread not strong enough, on account of the soft twist, to be woven in the ordinary way. They have to be spun loosely when woven into certain cloth, because of the fact it would be impossible to get the finish otherwise. Those goods are included and are given a 45 per cent duty. I think they need it just as much as the higher count yarns in that particular class of goods.

Mr. LENROOT. The amendment is based on the additional cost for this kind of weaving, but does the Senator say a lower count needs it and that if the Jacquard weaving is a count of 80 it does not need it?

Mr. SMOOT. No, I would not say that; but so far as the higher counts are concerned if there was not a limitation the rate would be higher than 45 per cent and the committee decided 45 per cent ought to be as high as the rate should go.

Mr. LENROOT. That is just the point.

Mr. SMOOT. But the goods the Senator complains of, if the maximum was not put in, would reach about 45 per cent.

Mr. LENROOT. I took the count of 60. I got it from the Senator's expert that with the count of 60 it would just about absorb the 12 per cent, but on the count of 80 it would not get one penny of the 12 per cent.

Mr. SMOOT. I am aware of that. It would actually amount to 45¾ on the 60, but, of course, the limit would take off the three-fourths of 1 per cent on the 60 count. After that there would be no more than the 45 per cent straight duty upon the balance of the cloth in that paragraph.

Mr. LENROOT. That is why I insist that if the manufacturer of cloths with a count of 80 does not need or is not to receive any benefit from this paragraph, the manufacturer of the lower count ought not to receive any benefit from it. There ought not to be any such discrimination as is proposed by the committee amendment.

Mr. SMOOT. I want to say again that as to the class of goods woven in this way with the low count yarns, they are quite different on the low count yarns woven into a plain piece of goods. The finish is different; it is more difficult to finish them than it is with the hard twist thread, no matter whether it be 80 or 100. Forty-five per cent is not too much and I think it is as high as we ought to go on any kinds of goods, whether 100 or 120 count.

Mr. LENROOT. I am not objecting to making it 45 per cent, but it should be graded down so as to have a logical progressive rate.

Mr. SMOOT. With our proposed amendment the 120 yarn does not receive a particle more protection than the 80 yarn.

Mr. LENROOT. I understand that.

Mr. SMOOT. So we think that 45 per cent will perhaps cover everything. In fact, we should not have a higher rate, in my opinion, than 45 per cent, although the manufacturers differ with me on that point.

Mr. LENROOT. Mr. President, I insist again that upon the higher-count cloth, where it is admitted and insisted through the whole debate that a very liberal duty is justified upon the finer counts, the committee now takes the position that no additional protection shall be given upon the finer counts, but a very great and substantial increase shall be given upon the lower counts. That is the position in which the committee finds itself.

Now, Mr. President, it seems to me that if the Senator from Utah would be logical, or if the committee would be logical, they might exclude the vat dyes from the maximum and then give 5 per cent all the way through, which would give a 5 per cent protection upon the finer count yarns and a 5 per cent protection upon the lower-count yarns in addition to the rate upon the countable cloth. Whenever it is proper to do so I shall offer an amendment to that effect, reducing the rate from 12 to 5 per cent. However, I understand the amendment has not been formally proposed.

Mr. SMITH. Then, would the Senator propose to strike out "vat dyes" where the words occur at the top of page 124?

Mr. LENROOT. That is merely a suggestion to the Senator from Utah. I shall let him take care of that as he sees fit.

Mr. SMOOT. I hope the Senator will not do that. I will say frankly that in my opinion it would be unjust to do it. Our competition is entirely between sixties and eighties. That is where the competition of goods comes in. Those are the numbers of goods that come in here and which have shown the immense increase in the last four months. It is not the low-count ordinary goods, but it is the goods between sixties and eighties.

Mr. LENROOT. We have increased the duties upon counts in the countable-cloth paragraph upon that very basis and because of that situation.

Mr. SMOOT. That is the situation, I will say to the Senator.

Mr. LENROOT. I understand that.

Mr. SMOOT. And whatever change is made would be hitting the very goods that are coming in here in great quantities now. If they continue for the balance of the year as they came in during the first four months of this year, there will 197,000,000 square yards come in during the calendar year 1922.

Mr. LENROOT. When we see, as we do in the bill, that upon those counts over 80 the rate shall not be less than 40, or not less than 45 if dyed with vat dyes, it seems to me that we have gone pretty far and as far as can be justified in the matter of protection.

Now, Mr. President, I want to say a word with reference to what the Tariff Commission said about the whole subject. It is the only authority that I have. I do not pretend to have any personal knowledge of this matter except such knowledge as I have gained through two tariff revisions upon the cotton schedule. I have paid a good deal of attention to this schedule whenever we have had a tariff revision. I have relied necessarily upon reports from the Tariff Commission. I want to read just a paragraph from the report of the commission upon the Jacquard woven fabrics. The Tariff Commission in its survey upon this subject said:

In fancy weaving the dobby attachment is widely used, but its range is limited, since it works with harnesses, and all threads governed by a harness must rise or fall at the same time. The utmost limit is possibly 40 harness, thus dividing the total warp threads into not more than 40 groups. In practice the dobby is rarely used for work requiring more than 24 harness, and in recent years the Jac-

quard has become such a common attachment that it is often employed for typical dobby fabrics of less than 24 harness construction. One reason for its use on "dobby goods" is that its method of operation puts less strain on the yarn. Jacquard looms producing the most elaborate designs have to be operated very slowly, but on less elaborate designs they can be run at good speeds and produce about as cheaply as the dobby.

This is the important point:

There is, therefore, to-day not much object in having, as has sometimes been suggested, a differential on Jacquard-woven fabrics as distinguished from the general run of woven-figured fabrics.

That is what the Tariff Commission said about it, and of course that is why I take it for granted that the House made no special provision for a cumulative duty upon this class of woven fabric. We find from the hearings that the suggestion came, and all the information that the committee had concerning it apparently came, from Mr. Lippitt, who drafted the provision. I want to correct, however, what I stated some time ago to the effect that the committee adopted it exactly. They did eliminate the "more than one color" proposition and the "more than one number" proposition.

Mr. SMOOT. That is all Mr. Lippitt was really fighting for, and if there was any joker at all that is what it was.

Mr. LENROOT. If that is all Mr. Lippitt ever intended to have, then I want to suggest that under Mr. Lippitt's theory the paragraph is not necessary.

Mr. SMOOT. I want to say it was all, with what follows: Of course, when that provision was stricken out, then there was nothing to the proposition at all. The Senator knows the House provided for a high duty upon cloths woven with eight or more harness.

Mr. LENROOT. Yes; on certain cotton sateens. No such provision as this has been found in any previous tariff law. It was not found in the Payne-Aldrich law. The additional duty that would be imposed, so far as I can figure it from such figures as we have—and we can not tell exactly, because these are not stated in the present Underwood law——

Mr. SMOOT. The Senator, however, must know that under the Payne-Aldrich law it was not necessary, because under that law there was a progressive value per yard.

Mr. LENROOT. That is just the point I was coming to.

Mr. SMOOT. That has been cut out of this bill, and I think more than likely that it is the best way to handle the cotton schedule. I do not see any other way. I think it is better to cut out the value per square yard and put it in upon the classes of goods as to their weave than to try to take it on the basis of value per square yard.

Mr. LENROOT. Can the Senator tell me what he thinks is the average value per square yard of this weave that is imported?

Mr. SMOOT. Does the Senator mean the cost per square yard for weaving?

Mr. LENROOT. No; I mean the value of the imported goods of this character. What will it run?

Mr. SMOOT. It would be an absolute guess on my part. I could not say.

Mr. LENROOT. The only information I have is where they are all put together, the woven and the dyed and the printed. If the Senator has any information as to what that value runs, I would like to have it.

Mr. SMOOT. I can tell the Senator what it was per pound, but I do not know about the rate per square yard, although I could give some estimate if the Senator wants that. In fact, I can take the samples and tell the Senator about what certain samples run that we have.

Mr. LENROOT. All right; let us have that on the low count.

Mr. SMOOT. On No. 44 it was $1.51 per pound. Under the Payne-Aldrich law it was only 53 cents a pound. It runs all the way in that group from sample 44 down to sample 56, and sample 56 is $4.74 a pound.

Mr. LENROOT. Is there anything by the yard?

Mr. SMOOT. I am sorry to say to the Senator that that information has not been furnished.

Mr. LENROOT. I will not trouble the Senator further. I will simply say that, taking the classification as it comes in, which includes all woven goods of the character here proposed to be affected, the average rate was 34 per cent per square yard in 1921. That would mean a specific additional rate of 4 cents per square yard. Under the committee amendment the rate per square yard is double that imposed by the Payne-Aldrich law. That was the only point which I wanted to make.

Mr. SMOOT. And I think the price also is more than double.

Mr. LENROOT. It may be, but I am simply stating the facts.

Mr. SMOOT. I am quite sure that the price is more than double.

Mr. LENROOT. Mr. President, I have examined the hearings and there is not one word of information which I can find recorded therein concerning the difference between cost of production at home and abroad for this additional weave.

Mr. SMOOT. I am handed a compiled statement as to these cloths; and the price of the cloth which I referred to, I will say to the Senator, is 77.51 cents per yard.

Mr. LENROOT. Very well. The 77.51 cents per square yard would mean, under the proposed committee amendment, an additional duty, then, of about 9 cents per square yard, which is more than four times the rate per square yard which is imposed by the Payne-Aldrich law.

However, Mr. President, I am not going to discuss the matter further. The committee admits that the higher count yarns, an 80-count yarn, for instance, will receive no benefit whatever from this paragraph, but when it comes to the lower counts they will get the full benefit of it. It has been admitted all the way through the debate that it was the higher counts which needed protection.

As I have stated, I shall, when the opportunity offers, move to reduce the proposed rate from 12 per cent to 5 per cent; and I am not at all satisfied, Mr. President, that we should on these cloths have any duty.

Mr. SIMMONS. Mr. President, I do not wish to enter into any technical discussion of this matter, but I think section 905a is one of the most ingeniously constructed paragraphs that ever crept into a tariff bill with purpose to extort a high rate of protection upon articles which are consumed by the people. The first clause of that paragraph adds 12 per cent to the standard duty already imposed upon cotton cloth if it is of a coarse number, and if it is of finer number it adds 15 per cent ad valorem. The paragraph provides that the additional rates, which in themselves are very high duties, shall be added to the standard duty in the case of "all cotton cloths woven with eight or more harnesses, or with Jacquard motions, or with drop boxes, or with lappet or swivel attachments."

So you will get it going and coming; and it will be very difficult to escape these additional duties, because every process by which cloths may be artificially embellished or slightly changed from the standard method of making is embraced in these several provisions; and practically I think this language would apply to more than half the cloths which are manufactured, because the provision is so arranged that it catches the coarse grade and the fine grade alike, the only difference being that on the coarser grades the additional duty is 12 per cent and on the finer grades the additional duty is 15 per cent. Somebody most skilled in the drafting of highly technical provisions must have drafted that. It is stated that Mr. Lippitt drafted it. Well, I suppose there is hardly a more skillful draftsman of technical provisions designed more or less to screen the real intent than Mr. Lippitt.

Mr. President, the next clause of the paragraph is also very ingeniously constructed. The additional rates, amounting to 10 per cent in each case, relate to different characters of cloth, to different manufactures. First the language reads:

There shall be paid on all yarns finer than No. 60—

That is, this additional sum is to be paid on the yarns—

and on all yarns finer than No. 60 contained in threads and cloth—

The committee provides not only for the duty on yarns where the yarn has been worked up into cloth, but they follow it into the cloth and impose a duty on yarns in the cloth or the threads—

if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound.

That is, if these fine yarns constitute more than 10 per cent in weight, then this extra duty is to be imposed. Ordinarily when an extra duty has been imposed for some specific reason, having relation to the raw material in the finished product, it has been referred to as the "component material of chief value"; but we do not use that language in this case.

Mr. SMOOT. The Senator does not quite understand the language or else his argument does not apply to it.

Mr. SIMMONS. I think I understand what I am talking about, and I do not require any information from the Senator from Utah. The Senator from Utah may not understand my argument; probably he does not.

Mr. SMOOT. That may be; but I want to state to the Senator that unless there is 10 per cent in weight of such threads the duty does not apply and if there is 10 per cent and over it applies only to the amounts that are contained in the cloths.

Mr. SIMMONS. The provision reads:

If constituting more than 10 per cent in weight of such threads or cloth——

Mr. SMOOT. If they are less than that, no account is taken of them at all.

Mr. SIMMONS. Oh, certainly, that may be so; but I am not concerned so much about that. I was merely calling attention to it as a very remarkable illustration of the windings in and windings out of these two provisions, but always winding in or winding out so as to catch the victim, who is the consumer of the product. Then the clause adds:

And on all laps, sliver, and roving—

Mr. President, after imposing outrageous duties upon the plain cloth, if there is anything unusual in it because of the process of manufacture or in the materials of warp or filling an extra duty has to be paid. If there happens to be in it a little Egyptian cotton it will have to pay an extra duty; if there happen to be some dyes in it, it has got to pay an extra duty; if it is manufactured with an automatic motion or Jacquard motion it has got to pay an extra duty; if it is woven with eight or more harnesses it has got to pay an extra duty; if it uses the drop-box attachment, which I understand is a very simple process and one which is used extensively, it has got to pay an additional duty. If a lappet or swivel attachment has been employed, the cloth has to pay an extra duty. These are ordinary processes. Jacquard motions, drop boxes, and all that are ordinary machines. A duty has to be paid on the cotton cloth when it is made out of our short-staple cotton—our own short-staple cotton, which is grown down in the South and which is the finest cotton in all the world, Mr. President; not the finest fiber, but the best material for the manufacture of cloth; and if it has anything in it besides that pure cotton, whether it is dye or some other coloring matter, it has to pay an extra duty; and then for every little attachment that may be used in its manufacture in supplementing the regular machinery out of which this cotton is manufactured you propose to attach an additional duty of 12 or 15 per cent.

We have in this country probably the finest cotton machinery in the world. All of these different processes of manufacturing that are referred to here, and the use of which is made the excuse for adding 12 and 15 per cent duty to the cotton, have been in use for many years. According to the Senator from Massachusetts the Jacquard process has been in use since 1835.

The drop-box process has been in use from time immemorial. They have the machinery. The labor is not increased. The duty is added simply because they use these additional attachments that they have always used and have been using almost from time immemorial. I suppose it is for the wear and tear on these little attachments that they want the consumer to pay an additional duty of 12 or 15 per cent. Nobody has said that it requires any extra labor cost. Just because they use an ordinary, old Jacquard attachment that has been in use in this country since 1835, according to the Senator from Massachusetts, or the drop-box process, they must pay 12 or 15 per cent additional.

Again, Mr. President, here are laps, slivers, and rovings:

On all laps, sliver, and roving, and on all yarns coarser than No. 60—

After you have imposed duties on all these kinds of cotton, why is it necessary to go back and pick out the laps and the rovings and the slivers and put on an extra tax of 10 cents on account of that? That is what has been done, however.

On all laps, sliver, and roving—

That includes all the laps and the slivers and the rovings, all of them, whatever the quality may be—

and on all yarns coarser than No. 60 contained in threads and cloth, if containing cotton of 1⅛-inch staple or longer, 10 cents per pound.

Think about that. In the case of those cloths and those coarse yarns, coarser than No. 60, according to this, if there happens to be a fraction of 1 pound either of Egyptian cotton or of American long-staple cotton of a staple measuring 1⅛ inches or longer, there is an additional duty of 10 cents per pound. The Senator from Utah nods his head. It reads:

On all yarns coarser than No. 60 contained in threads and cloth, if containing cotton of 1⅛-inch staple or longer, 10 cents per pound.

Does the Senator mean to say that it is all made out of that? If so, then he ought to change the language.

Mr. SMOOT. No; the Senator does not have to change the language. The Senator says that unless there is 10 per cent of it they do not get anything, and if there is more than 10 per cent they pay whatever there is in it.

Mr. SIMMONS. There is no limitation there as to 10 per cent as there is in the other part of the section. There is a limitation in the first part reading as follows:

If constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound.

But that does not relate to the second section as it does to the first section of that paragraph.

Mr. SMOOT. Then it will have to be all——

Mr. SIMMONS. The Senator is not going to put anything over on me. I will tell him that. If he thinks it means that, let him add it to his bill. I say it does not mean that. I say it means that if there is any cotton of this staple in there, 10 per cent additional tax is imposed.

Mr. President, I had not intended to enter into any elaborate discussion. The Senator from Wisconsin [Mr. LENROOT] has read what the Tariff Commission says of the Jacquard loom. It is just about what cotton manufacturers in my State have said to me, that there is absolutely no justification for adding these duties on account of the use of the Jacquard process or these other processes. The Tariff Commission is right. It is just another excuse for getting more duty and subsidy. It was thought to be entirely out of reason to demand a duty of 47 per cent or 49 per cent on these cotton goods, and hence they have cast about to see by what devices and by what ingenious schemes, worked out by the best brain among that crowd in the industry, they could by hook or crook get their protection increased away beyond the point of necessity. It is not because they need it to protect themselves against competition, because in many instances there is no competition at present. The present duties are sufficient to protect them against foreign competition. It is because they want to increase their prices, and they can not increase their prices above the present high level without inviting foreign competition unless they can by hook or crook get some more duty. It does not mean anything but more profits. That is what they are after, higher prices, and they are being aided by the committee in these schemes to obtain additional tariff duties which they do not need to protect them against any importation under present conditions, but that are designed to protect them against the danger of foreign competition in case they should further raise their prices.

Mr. President, I have taken the duty on ginghams. That is an average, I believe, of 48 per cent. The initial duty would be 30 per cent. Under this section the duty added would be 12 per cent. That is 42 per cent. Then add the dye duty, and you have 5 per cent more. That would raise it above the maximum. It could not go higher than 45 per cent; but the compensatory duty on account of the Egyptian cotton is not embraced in that limitation, and the compensatory duty according to the calculation that I have here, made by the expert, would amount to 4 per cent if there was Egyptian cotton used in the cloth, which, added to the 45 per cent, would make 49 per cent, as against 20 per cent under the present law.

Mr. President, how can such a duty as that be defended upon the coarse and upon the fine cotton goods alike that are produced here, in view of the fact that three-fourths of all the cotton that we use in this country is not imported at all? The importation is confined to about one-fourth of the cotton that we produce in this country, and it has never been overwhelming as to that.

In these circumstances, Mr. President, there can be no excuse for putting these high duties upon cotton cloths and cotton yarns. Cotton cloths are used more extensively by the people of this country than any other fabrics known. They are used in the clothing worn by all of the people, the young and the old. Nobody is exempt from the necessity of using cotton cloths for the purpose of clothing his body, and they are used in the home in all sorts of ways. The use of wools and the use of silks and the use of linens are merely supplementary. The staple, fundamental fabric upon which the people of the United States rely to meet their daily needs for clothing and for household purposes is cotton fabric. We make cotton goods in this country cheaper than they are or can be made anywhere else upon the face of the earth. We have the raw material; we have the machinery; we have skilled laborers; we have an efficiency not surpassed in the world, and we are not surpassed in price anywhere in the world for the classes of goods that we produce and the most of these goods that we are importing; and those imports which are made the excuse for imposing these high duties upon all cotton goods are novelties or classes of goods that are not produced in this country at all.

There is no excuse for it, Mr. President. It is an outrage upon the people of America; and it illustrates the fact that all that some man of commanding influence in the industry—like Mr. Lippitt in the case of cotton or Mr. Wood in the case of wool or Mr. Littauer in the case of gloves—has to do is to come down here and make a demand, and his demand is met. It is met in a way which in my judgment the people of the United States are not going to stand for and ought not to stand for.

If Senators on the other side could have gotten this bill through quickly, Mr. President, as they thought they would when they first brought it in here, when we were told that they

were ready to vote without talking, the people never would have discovered what was in it, and they might have suffered and borne the burden of it for years without realizing just how and the extent to which they were being taxed. But we have advised them, and we are advising them now from day to day, and we are going to continue to advise them until we get through with these schedules, especially those which relate to the necessities of the people, things which protect the people against the cold and saves them from starvation. The people are going to be advised about it, and when they are advised about it, if this bill passes carrying these high rates the Republican Party is going to hear from it, and hear from it in a very emphatic way.

Mr. President, the majority have not been able to do this thing as quickly as they wanted to, as quickly as they had calculated upon, before the people found out what they were doing to them, and what they were putting over on them. They have not been able to get it through so quickly. This is a sort of a "get-there-quick" administration. They were going to "get there quick" in the passage of this tariff bill before the people found out much about it. They were going to "get there quick" about the passage of the ship subsidy bill, and all that sort of thing. It is a "get-there-quick" administration, with apparently no capacity to get anywhere except in the mud.

The PRESIDING OFFICER. The question is on agreeing to the amendment, on page 125, to strike out lines 3 to 9, inclusive, in paragraph 905.

The amendment was agreed to.

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

The READING CLERK. The next amendment is, in paragraph 905a, page 125, line 12. The committee proposes to modify the amendment by inserting, in line 13 after the word "cloth" and before the comma, the words "in paragraph 903," so that it will read:

In addition to the duties imposed upon cotton cloth in paragraph 903 there shall be paid the following duties—

And so forth.

Mr. SMITH. Mr. President, the Senator from Wisconsin [Mr. LENROOT] intimated to me that he has an amendment he desired to offer to the amendment, and before the vote is taken I think he ought to be notified. I call attention to it because he made the argument upon the ground that you do have a duty in paragraph 905 on these identical cloths, a differential in favor thereof of 10 per cent.

Mr. SMOOT. The Senator from Wisconsin gave notice that he wanted to move to strike out "12" in line 16 and to insert "5." I suppose he is down at his lunch, or he may be detained from the Senate by some other cause. I suggest the absence of a quorum. That will give him time to get into the Chamber.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Hale	McKinley	Shields
Ball	Heflin	McLean	Simmons
Broussard	Hitchcock	McNary	Smith
Bursum	Johnson	Moses	Smoot
Calder	Jones, N. Mex.	New	Spencer
Capper	Jones, Wash.	Nicholson	Stanley
Caraway	Kellogg	Oddie	Sterling
Curtis	Kendrick	Overman	Townsend
Dial	Keyes	Pepper	Trammell
Edge	King	Phipps	Underwood
Ernst	Ladd	Pomerene	Walsh, Mont.
Fernald	Lenroot	Ransdell	Warren
Glass	Lodge	Rawson	
Gooding	McCumber	Sheppard	

The PRESIDING OFFICER. Fifty-four Senators having answered to their names, a quorum is present. The Secretary will state the next amendment.

The READING CLERK. The next modification appears in paragraph 905a, where the committee proposes to modify the amendment on lines 16, 17, 18, and 19 by striking out, beginning with the word "for" in line 16, the following words:

For cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem.

And inserting—

In no case shall the duty or duties imposed upon cotton cloth in paragraph 903 or 905a exceed 45 per cent ad valorem.

Mr. LENROOT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. LENROOT. May I ask what was disagreed to? I thought the first two paragraphs in paragraph 905 were pending.

Mr. SMOOT. They have been stricken out.

Mr. LENROOT. Paragraph 905a has not been touched except as by the amendment now reported?

Mr. SMOOT. Except the amendment just agreed to, inserting the provision in regard to paragraph 903.

Mr. SIMMONS. What is the pending amendment?

Mr. SMOOT. The pending amendment is to strike out on line 16, after the words "ad valorem," down to and including the words "ad valorem," on line 19, reading as follows:

For cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem.

And to insert the following:

In no case shall the duty or duties imposed upon cotton cloth in paragraphs 903 and 905a exceed 45 per cent ad valorem.

That would leave it open, so that if the Senator from Wisconsin desires to offer an amendment to strike out "12" and insert "5," he can offer it.

SENATOR JAMES A. REED.

Mr. STANLEY. Mr. President, I am troubled in heart, I am sore grieved, at a grave act of injustice done—I say in all tenderness, not in anger, but in regret—by the press of the United States, which means to be just; by the Senate of the United States, which means to be fair; possibly by the people of this country, whose impulses are always wholesome and square and disingenuous—to the amiable junior Senator from Missouri [Mr. SPENCER]. He has been charged with sinister motives in his ardent advocacy of a Democratic candidate in a Democratic primary.

Of course many may urge that, having defeated his opponent, having demonstrated his opponent's inability to win—though not against the most formidable of Republican adversaries—he might assume that his proved incapacity to win was the best assurance of his certainty to lose in subsequent elections. Nevertheless, there has been an attempt made to charge him with selfish and sinister motives. In that he is absolutely innocent. I never knew a more innocent statesman. There is not a more ladylike Senator on this floor than the junior Senator from Missouri—kindly, eminently respectable, always proper—oh, this cruel criticism of the junior Senator from Missouri grieves me sorely.

In what I say I am not inspired by any hostility to Mr. Breckenridge Long. I feel very kindly toward any scion of the race of Breckenridge. Were it not for the fact that the most vital interests of the Democratic Party and of the Nation intervened I should be still, because the very name of Breckenridge is sacred in Kentucky. The greatest Presbyterian divine in that great denomination is of the family of Breckenridge. The greatest soldier Kentucky ever sent to glory or to death, an Adonis, a Solon in council, a Mars in war, was John C. Breckenridge, a Senator from Kentucky and Vice President of the United States. His name is enshrined in the hearts of every Kentuckian. The most versatile statesman Kentucky ever produced, he who adorned the world of letters, of art, of law, and of statesmanship, was William Cabell Preston Breckenridge, the silver-tongued orator of Kentucky, the worthy successor of Henry Clay. The name of Breckenridge is one to charm in Kentucky. Mr. Long comes of a race interwoven with the proudest tradition, the social, religious, and martial life of the Commonwealth. There is no part of it it has not touched, and, touching, has not adorned.

And yet I am here, Mr. President, to speak the simple truth. The Senate knows and the country knows that since the days of Benton and Cockrell and Vest there has appeared in this Senate no more towering figure than that of JAMES A. REED, of Missouri. It is recorded that after the Battle of Chancellorsville, when Stonewall Jackson fell, shot through by his own forces, there was rejoicing in the Federal camp; and justly so, for they said, "In the death of Stonewall Jackson we are more blessed than if Lee had lost a division." To-day there is not a secret caucus in the Republican Party, there is not a time when one Republican meets another, that he does not say, "My brother, is REED defeated?" When these protectionists go down on their knees to a protectionist god they say, "O Lord, keep REED out of the Senate."

There is not a doubt that this guileless, innocent, somewhat blundering junior Senator from Missouri simply expresses the wish of all his colleagues that the god of protectionism, the god of Republicanism, the genius of all that is mistaken in politics, will smite this mighty champion of the truth in Missouri hip and thigh. It is unkind, it is unjust, it is cruel in the press to blame the poor junior Senator from Missouri for saying what every Republican thinks and wishes and prays.

I speak from no personal interest in JAMES A. REED. I never voted with him in any of his differences with the President.

There are not a baker's dozen here who have followed Woodrow Wilson with the same devoutness that I have. I never voted against a Wilson policy in my life. Whether I was right or wrong, it remains for history to say, but it is the truth. I have followed him. I have followed him when I thought he was right and I have followed him sometimes when I was not so certain about it, because I had absolute trust in the disinterestedness of his patriotism and the transcendent brilliancy of his genius. Be that as it may, no man can question my loyalty to the President of the United States, but I shall never agree that any mortal man, be he inspired, shall say to a Senator, "You shall do as I say, and not as your conscience and not as the interests of your constituents may dictate." Whenever we give to the President of the United States the power to vote for Senators, we have destroyed this Government, we have made a scrap of paper of the Constitution of the United States, we have established an absolute autocracy which President Wilson would abhor as much as I do. Every Senator here, as an ambassador from a sovereign State, has a right to express his opinion as God, as his conscience, as his people's interest dictate.

I wish to say here and now that when I learn that Wilbur R. Crafts, a known Republican from Pennsylvania, has invaded the State of Missouri to assail JAMES A. REED, when a Senator on this floor as a Republican expresses a sincere desire that the Republican Party may be benefited by the destruction of JAMES A. REED, I rise in my place to say that the national democracy has an interest, that if that towering figure shall be stricken down it is not only the loss of Missouri, it is the loss of democracy, the national democracy.

There is not on either side of this Chamber a greater lawyer, a more profound scholar, a more dauntless advocate of the truth, a quicker or a doughtier champion of those things for which Jefferson stood. There was never a day nor an hour from the time he entered this body when the most of us were not impressed with the consciousness that few, indeed, could bend the bow of Ulysses. He is, as was Benton and Cockrell, Clark and Vest and Stone, a tall man from an imperial State, such as Missouri can produce, full of vigor and courage, with the truth of Jeffersonian democracy in his big heart, a champion of the great cause for which we stand, without fear and without reproach. I say to the junior Senator from Missouri that he may, jackallike, nibble at his heels, send Crafts and his kind to do their bidding, but there is not power enough in the secret and sinister conspiracy of Republicanism on the other side of the Chamber to down or to damn the brave and dauntless JAMES A. REED, of Missouri.

Mr. SPENCER. Mr. President, I was not in the Senate on Saturday when the senior Senator from Tennessee [Mr. SHIELDS] made some reference to me, of which he notified me last Friday, and I just entered the Chamber a moment ago as the senior Senator from Kentucky [Mr. STANLEY] was making some reference to me. So far as personal allusions are concerned, I have nothing to say. I shall not even attempt to reply in the same vein in which the senior Senator from Kentucky was pleased to speak. But I do want to say what the fact is in connection with the senior Senator from Missouri [Mr. REED]. I have never upon the floor of the Senate said one word about Senator REED's candidacy in Missouri until this moment. I do not propose to discuss it now. It is a Democratic primary. The Democratic voters of Missouri will settle it among themselves. It is not the business of the Republicans.

I did have in mind a real curiosity to know how the people in the Democratic Party of Missouri were feeling about the primary election, which occurs on the 1st day of August next. Therefore I sent to every county in the State of Missouri a personal inquiry, directed to leading Republicans in the county, asking what, in their judgment, was a fair statement of the condition in the Democratic Party in Missouri in regard to Senator REED and Mr. Long. I did not express any preference one way or the other. I asked for a survey of the situation and asked for it because, mainly from the other side of the Chamber, and also from this side of the Chamber, there had come to me repeated inquiries, "What is going to be done in Missouri? What will be the result of the Democratic primary? Who will win out, Senator REED or Mr. Long?

I could have given an expression of personal opinion, as I did frequently, but I did not have the foundation of facts back of it. So I had a query sent to every one of the 114 counties in Missouri asking what the general situation was. I received answers from about 110 of those counties. By those answers it was shown that 65 counties were in favor of Mr. Long, that 20 counties were in favor of Senator REED, and that the rest of the counties were either undecided or were about 50–50. I have, as inquiries were made of me, given the result of this survey. So far as Republicans are concerned it does not matter which of the Democratic contestants wins in the primary. Either will be defeated in November.

Mr. STANLEY. Mr. President, it is worse than I thought it was. The confession of guilt on the part of the junior Senator from Missouri is simply appalling. Think of it. The junior Senator from Missouri, with his own business to attend to, his own party to look after, his own affairs to concern him, makes a survey of Missouri. Why a survey of Missouri? Why should a Republican Senator make a poll of the Democratic vote in Missouri? Why go to all the trouble and all the time and all the expense of making the wires hot between Republican headquarters in Washington and Republican headquarters in St. Louis, except that he knew, as does every Republican in the Senate, that he had better defeat 10 ordinary men than to let JIM REED get back here to damn the Republican delinquencies with the eloquence of the traditional Missouri Senator and with the courage of a southern hero? The junior Senator from Missouri knew, as the rest of his kind know, that it was a dangerous and a most unfortunate thing, that it spelt disaster in the midst of their blunders, to have that clear intellect, that burning eloquence, turned upon their shattered columns and their multiplied iniquities, and yet he did, neglecting his own legitimate business, make, as he now confesses, a survey of the whole State of Missouri to find what were the chances of defeating JIM REED.

Oh, it is perfectly plain; it is perfectly manifest. They sent for Crafts, a nigger-equality Republican from Pennsylvania, and shipped him into Missouri, and then sent for the junior Senator from Missouri to use all the multitudinous means of information and put his organization into a Democratic primary, and to my utter amazement without a blush, the debonnaire and innocent junior Senator from Missouri confesses his iniquitous, damnable, and pernicious interference in the Democratic primary. Every self-respecting Democrat in Missouri should resent it. It should be posted everywhere that the Republican Senator from Missouri is making a survey of the Democratic situation.

The Missouri that followed Benton in the days of Jackson, the Missouri that thrilled with pride when Champ Clark was almost President; the Missouri that treasures the memory of Cockrell and Vest will remember the pernicious activities of the junior Senator from Missouri; and that same Missouri will remember that JIM REED measures up in eloquence, in learning, in courage, in disinterested devotion to the principles of Jeffersonian democracy with all his titanic predecessors.

Shakespeare tells the story of how—

> A falcon, towering in his pride of place,
> Was by a mousing owl hawk'd at and killed.

May history not record the pathetic story that the stalwart REED was by the malicious junior Senator from Missouri "hawk'd at and killed?"

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 PRESIDING OFFICER (Mr. STERLING in the chair). The question is on the committee amendment in paragraph 905a, which the Secretary will state.

The READING CLERK. The Committee on Finance proposes to modify the committee amendment on page 125, paragraph 905a, line 16, after the words "ad valorem," by striking out "for cloths containing yarns the average number of which does not exceed No. 30; exceeding No. 30, 15 per cent ad valorem," and in lieu thereof inserting: "In no case shall the duty or duties imposed upon cotton cloth in paragraphs 903 or 905a exceed 45 per cent ad valorem."

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

The amendment to the committee amendment was agreed to.

Mr. LENROOT. I now move to amend the committee amendment on page 125, paragraph 905a, line 16, before the words "per cent," by striking out the numeral "12" and inserting the numeral "5."

Just a word in explanation of the amendment. If my amendment to the amendment shall be adopted, it will leave the rate upon cloths of 80 count and over exactly the same as the rates proposed by the committee, but it will lower the rate upon cloths of a lower count.

Mr. SIMMONS. I ask for the yeas and nays upon the amendment proposed by the Senator from Wisconsin to the committee amendment.

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

Mr. CALDER (when his name was called). I have a general pair with the senior Senator from Georgia [Mr. HARRIS]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW], and vote "nay."

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 "nay."

Mr. POMERENE (when his name was called). I am paired for the afternoon with my colleague [Mr. WILLIS]. I transfer that pair to the Senator from Rhode Island [Mr. GERRY], and will vote. I vote "yea."

Mr. SMITH (when his name was called). I have a general pair with the Senator from New York [Mr. WADSWORTH] on this question. I transfer that pair to the Senator from Montana [Mr. MYERS], and vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Missouri [Mr. REED], and vote "yea."

The roll call was concluded.

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM] which I transfer to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. BALL (after having voted in the negative). I inquire if the senior Senator from Florida [Mr. FLETCHER] has voted?

The PRESIDING OFFICER. The Chair is informed that the senior Senator from Florida has not voted.

Mr. BALL. I transfer my pair with that Senator to my colleague the junior Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. JONES of Washington (after having voted in the negative). I notice that the senior Senator from Virginia [Mr. SWANSON] has not voted. That Senator is necessarily absent, and I promised to pair with him for the afternoon. I find, however, that I can transfer that pair to the junior Senator from Maryland [Mr. WELLER]. I do so and allow my vote to stand.

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

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

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

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

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

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

The result was announced—yeas 24, nays 33, as follows:

YEAS—24.

Ashurst	Glass	Lenroot	Shields
Borah	Heflin	Nelson	Simmons
Capper	Hitchcock	Overman	Smith
Caraway	Jones, N. Mex.	Pomerene	Underwood
Culberson	Kellogg	Ransdell	Walsh, Mass.
Dial	King	Sheppard	Walsh, Mont.

NAYS—33.

Ball	Hale	McKinley	Shortridge
Broussard	Harreld	McLean	Smoot
Bursum	Johnson	McNary	Spencer
Calder	Jones, Wash.	Moses	Sterling
Curtis	Kendrick	New	Townsend
Edge	Keyes	Nicholson	Warren
Ernst	Ladd	Oddie	
Fernald	Lodge	Pepper	
Gooding	McCumber	Phipps	

NOT VOTING—39.

Brandegee	Frelinghuysen	Norris	Sutherland
Cameron	Gerry	Owen	Swanson
Colt	Harris	Page	Trammell
Crow	Harrison	Pittman	Wadsworth
Cummins	La Follette	Poindexter	Watson, Ga.
Dillingham	McCormick	Rawson	Watson, Ind.
du Pont	McKellar	Reed	Weller
Elkins	Myers	Robinson	Williams
Fletcher	Newberry	Stanfield	Willis
France	Norbeck	Stanley	

So Mr. LENROOT's amendment to the committee amendment was rejected.

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

Mr. SMITH. Mr. President, before the vote is taken I wish merely to call the attention of the Senate to the fact that we have up to the present maintained a parity between yarns and cloth. Now we have come to that character of goods of which it is claimed more are imported than of any other kind of cotton goods. I wish to call the attention of the Senate to the fact that there never was a more outrageous piece of legislation perpetrated than we are now about to confirm, if we shall vote to accept the amendment of the committee as it is now proposed. Cotton cloth provided for in paragraph 903, according to the amendment that is inserted in that paragraph, already bears a differential of 10 per cent. Identically the same cloths are included in paragraph 903 that are included in this. They bear 10 per cent, and then, in addition, there are separated certain kinds of goods on which an additional 12 per cent is imposed, which would, unless the limitation intended to be proposed by the Senator from Utah, as I understand, is agreed to—to the effect that the maximum rate shall not exceed 45 per cent—by the accumulation of these different duties, run the total rate up to the neighborhood of 50 per cent. Although we practically do not compete in this character of cloths with the imported article—they are specialties and novelties that are made out of cotton not produced in America and imported into this country and are sold at higher prices than the nearest comparable domestic cloth—we are adding a duty which will reflect itself and be compensatory throughout the entire scale of cotton goods. It is absolutely uncalled for. The Senator from Wisconsin [Mr. LENROOT] offered an amendment to reduce it to 5 per cent, which, according to that, would have brought it up to the 45 per cent, just by the addition of the cumulative duties, so that the maximum would obtain all the time; and there is absolutely no excuse whatever for the imposition of this additional duty, in view of the fact that it is taken care of by a differential of 10 per cent.

I call for the yeas and nays on the adoption of the committee amendment as modified.

Mr. SMOOT. Mr. President, I join the Senator from South Carolina in asking for the yeas and nays. If there is any one thing in this whole cotton schedule that has been limited so that the duty on the finest and the most costly goods coming into this country shall be limited to 45 per cent ad valorem, it is this very paragraph.

I want to say that in the first four months of 1922 the importations into this country have been 67,000,000 square yards, and yet the Senator says that there is no competition! If that is carried on through the year, there will be 197,000,000 square yards coming into this country, and yet the Senator says there is no competition! I say that the limit of 45 per cent is put here because the committee felt that they did not want the duty in all the cotton schedules to be less than 45 per cent.

Mr. LENROOT. Mr. President——

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

Mr. SMOOT. I yield.

Mr. LENROOT. Where does the Senator get his information that there are 67,000,000 square yards of this kind of goods coming in?

Mr. SMOOT. I say it is cotton goods, and the Senator knows very well that they are not the common, ordinary goods.

Mr. LENROOT. Oh, but they are not this kind of goods. They cover all goods in the cotton paragraphs.

Mr. LODGE. Mr. President, if the Senator will allow me one moment, they do not cover all goods in the cotton paragraphs. They cover only cotton cloths.

Mr. LENROOT. Well, that is cotton cloths.

Mr. LODGE. That is not all goods in the cotton paragraphs.

Mr. SMOOT. There is no need of trying to camouflage the thing. This additional duty is given upon a certain kind of goods that are woven upon certain looms. They are all fancy weaves, and they are all luxuries of the highest type; and, notwithstanding that, the committee says that there shall not be a duty of more than 45 per cent ad valorem, and that is what we are voting upon.

I call for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as modified. Upon that question the yeas and nays have been called for and ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). Making the same transfer as before, I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as on the previous roll call, I vote "nay."

Mr. POMERENE (when his name was called). Again announcing my pair with my colleague [Mr. WILLIS], I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "nay."

Mr. SMITH (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair as announced on the preceding roll call, I vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before, I vote "yea."

Mr. JONES of Washington. Making the same announcement as before with respect to my pair and its transfer, I vote "yea."

Mr. CALDER. Making the same announcement as before, I vote "yea."

Mr. ROBINSON. I have a pair with the Senator from West Virginia [Mr. SUTHERLAND]. Being unable to obtain a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

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

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

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

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

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

The result was announced—yeas 34, nays 24, as follows:

YEAS—34.

Ball	Gooding	McCumber	Phipps
Broussard	Hale	McKinley	Shortridge
Bursum	Harreld	McLean	Smoot
Calder	Johnson	McNary	Spencer
Curtis	Jones, Wash.	Moses	Sterling
Edge	Kendrick	Nelson	Townsend
Ernst	Keyes	Nicholson	Warren
Fernald	Ladd	Oddie	
France	Lodge	Pepper	

NAYS—24.

Ashurst	Glass	Lenroot	Simmons
Borah	Heflin	Overman	Smith
Capper	Hitchcock	Pomerene	Stanley
Caraway	Jones, N. Mex.	Ransdell	Underwood
Culberson	Kellogg	Sheppard	Walsh, Mass.
Dial	King	Shields	Walsh, Mont.

NOT VOTING—38.

Brandegee	Gerry	Norris	Swanson
Cameron	Harris	Owen	Trammell
Colt	Harrison	Page	Wadsworth
Crow	La Follette	Pittman	Watson, Ga.
Cummins	McCormick	Poindexter	Watson, Ind.
Dillingham	McKellar	Rawson	Weller
du Pont	Myers	Reed	Williams
Elkins	New	Robinson	Willis
Fletcher	Newberry	Stanfield	
Frelinghuysen	Norbeck	Sutherland	

So the committee amendment as modified was agreed to.

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

The ASSISTANT SECRETARY. The committee proposes to insert a new paragraph, in which it suggests the following changes:

In the first place, begin line 20 with the numerals "905b"; in line 21, strike out the word "and" between the numerals "903" and "905"; after the numerals "905" insert "and 905a"; on line 25, strike out the word "coarser" and insert the words "not finer"; and on page 126, line 1, strike out the word "coarser" and insert the words "not finer," so that the paragraph will read as follows:

PAR. 905b. In addition to the duties imposed in paragraphs 901, 902, 903, 905, and 905a, there shall be paid on all yarns finer than No. 60, and on all yarns finer than No. 60 contained in threads and cloth, if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound; and on all laps, sliver, and roving, and on all yarns not finer than No. 60, and on all yarns not finer than No. 60 contained in threads and cloth, if containing cotton of 1⅜-inch staple or longer, 10 cents per pound.

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

Mr. SMITH. Mr. President, it is only necessary to call attention to the fact that this paragraph is incorporated here for the purpose of taking care of the 7 per cent duty that was placed on the Arizona cotton; and, as has been contended here, it means that in order to take care of this small percentage of Arizona cotton the American people will be compelled to pay perhaps four or five times the value of all the cotton grown in Arizona. It means that in order to protect this small part of the cotton production of the country the American people consuming the imported cloth that contains any cotton having a length of staple equal to that shall pay this additional duty of 10 cents per pound.

Mr. POMERENE. Mr. President——

Mr. SMITH. I yield.

Mr. POMERENE. Can the Senator from South Carolina give us a statement as to the imports of this long-staple cotton as well as the imports of fabrics and other articles manufactured out of it?

Mr. SMITH. I can not give those figures, Mr. President; but at least 75 per cent of the goods imported into this country are made out of long-staple cotton.

You must understand that the wording in this paragraph is "composed wholly or in part." If you should have in an importation of goods a percentage of cotton of this character, those goods would carry this duty. It is the old idea of saying that if there is one thread of silk in goods, they take the silk duty. The paragraph covers goods containing cotton 10 per cent in weight.

If there were any justification for duties at all in a protective sense, surely on this character of goods there is no justification whatever. There might be a justification of a duty for revenue, because our mills produce hardly a yard of this character of goods. It comes in almost without any competition. We have no comparable cloths produced in this country. Yet we are putting this duty up, not for the purpose of obtaining protection but for the purpose, if possible, of shutting out a kind of goods our mills do not care to go to the expense and trouble to produce, but leaving the American market to such goods as the American mills do produce. The consequence is that for certain fabrics our people have to pay this fabulous unheard-of price.

Mr. POMERENE. Mr. President, the Senator has given a great deal of attention to the study of this subject, and I have not gone into the details of it. He has just made the statement that under the phraseology of this paragraph, if a fabric were made up wholly or in part of long-staple cotton it would have to pay these compensatory duties.

Mr. SMITH. Certainly.

Mr. POMERENE. Are those compensatory duties based upon the long-staple cotton or on the long and short cotton which may be in vogue?

Mr. SMITH. We have two kinds covered here. There is the extra duty by reason of the Jacquard figure. There is the extra duty by virtue of paragraph 903, which takes the vat dyes, and the specification that "All cloths printed, dyed, colored, woven, or figured," carry 10 per cent. In addition to that, this particular paragraph puts on the duty of 12 per cent, and now we come to the compensatory duty of 10 cents a pound for all that contain any yarns of 1⅜ inches.

Mr. POMERENE. What amount of imports of cotton fabrics are made partly of short staple and partly of long staple?

Mr. SMITH. So far as imports of that kind are concerned, they are negligible. But it must be remembered that our own manufacturers can take advantage of this paragraph, and with a minimum of 1⅜-inch cotton, put into the ordinary standard, it would take this duty, and they would get behind it in order that they might raise the price. One can see at a glance that with practically a handful of 1⅜-inch staple, woven into any cloth in this coutnry in the per cent indicated in this paragraph, the goods carry these duties.

As a matter of course, I want it definitely understood that, coming from a State which up to 1920 derived the greater portion of its income from the production of raw cotton, I stand here and plead for such a condition in our financial arrangements that we may be able to spin in American mills every yard of cotton goods made in America. We do not need any duty whatever to reach that happy condition. We have the raw cotton. Ninety per cent of the spinnable cotton of the world is produced on American soil. We may speak about the freight rate from here to Europe being no greater than the rate from Galveston to Boston. That calls for our correction. It does not take a very great strain of our imaginations to picture the condition if this present crop, which promises not to exceed 8,000,000 bales of cotton, is consumed by American mills, as at the peak of consumption in 1919 the American mills consumed 7,000,000 bales of American cotton. If the American cotton crop did not exceed the supply for American spindles, and no cotton were shipped abroad to be converted into the foreign goods and shipped back, what need would there be for a duty on cotton?

We have 90 per cent of the raw material, and if the American cotton crop produced only enough to supply American spindles, we would not have a competitor on the globe. Outside of a small percentage of cotton known as Egyptian cotton, spun into the very finest kinds of yarn, American cotton furnishes the stuff out of which all of the European and oriental manufactures make their ordinary cotton cloths.

Let us suppose what is within the range of probability, that this year the American cotton crop should not exceed the demand of the American spindles; on what ground could a duty on cotton cloth be justified? Nobody outside of America could

get the supply of the raw material; no foreign manufacturer could convert it, and therefore we would not have a competitor. Why should we have a competitor now?

As I started to say a moment ago, though the freight rate has been so manipulated and gerrymandered that the rate from American fields of production to the American mills in the New England States may be exactly equal to the rate to foreign countries, no man can deny that time and distance are the principal elements of the cost in transportation. You can remit the rate, you can rebate it, but you can not eliminate the elements of time and space, and 3,000 miles across the ocean is farther than 700 or 800 miles to New England.

Who has brought this about? It is to the benefit of the American spinner to have American cotton shipped abroad, because he gets the advantage of a duty he could not stand up and ask for otherwise. If no American cotton were shipped abroad there would be practically no reason for any duty on cotton cloth, because we would have a monopoly of the world's production of cotton goods, except the small amount produced out of Egyptian cotton. Yet, with a monopoly of the raw material, with the machinery and the skilled labor to convert this stuff into the finished product, from the coarsest yarns to the finest, we are imposing a duty which would spell the difference between the pauper labor of Europe and the American labor, when American labor produces every pound of cotton, and the only competitor we have is England, whose civilization is equal to ours, and whose wage is practically equal to ours. Then why this duty? It is simply a subterfuge behind which the manufacturer can demand a price from the consumer which he could not justify otherwise.

When you come to the question of Egyptian cotton, the American manufacturer stands on all fours with the English and other European manufacturers, because he can get his Egyptian cotton laid down in America for just about the same it brings laid down in Europe. So that even there we need no protection. The cost of the raw material is the same, and the processes of conversion are as perfect in America, and when it comes to the output of the product per man, it is greater in America than elsewhere. Therefore, aside from the revenue, there is no justification for any duty on American cotton goods.

These are facts of which any man who will take the time to study must be convinced. I do not believe we should open our doors to the influx of European goods without the payment of a duty. I believe the magnificent market we have built up, and the splendid civilized population we have, in a country which is such an inviting field for commerce for those who desire to come here and enjoy the benefits of our market, demand that the foreigners should at least pay their proportionate share in keeping up the machinery to perpetuate that market. But I shall never vote to take money from the pockets of the American people, who civilization and decency decree shall wear clothes, by the imposition of a high duty in a case like this. The great article par excellence out of which the teeming millions of the earth make their clothes is cotton, and, thank God, the southeastern part of North America, under the decree of God, is given a monopoly of the raw material out of which the clothing of 900,000,000 people is made.

We need no tariff to protect us in that gift of God. He has provided a tariff, through seasons and climate, which no man can break down or take away. The imposition upon the American people of these duties is an open declaration that you desire to lay a duty and an impost upon those who toil and desire to be clothed for the benefit of a few. We can spin every pound of American cotton on American soil, and the difference between the freight on the raw material shipped abroad and on the finished product is enough security for the American spinner.

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

Mr. SMOOT. Mr. President, for the RECORD I want to make a somewhat different statement in regard to this matter from that which has already been made. The Senator from North Carolina and also the Senator from South Carolina have made the statement that if there were a few threads of this yarn in a piece of cloth there would be a duty of 10 cents a pound on the whole amount. Both the Senators are mistaken.

There must be a number assumed which will mark the dividing line between cloth made out of short-staple and that made out of long-staple cotton. That is about a 60, and this amendment does not apply to a yarn finer than 60. We provide that the cotton must constitute a minimum of 10 per cent of the cloth in order to take the duty, so that if there were two broad selvidges of long-staple cotton and the balance of it made of short-staple cotton the cloth would not bear the extra amount of duty.

There are two reasons why long-staple cotton is used. One is that a thread may be spun finer than the short-staple cotton can produce. The other is that the cloth can be finished only by Egyptian cotton and can not be finished by short-staple cotton. The committee have guarded that, so that no mistake can be made.

Mr. POMERENE. Do I understand the Senator correctly that it is his position that there must be 10 per cent of the long-staple cotton in the fabric before it would be subject to the additional tax?

Mr. SMOOT. It is said that—

> If constituting more than 10 per cent in weight of such threads or cloth.

Mr. POMERENE. That is the Senator's construction?

Mr. SMOOT. Certainly; it says so in the amendment. Not only that, but I want the Senator to understand that language is put in there—and I would not care if it were the law now—so that they can not bring in a piece of fancy cloth with a plaid of 2 or 3 or 4 inches and in the markings of the plaid have the long-staple cotton and the balance of the cotton short staple, and draw the extra 10 cents a pound on all of the cloth. When it comes to the cloth that is woven straight out, so that there is a plain cotton warp of the short-staple cotton and the long-staple cotton, no manufacturer would ever think of doing it in the world. This will take care of every situation that can be thought of by the experts and by men who pass upon the goods at the ports of entry.

I simply rose to say this much, Mr. President, and I am now ready for a vote upon the amendment.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Certainly.

Mr. KING. I understood the Senator from South Carolina to state that the provision was in the nature of a compensatory rate occasioned by the tariff which was granted to the long-staple cotton from Arizona.

Mr. SMOOT. That is true.

Mr. KING. Does the Senator assent to that?

Mr. SMOOT. Absolutely. There is no question about it at all.

Mr. KING. Has the Senator determined how much this compensatory duty will add to the cost of the products which will be formed out of long-staple cotton?

Mr. SMOOT. Taking the class of goods as a whole into which the long-staple cotton enters, it will amount to an ad valorem duty of between 4 and 5 per cent. Take spool cotton, for instance, because that is perhaps the most extreme case I can think of now. That is 2 cents a pound to-day. The cotton is used in that. If it is 10 cents a pound, 5 per cent on $2 would be 10 cents, and it is 5 per cent upon that. I could take some other threads not so fine as that, and it would not amount to that, but I want to say to the Senator that the Senate having imposed a 7-cent duty upon long-staple cotton, which no manufacturer in the United States wanted, they must be compensated for it in the manufacture of these goods.

Mr. KING. I wish to ask the Senator approximately the aggregate value of the goods and textiles produced in the United States and sold in the United States or imported into the United States that would get the benefit of this compensatory duty?

Mr. SMOOT. On the goods that are produced in the United States it would not be a very large per cent, but of the goods that are imported in the United States I think there would be about 75 per cent of them that would fall under the provisions of this amendment.

Mr. KING. So, then, of course it would add materially to the cost of the imported article.

Mr. SMOOT. It would.

Mr. KING. And it would add materially to the cost of the domestically produced article?

Mr. SMOOT. No; I do not think it will, because that is given as a compensatory duty, although if they did not have the compensatory duty they could sell it for that percentage less. I first had in mind the profits to the manufacturers rather than the cost to the American consumer.

Mr. KING. What I was trying to elicit, if I may be pardoned for taking a moment's further time, was the approximate number of yards, or the value of the yards that would be affected by this duty, with a view to determining approximately the additional cost to the American people in order to afford the protection to this limited number of pounds of long-staple cotton produced in Arizona.

Mr. SMOOT. I will say to the Senator that if there is imported into the United States the same proportion for the balance of the year 1922 as has been imported for the first four months of this year, it will apply to at least 75 per cent of 197,000,000 yards of cloth. I do not want to be exact as to

75 per cent, but I think I am well within the figures when I say that.

Mr. LENROOT. Mr. President, I can give the Senator the figures under the present compensatory duty provision for the imports of 1921, but it is to be remembered that that applies to the cotton where the long-staple cotton is the component article of chief value. Under that provision in 1921——

Mr. SMOOT. It is not the same rate.

Mr. LENROOT. The Senator is very much mistaken in his 75 per cent, if that is true, because the countable cotton cloth not bleached of the short staple was 10,331,000 yards and of the long staple 1,294,000 yards; of the bleached, 12,240 short staple and 7,223 long staple; of the printed, dyed, and so forth, of short-staple cotton 52,000,000 and of long-staple cotton 22,000,000—about 33 to 40 per cent.

Mr. SMOOT. I say that those figures are under the present rate of duty. This is how it would figure out on the higher classes of goods that perhaps carry more of the long-staple cotton than otherwise. It will not be higher than 75 per cent, and perhaps lower.

Mr. POMERENE. Mr. President, I would like to ask the Senator from Utah a question. If I am wrong in my figures, I want to be set right. I am told that the production of long-staple cotton in this country amounts to about 5,000,000 pounds. Those are the figures given by the experts. On page 864 of the Tariff Commission Survey I find that the production in 1919 of tire duck was 121,745,000 square yards, or 128,174,000 pounds, valued at $143,086,000; and of other tire fabrics 36,806,000 square yards, or 29,917,000 pounds, valued at $32,602,000. The United States produces over 80 per cent of the automobile tires of the world and a corresponding amount of tire fabric. Now, this is long-staple cotton, and a large part of it is used for the making of these fabrics.

Mr. SMOOT. That is true.

Mr. POMERENE. I know that our tire manufacturers are planting some of this cotton down in Arizona. It would seem that while 80 per cent of the automobile tires are produced here, at the same time we are only producing about 5,000,000 pounds of that cotton.

Mr. SMITH. I think that should be 50,000,000 pounds.

Mr. SMOOT. I was going to suggest to the Senator that should be multiplied by 10. It should be 50,000,000. It is a mistake in the computation.

Mr. POMERENE. What I am trying to find out, if I can, is how much this duty of 7 cents a pound on long-staple cotton is going to cost the industries of this country?

Mr. SMOOT. I think no one could say that right offhand; but, of course, it will not be 5 per cent, because that is on very high-priced goods.

Mr. SMITH. It would be very nearly 5 per cent.

Mr. SMOOT. No; not on that tire fabric.

Mr. SMITH. Yes; it would on that character of goods.

Mr. SMOOT. I will say to the Senator that the expert, Mr. Clark, of the Tariff Commission, advises me that the value is about $1 a pound. So if that were the case the 10 cents would be about 10 per cent ad valorem on the cloth if it weighs 1 pound to the yard, but I doubt whether the tire fabric weighs a pound to the yard. I would not want to give a definite answer until I could look it up further.

Mr. POMERENE. I was misled in the early part of my inquiry by the statement as to the amount produced, but, of course, the long-staple cotton is used for many other purposes.

Mr. SMOOT. Yes; it is.

Mr. POMERENE. It would seem, however, that we were producing probably as much long-staple cotton as would be necessary for the automobile business if it were all used for that purpose. I would like to know, if I may, just what this is going to mean in cost to the entire industrial and consuming public of the country.

Mr. SMOOT. If I knew, I would be glad to tell the Senator just what it is, but I do not think I can give the exact figures.

Mr. POMERENE. I would like to have one of the experts take up that subject and advise us. I would like to know something about it if it is possible to get the information.

Mr. SMITH. One thing is very certain, and that is that all the fabric made out of Egyptian cotton, or the fabric that is made of cotton of that length, all cloths imported that have this cotton in it, up to 10 per cent and above, all mercerized silk, all forms of finer goods, all such that is imported into this country that has above 10 per cent of long-staple cotton, including the 150,000,000 pounds produced here and what we import, would be affected by this duty. It is difficult to figure out just what proportion of our cotton fabric is of this character of goods.

Mr. POMERENE. It rather seems to me we could afford to take all the long-staple cotton producers and board them at the Waldorf-Astoria Hotel for the balance of their lives rather than pay this amount of duty.

Mr. McCUMBER. Mr. President, if we were to take the imports of 1921, after the emergency tariff law went into effect, which gave 7 cents a pound duty, there would be about 37,559,000 square yards. For a year at the same rate it would be equivalent to about 66,000,000 square yards. There are on the average about 5 square yards, I am informed, to a pound of cloth. That would give us about 11,000,000 pounds. Eleven million pounds at 10 cents a pound would be $1,100,000. That would give us at least something of an estimate of what it would cost provided it was always added to the cost of the goods.

Mr. POMERENE. Do I understand the Senator from North Dakota now to be referring solely to tire fabrics?

Mr. McCUMBER. No; I was referring to the importation of cloth which came in under that provision which allows 10 per cent where the cloth is composed of cotton of 1⅜-inch length of fiber.

Mr. SMOOT. I will say to the Senator from Ohio that tire-fabric cloth weighs a great deal more than cloth that is referred to by the Senator. It is true that of ordinary dress cloths there are about 5 square yards to the pound, but there is not nearly so much in the case of tire fabrics; in fact, I think they do not exceed 2 yards to the pound, and some say not that much. If they average 2 yards, with a foreign valuation of a dollar, then there would be 5 per cent added.

Mr. POMERENE. As I understand, then, the effect of this provision, according to the figures which have been given by the Senator from North Dakota—and I do not think he means to say that they are entirely accurate—this would be in addition to other duties which these fabrics must pay when they come in?

Mr. McCUMBER. Yes; I had reference simply to the different kinds of cloth embraced in the paragraphs we have just mentioned, and on which a duty of 10 cents per pound is imposed to cover the duty on long-staple cotton.

Mr. POMERENE. That 10 cents is in addition to all the other duties.

Mr. McCUMBER. Certainly; and it is to cover the 7 cents per pound duty on the imported long-staple cotton, the waste, and so forth.

Mr. LENROOT. I should like to ask the Senator from Utah why a change is made in the provision of the present emergency tariff law in providing for this compensatory duty? Why was it necessary? Why was it done? The present law seems to work out satisfactorily. Why did not the committee continue the compensatory duty that is provided in the emergency tariff act?

Mr. SMOOT. I will say to the Senator that it has been found very difficult to administer the provision of the emergency tariff act, and in order to clarify it these words were suggested so that the administration of the law would be very much more simple.

Mr. LENROOT. The administration of the law might be very much more simple, and yet the provision which the committee has incorporated in the bill might give a very great advantage to the cotton manufacturers of this country.

Mr. SMOOT. No. If a manufacturer should try to make a thread above 60 out of short-staple cotton he would lose more than he would gain. It would be just like trying to make a fine thread of wool out of a coarse piece of wool. It might be done, but it would cost more than it would to buy the fine wool and make the finer thread from it. So it is in this case. Therefore the committee fixed 60 as the minimum.

Mr. LENROOT. The Senator says that the provision does not apply to anything under 60.

Mr. SMOOT. Yes; in the first part of the paragraph.

Mr. LENROOT. What about the second part?

Mr. SMOOT. The manufacturers will never attempt to make yarn of a mixture of long-staple and short-staple cotton; no manufacturer will do that.

Mr. LENROOT. Is not the thread in the cloth just the same? And is not the same language used?

Mr. SMOOT. The same language is used as to all yarn finer than No. 60.

Mr. LENROOT. Does not the paragraph impose a duty of 10 cents a pound on the total weight of the cloth?

Mr. SMOOT. It would on shoe threads, for instance, which are all made of that kind of yarn, and which are not computed in yards at all. Shoe threads are all made of long-staple cotton; they are not computed in square yards; so we have got to make the computation by the pound. It is to take care of in-

stances of that kind. As another illustration, take cotton heddles. Where a heddle breaks during the weaving of the cloth the only way that situation can be taken care of is to use the very finest piece of cotton in place of the wire that has been broken. Therefore the strongest possible cotton has to be used, and it comes not in yards but by the pound.

Mr. LENROOT. Would it be possible—the Senator is personally familiar with this question—to have the warp of long-st. ple cotton and the woof of threads of short-staple cotton?

Mr. SMOOT. The cloth would have a very different finish, I will say to the Senator.

Mr. LENROOT. Why?

Mr. SMOOT. Because one finishes entirely different than the other; there is more luster in one than in the other.

Mr. SMITH. But the Senator will not pretend to say that the warp could not be of one and the filling of the other.

Mr. SMOOT. I did not say that could not be done; but who is going to do it?

Mr. LENROOT. Does the Senator say that there is no cloth of that kind made?

Mr. SMITH. It is done, just as cloth is made with a cotton warp and a wool filling; of course it is done.

Mr. SMOOT. The same as cloth is made of a cotton warp and a wool filling?

Mr. SMITH. Yes.

Mr. SMOOT. Not at all.

Mr. LENROOT. Does the Senator say there is no cloth of that kind?

Mr. SMOOT. I would not say that there is not, but I can not conceive of much of it ever being used.

Mr. LENROOT. If that is true, why did not the committee retain the language "component material of chief value," and then apply the numbers as they have been applied? That would have taken care of the administrative feature, and yet it would not have permitted, if it is possible to have cloth of which 15 per cent is long staple and 85 per cent of short staple, to have a duty of 10 cents a pound imposed upon the whole fabric.

Mr. SMITH. I am informed there is considerable India lawn where the warp is 60's, made of $1\frac{5}{16}$ staple, and the filling is 100's, made of $1\frac{3}{8}$ staple.

Mr. SMOOT. The warp is made of one kind of cotton?

Mr. SMITH. Yes; and the filling made of another kind, just as there may be a cotton warp and a wool filling. The finish appears in the filling.

Mr. SMOOT. Possibly such a cloth may be woven.

Mr. SMITH. As a matter of course, the filling is what appears as the cloth; the other is the material that holds it together, just as in the case of a Brussels carpet, the threads which bind it together are made out of one kind of material and the carpet is made out of another.

Mr. SMOOT. The filling holds the cloth together just as much as does the warp. The filling holds it when it is stretched one way and the warp holds it when it is stretched the other way.

Mr. SMITH. That may be true; but the appearance is given by the filling, and it sells on the basis of the filling.

Mr. LENROOT. One other question. This seems to be the only compensation provided for in the bill on account of the duty on long-staple cotton. Why is it provided for in the case of cotton cloth and not provided for in the case of other cotton articles?

Mr. SMOOT. For instance, I will take plushes. We know that they can not be made of anything else than long-staple cotton. I have seen cotton plushes made with 400 picks to the inch, and no cotton but long-staple cotton can be used for such material. We provide for a direct rate upon such goods; compensatory duties are not mentioned; but in the rate that is provided as to all plushes the duty on long-staple cotton has been taken into consideration.

Mr. LENROOT. That is to say, on all other articles in this schedule other than cloth, in fixing the rates the committee took into consideration the compensatory duty.

Mr. SMOOT. Wherever the long-staple cotton is used. I say again that the Arizona cotton can not make the kind of thread that goes into plushes; it can not be drawn that fine. I thought there was a mistake when a witness said that there were 400 picks to the inch, but I took the plush myself and counted them, and there happened to be not quite 400 to the inch but there were 377 to the inch.

Mr. HITCHCOCK. I did not quite understand the Senator's reply to the Senator from Wisconsin. The Senator from Wisconsin asked when the yarn in cloth containing one-tenth of the long-staple cotton was included whether the duty of 10 cents a pound was applied to the whole article?

Mr. SMOOT. The limitation has been put in so that the manufacturers could not put in a few threads of the long-staple cotton or put in a selvage of such material and then claim the duty. As to the finish of the cloth, it does not make any difference whether the selvage is cotton or hemp or anything else, for it is not a part of the cloth. So that without the limitation of 10 per cent they could put finer yarns in the selvages and claim the whole duty. We put that limitation in so that it would not apply, as it applied in the Payne-Aldrich law in the event one such thread was used in the fabric. I will say to the Senator now that this applies as to all laces, and when we reach that schedule, if the question comes up again, I will go into it in detail.

Mr. HITCHCOCK. As I understand, then, the 10 cents a pound applies to all cloth in which at least 10 per cent of long-staple cotton is used?

Mr. SMOOT. Absolutely; and if any less than that has been used, the 10 cents a pound rate does not apply. For instance, as I have already explained and while the Senator was out, the manufacturers could make a fancy piece of cloth, say a 4-inch plaid, with only two or three threads constituting the plaid, and then claim the duty, unless we provided a minimum.

Mr. HITCHCOCK. What object would an importer or a foreign manufacturer have in doing that?

Mr. SMOOT. To get the duty of 10 cents a pound on the cloth.

Mr. HITCHCOCK. Is the Senator referring to the importer or the foreign manufacturer?

Mr. SMOOT. Yes; or anyone else who may want to sell the goods. It might be the importer or it might be the manufacturer.

Mr. HITCHCOCK. What object could the foreign manufacturer or the importer possibly have in desiring to increase the duty?

Mr. SMOOT. It would be the manufacturer in this country who would complain against a practice of that kind.

Mr. HITCHCOCK. Then, in fact, the duty of 10 cents a pound on an article having only 10 per cent of long-staple cotton in it is a 100 per cent duty?

Mr. SMOOT. No; because it will never operate.

Mr. HITCHCOCK. I mean, taking it just as it reads here, it is equivalent to a duty of $1 a pound on the long-staple cotton.

Mr. SMOOT. Yes; providing the goods could be made with only 10 per cent of the long-staple cotton, and then claim the full amount of duty.

Mr. HITCHCOCK. In that case it amounts to $1 a pound.

Mr. SMOOT. It would in such a case, but there can be no such case.

Mr. LENROOT. If there be none, why did not the committee confine it, as the custom and general practice has been, so as to make it read "the component material of chief value"? Then the situation would have been fully taken care of, would it not?

Mr. SIMMONS. That expression runs all through the wool schedule. Where the material is made partly of wool and partly of something else, the duty is imposed on the basis of "the component material of chief value." Why was not that done here?

Mr. SMOOT. Because of the difficulty of administration of the law. The provision which has been inserted here is a provision which the department asked for, and so the committee put it in.

Mr. SIMMONS. The 10-cent duty provided in this instance is upon the entire weight of the cloth, although it may not contain in weight one-half of long-staple cotton.

Mr. SMOOT. There are no such cases.

Mr. SIMMONS. I wish to say to the Senator from Utah that I think he is mistaken.

Mr. SMOOT. Of course the Senator is entitled to his opinion.

Mr. SIMMONS. Egyptian cotton is brought in and used, as our long-staple cotton is used, mostly in conjunction with short-staple cotton.

Mr. SMOOT. Oh, no.

Mr. SIMMONS. In the manufacture of cotton goods.

Mr. SMOOT. This paragraph applies only to No. 60 and finer yarns; it does not apply to anything under 60's.

Mr. SIMMONS. The Senator does not mean to say, if it is above 60, that the cloth is made entirely of long-staple cotton?

Mr. SMOOT. Does the Senator mean threads made of long-staple cotton?

Mr. SIMMONS. Yes; yarns or cloth.

Mr. SMOOT. I want to say that it does not pay very well to try to make a finer thread than No. 60 of shorter staple cotton.

Mr. SIMMONS. Not altogether with short staple, but it would pay to mix the two.

Mr. SMOOT. Oh, no; it would not.

Mr. SIMMONS. I am quite sure that is done.

Mr. SMOOT. That is not done.

Mr. SIMMONS. I am quite sure it is done.

Mr. SMITH. The Senator from Utah will admit that the great dividing line between the long and short staple—that is, between 1⅜ and that which is shorter—is 80.

Mr. SMOOT. No; I will admit that the very longest cotton that falls under the 1⅜ can be spun to 80's and has been spun in a few cases to 80's, but it never pays; the loss is too heavy.

Mr. SMITH. When you get up to 1¼ you can make 60's.

Mr. SMOOT. Yes; you can make the 60's very comfortably.

Mr. SMITH. And you can make the 70's. You have a leeway there of 20 ounces into which cotton of a staple other than 1⅜ will enter. I will submit that to any reputable millman in America. Any reputable spinner will tell you that he can use shorter staple up to 80's. With cotton below 1⅜ you can make up to 80's, but when you get up to that very fine twist in 80's you will have too much loss and too much breakage; but from 60's to 80's you have 20 counts in which you can use a shorter staple than 1⅜.

Mr. SMOOT. But what is the practice? They do not use it; that is all. There may be a bale of cotton picked out here and there or sold specially that would run very close to 1⅜ where they could go above 60's, but they do not try it, because it is just like taking cotswold and trying to make a 30 thread out of it. You can do it; there is not any doubt about it; you can do it, but in doing it the loss is so great that it never pays.

Mr. SMITH. The experience of the spinning mills throughout this country is that in the bulk of the yarn spun up to, I should say, 70's they use very little of the 1⅜-inch staple, because they have not got it. You have a tremendous amount of 60's; but, of course, when you get up to 80's you have entered the domain of the longer staple cotton. Your amendment here drops the count down to 60's, and there is no telling what amount of cotton of a staple less than 1⅜ is coming under that.

Mr. SMOOT. Suppose all that the Senator says is the fact. Let me read this to him: It is simply the threads that are contained in it; it is not the whole of it.

Mr. SMITH. Oh, I recognize that.

Mr. SMOOT. The Senator from North Carolina [Mr. SIMMONS] did not recognize it.

Mr. SMITH. It is in the last paragraph, not in the first. Read it from the beginning.

Mr. SMOOT. That is exactly what I say. The first part reads:

> There shall be paid on all yarns finer than No. 60, and on all yarns finer than No. 60 contained in threads and cloth—

The yarns, not the cloth—

> if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound.

Even the threads in the cloth will not be taken into consideration unless they are 10 per cent of the whole number of threads in the cloth. Even then that 10 cents a pound will not be imposed.

Then it says here:

> And on all yarns not finer than No. 60, and on all yarns not finer than No. 60 contained in threads and cloth—

If there are any threads there in which it is not contained, it does not take the duty of 10 cents a pound.

Mr. SMITH. Mr. President, does not the Senator from Utah think that he has given a leeway there to the manufacturers that is not justified by the practice when he has lowered to 60s the count below which, of course, this duty does not apply?

Mr. SMOOT. No; I will say to the Senator that I do not. If all the threads have this cotton in them they ought to have the duty of 10 cents a pound. If 5 per cent of them have it, they will not get anything for it. If 9 per cent of them have it, they will not get anything for it. It has to be 10 per cent before they get anything, and when they get anything it is for the threads that are in the cloth and the cotton that is contained therein.

Mr. SMITH. Yes; but you have lowered your count to a point where you have taken in a lot that is not 1⅜. That is the most liberal concessions to a manufacturer that was ever written into a bill. You have 20 counts there in which he can employ any other cotton and get the duty on a staple of 1⅜ inches.

Mr. SMOOT. He can not do it. It will not pay him to do it.

Mr. LENROOT. Mr. President, do I understand from the Senator from Utah that no yarns of 60 or upward are made of ordinary cotton—that they are all made of this long-staple cotton?

Mr. SMOOT. I stated that with picked cotton with a staple of a little less than 1⅜ inches they have been able to spin up to 80, but it is so small that it amounts to hardly anything. Every manufacturer will tell you that the dividing line is 60's, and therefore we did not take into consideration anything outside of 60's.

Mr. LENROOT. Why should not the first part of this paragraph have the same provision as the latter part—

> if containing cotton of 1⅜-inch staple or longer?

It is as easy to determine that in one case as it is in the other, is it not? In the yarn referred to in the first part of the paragraph there does not need to be one particle of this long-staple cotton, and yet it will carry 10 cents a pound compensatory duty. I do not know why in the second part of the paragraph it is provided that if any part of that coarser yarn has long-staple cotton in it it shall take the duty, but there is no reference at all in the first part of the paragraph to long-staple cotton.

Mr. SMITH. Not a bit.

Mr. LENROOT. And the pretense is, or the purpose is, to make this a compensatory duty.

Mr. SMOOT. I would not care if you wanted to put it at 70's, but all of the people who came before the committee agreed that 60's was the dividing line, and it was suggested by the appraisers themselves that there was the place to put it. I do not want to pay them a single penny more than absolutely necessary in the shape of a compensatory duty for long-staple cotton.

Mr. SMITH. Mr. President, the bulk of the American yarns or threads are made up to and including 40's, from 40's down.

Mr. SMOOT. Ninety-three per cent.

Mr. SMITH. After you get above 40's you enter the domain of what is known as staple cotton—that is, 1 inch and above. You get 1 inch, 1 1/16, 1¼, 1 3/16——

Mr. SMOOT. One and one-eighth.

Mr. SMITH. One and one-eighth, and then you get up to about the longest that is produced in America, 1⅜, of that kind of cotton—sea-island cotton—but when you leave 40's, up to at least 70's, you have a domain there in which the South Atlantic States, the Gulf States, Mississippi and Texas, all produce cotton that is longer than an inch in staple. You have an inch and a sixteenth, and that can be spun into 60's; and when you get up to an inch and an eighth, or an inch and a quarter, you have a tremendous amount of North Carolina cotton and South Carolina cotton that would come in under that first paragraph.

Mr. SMOOT. If you want 70, take 70. I do not care about it. As I have already said, I do not want to give one penny in the way of compensation to which they are not entitled. I say again that everyone that appeared before the committee stated that the dividing line is 60, and I am quite sure that that is the practice; but if the Senator from Wisconsin desires to increase that to 70, I have not any objection at all.

Mr. LENROOT. It will still take care of it, because the latter part of the paragraph takes care of less than 70. Then suppose we change them both to 70.

Mr. SMOOT. That is what I say. If you change one, you should change the other.

Mr. LENROOT. Certainly.

Mr. SMITH. Just change them both to 70.

Mr. SMOOT. Then I ask that "70" be inserted instead of "60" in two places on line 22 and in two places on line 1 of page 126. There are four places where the number "60" applies in that amendment. I desire that each one be changed to "70."

The VICE PRESIDENT. The question is on the committee amendment as modified, which will be stated.

The ASSISTANT SECRETARY. On line 22, page 125, it is proposed to change "60" to "70," and on line 1, page 126, it is proposed to change "60" to "70."

Mr. SMOOT. In both places.

Mr. POMERENE. Mr. President, I want to ask the Senator from Utah another question. Of course, this provision here, which reads "if constituting more than 10 per cent in weight of such threads or cloth, 10 cents per pound," means that if 10 pounds in weight come in, and one pound of it, or 10 per cent, is long-staple cotton, then the duty of 10 cents per pound would be $1 on the entire amount?

Mr. SMOOT. In practice it means that if they try to put long-staple cotton in a selvage and try to get it in here, the 10 per cent is more than the selvage would be, and therefore they will not get any compensation for the cloth.

Mr. POMERENE. That does not quite answer the question.

Mr. SMOOT. The other way, with 70's, it is impossible to do it. Does that answer the Senator's question?

Mr. POMERENE. No; I think not.

Mr. SMOOT. Then I do not know how to answer it.

Mr. POMERENE. Just let me state my position. Suppose we have a fabric coming in here that weighs 10 pounds and 10 per cent of it in weight is long-staple cotton. Then the 10 cents per pound applies to the entire 10 pounds, or $1.

Mr. SMOOT. If there was "such an animal"; but I want to say to the Senator——

Mr. POMERENE. You have assumed that there was "such an animal"; otherwise, you would not have phrased this as it is.

Mr. SMOOT. No; I will say to the Senator that that is not what this means, either. If the Senator will follow this, he will see that it reads:

There shall be paid on all yarns finer than No. 60 and on all yarns finer than No. 60 contained in threads and cloth—

So, if it is not contained there, it does not pay anything——

Mr. POMERENE. Of course not.

Mr. SMOOT. No matter what it is. If it is 10 per cent, or 20 per cent, or 30 per cent, it will be just what is contained in the cloth. Ten per cent is the limit. So they will not pay them anything if 9 per cent of the cloth contains these threads. They will not pay them anything if 5 per cent of the cloth contains these threads. It has to be over 10 per cent, and when it is 10 per cent they pay it upon the amount contained in the thread or cloth.

Mr. POMERENE. Then the Senator's construction of this language is, to use the illustration which I have used, that they would pay only 10 cents on the 10 pounds?

Mr. SMOOT. It could not be otherwise.

Mr. POMERENE. That answers my question.

Mr. SMOOT. On any part of the 10 pounds they would pay the proper proportion of the 10 cents a pound, with the single exception that unless there is at least 1 pound of it, they do not pay anything. If there are only 14 ounces of that 10 pounds, they will not get any compensation whatever.

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

Mr. SMITH. Is that on paragraph 905a?

Mr. SMOOT. It is.

Mr. SMITH. That is, the question is on the paragraph as amended?

Mr. SMOOT. It is.

Mr. SMITH. It is the final vote on the paragraph, and I ask for the yeas and nays.

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

Mr. POMERENE (when his name was called). I have a general pair with my colleague [Mr. WILLIS]. Not being able to obtain a transfer, I withhold my vote. If at liberty to vote I would vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and vote "nay."

Mr. SMITH (when his name was called). Transferring my pair with the Senator from New York [Mr. WADSWORTH] to the Senator from Texas [Mr. CULBERSON], I vote "nay."

Mr. TRAMMELL (when his name was called). In the absence of my pair, the Senator from Rhode Island [Mr. COLT], and being unable to get a transfer, I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before as to the transfer of my pair, I vote "yea."

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

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

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

The Senator from Missouri [Mr. SPENCER] with the Senator from Montana [Mr. MYERS].

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Vermont [Mr. PAGE], I vote "yea."

Mr. GLASS. Making the same announcement as on the previous vote, I vote "nay."

Mr. LODGE (after having voted in the affirmative). The senior Senator from Alabama [Mr. UNDERWOOD] has not voted, and I therefore transfer my pair with that Senator to the Senator from Maryland [Mr. WELLER] and allow my vote to stand.

The result was announced—yeas 32, nays 22, as follows:

YEAS—32.

Ball	France	Lodge	Oddie
Brandegee	Gooding	McCumber	Pepper
Broussard	Hale	McKinley	Phipps
Capper	Harreld	McLean	Shortridge
Curtis	Johnson	McNary	Smoot
Edge	Jones, Wash.	Moses	Sterling
Ernst	Kendrick	Nelson	Townsend
Fernald	Keyes	New	Warren

NAYS—22.

Ashurst	Glass	Lenroot	Smith
Borah	Heflin	Overman	Stanley
Caraway	Hitchcock	Robinson	Swanson
Dial	Jones, N. Mex.	Sheppard	Walsh, Mass.
Fletcher	Kellogg	Shields	
Gerry	King	Simmons	

NOT VOTING—42.

Bursum	Harris	Owen	Trammell
Calder	Harrison	Page	Underwood
Cameron	Ladd	Pittman	Wadsworth
Colt	La Follette	Poindexter	Walsh, Mont.
Crow	McCormick	Pomerene	Watson, Ga.
Culberson	McKellar	Ransdell	Watson, Ind.
Cummins	Myers	Rawson	Weller
Dillingham	Newberry	Reed	Williams
du Pont	Nicholson	Spencer	Willis
Elkins	Norbeck	Stanfield	
Frelinghuysen	Norris	Sutherland	

So the committee amendment as modified was agreed to.

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

The READING CLERK. The next amendment is, in paragraph 906, the paragraph covering tracing cloth, page 126, line 4, to strike out "17" and insert "20" before the words "per cent ad valorem."

Mr. SMOOT. I rose to say just a few words for the RECORD, but if Senators are ready to vote I will not say anything. Does the Senator from South Carolina desire to say anything on the amendment?

Mr. SMITH. I think, taking into consideration the difference in the American and foreign valuations, the rate as adopted by the House and the Senate committee are about the same, and it is about equal to the rate of duty in the present law.

Mr. SMOOT. The rate of duty upon tracing cloth is within 1 per cent of the rate in the Underwood law.

The amendment was agreed to.

The next amendment was, in paragraph 906, on page 126, line 8, to strike out "17" and insert "20."

Mr. SMOOT. The same explanation applies to that amendment.

The amendment was agreed to.

The next amendment was, on line 11, to strike out "20" and insert "30."

Mr. SMITH. I think the Senator will agree with me that that rate is too high.

Mr. SMOOT. The Senator has reference to waterproof cloth?

Mr. SMITH. Yes. The rate in the present law is 25 per cent, and this rate amounts to about 37 per cent. So it is an increase of 12 per cent, when the waterproof cloth, of which I have a sample here, is nothing but very heavy, tight-woven cloth. It is not waterproofed; it is just waterproof cloth. Any mill can make it. I am informed that the value of the imports for 1921 was only $63,000, whereas the amount we use is something like $10,000,000 worth. I would suggest to the Senator that we reduce that rate to the House rate. That would about take care of the situation.

Mr. SMOOT. The Underwood Act places a duty of 25 per cent on this article, and the equivalent duty provided for by the amendment is only 37 per cent. The Payne-Aldrich duty was 50 per cent. Perhaps if this waterproof cloth were just single cloth, it would be enough to impose a duty of 30 per cent, but sometimes it is composed of threefold or twofold cloth, and an immense amount of expensive work is required to make it. This duty is put on to take care of that kind of cloth, and I can not see why it should be reduced below 37 per cent.

Mr. SMITH. The equivalent ad valorem under the Payne-Aldrich law, calculated upon the valuation of the cloth now, would be 34 and a fraction per cent, and under this amendment it is 37.09 per cent.

Mr. SMOOT. It is unfortunate that that statement has so often been taken by a number of Senators as being a just statement. There is no one who does not know that at this time cotton cloths of all kinds are double the prices they brought in 1910. It is true that if you take those prices of 1910, with this ad valorem duty, the rate would be about 34 per cent; but the

prices of cloth are not the same to-day as they were in 1910, and it is unfair to compare the equivalent ad valorem. Under the Payne-Aldrich law in 1910 the import duty was 50 per cent.

Mr. SMITH. It was 49.7.

Mr. SMOOT. It was practically 50 per cent, and with the prices of cloth as they are to-day this rate is the equivalent of 37.09 per cent. That is the difference. In other words, it is a reduction from the Payne-Aldrich rate of 12½ per cent.

Mr. SMITH. Oh, no; it is not fair to bring in the Payne-Aldrich law.

Mr. SMOOT. We can not go back and take the price of 1910. Taking the price of to-day the equivalent ad valorem is 37.09.

Mr. SMITH. Under this bill?

Mr. SMOOT. Yes; and the equivalent ad valorem under the Payne-Aldrich law was 50.

Mr. SMITH. It was 34.17.

Mr. SMOOT. No; that is, provided the price was as of to-day; but I am speaking of the price to which the Payne-Aldrich law was applied.

Mr. SMITH. Yes; and it amounted to 49.73.

Mr. SMOOT. Yes; I said 50.

Mr. SMITH. This fabric is made out of very coarse yarn. It is whole woven. It is just a very tight weave, made for automobile covers.

Mr. SMOOT. That is one type. I just stated that we could get along with the one-ply type, but we have the three ply and the two ply, and we have to protect them.

Mr. SMITH. The Senator knows the character of this cloth even where it is of more plies or where it is waterproofed, where rubber is compressed into it, and any mill may perform that act, but he can not claim that these goods are of a very highly technical composition.

Mr. SMOOT. Not of the one ply, but it is of the two ply and three ply.

Mr. SMITH. Even in the other plies it is very easily woven. I do not see why we should add to the already exorbitant cost of the ordinary automobile by putting a duty that is from 10 to 15 or 20 per cent higher on the covers of the cars, when we are importing practically none and are furnishing more than our own people can consume.

The House had a duty, whether or not in part of India rubber, of 5 cents per square yard and 20 per cent.

Mr. SMOOT. That was the American valuation.

Mr. SMITH. Yes; I will admit that it was American valuation. The Senate committee changed it to 5 cents per square yard and 30 per cent, but it seems to me that 5 cents a yard and 20 per cent ad valorem would be adequate to protect.

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

The PRESIDING OFFICER (Mr. EDGE in the chair). Does the Senator from South Carolina yield to the Senator from Nebraska?

Mr. SMITH. I yield.

Mr. HITCHCOCK. I would like to inquire, combining the 5 cents per square yard with the 30 per cent ad valorem, what total ad valorem protection is given?

Mr. SMITH. Under the present bill it is 37.09 on the cloth.

Mr. HITCHCOCK. It is something, of course, that is made by machinery here just as well as elsewhere?

Mr. SMITH. Certainly. We imported practically none. The Senator has some idea of the number of automobiles in the country that have been covered with this kind of cloth. I have not the exact figures, but 99 per cent of the cloth that we have used of this kind is produced in this country.

Mr. HITCHCOCK. Does the Senator from Utah concede that the imports are practically negligible?

Mr. SMOOT. The imports for 1921 were negligible, but there were $63,898 worth.

Mr. HITCHCOCK. How were they for 1920 and other years?

Mr. SMOOT. I have not the figures here.

Mr. HITCHCOCK. I mean under the Underwood-Simmons tariff law have they ever amounted to much?

Mr. SMOOT. No; I do not think they have been heavy.

Mr. HITCHCOCK. Then why increase the duty?

Mr. SIMMONS. I have the figures. In 1914 the importations were $88,427. Since then they have increased. In 1918 they were $191,000; in 1919, $139,000; in 1920, $121,000; and for the first nine months of 1922 they were $73,000.

Mr. SMITH. The Tariff Information Survey on waterproofed cotton and other vegetable waterproofed fiber contains a table beginning with the year 1899. It reached its maximum in 1909. It then dropped off rapidly down to 1914, when the war interfered and importations were practically shut off. Then in 1914–15 it went back to 151,000 square yards and reached its maximum in 1917, and has declined since until we have about 133,000 square yards. But, taking any year, the number of yards is absolutely negligible measured by the millions of yards used in the country.

Mr. SIMMONS. That shows that the present rate is practically a prohibitory rate.

Mr. SMITH. That is true. The importations from 1913 up to the present would indicate that the present rate of duty is not only a protective duty but practically a prohibitory duty.

Mr. SMOOT. I admit that on the singles it is.

Mr. SMITH. It is on all of them.

Mr. SMOOT. I know that, but almost all of the European importations are twofold and threefold.

Mr. SIMMONS. Then, if we want to make the tariff higher to cover these highly specialized articles, why not differentiate? Why impose it upon all characters of waterproofed cloth when it is admitted that there are no importations of certain characters of cloth?

Mr. SMOOT. As long as goods do not come in under the rate we have to-day, why go to work and take account of all those goods? We could write a tariff here a thousand miles long if we undertook to separate every type within a class. That has never been done that I know of in the history of tariff making.

Mr. SMITH. I am of the impression that three-quarters of the importations are of the single ply.

Mr. SMOOT. I do not so understand it.

Mr. SIMMONS. Why not separate it, as I have suggested? The 20 per cent duty has been absolutely prohibitory as to probably 95 or 96 per cent of all of the cloth coming into the country. Now, the Senator has said there is a special variety that this does not exclude. Why not describe that variety and increase the rate as to that particular variety?

Mr. SMITH. Taking all that is imported, it was negligible. That being true and the evidence being to the effect that they have not sent in enough to seriously interfere with the manufacture of that kind of cloth, I see no reason in the world why the rates of duty should be raised.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 126, line 11.

The amendment was agreed to.

Mr. SMOOT. In the next paragraph I want to submit an amendment. I will submit it at this time before the first amendment is agreed to, so that Senators can see just what the amendment will provide.

On page 126, in line 15, beginning with the word "less," strike out the balance of the paragraph and insert "rate of duty of more than 45 per cent ad valorem," so as to read:

Provided, That none of the foregoing shall pay a rate of duty of more than 45 per cent ad valorem.

The House provided that it shall not pay a less duty, and the committee decided that in this case they did not want to impose a duty upon these cotton cloths containing silk and artificial silk higher than the fancy cloths that we have provided for in paragraph 905a. The object of the amendment is to make it conform to that paragraph. They are all specialties

Mr. SMITH. The showing on cloths containing silk is worse than as to the imports of fine cotton cloths, because our imports of cotton cloths containing silk were only $79,882 in value. The quantity was 297,000 square yards. The domestic production was $29,759 worth. The quantity produced was 81,591 square yards. We have no statistics showing the exports, because these were not differentiated in our exports from other cloths, but, according to the experts, the amount that we imported into this country is practically negligible, showing that the present rate of duty on these cloths has acted more prohibitorily and has had more restraint than it had even on the cotton cloths. Yet it is proposed to increase the rate of duty, when we practically have imported none under the present rate of duty and where it appears that these cloths that are imported into this country have no competition.

The Senator from Utah proposed in effect to amend by striking out "less" and inserting the word "more" between the words "duty" and "than," and in place of "33" to insert "45." Does the Senator propose to adhere to the "25" as against the "17"?

Mr. SMOOT. Yes; because the specific duty, in case these goods went down in price, of course might be altogether too high, and therefore we limit it to 45 per cent, the same as we limited the fancy cloths in paragraph 905a. Of course, there is not nearly the amount of these goods used as of the other goods. There is very little comparison as to the amount of yardage or value, but the committee desired to limit it to 45 per cent. The Payne-Aldrich law has a minimum of 50 per cent, no matter what the equivalent ad valorem was, taking the specific and the given ad valorem together, and with that minimum ad valorem

under the prices existing in 1910 the equivalent ad valorem was 58 per cent. But the committee now say that in no case, no matter whether prices go back to the 1910 basis or not, shall the rate be more than 45 per cent.

Mr. SMITH. But under the present law the duty is 30 per cent. As it now stands proposed by the committee it would be 54.77 per cent, which shows that when we say it "shall not be more than," it means a straight duty of 45 per cent.

Mr. SMOOT. Yes; with the prices as of to-day. But suppose the prices fall, then, of course, the maximum of 45 per cent would apply. It would apply to-day. There is no doubt about that. When the rates of the Dingley law applied the equivalent ad valorem was 58 per cent, and now it can not be more than 45 per cent, the way the committee have changed it. The House reported it just the same as it was under the Payne-Aldrich law, expressed in American valuation instead of foreign valuation, for they said "a less rate of duty than 33⅓ per cent ad valorem" and under the transposition of American valuation into foreign valuation it amounted to 50 per cent.

Mr. SMITH. The point I am making is that we have just raised the rate on this article 15 per cent—from 30 per cent to 45 per cent.

Mr. SMOOT. That is true under the prices of to-day. There is no doubt about that.

Mr. SMITH. But the importations are negligible. If the Senator thinks that so large a duty should be imposed on goods, which are composed in part of silk, with such a minimum importation and such a vast volume of them being used in this country, the consumption amounting to $29,000,000 worth as against only $79,000 worth imported, I think we ought to have a roll call on the proposition, in order that Senators may go on record as to whether or not, despite the fact that there are no importations, the people of this country who buy cotton goods in which there is an admixture of silk shall be compelled to pay an increased duty of about 45 or 50 per cent.

Mr. SMOOT. I want to say one thing more and then I am through. Unless we provide a rate the same as that which is fixed in paragraph 905, there will be nothing otherwise to prevent putting in one thread of artificial silk in any part of the goods and then having them fall under this paragraph. We do not want to leave that loophole, Mr. President. It seems to me as to this class of cotton goods containing silk and artificial silk, that anybody who wants to buy any particular style which is not made in America should not object to paying the 45 per cent duty.

Mr. SMITH. Though the figures as to the different classes can not be separated, because of the fact that our exports of these particular goods are covered in the general statistics with reference to the export of cotton cloths, I am informed by those who know, by experts, that of these cotton-silk shirtings we export a great deal more than we import, showing that under the present rate of duty the industry is not only amply protected but really that the present law operates as an embargo, in that we are underselling manufacturers of like goods in Europe.

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

Mr. SMITH. In that paragraph, I move that the House rate——

Mr. SMOOT. If the Senator from South Carolina wishes to adjust the matter, the only way to do so is to move that the maximum rate of 45 per cent, which is provided by the amendment which I have just offered, be decreased.

Mr. SMITH. I recognize that the Senator has his percentages a little out of line in stating that their relation is 17 to 25. As I figure it out, the difference between the foreign valuation and American valuation would be 17 to 20. That would be about their relation.

Mr. SMOOT. That would all depend upon the price of the goods, because this is a compound duty.

Mr. SMITH. I know; but that is the general percentage.

Mr. SMOOT. The only way the Senator can change it would be to substitute a lower rate than 45 per cent for the maximum rate to be charged for the goods falling in that paragraph.

Mr. SMITH. I accept the Senator's wording. I move to amend the paragraph so that it will read:

> That none of the foregoing shall pay a rate of duty more than 30 per cent.

Mr. SMOOT. That would be the rate provided for in the existing Underwood tariff law.

Mr. SMITH. I move to change the rate of 45 per cent to 30 per cent. That reduces the duty 15 per cent and maintains the parity.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina [Mr. SMITH] to the amendment of the committee.

Mr. LENROOT. Mr. President, I merely wanted to ask the Senator from Utah [Mr. SMOOT] one question. The Senator contends that unless this rate is made 45 per cent all the other cloths for which we have provided a maximum duty of 45 per cent might come in under this rate?

Mr. SMOOT. It is the other way, I will say to the Senator from Wisconsin. I have spoken the way I have in justification of the committee amendment.

Mr. LENROOT. I understand.

Mr. SMOOT. If we did not have the 45 per cent duty in this case, if we made it 50 per cent, I will say, with one thread of silk in the goods, they could be brought in under a less rate of duty.

Mr. LENROOT. It is upon the highest counts where the 45 per cent applies. Are shirtings and goods of that kind of higher or lower counts?

Mr. SMOOT. I will say to the Senator that most of the shirtings, I think, run about 65, 66, 68, and 70.

Mr. LENROOT. Does not the Senator think that the rate could be made 40 per cent, in view of the fact that 30 per cent is now practically prohibitive? Would not that still harmonize with what we have done?

Mr. SMOOT. I would not want to do that unless I had examined the samples, I will say to the Senator from Wisconsin.

Mr. SMITH. I think an examination of the samples even of the finer grades of shirting will disclose that they are made out of counts which contain as low as 30 threads.

Mr. LENROOT. I think the Senator from Utah could well accept 40 per cent instead of 45 per cent.

Mr. SMOOT. Mr. President, without any further examination of the matter I could not do so.

Mr. LENROOT. Upon the face of the figures, there are no imports.

Mr. SMOOT. If the Senator wants the paragraph to go over, I am perfectly willing that it shall go over in order that it may be examined; but it is not now a question of imports particularly.

Mr. LENROOT. We merely want a proper relationship.

Mr. SMOOT. I want this balanced up so that goods properly falling in some other paragraph can not come in under this paragraph.

Mr. LENROOT. Very well, but the Senator will understand that if these goods come in of a lower count they will not take a rate of 40 per cent, because in the lower counts the manufacturers would still prefer that they should come in under the countable paragraphs.

Mr. SMOOT. I wish to be sure of that before I agree to the Senator's proposition.

Mr. SMITH. I think when the Senator from Utah investigates the matter he will find that by far the greater quantity of silk and cotton shirtings are of the lower count; and I think that a duty of 30 per cent would be ample to take care of the situation because we are selling these goods in Manchester, England. I think an investigation by the Tariff Commission will show that to be the fact.

Mr. SMOOT. The Senator from Arizona [Mr. ASHURST] the other day showed samples of cloths which were made in southern mills in this country with 120 counts of yarn; and, by the way, I will say to the Senator that as to shirtings—I am not positive of it, but my information is—they come in here of 64, 66, 68, and 70 counts.

Mr. LENROOT. They must be of lower counts, because I find the average value in 1921 is only 21.3 cents per yard.

Mr. McLEAN. That may be so, but I suggest to the Senator from Utah that under this paragraph cloth, no matter how fine, could be brought in if it contained a thread of silk.

Mr. SMOOT. Silk or artificial silk.

I ask that this paragraph go over in order that we may ascertain just what the counts are. I notice here by an examination of the compilation of samples selected by the Tariff Commission that there are no goods mentioned falling under this paragraph, and so I should like to have the matter investigated.

Mr. SMITH. Very well.

The PRESIDING OFFICER. Is there objection to passing over the committee amendment as modified? The Chair hears no objection. The Secretary will state the next amendment.

Mr. SMOOT. Paragraph 908 covers tapestries and other Jacquard woven unholstery cloth, Jacquard woven blankets, and Jacquard woven napped cloths. I move that 45 per cent be substituted for 50 per cent in line 20.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. The Senator from Utah proposes to amend the committee amendment by striking out "50" and inserting "45," so as to read "45 per cent ad valorem."

Mr. SMITH. Mr. President, just a moment. I desire to see if the amendment conforms to the amendment which the Senator is going to propose in paragraph 907.

Mr. SMOOT. That is a straight 45 per cent ad valorem duty.

Mr. SMITH. Does the Senator do that to conform with the amendments in the preceding paragraph?

Mr. SMOOT. Yes; with the Jacquard woven cloth provided for in the preceding paragraph. In this instance a straight 45 per cent ad valorem duty is proposed.

Mr. LENROOT. The present rate is 35 per cent, and there are large imports.

Mr. SMOOT. Yes; there are large imports.

The READING CLERK. On page 126, line 17, after the word "cloths" and the comma, it is proposed to insert "Jacquard woven blankets and Jacquard woven napped cloths, all the foregoing," so as to read:

PAR. 908. Tapestries, and other Jacquard woven upholstery cloths, Jacquard woven blankets and Jacquard woven napped cloths, all the foregoing, in the piece or otherwise, composed wholly or in chief value of cotton or other vegetable fiber——

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

Mr. SMITH. I find that the duty on the class of goods covered by the paragraph is 10 per cent higher than the present rate.

Mr. SMOOT. Yes; but the Senator must know that of Jacquard figured upholstery goods there have been imported 63,573,872 square yards. The paragraph also covers tapestry piece goods, of which there have been 4,013,687 square yards imported.

Further I wish to say to the Senate that under a recent decision of the Treasury Department the Jacquard woven netting falls under this paragraph also.

Mr. SMITH. I am informed that lace curtains were formerly included but under the decision of the Treasury Department or the court they were eliminated, and therefore the amount of importations under this paragraph would be correspondingly reduced. I have not the table before me showing exactly what the importations into the country were.

Mr. SMOOT. The elimination of the lace curtains could not reduce the figures as to the importation of tapestry and piece goods.

Mr. SMITH. It did include curtains until it was decided they did not fall within the paragraph.

Mr. SMOOT. Yes; nets and nettings.

Mr. SMITH. Mr. President, in view of the action taken by the Senate on the preceding paragraph, I shall let that go.

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

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The READING CLERK. On page 126, line 20, in lieu of the amendment proposed by the committee, "50," it is proposed to insert "45," so that it will read:

Composed wholly or in chief value of cotton or other vegetable fiber, 45 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

The READING CLERK. The next amendment is in paragraph 909.

Mr. SMOOT. Mr. President, in that paragraph I desire to substitute "50" for "55" on line 25.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The READING CLERK. In lieu of the figures proposed by the committee, "55," it is proposed to insert "50," so that it will read:

Pile fabrics, composed wholly or in chief value of cotton, including plush and velvet ribbons, cut or uncut, whether or not the pile covers the whole surface, and manufactures, in any form, made or cut from cotton pile fabrics, 50 per cent ad valorem.

Mr. SMOOT. Mr. President, this applies to plushes and velvet ribbons, cut or uncut, and pile covers and pile cloths of all sorts. They are very difficult articles to manufacture. It is like manufacturing a double cloth, and then they have to cut the pile in two. It is very difficult work, and it runs all the way from 200 picks to 400 picks to the inch, according to the fineness of the face.

Mr. SMITH. Mr. President, under the present rate of duty our imports have steadily decreased, until in 1921 we imported to the value of $270,788.

Mr. SMOOT. I will say to the Senator that my opinion is that that is due to style more than anything else.

Mr. SMITH. We ourselves manufactured 72,255,000 square yards, of a value of $51,251,000. In 1914 we had imports of a value of $1,945,000; in 1910, $518,000; but in 1921 we only had $270,788 worth, or 210,954 square yards.

Mr. SMOOT. Does the Senator know that in 1919, I think, and along in 1917 and 1918, these cotton velvets, so called, were worn by ladies as dresses of luxury, and no lady's wardrobe was complete without one? I suppose now you could go to any gathering and you would not find a lady there dressed in a cotton velvet or a silk dress, either. They are out of fashion. This is one style of goods that comes into fashion just so often, and when they come in all the ladies wear them, and when they go out none of them do; and you can not tell by the imports, nor can you tell by the production each year, just what is used in the United States.

Mr. SMITH. Mr. President, regardless of any style or the change of any style, the imports from 1891 to 1920 have steadily decreased. For instance, the quantity in 1902 was 9,659,[illegible]08 square yards. In 1904 it was 6,978,000 square yards. In 1905 it was 5,211,000 square yards. In 1906 it was 3,577,000 square yards. In 1907 it was 3,218,000 square yards. In 1909 it was 1,122,000 square yards. I will skip the next few years, because it gradually goes down. In 1919 it was 533,000 square yards. In 1920 it was 832,000 square yards. These figures show that the importations of all those kinds of fabrics steadily decreased. That was under a 40 per cent duty, showing that it was practically prohibitive. Now, why increase it? Why is not that ample? Why do we propose to increase the rate when the present rate is wholly effective, not as a protection but it seems to be acting as an embargo against the importation of these goods?

I am taking the Senator and his party at their word, that what they want to do is to measure the difference in cost abroad and at home, not in theory but in actual practice, and testing it out when they find that they are satisfied with it. The facts are that under a 40 per cent duty you have practically shut out these goods. What excuse is there for raising the duty? These goods do not come under the classification of any that have preceded them. In view of this plain proof of the adequacy of the present rate of duty, why is it desired to raise it?

I have done my best to help expedite this bill, and I have tried to help Senators on the other side to whip it into some kind of shape, because everybody here recognizes that this thing is something like the Bible said about Melchizedek, "Having neither beginning of days nor end of life." It is a hodgepodge. Whoever composed this bill, as Paul said about the Jews, had "a zeal of God, but not according to knowledge." They had a zeal to put all the duty they could rake and scrape into every nook and corner, without any regard to the scientific structure of the bill. Your own theory is that all you want to do is to measure the difference between the cost abroad and at home. I take you at your word and ask you to apply your own doctrine, and you will not do it.

Mr. SIMMONS. We have no information at all as to the cost of production abroad and at home.

Mr. SMOOT. Oh, no; I know we have not. The Senator does not think that we have given any time at all to it; but I want to call the attention of the Senator from South Carolina to the fact that in the rate we give here is included the compensatory duty for long-staple cotton. If you take the price of these goods, and take the 40 per cent that is in the Underwood-Simmons bill, and figure the cost of these goods to-day, and give them the compensatory duty for the 7 cents a pound on long-staple cotton, I want to tell you that there is very little difference between the rate imposed under this bill and that imposed in the existing law. We are not asking for a compensatory duty in this paragraph for long-staple cotton, but we know that long-staple cotton is what is used in the manufacture of these goods.

Mr. LENROOT. Mr. President, will the Senator yield at that point?

Mr. SMITH. If the Senator will allow me, I have those figures right here. If the Senator has them, I should be glad to have him insert them in the RECORD.

Mr. LENROOT. About one-eighth of the imports in 1921 were of long-staple cotton and seven-eighths were not of long-staple cotton, and therefore did not carry the compensatory duty.

Mr. SMOOT. That may be on the cheaper lines, of course.

Mr. LENROOT. That is all the imports of pile fabrics.

Mr. SMOOT. Then those are the ones that came in.

Mr. LENROOT. The average was $1.26 per square yard for the ordinary cottons and $1.56 per square yard for long-staple cotton.

Mr. SMOOT. Yes; but I want to say to the Senator that they run up as high as $4 and $5 a yard. Those are the cheaper lines of goods.

Mr. SMITH. Mr. President, this bears out the contention that was made by the Senator from North Carolina [Mr. SIMMONS] and others here that you are going to penalize the great bulk of cotton goods by virtue of the compensatory duty on the Arizona cotton. Here is an illustration of that fact.

Mr. SMOOT. Oh, no.

Mr. SMITH. Well, read the language of it. It says here:

In any form, made or cut from cotton-pile fabrics, 45 per cent ad valorem.

You do not say whether composed of 1⅜-inch cotton or not. You say "all these fabrics," and the Senator from Wisconsin [Mr. LENROOT] has shown that about one-eighth of them are composed of that kind of cotton, and yet you impose a compensatory duty upon the whole business.

Mr. SMOOT. Yes; and to-day, under the existing law, all kinds of these fabrics carry a duty of 40 per cent, and there is no duty upon long-staple cotton.

Mr. LENROOT. Mr. President, will the Senator yield? I wish to make a correction. The expert calls my attention to the fact that the imports that I read of the first five months did not carry a compensatory duty.

Mr. SMOOT. Mr. President, the question of policy came up as to whether we should undertake to enumerate all of these tapestries and pile fabrics of all kinds, and in each case put on a compensatory duty according to the amount of cotton used in the goods; and it was decided to apply it to paragraphs 903 and 905a only and provide the rates to take care of that outside. The House gave a duty of 45 per cent on foreign valuation, 30 per cent on American valuation. That meant 45 per cent. That is one-third off. At that time they had no rate of duty upon long-staple cotton, so we have cut the rate by whatever amount the duty upon long-staple cotton may affect the price of those goods. That, of course, is 10 cents a pound upon every pound of it that goes into the pile fabrics, and it is a large decrease from the House rate.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the committee, as modified.

The amendment, as modified, was agreed to.

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

The READING CLERK. On page 127, line 2, it is proposed to strike out "25" and insert "40," so as to read:

terry-woven fabrics, composed wholly or in chief value of cotton, and manufactures, in any form, made or cut from terry-woven fabrics, 40 per cent ad valorem.

Mr. SMOOT. In that case we gave just exactly the duty provided by the present law.

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

The amendment was agreed to.

Mr. SMOOT. Mr. President, in paragraph 910, I want to modify the 40 per cent ad valorem to 30 per cent ad valorem.

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment as modified, which the Secretary will state.

The READING CLERK. In paragraph 910, page 127, line 6, the Senator from Utah proposes to strike out "28" and to insert in lieu thereof "30," so as to read:

PAR. 910. Table damask, composed wholly or in chief value of cotton, and manufactures, in any form, composed wholly or in chief value of such damask, 30 per cent ad valorem.

Mr. SMITH. Of course, I will have another chance at that. I will let the vote be taken.

The amendment as modified was agreed to.

The next amendment of the committee was, in paragraph 911, page 127, line 8, after the words "bedspreads," to insert the words "in the piece or otherwise," and a comma.

Mr. SIMMONS. Mr. President——

Mr. SMOOT. This is just to correct the wording.

Mr. SIMMONS. I have no objection to that amendment.

The amendment was agreed to.

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

The READING CLERK. The next amendment is, on page 127, line 11, where the Senator from Utah [Mr. SMOOT] proposes to strike out "30" and insert in lieu thereof "40," in lieu of the 45 per cent proposed by the committee.

Mr. SMITH. The present rate is 25 per cent.

Mr. SMOOT. No; it is 30 per cent.

Mr. SMITH. The maximum was 30 per cent. I see that the present law makes a distinction between bedspreads and quilts.

Mr. SMOOT. No; they both bear a rate of 30 per cent.

Mr. SMITH. One is under paragraph 264, and the other is under paragraph 266. One is 30 per cent, and the other is 25 per cent.

Mr. SMOOT. If the Senator will notice, on the other quilts—bedspreads, wholly or in chief value of cotton—I propose to amend by striking out "30" and inserting "25." The rate in the existing law is 30 per cent. This proposed rate is 5 per cent less than the rate in existing law.

Mr. SMITH. I did not quite catch that.

Mr. SMOOT. The Senator was speaking of other quilts or bedspreads, in line 12, wholly or in chief value of cotton. I have offered an amendment to substitute "25" for the 30 per cent ad valorem, and if the Senator will look up the existing law he will find that the rate is 30 per cent. In other words, the rate in the amendment is 5 per cent lower than the rate in existing law.

Mr. SMITH. Let us take the facts in reference to the quilts and blankets.

Mr. SMOOT. That is quilts and bedspreads woven of two or more sets of warp threads or of two or more sets of filling threads. On that we propose a duty of 40 per cent. The rate in existing law is 30 per cent, and the Payne-Aldrich rate was 45 per cent. When we come to other quilts or bedspreads, the second part of this paragraph——

Mr. SMITH. The present law does not separate them. It gives them together, and the imports into this country were valued at $230,000, whereas the domestic production in value was $42,000,000. The production of quilts alone amounted to $10,000,000, and of blankets to $32,000,000, whereas the value of the imports was $230,000, against a combined production of $42,000,000. We have the very same difference in this as we had in the other paragraph to which I called the Senator's attention. A 25 per cent for one and 30 per cent for the other acted as a practical prohibition. On what ground does the Senator raise this duty?

Mr. SMOOT. It was a typographical error, I see, which led me to say that the rate of duty on other quilts and bedspreads under existing law is 30 per cent. It is 25 per cent, just as we propose to make this rate 25 per cent. But the production the Senator speaks of is for all quilts, of every name and nature.

Mr. SMITH. Under the Senator's proposed arrangement he will have the latter classification exactly as it is now, and dividing them, as you do, the other classification would be 15 per cent higher, so that your average would be possibly 10 per cent higher than the present.

Mr. SMOOT. The existing rate is 30 per cent on the quilts and bedspreads woven of two or more sets of warp threads or of two or more sets of filling threads.

Mr. SMITH. It is 30 per cent, and you propose to make it 40 per cent.

Mr. SMOOT. And 25 per cent.

Mr. SMITH. Then, if they were evenly divided you would have 30 per cent and 25 per cent, and your 45 per cent and 25 per cent would be 70 per cent, and you would have 20 per cent additional on the two, when, under the report of the Tariff Commission, you have no imports to speak of. Why the raise? I am simply taking your theory of protection.

Mr. SMOOT. I do not know what the Senator means by 20 per cent more.

Mr. SMITH. You take 25 per cent and 30 per cent. Those are the minimum and maximum under the present law. Add them together, and divide them by 2, and you would have the average.

Mr. SMOOT. That would be 27½ per cent.

Mr. SMITH. The rates under this amendment are 45 per cent and 30 per cent, which would make 75 per cent. The average would be 37½.

Mr. SMOOT. As against 27½.

Mr. SMITH. That would be exactly 10 per cent difference.

Mr. SMOOT. Yes; but that is not the way to take an average.

Mr. SMITH That is the nearest we can approximate it with the figures now before us. In view of the fact that you have all the protection you could ask for in the world, why do you want to increase the rate?

Mr. SMOOT. We are not increasing it.

Mr. SMITH. You are increasing it 15 per cent—that is, you are adding that much more—whereas the present rate of duty seems to be absolutely ample.

Mr. SMOOT. The present rate of duty is ample on other quilts and bedspreads, other than those woven of two or more sets of warp threads or two or more sets of filling thread.

Mr. SMITH. But the Senator has no more statistics than I have to show that the double woven comes in in any greater quantity than the single woven. There are no figures here to show it; so that we must take them all in the same category. The total amount coming in is absolutely negligible in comparison with the domestic production and consumption. So, why add the 10 per cent?

It is not a question of protection. This proves the fact that what you are driving at is to enable the manufacturers of this country to raise their own prices, because under the present rate you are shutting out importations. There is no competition. Why do you add to the rate which seems to be so effective? The only answer can be that you want to give the manufacturers an excuse for adding that much to the prices.

I am going to put into the RECORD the average dividends made by the standard and organized mills of this country, and let the people know what manufacturers need along these lines, as compared with those who have to take their chances with the seasons and with the boll weevil and demoralized finance, and go out and fight with nature to see whether they will make any crop, and when they have made a crop stand at the mercy of the gamblers as to whether they will get anything for it or not. But we sit down and build a wall around those who manufacture the stuff, and impose rates which will compel the American people to pay more than is justified by any doctrine of tariff whatsoever.

Those are the facts I want the American people to know, and I am glad this is going into the RECORD. Here are the figures of the imports, showing that the present rate is not only protective but almost prohibitory. Yet we are asked to add 10 per cent to it.

Mr. SIMMONS. Mr. President, this is one case where I think the facts ought to be fully set out in the RECORD, and I wish to set them out as fully as I can.

This paragraph divides itself into a number of separate articles, and the Tariff Commission in its report has dealt with each one of those separate articles in the statistics as to production, imports, and exports. It appears that the production of bedspreads and quilts in 1919 was valued at $10,250,000. That is the first thing dealt with in the paragraph.

Next is sheets and pillowcases. The production was valued at $3,369,000.

The production of cotton blankets of all kinds was valued at $32,640,000.

The production of towels, toweling, and bath mats, wiping and polishing cloths, was valued at $16,000,000.

The production of dimity, and so forth, is not recorded.

Adding up the value of the production of the several articles provided for in the paragraph, you have something around $60,000,000. That represents the production of the articles covered by this paragraph, which are practically all household cotton products used in connection with the furnishing of the house, quilts for the beds, towels, pillowcases, cotton blankets, mats, and so forth.

Fortunately the Tariff Commission, in dealing with the importations of these articles, divides them up into four parts, just as they divided up the production. First, they give the importations of cotton blankets and quilts, and I find that in the nine months of 1921 the value of the imports of these articles was only $147,433.

Next, they segregate and give the importations of cotton sheets and pillowcases for nine months in 1921, the value being $21,042.

Third, they give the figures as to cotton towels and mats, stating that the imports for the nine months of 1921 were valued at $48,513.

Then we have cotton cloths for polishing, mop cloths, and wash cloths, imports for 1921, $28,378. That would amount in all to around $250,000. In other words, $60,000,000 production and $250,000 imports.

They also, fortunately, in the same way and making the same divisions, give the exportations. They are not all recorded. The exports are not recorded, but are substantial. Their volume is indicated by Canadian statistics, which show imports from the United States for the fiscal year—and this is to Canada—March 31, 1921, valued as follows: Bed quilts and spreads, $235,932; sheets and pillowcases, $125,595; blankets, $257,632; also toweling, $285,995, the greater part of which, however, may have been the Turkish toweling. That gives a total of something over $1,000,000. It seems to be confined to our exports to Canada.

It is a very remarkable thing that we are able to export to Canada about four times as much of these products in value as we imported from all the world. Canada, which is a Dominion of Great Britain, which has a preferential tariff with Great Britain, is able or prefers to buy our products instead of buying the British products. Of course, the tariff, being preferential in favor of the mother country, is lower upon the British products than it is upon the American products, and yet Canada buys from us, which indicates that we can sell for less than Great Britain, who is our great competitor in these products. Then we have the additional fact that while we produce $60,000,000 of these necessary household articles, which have to be used in the humblest home as well as in the palaces of the rich, we are able to supply our domestic demands and supply the domestic demands of our next-door neighbor, and probably, although the facts are not given about it, we export larger quantities to other countries than to Canada.

Of course, if these quilts, blankets, pillowcases, sheets, and towels could be produced more cheaply in Europe than they are here, if the present rate of duty were not sufficient to keep them out of this country, we would have, considering the large use of the products in this country, a larger importation than $250,000 in one year. That is about the total amount of our importations. If there is any object of taxation which we have had to discuss since we have taken up the cotton schedule that would seem to me to be fully protected by the present duty, it would be these particular products.

The Canadian exportations show very conclusively to my mind that we must be making these products, even if there were no duty upon them, at a price that would enable us to hold our markets against Great Britain without a duty, because we do hold and supply the Canadian market with a preferential tariff in favor of Great Britain.

I do not care to haggle with the Senator from Utah about the increase that he wants to make, but I do think that the committee ought to be satisfied with the rates of the present law in the face of the facts furnished us by the Tariff Commission, especially when it is remembered that we are asked, in the face of those fundamental facts with reference to production, export, and import, to increase the rate which seems not to be required, without any information being given to us even so much as tending to show that any greater protection is required in order to equalize the differences in cost of production here and abroad, or in order to harmonize prices here and abroad, and produce a competitive condition in this market.

In other words—and I can not repeat it too often—it is a very remarkable thing to me that Senators come here and say, "We are proposing to pass a protective measure and we are proposing to give the American producer a protection equal to the difference in the cost of production here and abroad, or a protection which will bring selling prices upon a basis of competition," and yet do not offer us a single line of evidence to show that there is any difference in the cost of production here and abroad, or that there is any difference in the selling price of the product here and in the competing market, if there is any competing market. I say that the facts show that there is no competing market. When we are consuming $60,000,000 worth of the products in this country and only importing $250,000 worth of them from abroad, I say that the facts show that there is no competition between this country and any other country in the world under the present rate of duty.

I asked Senators on the other side, when we began the discussions, to give us some evidence when they proposed a duty, either an original duty or an increase in duty, that the duty was warranted by the principles upon which they say they are operating and the principles upon which they say they have a commission from the people to impose taxes upon them. The people have not authorized them to come here and propose taxes at will or to suit the producers of these products in the country. The people have not authorized them to come here and give to Mr. Lippitt or Mr. Wood or Mr. Littauer whatever they ask. The people have only commissioned them to act in the premises when they find that there are conditions which, according to the platform and the claims of the Republican orators when they were discussing the protective tariff before the people, would justify the rates. Yet they come here day after day, jacking up these rates and giving us not one particle of evidence to show that the facts justify the increase according to the authority which the people have given them. It has been days and days since we have had a word of explanation as to any difference in the cost of production here and abroad or the selling prices of the domestic and the foreign products. We are told that "somebody wants a little more duty and we think the present rates ought to be raised somewhat, or we think there ought to be a compensatory duty here and there to cover dyestuffs or cotton or something else," and that is the end of their statement.

Now, here we are confronted with a case where we have an enormous production, equal to our entire consumption, with

heavy exports to our neighbor, Canada, which has a preferential rate with England, our only competitor, and which country is still buying our goods, with American importations that do not amount to a bagatelle, not worth mentioning, not as many goods as would be consumed in a little village of 10,000 people in one year. Yet the majority want the whole 110,000,000 people in the United States to pay an additional tax upon a thing that we produced to the extent of $60,000,000, the full requirements of the country, because $250,000 worth of goods of the same character come in from somewhere else, without any evidence whatsoever to show that there is any justification for their action in the principle upon which they operate and upon which alone they have authority from the people to act.

Mr. President, I rather feel that I should beg the pardon of the Senate when I discuss a situation of this sort. It rather causes me to lose patience and show unwonted heat. What the majority proposes is so absurd!

Mr. SMOOT. Mr. President, quilts and bedspreads other than those woven of two or more sets of warp or fillings of threads carry exactly the same rates as in the existing law, and as the other quilts cost about four or five times the amount to make and as there is three times the amount of labor in them that there is in the particular quilts mentioned at 25 per cent, the committee have asked that the rates be reduced from 45 per cent to 40 per cent. The existing rate is 30 per cent on these high-grade quilts, which are very costly to make.

Mr. SMITH. Mr. President, I had said all that I wanted to say on this item, and still I do not want the statement the Senator from Utah just made to go into the RECORD without the additional statement that no matter what may be the cost, the proof is that it did not go sufficiently high in this country to cause importations to come in. It does not make any difference whether the double weave costs more than or twice as much as the single weave. The fact is that the statistics show that we exported more than we imported, and the domestic production was infinitely greater, being in the millions, while the importation was only in the thousands. Yet, notwithstanding that fact, because one character of article costs a little more than the other, it is now proposed to increase the duty on the higher-priced goods, when the present duty is prohibitory so far as competition from abroad is concerned. I am willing now that a vote may be taken on the amendment.

Mr. SIMMONS. Let us have a yea-and-nay vote on it.

Mr. SMITH. We shall have to have a yea-and-nay vote on these articles, for the reason that they are articles in such universal and common use. The American people are entitled to have some of the burdens which are placed upon them now removed. They have to bear the income tax; they have to pay the interest on $26,000,000,000 of Government obligations; they have to pay higher freight rates and a higher general average of wages, and local taxes are piling up. Organized society is costing much more than ever before, and yet on top of all that it is now proposed to impose this intolerable burden for the benefit of those who notoriously pay less taxes because their investments so often are largely in Government securities which are nontaxable, while those who are not so fortunate must in the last analysis pay all of this additional cost.

Mr. SMOOT. Mr. President, the manufacturers pay this duty, and, with all these added burdens of which the Senator from South Carolina has spoken, he is now insisting that the rate of protection shall be reduced.

Mr. McCUMBER. Mr. President, if the Senator from Utah will yield to me——

Mr. SMOOT. I yield.

Mr. McCUMBER. I ask unanimous consent that when the Senate concludes its session on this calendar day it take a recess until to-morrow at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The question is on the committee amendment.

Mr. SMITH. I believe the first committee amendment we have agreed to.

Mr. SMOOT. The first committee amendment has been agreed to.

Mr. SMITH. The next amendment is to reduce the rate from 45 per cent to 40 per cent, and on that I think we should have a yea-and-nay vote.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 127, paragraph 911, line 11, before the words "per cent," the Senator from Utah, on behalf of the committee, proposes to modify the amendment of the committee by striking out the numeral "45" and inserting in lieu thereof the numeral "40."

Mr. SMITH. I have asked for the yeas and nays on the amendment as modified because I shall take the vote thereon as a test vote of the Senate as to whether, without any justification at all in the statistics furnished by the Tariff Commission, it is proposed to impose an additional tax on these prime necessities of the household.

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

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama. I transfer that pair to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. NEW (when his name was called). Repeating the announcement made on previous ballots this day as to the transfer of my pair, I vote "yea."

Mr. POMERENE (when his name was called). I have a pair for the day with my colleague [Mr. WILLIS]. I am not able to secure a transfer. I do not know how my colleague would vote if present. If I were permitted to vote, I should vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED] and vote "nay."

Mr. SMITH (when his name was called). Making the same announcement as previously with regard to the transfer of my pair, I vote "nay."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. In his absence, being unable to secure a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

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

Mr. EDGE. Making the same announcement as heretofore with regard to the transfer of my pair, I vote "yea."

Mr. OVERMAN (after having voted in the negative). Noticing that my pair, the senior Senator from Wyoming [Mr. WARREN], has not voted, I am compelled to withdraw my vote.

Mr. GLASS. Repeating the announcement that I made on previous votes as to my pair and its transfer, I vote "nay."

Mr. McCUMBER (after having voted in the affirmative). I transfer my pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Pennsylvania [Mr. CROW] and allow my vote to stand.

Mr. JONES of New Mexico. I am unable to secure a transfer of my general pair, and therefore withhold my vote. If I were permitted to vote, I should vote "nay."

The result was announced—yeas 29, nays 14, as follows:

YEAS—29.

Ball	Hale	McCumber	Phipps
Brandegee	Johnson	McKinley	Shortridge
Broussard	Jones, Wash.	McNary	Smoot
Bursum	Kellogg	Moses	Sterling
Capper	Kendrick	Nelson	Townsend
Curtis	Keyes	New	
Edge	Lenroot	Oddie	
Ernst	Lodge	Pepper	

NAYS—14.

Caraway	Heflin	Sheppard	Swanson
Dial	Hitchcock	Shields	Walsh, Mass.
Gerry	Ransdell	Simmons	
Glass	Robinson	Smith	

NOT VOTING—53.

Ashurst	Frelinghuysen	Nicholson	Sutherland
Borah	Gooding	Norbeck	Trammell
Calder	Harreld	Norris	Underwood
Cameron	Harris	Overman	Wadsworth
Colt	Harrison	Owen	Walsh, Mont.
Crow	Jones, N. Mex.	Page	Warren
Culberson	King	Pittman	Watson, Ga.
Cummins	Ladd	Poindexter	Watson, Ind.
Dillingham	La Follette	Pomerene	Weller
du Pont	McCormick	Rawson	Williams
Elkins	McKellar	Reed	Willis
Fernald	McLean	Spencer	
Fletcher	Myers	Stanfield	
France	Newberry	Stanley	

The VICE PRESIDENT. A quorum not having voted, the Secretary will call the roll.

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

Ball	Dial	Hitchcock	McKinley
Borah	Edge	Jones, N. Mex.	McNary
Brandegee	Ernst	Jones, Wash.	Moses
Broussard	Gerry	Kellogg	Nelson
Bursum	Glass	Kendrick	New
Capper	Gooding	Keyes	Nicholson
Caraway	Hale	Lenroot	Oddie
Cummins	Harreld	Lodge	Overman
Curtis	Heflin	McCumber	Pepper

Phipps	Sheppard	Smoot	Walsh, Mass.
Pomerene	Shortridge	Sterling	Walsh, Mont.
Ransdell	Simmons	Swanson	Warren
Robinson	Smith	Townsend	

The VICE PRESIDENT. Fifty-one Senators have answered to their names. A quorum is present. The Secretary will call the roll on the amendment of the committee as modified.

The reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "yea."

Mr. SMITH. Mr. President, a parliamentary inquiry. We are now voting on the same proposition that we had before us when we had no quorum?

The VICE PRESIDENT. Yes; on the committee amendment as modified.

Mr. EDGE (when his name was called.) Making the same announcement as before, I vote "yea."

Mr. ERNST (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Michigan [Mr. NEWBERRY] and will vote. I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous roll call, I withhold my vote.

Mr. LODGE (when his name was called). Making the same announcement as before as to my pair, I vote "yea."

Mr. McCUMBER (when his name was called). Transferring my pair as on the last vote, I vote "yea."

Mr. NEW (when his name was called). Repeating the announcement as to the transfer of my pair, I vote "yea."

Mr. POMERENE (when his name was called). Announcing my pair as on the previous vote with my colleague [Mr. WILLIS], I find that I can transfer that pair to the senior Senator from Arizona [Mr. ASHURST]. I do so, and will vote. I vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Missouri [Mr. REED], and will vote. I vote "nay."

Mr. SMITH (when his name was called). I have a general pair with the Senator from New York [Mr. WADSWORTH]. I transfer that pair to the Senator from Texas [Mr. CULBERSON], and will vote. I vote "nay."

Mr. WALSH of Montana (when his name was called). I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Louisiana [Mr. RANSDELL], and will vote. I vote "nay."

The roll call was concluded.

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

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

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

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Missouri [Mr. SPENCER] with the Senator from Montana [Mr. MYERS]; and

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

The result was announced—yeas 33, nays 17, as follows:

YEAS—33.

Ball	Gooding	McCumber	Phipps
Brandegee	Hale	McKinley	Shortridge
Broussard	Harreld	McNary	Smoot
Bursum	Jones, Wash.	Moses	Sterling
Capper	Kellogg	Nelson	Townsend
Cummins	Kendrick	New	Warren
Curtis	Keyes	Nicholson	
Edge	Lenroot	Oddie	
Ernst	Lodge	Pepper	

NAYS—17.

Borah	Heflin	Sheppard	Walsh, Mass.
Caraway	Hitchcock	Shields	Walsh, Mont.
Dial	Overman	Simmons	
Gerry	Pomerene	Smith	
Glass	Robinson	Swanson	

NOT VOTING—46.

Ashurst	Culberson	Fletcher	Johnson
Calder	Dillingham	France	Jones, N. Mex.
Cameron	du Pont	Frelinghuysen	King
Colt	Elkins	Harris	Ladd
Crow	Fernald	Harrison	La Follette
McCormick	Owen	Spencer	Watson, Ga.
McKellar	Page	Stanfield	Watson, Ind.
McLean	Pittman	Stanley	Weller
Myers	Poindexter	Sutherland	Williams
Newberry	Ransdell	Trammell	Willis
Norbeck	Rawson	Underwood	
Norris	Reed	Wadsworth	

So the amendment of the committee as modified was agreed to.

Mr. SMOOT. On line 12, I ask to substitute "25" for "30." That is the existing rate in the Underwood law.

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 127, line 12, it is proposed to strike out "20" and insert "25," so as to read:

Other quilts or bedspreads, wholly or in chief value of cotton, 25 per cent ad valorem.

The amendment as modified was agreed to.

Mr. SMOOT. On line 17, I ask to substitute "25" for "30."

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 127, line 17, it is proposed to strike out "20" and insert "25," so as to read:

Sheets, pillowcases, blankets, towels, polishing cloths, dust cloths, and mop cloths, composed wholly or in chief value of cotton, not Jacquard figured or terry woven, nor made of pile fabrics, and not specially provided for, 25 per cent ad valorem.

The amendment as modified was agreed to.

The READING CLERK. On line 20 of the same page——

Mr. SMOOT. I ask to substitute "30" for "35."

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 127, line 20, it is proposed to strike out "23" and insert "30," so as to read:

Table and bureau covers, centerpieces, runners, scarfs, napkins, and doilies, made of plain-woven cotton cloth and not specially provided for, 30 per cent ad valorem.

The amendment as modified was agreed to.

Mr. SMOOT. Mr. President, on line 1, page 128, I move to substitute "35" for "40."

The VICE PRESIDENT. The amendment as modified will be stated.

The READING CLERK. On page 128, line 1, it is proposed to strike out "25" and insert "35," so as to read:

Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom; tubings, garters, suspenders, braces, cords, tassels, and cords and tassels; all the foregoing composed wholly or in chief value of cotton or of cotton and india rubber, and not specially provided for, 35 per cent ad valorem.

Mr. SMITH. Mr. President, I should like to put in the RECORD the fact that the total value of articles of this kind produced in this country was $15,104,000, as against a value of imports of $350,000. The present rate of duty is 25 per cent. The proposed rate is 35 per cent, an increase of 10 per cent. The same argument would apply to this that applied to the rest of them.

Mr. SMOOT. The Payne-Aldrich rate was 60 per cent.

Mr. SMITH. That is true.

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

The amendment as modified was agreed to.

The READING CLERK. On the same page, page 128, line 3, it is proposed to strike out "12½" and insert "15," so as to read:

Spindle banding, and lamp, stove, or candle wicking, made of cotton or other vegetable fiber, 10 cents per pound and 15 per cent ad valorem.

Mr. SMOOT. I ask that that amendment be rejected, so as to leave it 12½ per cent.

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

The amendment was rejected.

Mr. SMOOT. In paragraph 912, page 128, line 10, I move to strike out "50 cents per pound and 20 per cent ad valorem" and insert "60 per cent ad valorem."

Mr. SMITH. The Senator has passed over an amendment on line 5.

Mr. SMOOT. That is true.

The VICE PRESIDENT. The Secretary will state the amendment in line 5.

The READING CLERK. On page 128, line 5, the committee proposes to strike out "12½" and to insert in lieu thereof "20," so as to read:

Boot, shoe, or corset lacings, made of cotton or other vegetable fiber, 15 cents per pound and 20 per cent ad valorem.

Mr. SMITH. Does the Senator wish to amend that?

Mr. SMOOT. There is no amendment of that amendment, because that is the duty on corset laces, and I will say to the Senator that the manufacturers have asked for about three times that rate. From the testimony produced before the committee there is no question but that it is a small business, but

as long as we have it in this country we must at least give it protection.

Mr. SMITH. Very well; let us vote on it.

The amendment was agreed to.

The next amendment of the committee was, on page 128, line 8, to strike out "20" before "per cent" and insert in lieu thereof "25," so as to read:

Loom harness, healds, and collets, made wholly or in chief value of cotton or other vegetable fiber, 25 cents per pound and 25 per cent ad valorem.

The amendment was agreed to.

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

The READING CLERK. On page 128, line 10, the Senator from Utah proposes to strike from the House text "50 cents per pound and."

Mr. SMOOT. I will state briefly that that applies to labels in which the name or the advertisement of whatever is made is woven into the cloth. In fact, they can weave a figure or any name right into the cloth, and those are used as labels, on very costly goods, generally, with the name of the maker and the article itself.

Mr. SIMMONS. That is a duty on labels for garments or other articles composed of cotton or other vegetable fiber——

Mr. SMOOT. Fifty cents per pound and 25 per cent ad valorem, as proposed by the committee originally. This is 60 per cent—a reduction.

Mr. SIMMONS. I am just in receipt of a telegram which I wish to read to the Senate. It is from Pitts & Kitts Manufacturing & Supply Co., of New York. I do not know anything about them. They say:

To-day's papers report Senate's committee recommendations tariff section 912 on labels, 60 per cent ad valorem. This represents 140 per cent increase over present schedules and 90 per cent over original Senate Finance Committee report. Rates absolutely unfair, confiscatory, and prohibitive.

PITTS & KITTS MANUFACTURING & SUPPLY CO.

I have not had time since I got that telegram to look into this matter, and I will ask the Senator from Utah to let the amendment go over. I want to look into the item, unless the Senator from South Carolina has already investigated it. That is a startling statement.

Mr. SMITH. I would like to state that our imports are about $36,000 and our domestic production $624,000. A good portion of the imports were by our Government for Army purposes, under the urge of the war, and this is an increase. The label covered by it is just a simple device, a figure woven into the cloth. The amount imported, outside of our war emergency, was practically negligible, and by this we increase it——

Mr. SIMMONS. This firm says 140 per cent.

Mr. SMOOT. I am perfectly willing that it shall go over.

Mr. SIMMONS. I would like to look into it.

Mr. SMOOT. Taking it as a whole—that is, all widths, and whether it be closely woven, or only a name without anything else—it is an increase. On certain lines it is not an increase, but the average equivalent ad valorem, taking them all together, is 49 per cent, and this is an increase from 49 over what the House gave.

Mr. SMITH. In the particular form in which it is stated here, eo nomine, the rate is 25 per cent, and now it is proposed to make it 60 per cent.

Mr. SIMMONS. No; it was 50 cents a pound and 25 per cent ad valorem.

Mr. SMOOT. The Senator means the rate in the present act.

Mr. SMITH. I mean in comparison with the present law.

Mr. SMOOT. These goods are just beginning to come here from Germany. This is one of the articles Germany always made, and they are made now in Germany. If the invoices which were shown to the committee are correct, the prices for which they can sell the goods will absolutely prohibit the making of very many of these goods in the United States. Whether those invoices are correct or not, I do not know. All I can say is that the examiners at the port of entry at New York say they are coming in at those prices to-day, and they are very much worried over the industry in the United States. It is a small matter. It does not amount to anything in a suit of clothes, and the manufacturers say that unless they get this rate they will be virtually put out of business. But the amendment may go over.

The VICE PRESIDENT. The amendment will be passed over.

The next amendment of the committee was, on page 128, line 13, to strike out "20" and insert in lieu thereof "30," so as to read:

Belting for machinery, composed wholly or in chief value of cotton or other vegetable fiber, or cotton or other vegetable fiber and india rubber, 30 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. That is as far as we will ask the Senate to go to-night.

Mr. SMITH. I understand that the bill will lie over until to-morrow.

Mr. SMOOT. Until to-morrow.

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 5 o'clock and 55 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, July 18, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 17 (legislative day of April 20), 1922.

APPRAISER OF MERCHANDISE.

George O'Brien to be appraiser of merchandise at Philadelphia, Pa.

POSTMASTERS.

COLORADO.

Will J. Wood, Crawford.

CONNECTICUT.

Louis E. Chaffee, Stafford Springs.

FLORIDA.

Add Joyce, Cedar Keys.
Gillian A. Sandifer, Lake Helen.
John W. Philip, Sarasota.

INDIANA.

Shad R. Young, Cicero.
Homer E. Wright, Crandall.
Thomas C. Dodd, Gosport.
Calvin Ulrey, North Manchester.

MASSACHUSETTS.

John P. Brown, Bass River.
Burton D. Webber, Fiskdale.

MICHIGAN.

Natalie G. Noble, Elk Rapids.
Victor H. Sisson, Freeport.
Ward R. Rice, Galesburg.
Otis J. Cliffe, Lakeview.

MINNESOTA.

Fritz Von Ohlen, Henning.
Kenneth S. Keller, Kasson.
Charles A. Allen, Milaca.
Peter G. Peterson, Villard.

SOUTH CAROLINA.

Alice Singletary, Bowman.

SOUTH DAKOTA.

Signora Hjermstad, Wallace.

SENATE.

TUESDAY, *July 18, 1922.*

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

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

DISTRIBUTION OF SPEECHES BY FEDERAL RESERVE BANK.

The PRESIDENT pro tempore. The Chair lays before the Senate a communication from the governor of the Federal Reserve Board, transmitting, pursuant to Senate Resolution 308, a letter from the Federal Reserve Bank of San Francisco, relative to the circulation of a speech delivered by Senator GLASS on the Federal reserve system. The communication and accompanying letter will lie on the table for the present.

PERSONAL PRIVILEGE—MUSCLE SHOALS PROJECT.

Mr. NORRIS. Mr. President, I rise to a question of personal privilege. On Saturday last the Senator from Arkansas [Mr. CARAWAY] made some remarks in regard to what happened in the Committee on Agriculture and Forestry, which I feel justify me in taking the floor as a matter of privilege.

In the first place, I want to absolve entirely the Senator from Arkansas from any intention of putting me in a false attitude. I think under the circumstances it was not to be wondered that any member of the committee might have a