TEXAS.

Wallace C. Wilson to be postmaster at McKinney, Tex., in place of N. A. Burton. Incumbent's commission expired July 21, 1921.

John E. Carson to be postmaster at San Saba, Tex., in place of J. W. Longley, resigned.

VIRGINIA.

Manley W. Carter to be postmaster at Orange, Va., in place of H. G. Shackelford. Incumbent's commission expired January 24, 1922.

Albert L. Taylor to be postmaster at Parksley, Va., in place of J. S. Scott. Incumbent's commission expired January 24, 1922.

WASHINGTON.

Thurston B. Stidham to be postmaster at Doty, Wash. Office became presidential July 1, 1922.

WISCONSIN.

William Kotvis to be postmaster at Hillsboro, Wis., in place of F. A. Ferriter. Incumbent's commission expired January 24, 1922.

Allen W. Wiggin to be postmaster at Plymouth, Wis., in place of G. W. Schiereck. Incumbent's commission expired August 3, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 18 (legislative day of April 20), 1922.

UNITED STATES DISTRICT JUDGE.

James H. Wilkerson to be United States district judge northern district of Illinois.

REGISTER OF THE LAND OFFICE.

Fred C. Stoddard to be register of the land office, Missoula, Mont.

POSTMASTERS.

GEORGIA.

Paul L. Smith, Athens.

NEBRASKA.

Hugh E. Mallory, Litchfield.
Clyde S. Burkerd, Shelton.

OKLAHOMA.

Bessie A. Porter, Buffalo.
Henry L. Wallace, Calvin.

SENATE.

WEDNESDAY, *July 19, 1922.*

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

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

THE COAL SITUATION.

Mr. WILLIS. I present a resolution adopted by the Columbus (Ohio) Chamber of Commerce, relative to the coal situation. I ask that it be referred to the Committee on Education and Labor and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

Resolution adopted by the Columbus Chamber of Commerce, Columbus, Ohio, July 14, 1922.

Whereas the industrial situation of the country is rapidly approaching a breakdown by reason of the long-continued cessation in the production of coal and the more recent interference with rail transportation between the only remaining important coal-producing area and the great markets of the country; and

Whereas this industrial disturbance will with very little further continuance be translated into direct public suffering with attendant dangers of riots, destruction of property, and loss of life, which may conceivably be brought home to every man, woman, and child in the country; and

Whereas whatever the merits of the wage dispute and other points at issue between striking railroad men and railroads may be, the people, through the Government, have provided both general and specific methods of settling such disputes in a fair and lawful manner, and the public is entitled to have such disputes settled without recourse to ruinous conflicts like the present: Therefore be it

Resolved, (1) That the Government of the United States and of the several States from the President down to the lowest official be urged to fully perform their duty in upholding the majesty of the Constitution and the law and in securing and preserving to each and every citizen the right to live, labor, and pursue happiness under the law, and to enjoy protection in the exercise of this right.

(2) That all persons who are responsible for or implicated in the creation or maintenance of these disturbed and dangerous conditions in defiance of the laws of the land and contrary to the decisions of the duly constituted agencies for settling such disputes be warned that no Government based upon such methods has ever succeeded, and that they will go down with everyone else in general ruin if their contest against lawful methods should succeed.

(3) That all persons who in any position are loyally continuing in their duty fulfilling their obligation to the public by continuing at their work with certain danger of humiliation and annoyance and often at risk of bodily injury or loss of life should receive the fullest moral support and physical backing of all good citizens whose comforts are being maintained by their sacrifice.

(4) That in this country the decision in all crises depends upon the moral force and the intellectual judgment of the people. No class or group can make this people do what they do not wish to do, nor can any official, high or low, refuse his duty when an active public conscience is awakened and insistent. Therefore it is the duty of every citizen in this present emergency to take thought of his own personal share in the maintenance of the rights and liberties which are his heritage from 150 years of American citizenship and be ready by influence or force to protect and defend that heritage.

EDWARD ORTON, Jr., *President.*

A true copy.

J. T. DANIELS, *Secretary.*

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented a resolution of the Fort Smith (Ark.) Chamber of Commerce, favoring peaceful settlement of the present railroad strike and full law enforcement against interference with the rights of all persons involved in the situation, which was referred to the Committee on Interstate Commerce.

Mr. McCUMBER presented resolutions of the Fargo (N. Dak.) Trades and Labor Assembly, protesting against the enactment of legislation that may take from a citizen the right to cease employment at will, which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of North Dakota, constituting the governor's committee on rural problems, located at Grand Forks, N. Dak., favoring the enactment of legislation further stabilizing prices of farm products, which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of sundry citizens of Merricourt, Kulm, Forbes, Norma, and Kenmare, all in the State of North Dakota, praying for the enactment of legislation reviving the United States Grain Corporation, so as to stabilize prices of certain farm products, which were referred to the Committee on Agriculture and Forestry.

Mr. MOSES presented petitions of sundry citizens of Ashland, Plymouth, and Manchester, all in the State of New Hampshire, praying that only a moderate duty be imposed on lightweight gloves in the pending tariff bill, which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of West Ossipee, Mountainview, Ossipee Valley, Tamworth, South Tamworth, and Dover, all in the State of New Hampshire, remonstrating against the passage of Senate bill 2747, the so-called McNary cooperative reclamation bill, which was referred to the Committee on Irrigation and Reclamation.

BILLS AND JOINT RESOLUTION INTRODUCED.

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

By Mr. McCUMBER:

A bill (S. 3844) to exempt interest on farm-land securities from taxation under the revenue act of 1921;

A bill (S. 3845) to amend an act entitled "An act to establish a Veterans' Bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act," approved August 9, 1921 (with an accompanying paper); and

A bill (S. 3846) to amend an act entitled "An act to establish a Veterans' Bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act," approved August 9, 1921 (with accompanying papers); to the Committee on Finance.

By Mr. POMERENE:

A bill (S. 3847) to provide for mothers' pensions in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SMITH:

A bill (S. 3848) for the relief of the heirs of Richard Reynolds, deceased;

A bill (S. 3849) for the relief of Robert J. Kirk; and

A bill (S. 3850) for the relief of Sidney C. Snelgrove; to the Committee on Claims.

By Mr. RANSDELL:

A bill (S. 3851) to repeal certain provisions of Public Resolution 50, Sixty-seventh Congress, approved April 21, 1922, appropriating $1,000,000 for the preservation, protection, and repair of levees under the jurisdiction of the Mississippi River Commission; to the Committee on Appropriations.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

By Mr. SHORTRIDGE:

A joint resolution (S. J. Res. 226) authorizing the acceptance of title to certain land within the Shasta National Forest, Calif.; to the Committee on Agriculture and Forestry.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. GOODING obtained the floor.

Mr. McNARY. Mr. President——

Mr. GOODING. I yield to the Senator from Oregon.

Mr. McNARY. There are but few Senators here this morning. 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:

Ball	Gooding	McLean	Sheppard
Borah	Hale	McNary	Shortridge
Brandegee	Heflin	Moses	Simmons
Broussard	Hitchcock	Nelson	Smith
Calder	Johnson	New	Smoot
Capper	Jones, N. Mex.	Newberry	Spencer
Caraway	Jones, Wash.	Nicholson	Stanley
Culberson	Kellogg	Norbeck	Sterling
Cummins	Kendrick	Oddie	Trammell
Curtis	Keyes	Overman	Underwood
Dial	Ladd	Pepper	Walsh, Mass.
du Pont	Lenroot	Phipps	Walsh, Mont.
Elkins	Lodge	Pomerene	Watson, Ind.
Ernst	McCormick	Ransdell	Willis
Fernald	McCumber	Rawson	
Glass	McKinley	Robinson	

Mr. UNDERWOOD. I wish to announce that the Senator from Georgia [Mr. WATSON] is detained on account of illness, and that the Senator from Nevada [Mr. PITTMAN] is detained by reason of illness in his family.

The VICE PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present.

Mr. STANLEY. Mr. President——

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

Mr. GOODING. I yield to the Senator from Kentucky, if it is a matter which will not take up any time.

Mr. STANLEY. I shall not take more than half a minute. I thank the Senator from Idaho.

Mr. President, as indicative of the unanimity with which the press of the United States, without regard to party, has spewed the pending tariff bill out of its mouth, I send to the desk a letter just received from Mr. C. F. Gladfelter, general manager of the Louisville Herald. This is one of a group of papers known as "the Schaffer group," headed by John C. Schaffer, editor and publisher. The syndicate includes the Louisville Herald, the Chicago Evening Post, the Indianapolis Star, the Rocky Mountain News, the Denver Times, the Terre Haute Star, and the Muncie Star. These papers, which were at one time inclined at least to apologize for this bill, have at last deserted the ship, and now Mr. Gladfelter writes me a letter asking me to vote against the measure—H. R. 7456. I send to the desk the letter, which is very short, together with a copy of my reply, and ask that they may be read.

The VICE PRESIDENT. Without objection, the letters will be read as requested.

The reading clerk read as follows:

THE LOUISVILLE HERALD,
July 17, 1922.

Senator A. O. STANLEY,
Washington, D. C.

DEAR SENATOR: I am advised that H. R. 7456 will come up for final vote in the Senate within the next week or 10 days.

The newspapers of this country are vitally interested in paragraph 1300, schedule 13, and I am sure they would appreciate it very much indeed if you would be present when the vote is cast and register your vote against the measure.

Thanking you for your consideration, I am,

Yours very truly,

C. F. GLADFELTER.

JULY 19, 1922.

Mr. C. F. GLADFELTER,
General Manager the Louisville Herald,
Louisville, Ky.

MY DEAR MR. GLADFELTER: Your favor of recent date to hand in re H. R. 7456, paragraph 1300, schedule 13.

It affords me genuine pleasure to advise you that I heartily concur with the press in their opposition to this measure and the schedules mentioned, and shall be glad to vote against it.

Yours very truly,

A. O. STANLEY.

Mr. NEW. Mr. President, just a moment.

Mr. GOODING. I yield.

Mr. NEW. I have listened to the list of newspapers read by the Senator from Kentucky. It is truly an imposing array, but all, however, are owned by one man and represent his individual opinion.

Mr. STANLEY. Mr. President——

Mr. GOODING. Mr. President, I decline to yield any further for political speeches.

The VICE PRESIDENT. The Senator from Idaho has the floor and will proceed.

Mr. GOODING. Mr. President, nations, like individuals, have their birth, their youth, their manhood, and their old age. Our country is now passing from its youth into its early manhood. There is yet much to be done before it reaches its full greatness as a nation. But we are no longer a new country; the frontier, with its adventures, its fascinations, its hardships, and its privations, has passed away, and we have reached a new milestone in the life of this Nation.

Mr. President, the great work of the American pioneer is over. Nowhere in all the history of civilization can there be found anything to compare with the part that he has played in the building of this mighty empire. He endured the hardships and privations of a pioneer life, and made it possible for those who followed him in later years to enjoy peace, prosperity, and happiness. He cleared away the forests, drained the swamps, built the roads, subdued the desert, and made a thousand blades of grass grow where none grew before.

No trail was too long, too hard, or too dangerous for him to follow. Out into the mighty West he pushed on, undaunted and unafraid, at times a law unto himself, hundreds of miles away from an organized government; but through it all he never forgot those principles of American manhood, respect for womanhood, motherhood, and christianity, without which no government can long endure or civilization exist.

All honor to the American pioneers, for they not only made possible the settlement and development of this mighty empire, but they left behind them a citizenship full of the virile forces of American manhood that has made this country the greatest factor in all the world to-day.

Mr. President, within the lifetime of a Member of this Congress, the Hon. JOSEPH G. CANNON, of Illinois, the city of Chicago was but little more than an Indian trading post, an unincorporated village, with a population of but 3,000. Within the lifetime of "Uncle Joe," as we all love to call him, all the vast empire west of the Mississippi has been settled. Within my lifetime most of the territory west of the Missouri River has been settled by the homesteader, as well as most of the great pine forests of Michigan, Minnesota, and Wisconsin, and all the transcontinental railroads have been built.

Mr. President, the last chapter of the achievements of the American pioneer can now be written, for at no place on American soil is there a frontier, and it can be said, without fear of successful contradiction, that nowhere in the great West is there any land left for the homesteader. I believe it is safe to say that there is not a homestead of 160 acres left anywhere in any of the public-land States where it is safe for a man to take his family and try to make a living.

Hundreds of thousands of homesteads have been taken up in the Western States within the last few years, where, after a hard struggle to produce enough to keep the wolf from the door, the fight had to be given up and the homesteader forced to abandon his claim, broken in spirit, a sad and discouraged citizen. This Government has never given the homesteader any assistance. We have never had any intelligent direction of the settlement of our public domain. So it is not strange that in many cases the homesteader has settled upon lands in the Western States where the rainfall is not sufficient for the growing of agricultural crops.

There is still an opportunity in this country for a few homes on the cut-over lands in the South and in the West, and then there are some swamp lands to reclaim. It is estimated that there is enough water left, above that which is in use to-day, to reclaim, when reservoired, 22,000,000 acres more of our arid lands. But unless this Government makes greater progress in the future than it has in the past it will take 200 years to reclaim these 22,000,000 acres of arid land, for since the reclamation act was passed on June 17, 1920, the Government has only reclaimed 1,600,000 acres of arid land and furnished partial water for 1,000,000 acres more. Approximately, it may be said that the Government in 20 years has reclaimed but 2,000,000 acres of arid land; but, unless the farmers of this country receive better prices than they have for a number of years, the new development which it is possible to bring about will not keep pace with the farm desertion that is taking place in every State in the Union. It is estimated that a million men, women, and children left their farms in the different States of the Union in 1920. Farm desertions will continue in those neighborhoods where the fertility of the soil is exhausted

and where the struggle is too hard to make practicable the earning of a living.

Mr. President, the point that I want to emphasize is that this is no longer a new country; that there is no longer an opportunity to relieve the congested conditions of our great cities by our people finding new homes upon the public domain; that the same condition with which all of Europe has struggled for centuries—that of finding employment for their people—now confronts this Government, and must have the serious consideration of those who are responsible for the direction of its affairs.

Mr. President, Senators must understand that we have reached a new milestone in the life of this country, and we must not forget that the first duty an organized government owes to its citizens is that of giving an opportunity for employment to those who are willing to work for the comforts and necessities of life. Our Constitution guarantees to every citizen life, liberty, and the pursuit of happiness; but there can be no happiness in that home where the husband returns day after day from an effort to secure work and finds his little ones, hanging to their mother's apron strings, crying for bread.

For more than two years we have had an army of unemployed in this country. The high-water mark was nearly 6,000,000 out of employment. There are 3,500,000 idle men to-day, exclusive of those who are on a strike, and it is midsummer, with the harvest in full swing. There are those who believe that by fall this vast army of unemployed will be able to find work and that the country will have reached normalcy, with the return of prosperity to all of our industries. I am not so sure about that. I believe the protective-tariff measure that is now before the Senate will do much toward starting the wheels of industry, but I do not believe that any tariff bill, regardless of how high the duties may be, will give some of our industries proper protection under a system of foreign valuation.

We hear much about "back to the farm," but when we study the conditions on the farms and realize what a struggle the farmers have had to keep the wolf from the door it is irony to talk about "back to the farm."

Mr. President, the free-trade policy of the Democratic Party is largely responsible for the condition of agriculture, for they placed practically all of the great products of the farm on the free list.

The trouble to-day with agriculture is that we have an unbalanced condition on the farm. This has been brought about by the vicious free-trade policy of the Democratic party toward agriculture, which has practically destroyed some of our industries. Through a lack of proper protection to some of our industries we are growing too much cotton and not enough sugar; too much wheat and not enough wool; and too much corn and not enough flax, hemp, and soy beans; and what is true of these crops is true of other farm products in America.

The free-trade policy of the Democratic Party and Schedule K in the Dingley law and the Payne-Aldrich law are responsible for the destruction of the sheep industry in this country. In 1903 there were in the United States 64,000,000 head of sheep. That was the high-water mark in that industry. To-day there are but 35,000,000 head left, and most of them are old ewes. The conditions surrounding the industry have been so severe in the last few years that the flower of the flock—the young ewes—had to be sent to the slaughterhouses, for if the older ewes had been shipped they would not much more than have paid the freight to market. I personally know of many pure-bred herds that had to be broken up and some of them sent to the shambles, until to-day the industry is but a wreck of what it was a few years ago.

The emergency tariff has worked almost like magic in reviving the industry; but I am not quite sure, Mr. President, that the duty in the pending tariff bill, which, as I read it, constitutes a reduction of fully 35 per cent from that given in the emergency tariff bill, will save the industry. It will, however, give it a fighting chance, unless we are unfortunate enough to have another Democratic administration with another free-trade period for the sheep industry. Just one more year of free trade for that industry and I am sure that every flockmaster in America will give up the fight, and what was once a great industry in this country will pass away and be forgotten.

There will be no movement of "back to the farm" so long as the Democratic Party keeps up its vicious policy of free trade toward agriculture and the live-stock industry; nor will there be any stability in agriculture so long as we have a free-trade policy in this country. A man would have to have a good deal of courage to venture into the live-stock industry to-day, and it would take a great deal of courage, I am sure, to build any more sugar factories. In fact, at the present time, with our overproduction and unsettled policy toward agriculture, it is not an act of kindness to encourage anyone to go back to the farm.

Let us forget about any movement of "back to the farm" for the present at least, for I find upon investigation that the annual crop production in this country to-day is 40,000,000 acres more than our annual consumption of agricultural products. It is estimated, Mr. President, that the increased consumption of farm products in the United States each year is equal to 2,000,000 acres of crop production. At that rate it is going to take 20 years for consumption to catch up with the present agricultural production, but it would not be hard to bring about a balanced condition on the farm if we would give proper protection to agriculture and its affiliated industries.

If we could have maintained the 64,000,000 head of sheep that we had in America in 1903, we would have 5,000,000 acres less of farm products to find a market for in foreign countries, for I figure it would take at least 5,000,000 acres to maintain 29,000,000 head of sheep, that number representing the depletion in the flocks.

If we grew all the sugar we consume in America it would mean 2,000,000 more acres of farm lands in sugar beets and sugar cane and 2,000,000 acres less of other farm products. And if we give proper protection to the flax growers, the soybean growers, the hemp growers, and to all other farm products that we can produce in this country, it is safe to say that from twelve to fifteen million acres of the forty million acres could be displaced with profitable crops to the American farmer, and we would soon become a self-supporting Nation in all agricultural products, a condition which is so essential in peace as well as in war.

With our public lands practically all settled we have reached the peak of production of farm products in America under our present system of farm cultivation. Proper protection and a balanced condition on the farm would do much toward stabilizing farm prices. With better prices for farm products we would have better cultivation of the soil and smaller farm units, so much to be desired. In short, Mr. President, if we give agriculture a square deal we can soon develop a movement of "back to the farm."

Mr. President, of the 3,500,000 men out of employment to-day, it is estimated that a million of these are floaters, and would not work if they were given the opportunity. No doubt that is true; but with 2,500,000 men out of employment that would work if they were given an opportunity, and with a million young men and women reaching maturity each year, many of whom must find employment in the different trades and lines of business, and with our ports still open to immigration, though somewhat restricted, as I see it, our problems of government in the future are going to be very much greater than they have been in the past.

Realizing that there was no longer any opportunity to relieve the congested condition of our cities by our people finding new homes on our public domain, I called upon the Secretary of Labor and the Commissioner of Labor Statistics, with the hope that I might find some encouragement in discussing with them the question of our unemployment and the conditions that surround our great industries.

Mr. Stewart, Commissioner of Labor Statistics, says that not only is agriculture already developed in the United States to a point where the cry of "back to the farm" is filled with irony and sarcasm, but many of our industries are in the same state of overdevelopment. Speaking of the coal industry and other great industries, Mr. Stewart said:

COAL INDUSTRY.

A statement has just been made by Mr. Francis S. Peabody, of Chicago, an acknowledged authority on the bituminous-coal industry, to the effect that the bituminous-coal mines of the United States, with their present equipment and development, could produce 1,000,000,000 tons of coal annually by working full force and full time. Our production of bituminous coal heretofore, both for domestic consumption and for export, has amounted to only half of that amount, or 500,000,000 tons, in good years. With exports shut off, or restricted, as they are at present, 480,000,000 tons will amply meet the requirements of all the industries in the United States, operating as they are to-day at as near full speed and continuous time as their overdeveloped condition will permit. In other words, 25 per cent of the coal mines, employing 60 per cent of the workers on full time, can produce all the coal we can use in the United States.

The significance of this lies in the fact that 3,000 of our 12,000 coal mines could do all the work in supplying the demand for this essential product, and the remaining 9,000 are not only not needed but are a potential source of disturbance to the entire situation. This means that from 240,000 to 300,000 men in the bituminous coal mines are not needed for economic production. Even in the best years there are this number of mine workers in excess of those who could secure full-time employment, and therefore their presence in the industry only operates to reduce the working time of all and prevents any of them from securing full-time work.

IRON AND STEEL.

With our present facilities for the production of iron and steel we can produce in six months, running full force and full time, all the iron and steel we can consume in a year's time; and this computation is on the basis of past consumption, when we were building railroads in this country at a rate not likely to be repeated in the near future, and at the same time we were exporting railroad construction material in vast quantities.

It is safe to say that very few people realize what the enormous increase in productivity, due to the improvement of machinery, means in the question of overdevelopment and the labor situation generally. Take the production of pig iron, for example. In 1850, with 20,298 employees, the blast furnaces of the United States produced 504,245 long tons of pig iron, being an average annual production of 25 tons per man. Forty years later, in 1890, we were making 811 tons per year per man. It is a significant fact that whereas during the period 1850 to 1919 the number of employees in the blast furnaces of the United States increased 88 per cent, the production during that same period increased to the enormous extent of 6,051 per cent. These figures are computed on an average basis for the entire country. It is a matter of record that some of the better blast furnaces are producing over a thousand tons per man per year. In the Bessemer steel industry, if all labor, both skilled and unskilled, is taken into account, the output per man per full year in 1913 was 1,300 tons; in 1917 it was 1,400 tons. In open-hearth steel the average production for full-year worker in 1913 was approximately 1,100 tons and in 1919 it was 1,277 tons.

BOOTS AND SHOES.

There are over 1,400 establishments manufacturing boots and shoes in the United States. It has been estimated that the average number of pairs of shoes used per family in the United States is 12.2 pairs annually. One concern claims to be making 15 per cent of all the shoes purchased by the workmen of the United States to-day.

It is claimed that 10 of these boot and shoe establishments manufacture 40 per cent of the shoes consumed in this country. From this it can readily be seen how the boot and shoe industry becomes a seasonal one, and how, even in the best seasons, the plants are not equipped to their full capacity. It has been pointed out that 25 per cent of the boot and shoe factories of the United States, running full time at full capacity, could produce all the boots and shoes consumed in the United States; and that the boot and shoe factories of the United States, taken as a whole, operating full time could produce five pairs a year for every man, woman, and child in the world who wears shoes. It is understood, of course, that less than half the people of the world wear our type of shoes, and it is not likely that the population of India, China, and Japan will change their centuries-old habits in footwear, or lack of footwear, in order to furnish us a market. It may be noted in this connection that the boot and shoe industry in England, Germany, and France is practically in the same condition as our own.

I also discussed with the Secretary of Labor the overdevelopment of some of our industries. Speaking of the women's dress, waist, and cloak industry, he has this to say;

I am informed by the Commissioner of Labor Statistics that it developed in a study of the women's dress and waist industry, made by the Bureau of Labor Statistics, there were twice as many persons employed in the busiest week as were employed in the dullest week, and that one-half of the year falls in the dull-week period. In other words, practically one-half of the employees and equipment were idle for six months in the year. Similarly, a study of the women's cloak industry show three times as many people employed during the busy season as in the dull season.

SAWMILLS.

The installed capacity of the sawmills of the United States is 117,500,000,000 feet per annum, while the maximum production does not exceed 46,000,000,000 feet. This indicates an overdevelopment of 160 per cent.

WINDOW GLASS.

In the window-glass industry there has been a general understanding among the manufacturers and workers to concentrate the manufacture of window glass by a continuous operation for 26 weeks in each year, leaving the men free to seek other employment for the remaining 26 weeks. This indicates a 100 per cent overdevelopment in the industry, since all the window glass needed to supply the demand is produced by working 50 per cent of the possible time.

MEAT-PACKING INDUSTRY.

During the 10 months ending April 30, 1922, there were slaughtered an average of 5,000,000 animals per month, or 60,000,000 per annum. In the year of 1909 the same industry slaughtered over 72,500,000 animals.

COPPER INDUSTRY.

The production capacity in this industry is 2,000,000,000 pounds as against an annual average production of 1,250,000,000 pounds.

FLOURING MILLS.

There are 10,788 flouring mills in the United States, with about 7,000 of them confining their output to wheat flour. Twenty-five to thirty per cent of the largest of these, operating full time at full capacity, could supply the needs of the entire country for flour.

AUTOMOBILE TIRES.

The people of the United States to-day are buying about 36,000,000 automobile tires per year. The plants which produce automobile tires are equipped to manufacture from 56,000,000 to 60,000,000 tires a year with the present number of employees on their pay rolls. It stands to reason that no man can get more than half-time work in this industry, taking the whole year round.

Mr. President, what is true of the automobile-tire industry is true of the automobile and truck industry and, I might say, of the entire motor-vehicle industry. In the past 20 years the automotive industry has made the most remarkable development in this country that the world has ever seen. There is nothing to compare it with in all the history of civilization. To-day the automobile and allied industries furnish employment for nearly as many men as the entire railroad systems of the country, and it has all been developed within the last 20 years. We can not only manufacture for our own use, but we can supply the demand for the entire world.

In practically every industry production has outstripped the growth of population and the corresponding ability to absorb the products of industry, and this is also true in other countries. In this country, while the population increased 39.7 per cent during the period from 1899 to 1919, our production of textiles increased 90.7 per cent; stone, clay, and glass, 78.8 per cent; iron and steel, 112.7 per cent; chemicals and allied products, 182.2 per cent; metal products other than iron and steel, 196.1 per cent; and vehicles, 1,273.8 per cent.

Mr. McLEAN. Mr. President——

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

Mr. GOODING. I yield.

Mr. McLEAN. Are the increases in value or in quantity?

Mr. GOODING. In quantity; that is, the productiveness of all these institutions has increased to that extent.

Mr. McLEAN. In quantity?

Mr. GOODING. In quantity.

I sometimes wonder if we ourselves realize the wonderful development that has taken place in our own country in the last half century. While the United States has only 6 per cent of the world's population and 7 per cent of the world's land, yet our country produces 20 per cent of the world's gold, 25 per cent of the world's wheat, 40 per cent of the world's iron and steel, 40 per cent of the world's lead, 40 per cent of the world's silver, 50 per cent of the world's zinc, 52 per cent of the world's coal, 60 per cent of the world's aluminum, 60 per cent of the world's copper, 60 per cent of the world's cotton, 66 per cent of the world's oil, 75 per cent of the world's corn, and 85 per cent of the world's automobiles.

At the same time it seems we are a Nation of shopkeepers. It seems to me that this line of business, as well as many of our great industries, is overdeveloped, for we have 946,419 retail shops in the United States, or a retail shop for every 111 citizens. And then we have 97,083 wholesale houses, or a wholesale house for every 35 retail establishments. And God only knows how many middle men and commission men who, with sharp pencils and keen brains, too often take the lion's share in the marketing of the farmers' products.

Mr. WILLIS. Mr. President, I desire to propound an inquiry to the Senator.

Mr. GOODING. I yield.

Mr. WILLIS. The Senator has just referred to the very large and, as he thinks, and as I think, the inordinately large number of retail and wholesale establishments. I wonder if that accounts for this situation: Some time ago I had occasion to make an investigation in an effort to determine the share of the consumer's price which the producer actually received. I made that investigation in connection with certain products we produce very largely in Ohio, and from the figures I obtained from the Agricultural Department and from the Department of Commerce I found that out of every dollar paid for our products by the consumer in the markets of Baltimore, Philadelphia, or New York the producer back in Ohio, who owned or rented the land, put out the crop, ran the risk, and did the work, got 28 cents, and somebody else along the line got the other 72 cents out of the dollar. That was not made up very largely at that time of freight rates, because freight rates then were considerably lower than they are now. In other words, it was middlemen's profits which raised the prices to very much more than what the producer of the farm products got.

Mr. GOODING. The Senator is quite right, Mr. President. There is no doubt but that there are too many middlemen between the producer and consumer. We must have a better distribution system in this country or the farmer will not receive the full benefit of the tariff.

Mr. President, on top of it all we have been making radical reductions in every department of the Government. At this particular time we are scrapping our Navy and making reductions in the officer and enlisted personnel. On July 1, 1921, our total naval strength, officers and enlisted men, was 121,969. On June 30, 1922, this had been reduced to a total strength in the Navy of 95,947, or a net reduction in a year's time of 26,022 men.

Likewise, the reduction in the strength of the Army has been very material. On June 30, 1921, the total strength of the Army was 214,500 officers and enlisted men. By June 30, 1922, this had been reduced to 140,232, or a net reduction in a year's time of 74,177 in the Army.

On July 1, 1921, the Marine Corps had a total strength of 22,992 officers and enlisted men. This number had been reduced by July 1, 1922, to a total strength of 21,259, or a net reduction during the year of 1,733 men, who must find employ-

ment in civil life. This number by itself is not very material but it shows the tendency all along the line.

On January 1, 1920, there were 640,175 employees in the Government service, within the District of Columbia and outside, exclusive of the Army, Navy, and Marine Corps. By January 1, 1921, this number had been reduced to 568,390, or a net reduction of 71,785 employees. At the same time it has been estimated by competent authority that a further reduction of 3,000 has been made since January 1 of this year.

As an important factor in this problem we must consider the number of permanent immigrants coming to our shores who must find employment to sustain themselves and their families or become a burden or possibly a menace to the community. The figures from the office of the Commissioner of Immigration indicate that for the 11 months ending June 1, 1922, there were admitted into the United States 284,780 permanent immigrants.

Mr. President, very properly, rigid economy is the watchword of this administration, as is so fully shown in our appropriations. For the year 1921 the total Government appropriations, as given by the Budget Bureau, were $5,205,236,104.14. For the fiscal year 1922 this amount had been cut down to $4,066,316,366.74, inclusive of deficiency appropriations, or a net reduction for the year of $1,138,919,737.40. This, of course, means that there was that much less expended by the Government for labor and material and that the people directly involved must look elsewhere for their empolyment.

Assuming that $1,000 is a fair average annual compensation in the Government service, the year's reductions in personnel would account for $176,717,000 of the reductions in the total appropriations. This would leave $873,844,237 to be accounted for by decreased wages paid to labor, purchase of material, equipment, supplies, and so forth, all of which means that much less paid to labor in one form or another, and has a direct bearing on labor conditions throughout the country.

With our public lands all gone and every industry overdeveloped beyond our own requirements, great enough in some instances to supply the whole world, we have reached that period in the history of our country when it might not be out of place to ask, what of the future? There are those, Mr. President, who believe that we have reached that milestone in the life of our Nation when we shall have to meet the test of our form of government.

At this time it might not be out of place to read Lord Macaulay's Prophecy, as quoted in McCleary's work on Protection, Our Proper Permanent Policy (page 14):

In 1857 Thomas B. (afterwards Lord) Macaulay, the great English historian, wrote a letter to H. S. Randall, of Virginia, who had sent him a copy of the Life of Jefferson and the Colonial History of New York, from which letter the following extracts are taken:

"I have long been convinced that institutions purely democratic must, sooner or later, destroy liberty or civilization, or both. You may think that your country enjoys an exemption from these evils. I will frankly own to you that I am of a very different opinion. Your fate I believe to be certain, though it is deferred by a physical cause. As long as you have a boundless extent of fertile and unoccupied land your laboring population will be more at ease than the laboring population of the Old World, and, while that is the case, the Jefferson politics may continue to exist without causing any fatal calamity. But the time will come when New England will be as thickly populated as old England. Wages will be as low, and will fluctuate with you as with us. You will have your Manchesters and Birminghams, and in those Manchesters and Birminghams hundreds of thousands of artisans will assuredly sometimes be out of work. Then your institutions will be fairly brought to the test. * * *

"It is quite plain that your Government will never be able to restrain a distressed and discontented majority; for with you the majority is the Government and has the rich, who are always a minority, always at its mercy. The day will come when in the State of New York a multitude of people, none of whom have more than half a breakfast or expect to have more than half a dinner, will choose a legislature. On one side is a statesman preaching patience, respect for vested right, strict observance of public faith. On the other is a demagogue, ranting about the tyranny of capitalists and usurers, and asking why anybody should be permitted to drink champagne and ride in a carriage while thousands of honest folks are in want of necessaries. Which of the two candidates is likely to be preferred by a workingman who hears his children cry for more bread?

"I seriously apprehend that you will, in some such season of adversity as I have described, do things which will prevent prosperity from returning; that you will act like people who should, in a year of scarcity, devour all of the seed corn, and thus make the next year not of scarcity but of absolute famine. There will be, I fear, spoliation. The spoliation will increase the distress; the distress will produce spoliation. There is nothing to stop you. Your Constitution is all sail and no anchor.

"As I said before, when a society has entered on the downward progress, either civilization or liberty must perish. Either some Cæsar or Napoleon will seize the reins of government with a strong hand or your Republic will be fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth, with this difference—that the Huns and Vandals who ravished the Roman Empire came from without, while your Huns and Vandals have been engaged within your own country by your own institutions."

If Lord Macaulay had prophesied the downfall of Russia instead of our Republic, he would be accepted as a great prophet to-day. Time has proved, Mr. President, that a republican form of government, if properly conducted, will meet any test.

Mr. President, I have no fear of the downfall of this Republic, and I am sure that our Constitution will meet the test, but there is always danger to any government when those in control do not legislate wisely in the interest of the people. Abuse, long continued, has strewn the pathway of civilization with sad stories of the fall of nations as far back as authentic history tells of the achievements of mankind.

Mr. President, the world to-day is confronted with the greatest crisis in its history. Some governments have broken down and others are struggling with a depreciated currency and with a social condition which makes uncertain what tomorrow may bring forth. While every other country in the world is increasing its duties and placing embargoes on goods that its people manufacture, we find the Democratic Party fighting against every rate in the bill that is now before the Senate, and at the same time they admit that many of the rates in the present law—the Underwood-Simmons law—are entirely too high and should be revised downward.

This country presents the most remarkable spectacle on the tariff question of any country on earth. The Democratic Party occupies the unique position of being the only free trade or tariff for revenue party, call it what you please, on earth today, for they are all one and the same so far as protection is concerned. The Democratic Party is the only political party in the world that believes protection is unconstitutional and immoral, even when it is needed to save the life of the Nation.

This great, august body, as it is so often called and admitted by the Senators upon the floor, is the only legislative body in the world which, considering tariff laws, has refused to take into consideration the unbalanced condition of the world, brought about by the Great War, and the depreciated currency of some of the countries of Europe, which, when measured by our standard of values, the gold standard, is worth less than the paper on which it is printed.

Not only is all of Europe increasing her duties and laying embargoes, but this is being done in all parts of the world.

These embargoes are of three types. France, Italy, Spain, and other countries, where there are Government monopolies of such articles as matches and tobacco, forbid their importation or sale. Others issue long lists of goods which may not be imported under any condition, irrespective of their origin. The third plan is an outgrowth of the war, during which the belligerent Governments exercised very close supervision over all foreign trade. Some of them still issue lists of commodities which may be imported only under special license from the Government. The result is much the same as that attained by the second plan, for such licenses are often impossible to obtain.

Great Britain put into effect on October 21, 1921, an act called the safeguarding industry act. This act levies a protective tariff of 33⅓ per cent on all key industries in Great Britain. In addition to this, Great Britain has a commission to which any industry may appeal, and on the proper showing they are given protection.

In the interest of safeguarding Great Britain's industries, a clause was inserted in the German reparation act which imposes a 26 per cent tax on all goods shipped out of Germany consigned to the United Kingdom. This 26 per cent tax is to be collected at German ports as an export tax, the tax so collected to be turned over to Great Britain and credited by her to the German reparation fund.

So on all German goods that come into competition with what England calls her key industries, Great Britain's industries are protected by a tariff of 59 per cent against all German imports. A duty of 59 per cent is very much higher than the duties levied in this country, and it must be admitted that, at least in a large majority of our industries, the cost of production is higher in this country than in any other country on earth.

Mr. WILLIS. Mr. President, has the Senator before him any data to show what the British Government regards as key industries?

Mr. GOODING. I placed that list in the RECORD on a previous occasion. It covers something like 6,000 different items.

Mr. WILLIS. Can the Senator recall some of them at this time?

Mr. GOODING. I doubt if I can, but it includes practically all of Great Britain's principal industries, which are protected against imports from Germany by a 59 per cent rate. I understand, further, that every day they are placing duties on new commodities and new industries wherever a showing can be made which, in their opinion, justifies it.

Free-trade England has had sense enough to realize that the world is still suffering from conditions brought about by the war. She has considered the tariff question to be an emergency matter, until to-day Great Britain and her colonies are among the highest protective tariff countries in the whole world. While foreign diplomats in this country have been busy attacking our tariffs, their own countries, without exception, have far outstripped our own country in levying duties on foreign imports.

Canada has outdone England in her protective tariff duties. For years she has been a higher protective tariff country than our own, and yet Senators on the other side of the Chamber shed tears over the unfairness to Canada in the bill that is now before the Senate.

The Dominion of Canada has amended its tariff upward since the war by a series of changes. These changes have worked consistently against the United States in favor of British industries. For many years Canadian tariffs have given imports from the mother country preference in rates over imports from the United States and other countries. She began this practice in 1898 and has maintained it in every tariff written since. These preferences in favor of British-made goods have amounted to between 20 and 30 per cent.

In July, 1921, Canada levied a tax upon all advertising matter from the United States. This was a direct blow at United States products which were advertised in American magazines and newspapers having a circulation in Canada.

Canada's latest act, which is a direct blow at United States products, is a change in its tariff rates and also in its sales tax. The change in its tariff does not raise any rates against the United States but does give the British 5 per cent greater preferential rates, thus giving imports from the British Empire a preference of about 20 per cent over our imports from the United States. Her second discrimination is in the modification of her sales tax, by which she imposes a sales tax of 4 per cent on articles made in Canada and the British Empire and a tax of 6 per cent on all articles sold in Canada which are imported from the United States.

While it is estimated that we shall have a free list of from 55 to 63 per cent on all foreign imports under the pending bill, Canada's free list at the present time is from 31 to 35 per cent. So my advice to the Senators on the other side of the aisle is to dry their tears as far as Canada is concerned, for she seems to be amply able to take care of herself when it comes to tariff laws. In fact, Canada will not have any free list, for she has a sales tax of 6 per cent as against our imports, which, in some cases, is higher than the duties we impose in this bill.

Not only Canada, but Australia and New Zealand, in fact every British dominion, has increased its rates of duty on foreign imports since the war once or twice, all cooperating through and by a commission. Canada has also taken into consideration the depreciated currency of foreign countries.

Switzerland, on May 24, 1921, put into effect a tariff law for the purpose of protecting her home markets from invasion by cheaply made foreign goods and protecting her manufacturers from this kind of competition. She did not rely altogether upon high rates, for in a great many instances her tariff law goes so far as to absolutely prohibit the importation of articles the like of which are manufactured in Switzerland.

On March 19, 1920, Czechoslovakia put into effect a tariff which prohibited all imports of products the like of which are manufactured in that country for export. In addition, it established practically a prohibitive tariff rate on a large number of imported articles which are not made in that country. For example, it established a tariff of 90 per cent of the purchase price on all automobiles and parts of automobiles such as motors, engines, and so forth.

On July 10, 1921, Jugoslavia put into effect a protective tariff with rates that make it practically impossible to import articles into that kingdom the like of which are produced there.

On July 16, 1921, Austria put into effect a new tariff with rates 200 times as high as those of the pre-war period. This was done in order to offset the depreciation of currency in Austria and to afford Austrian manufacturers protection for imports from other countries.

On August 3, 1921, Italy established an absolute embargo against the importation of a majority of manufactured articles from the United States. In doing so she practiced flagrant discrimination against this country, as, by the same decree which established the embargo, she permitted the importation of like articles from Belgium, France, Algiers, Switzerland, Portugal, England, and all the British Colonies. Since then she has reduced this embargo somewhat, but she still retains it against a great number of American products, especially American meats, tobacco, and cottonseed oil. She has a high tariff on all articles that she does not permit to be imported.

On November 7, 1921, Belgium put into effect a new tariff which provided for an increase of from 100 to 300 per cent in all specific duties on German goods admitted by weight and an increase of 20 to 40 per cent in all ad valorem duties on German goods. This was done to offset the depreciation in German currency. In the early part of this year Belgium extended this 100 to 300 per cent increase of tariff duties to the imports from all countries whose currencies have depreciated and also added a domestic valuation clause, which provided that all imports should be valued for duty at a valuation not less than the wholesale price of like goods made in Belgium.

On September 25, 1921, the Republic of Ecuador established against a number of articles new rates of tariff which were higher than previous rates and she placed an absolute prohibition against the importation of shoes of any kind in order to protect her home shoe manufacturing industries.

Poland, on August 11, 1921, put into effect a tariff which absolutely prohibits the importation of articles the like of which are manufactured in Poland.

Finland, in December, 1921, established a tariff for the year 1922 which prohibits the importation of all manufactured articles that are not indispensable and increases by about 300 per cent the tariff duties on articles permitted to be imported.

Mexico, on January 1, 1922, put into effect a tariff with rates from 25 to 100 per cent higher than the previous rates.

Peru, on the first of the year, put into effect a tariff of 400 per cent on ladies' fine shoes.

Denmark, on November 25, 1921, put into effect an emergency tariff, with greatly increased duties all along the line.

Hungary, on November 23, 1921, put into effect a new tariff, with rates from forty to one hundred and fifty times the normal pre-war rates.

Spain, on February 16, 1922, put into effect a new tariff, affecting practically every article of import, with rates much higher than previous rates.

Bulgaria, on April 1, 1922, put into effect a new tariff, in which all rates were vastly increased over previous ones.

Sweden, on March 27, 1922, put into effect a new tariff, with rates about five times their pre-war levels.

A number of countries have adopted what is known as the coefficients system. This principle of levying duties was first employed in France and has since been adopted by several other countries. France has an executive committee that is given almost absolute control over imports. The duties are revised by a change in "coefficients" or "multipliers"—that is, the maximum and minimum duties on a given class of products are multiplied by 1½ or 2 or 5, as the case may be, to determine new duties. At first 3 was the highest multiplier, but recently, because of depreciated currency in other countries, and so forth, the multiplier may be as high as 10. In other words, the duties on some goods, as fixed by the executive committee, are ten times higher than under the legislative act of 1910.

The same system is used in Germany. On many articles Germany has placed an embargo and controls her imports through a licensing system.

In an official note to the American commissioner at Berlin in August, 1921, the German foreign office stated that "whether and to what extent such permits are issued depends on the nature of the goods and the monetary economic situation in the branches affected." The foreign office further stated that the Government is unable to furnish a list of goods for which the obtaining of an import permit can be depended upon, but that in general it may be said that "import permits may not be expected for finished goods whose importation may be considered as superfluous by reason of their character as luxuries or on account of a sufficient production at home."

The German import duties are stated in gold, but under normal conditions were paid in paper marks at par. With the depreciation of the paper mark after the war duties were required to be paid in gold or its equivalent, with the exception of a short period in 1919. Practically since the war import duties in Germany have been paid in paper marks, and in the effort to maintain an approximate equivalent between the duties collected in the pre-war gold currency and those collected in the depreciated paper currency the official conversion rate between the gold and paper mark has been advanced repeatedly by the German Government in rough proportion to the course of depreciation of German currency in international exchange. The number of paper marks which have been declared as equivalent to one gold mark in the payment of duties has been successively advanced from 10 to 20, 40, 45, 60, and, effective June 25, 1922, 65 paper marks will be required to be paid for every gold mark of the basic tariff.

Mr. President, even Germany has found it necessary, in order to protect her own industries, to increase her duties as high as sixty-five times, and she had the good sense to place a complete embargo on everything she can manufacture for her own use. We fail to recognize the fact that practically every other country on earth has closed its doors against the importation of goods which they can manufacture for themselves and that our exports to every country are going to be materially reduced in the future. If we do not make an effort to protect our markets and our industries as the rest of the world is doing, we shall be confronted with a serious problem such as we have never witnessed before. Unless we adopt the administrative provision in this bill which permits the President to increase rates by 50 per cent when found necessary, and adopt the system of American valuation, the time spent on this bill will be wasted, for unless we can bring back prosperity to all the great industries in this country there will not be prosperity for any of them.

Mr. President, this Nation can not stand still; it must either go forward or backward. The question arises, Are we going to go forward? If we are, we must adopt protection as our permanent national policy. We can not continue to make a football of our great industries in this country, as we have done for the past hundred years, and at the same time bring about the greatest possible development of all our resources.

Whenever there has been a free-trade period in the history of our country; in fact, whenever our tariffs have been reduced below the line of protection, regardless of whether such reduction has been made by the Republican or the Democratic Party, millions of men have been thrown out of employment and suffering, distress, and starvation have ensued in all of our great cities. If there is to be any stability in business in this country we must have a permanent policy so far as our revenue laws are concerned. It is a mighty dangerous proposition to continue to play football with the business interests of America, for we have reached a milestone in the life of this Nation when the one great question that overshadows all others is that of finding employment for our own people.

Speaking of the importance of employment for our people, the New York Evening Journal of July 11, 1922, in an editorial entitled "Tariffs come high, but better lose $13.15 than your job," has this to say:

Almost every newspaper in the United States has printed the statement by Senator WALSH of Massachusetts, "The new tariff will tax every human being in America $13.15." That's interesting. Undoubtedly every conceivable kind of dishonesty, grafting, special privilege will be packed into the new tariff bill. The public has not learned to make "statesmen" do important things honestly yet.

But there are possibilities infinitely more important than the stealing of $13.15 every year from every American man, woman, and child.

One possibility more dangerous would be lack of work for ten or fifteen millions of Americans, based on European competition that could not possibly be met by workers in this country.

Better tax every human being $25 or $100 rather than let them compete with Chinese labor here or in China.

Better to give the steel companies excessive protection than have the steel industry, the steel workers of this country, wiped out by foreign nations, every one of which specialized in cheap, intensive production of steel during the war.

A surgeon spills some blood when he performs an operation. It is blood well spent when the operation is successful. Better a tariff with graft, dishonesty and loss, and injustice inflicted upon many than no tariff, when a tariff is absolutely necessary as it is now, to the Nation's industrial salvation.

Mr. President, I thank God that there is at least one owner of a great newspaper in this country who seems to know and understand that the tariff question is the workingman's question, and who is big enough, strong enough, and fair enough not to permit the countinghouse to control the editorial policy of his great newspapers. I do not agree with Mr. Hearst that there is graft or dishonesty in the bill that is now before the Senate. I believe it is the best balanced bill and the fairest that has ever been presented to the Senate; and I am sure if Mr. Hearst knew as much about the bill as I do he would agree with me.

Mr. President, I read from a book published by James T. McCleary entitled "Protection Our Proper Permanent Policy," which I believe is the greatest book that has ever been written on protection in this country. If it could be read in every home in America we would soon settle upon protection as our permanent policy. On page 410 Mr. McCleary says:

The real protectionist stands for two thoughts preeminently. He recognizes that the first duty of the Government is to protect and preserve the country's integrity and independence. Industrially, he feels that the first duty of the Nation is to do everything possible to keep its people employed. Compared with these two supreme ideas, all others are unimportant.

Right here, Mr. President, rises the question, How can we keep our own people employed if we hire our work done in other lands? Mr. McCleary answers this question in the succeeding paragraph as follows:

The real protectionist, desirous of developing every faculty of our own people and every resource of our country, believes it unwise to buy abroad what we can economically produce in this country. So long as this old earth remains a sphere, with consequent zones of climate and production ranging from torrid to frigid, there will be abundant opportunity for normal international trade in noncompeting articles.

Beginning on page 497 of the book named, Mr. McCleary makes a consistent, brave, and true application of the propositions that I have quoted, as follows:

PROTECTIVE TARIFF RATES CAN NOT BE TOO HIGH.

When we consider that, as shown in chapter 9, under a protective tariff, the duty is not a tax on our own consumers but a license fee on the foreign producers—and it is vital that every American citizen get this clearly established in his mind—all fear of getting the duties too high will disappear; and it will become the more evident, the more clearly the subject is understood, that the only mistake possible is that of getting the rates too low.

How high should the Galveston breakwater be? The answer is not open to doubt or difference of opinion. There is only one right answer. The people of Galveston are furnishing it. After trial they have soberly reached the conclusion that their breakwater must be big enough and high enough to protect the city and harbor under ordinary conditions, but also high enough and strong enough to protect them under any emergency and from any storm. On this principle they have just made it bigger and stronger than ever before. And time will vindicate their good judgment.

The same principle applies to the protection of our people from industrial storms in the world outside. The protection can not be too strong or too efficient. The rates simply can not be too high or the administrative features too strong for the good of all our people of all sections and all industries. As a result of the Great War a large part of the world outside is in the midst of an unprecedented storm. We can best serve the world and ourselves by preserving from destruction this country and its people, thus keeping ourselves in condition to lead the world back to better things.

Mr. President, I do not agree with the junior Senator from Massachusetts that the tariff is a tax. If it is a tax, it is a tax that the American people can not and must not do without. I am not willing, however, to admit that the tariff is a tax for the selfishness of humanity is so well organized that when an industry is destroyed in this country the importers, over whom we have no control, all exact the last penny on any article which they import and over which they have a complete monopoly.

Then, Mr. President, there is one rule in this country to which there is no exception. That is, when we have given proper protection to any industry that industry has never failed to supply the needs of the American people with a cheaper product than when we had to depend on the foreigner for our supply.

There are plenty of examples in the history of this country of how when our industries have been broken down by a free-trade policy the foreigners have increased the price of those articles beyond the price they sold for when this country was supplying its own needs through its own manufacturing establishments.

Speaking of such a condition, President Fillmore in his third annual message to Congress, in which he recommended protection, had this to say:

Without repeating the arguments contained in my former message in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is the effect of our large importations of foreign goods upon our currency. Most of the gold of California, as fast as it is coined, finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer to that extent is deprived of a home market for the sale of his surplus produce.

In the third place, the destruction of our manufactures leaves the foreigner without competition in our market, and he, consequently, raises the price of the article sent here for sale, as is now seen in the increased cost of iron imported from England. The prosperity and health of every nation must depend upon its productive industry.

Mr. President, it is not necessary to go back into history to show what happens in the increased cost of any commodity when a foreign corporation has a monopoly, for foreign corporations may be owned and controlled by American capital. It is not hard to understand why it has become fashionable for Americans to go abroad and develop foreign industries, for in this way they can increase the price of the raw material in a foreign country and force up the price of the finished product in America without violating any of our laws.

The scheme is a splendid one and works well, as is shown by the sugar industry in Cuba. American capital has invested something more than a billion dollars in developing the sugar industry in Cuba. Much of this work has been done by coolie labor, which is brought to Cuba under five-year contracts to work on the sugar plantations.

Our domestic crop of beets and sugar cane is harvested in the months of October and November. By the first of March of each year it is said that all of our domestic sugar has been disposed of, with the exception of a little that is held in the

West for local consumption. I am advised that our last year's crop of domestic sugar sold for $5 per hundred on an average.

When our sugar is all gone it is then that the Cuban sugar is put on the American market. As soon as these great sugar companies that are interested in Cuba discover that they have a monopoly of our market, the price of Cuban raw sugar advances. With the advance of raw sugar the price of refined sugar is increased in this country. The scheme works well, and there is no danger of prosecution for profiteering or for being in a trust or combination.

It is estimated that the crop of Cuban sugar this year will be 3,900,000 tons. Our domestic consumption for 1921 was 4,107,328 long tons. It is claimed that of this amount 1,866,153 tons came from Cuba. The price of refined Cuban sugar in New York to-day is $6.50 per hundred, or 1½ cents a pound more than the average price paid for our domestic sugar.

There is no scarcity of sugar. There is just a trust and combination in Cuba, over which we have no control, that will force the American people to pay from 1 cent to 2 cents a pound more for Cuban sugar than they pay for their domestic sugar grown on American soil, cared for, harvested, and refined by American labor and American capital and under American institutions, where the people have some chance, at least, to be protected against the selfish tendencies of humanity.

I have here a letter from Mr. F. R. Hathaway, who is secretary-treasurer of the Michigan Sugar Co. I will not read the letter, but I ask that it be incorporated in the RECORD.

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

The letter is as follows:

MICHIGAN SUGAR CO.,
Detroit, Mich., July 15, 1922.

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.

DEAR SIR: Replying to your telegram of July 14 and answering your questions in order—

First. The date eastern beet and Louisiana cane sugar is sold out so that it no longer affects market.

The eastern beet-sugar factories begin operations in Ohio about October 1. The other eastern beet-sugar factories begin operations between October 10 and October 20. Sugar reaches destination and has positive effect on market about November 1 and continues to have a great influence on the market throughout this section until April 1, the last sales of the eastern beet usually being made in the month of April. The quantity left for April distribution is not, however, sufficient to affect the market very materially during that month.

You will naturally inquire what will be done in case our output is doubled to prolong the beet-sugar season in this section as long as granulated sugar made in the fall and winter months can not be carried into the hot summer months. We will make granulated sugar in enough of our factories to supply the winter and spring trade, make raw sugar in the other factories, equip one of our factories to refine such raw sugar, and thus have fresh raw sugar to distribute during the summer months. We have not done this so far because the output is not sufficient to justify such a method of manufacture.

Louisiana cane sugar comes on the market and goes off the market, as far as a positive influence is concerned, at the same time that eastern beet enters and finishes. The two kinds of sugar thus cooperate in exercising a positive influence on the market in this section of the country.

Second. What is the price of Cuban raw in Cuba commencing January up to the present time?

I can not give you the price in Cuba. The quotations are with cartage and freight delivered in bond in New York. The present ocean rate of freight from Cuban ports to New York is, however, 15 cents per 100 pounds. Before the war it was about 10 cents from the northern Cuban ports and 12 cents from the southern Cuban ports. The figures I give you are, therefore, the delivered price of Cuban sugar in bond in New York, which prices are net cash. I will also give you in the same table for corresponding dates the price of standard granulated sugar f. o. b. New York and the price of standard granulated sugar f. o. b. San Francisco. These prices of granulated sugar are subject to 2 per cent discount for cash within 10 days. Quotations on granulated are always given that way, while quotations on raws are given net cash. It seems best in answering this question to start with the prices on September 1, 1921, and run them down to the present date. This will show you how the prices dropped when eastern beet and Louisiana cane came on the market, and how it advanced again when these two kinds of domestic sugar had been sold and the Cubans had the market to themselves, without being controlled in any way by our laws governing combinations in restraint of trade.

Date.	Net cash price 96° Cuban sugar delivered in bond at New York.	New York price, granulated sugar.	San Francisco price, granulated sugar.
1921.			
Sept. 1	$3.00	$5.90	$6.30
Sept. 8	3.00	5.90	6.30
Sept. 15	3.00	$5.60–5.65	6.05
Sept. 22	3.00	5.60–5.65	6.05
Sept. 29	2.625	5.50	5.90
Oct. 6	2.625	5.50	5.90
Oct. 13	2.625	5.30	5.70
Oct. 20	2.50	5.30	5.70
Oct. 27	2.50	5.30	5.70
Nov. 3	2.50	5.30	5.70
Nov. 10	$2.50	$5.20–5.30	$5.70
Nov. 17	2.50	5.20–5.30	5.70
Nov. 23	2.50	5.20–5.30	5.70
Dec. 1	2.50	5.20–5.30	5.70
Dec. 8	2.125	5.20	5.40
Dec. 15	2.125	5.20	5.40
Dec. 22	2.00	5.00	5.40
Dec. 29	1.81	4.90	5.30
Jan. 5	1.81	4.90	5.20
Jan. 12	2.00	4.90	5.20
Jan. 19	2.125	4.90	5.30
Jan. 26	2.25	5.10	5.50
Feb 2	2.125	5.10	5.50
Feb. 9	2.06	5.00–5.10	5.40
Feb. 16	2.125	5.00–5.10	5.40
Feb. 23	2.25	5.10	5.50
Mar. 2	2.1875	5.10–5.20	5.50
Mar. 9	2.25	5.20–5.30	5.70
Mar. 16	2.375	5.30	5.70
Mar. 23	2.50	5.50	5.90
Mar. 30	2.25	5.25–5.50	5.90
Apr. 6	2.50	5.25–5.50	5.90
Apr. 13	2.25	5.25–5.50	5.90
Apr. 20	2.31	5.25–5.40	5.80
Apr. 27	2.50	5.25–5.50	5.70
May 4	2.375	5.40	5.80
May 11	2.375	5.30–5.40	5.80
May 18	2.44	5.30–5.50	5.90
May 25	2.56	5.50–5.60	6.00
June 1	2.625	5.60–5.70	6.10
June 8	3.00	5.80–6.00	6.40
June 15	2.875	6.00	6.40
June 22	3.25	6.20–6.30	6.60
June 29	3.125	6.20–6.30	6.60
July 6	3.375	6.20–6.50	6.60
July 15	3.31	6.50–6.60	6.90

Third. What is the price that last year's crop of Louisiana cane and eastern beet sold for?

I can not give you the figures relative to Louisiana sugar. You can undoubtedly get them by inquiring of Mr. John M. Rogers, secretary of the Louisiana Cane Growers' Association, Union Trust Building, Washington, D. C.

The Michigan Sugar Co. received for its last season's crop of sugar $4.94 per 100 pounds net cash. The Toledo Sugar Co., of which I am also secretary and treasurer, received $5.06 per 100 pounds net cash. I think these two companies are fairly representative of the other eastern beet-sugar companies, and I doubt whether any of them received any better returns for their sugar last season than did the two concerning which I know about definitely. Some of the western beet-sugar companies, particularly those in Colorado where they are so situated that on account of the high altitude and dry climate they can carry their sugar for local consumption into the summer months, undoubtedly received a greater net cash return per 100 pounds for their sugar than did any of the eastern beet-sugar companies.

Fourth. What is the amount of Cuban sugar consumed in this country when domestic beet and cane are off market?

I can not give this answer definitely. Willett & Gray give the total consumption of sugar in the United States during the calendar year 1921 to be 4,107,328 long tons of 2,240 pounds each. They claim that of this amount 1,866,153 tons came from Cuba that year. As close as I can estimate it, the amount of this Cuban cane that was used in this country during the seven months when our eastern beet and Louisiana cane were not on the market must have been from 1,250,000 tons to 1,350,000 tons.

Fifth. Give estimate of Cuban production the past season.

Willett & Gray give the Cuban production in long tons of 2,240 pounds for the past 10 years as follows:

	Tons.
1912–13	2,428,537
1913–14	2,597,732
1914–15	2,592,667
1915–16	3,007,945
1916–17	3,023,720
1917–18	3,466,083
1918–19	3,971,776
1919–20	3,730,077
1920–21	3,936,040

The 1921–22 crop is not yet completed. There are 186 centrals in Cuba, of which 172 have finished operations, leaving 14 still grinding, as reported by Willett & Gray on July 13, 1922. The 172 centrals that have finished grinding have made 111,000 tons more sugar than they did two years ago, and within 23,000 tons of the amount they made last year. Based on these figures the closest estimate we can make at present for the output for the season 1921–22 is 3,875,000 tons. The output probably will be between this amount and 3,900,000 tons. You understand that these are long tons and can be changed into approximate short tons by adding 10 per cent.

All statistical figures given herein, with the exception of the net cash prices received by the Michigan Sugar Co. and the Toledo Sugar Co. for their last season's crop of sugar, are taken from Willett & Gray, who are recognized sugar statisticians in this country.

I trust that the above will give you the information you require and that you will find it to your entire satisfaction.

I am holding myself in readiness to come to Washington to assist in the tariff work whenever my services are needed. Do not wish, however, to come any earlier than necessary, as I am very busy here.

With sincere regards, I am,
Yours respectfully,

F. R. HATHAWAY,
Secretary-Treasurer.

Mr. GOODING. The letter is very illuminating. Mr. Hathaway goes on to tell the story of the sugar industry of this country. I will just take time at present to read the market prices of sugar beginning the 2d of March, showing how beautifully the great Sugar Trust of this country manipulates the market, and what a monopoly they have of that great industry, and how splendidly the policy of free trade works. We have never given this great industry proper protection so that we could develop it up to the point of meeting our own requirements. Of course, we understand that had it not been for the war sugar would have been on the free list. I think everyone who knows anything about the great American sugar industry, whether it is beet or cane, knows that if sugar had been put on the free list the American industry would have been destroyed.

On March 2 granulated sugar—that is, granulated sugar refined from Cuban raw—sold for $5.10 a hundred.

On the 9th of March it sold for $5.20 a hundred.

On the 16th of March it sold for $5.30 a hundred.

On the 23d of March it sold for $5.50 a hundred.

On the 30th of March it sold for $5.25 a hundred. The price was forced down 25 cents. I think we are all familiar with the game that this great sugar company plays in putting its sugar on the market. Something has to be done to cover up the monopoly that it has.

On April 6 sugar was still $5.25 a hundred.

On April 13 it was still $5.25 a hundred.

On April 20 it was still $5.25 a hundred.

On April 27 it was still $5.25 a hundred.

On May 4 it was $5.40 a hundred.

Then it dropped back again, on May 11, to $5.30 a hundred.

On May 18 it was $5.30 a hundred.

On May 25 it was up again to $5.50 a hundred.

In June, the time of the year when the greatest amount of sugar is being used—the fruit season—the price of sugar went up. On the 1st day of June it reached $5.60 a hundred; on the 8th of June, $5.80 a hundred; on June 15, $6 a hundred; and on June 22, $6.20; still $6.20 on June 29 and on July 6; but on July 15 it was up to $6.50 a hundred—a cent and a half more than the domestic crop sold for, on the average.

Figuring the increased cost to the American people at a cent and a half per pound during the seven months' period when the domestic sugar is off the market, the increased cost of the Cuban sugar is $45,360,000. This is an average of $215,897.60 per day, or $6,480,000 per month, which the consuming public is compelled to pay for this essential food product on account of the fact that a foreign monopoly, owned and controlled by American capital, dominates the domestic market. It is this condition of affairs which we are trying to remedy in the pending bill by lending all the encouragement within our power to the producer of sugar grown on American soil by American labor.

Mr. President, we have not only reached a new milestone in the affairs of this Nation but we have reached a new milestone in the affairs of the whole world, which must be taken into consideration in dealing with our affairs. Before the World War all Europe was spending vast sums of money in the development of its armies and navies. England was building a great navy and in other ways was spending vast sums in research and developing weapons of destruction. France was not only extending her navy but was organizing a great army, and it can be said that all of Germany was a military camp. Germany was not only building a great navy but she was organizing the greatest army the world has ever known. All of her industries were developed up to a war basis. An army of men was employed in manufacturing munitions of war, and it is safe to say that half of all the German people found employment in Germany's preparation for the greatest struggle that civilization has ever known. And in that great struggle for four long years Germany held the whole world at bay, and for a time had victory within her grasp. During those years that Germany was preparing for war she made one of the most remarkable industrial advancements that civilization has ever known. In 1913 she took second place among the nations of the earth, when her exports reached the enormous amount of $2,592,296,000 as against exports from our own country of $2,465,884,000.

Those great countries of the Old World which were spending so much money preparing for war are now on a peace basis. England is no longer building a navy but is scrapping many of her vessels of destruction that she built before the war. Japan, like the United States and England, has placed her navy on a peace basis, and in this retrenchment millions of men will be thrown out of employment, and the world applauds, very properly, because this is the greatest stride that has been taken toward permanent peace for the world. Germany is without a navy to scrap or maintain. She is without an army, and if she can succeed in holding her people together and in maintaining her Government, which let us hope and pray she may be able to do, she will again become a mighty factor in the markets of the world.

Our Democratic friends on the other side of the Chamber show a great deal of courage. They are not afraid to compete with any country on earth, regardless of the conditions which exist in that country. Senators on the other side are poohpoohing what they call the German bugaboo. Some of them are talking about the inefficiency of Europe and saying that some of Germany's plants are obsolete and that there is no danger of competition from that country.

Mr. President, the world will not soon forget German efficiency before the war and during the war. I do not believe there is a more efficient people on earth than the German people. Before her submarines, her Zeppelins, her flying machines, and her great guns the whole world stood aghast. There was no question about her efficiency in that great war, and she is just as efficient in her industrial work as she was in that great struggle for the control of the world.

Some of the Senators on this side of the Chamber seem to think that because the imports are light in some lines of manufactured articles the duty should be reduced. If I had my way, Mr. President, I would do what every other country is doing—I would make the duty so high that there would be a complete embargo against every manufactured article that can be produced in this country by our own labor and in our own factories. To me the situation in this country is a serious one. I will not say it is a dangerous one, but it may become a dangerous one unless we give the producers an opportunity to start the wheels of industry and the great army of the unemployed an opportunity to earn a living.

Mr. President, I have an exhibit here to which I shall call attention, but first I want to say that Senators on this side of the Chamber and Senators on the other side of the Chamber have referred to the imports at the present time as being very small. I think, when you consider the depreciated currency in many of the old countries of the world, the imports may be small, measured by dollars and cents. But the volume of imports from Germany, and practically all the other countries with depreciated currencies, is not small, and if measured by the gold mark, or the valuation of the mark before the war, it would be very much greater, as far as dollars and cents are concerned.

In 1913 the imports from Germany into this country were $184,211,362. In 1920 they were $88,836,280. With the depreciated currency of to-day the volume of imports from Germany for 1920 is vastly greater than the volume of imports for 1913. I think if the Senators will follow the invoice values of the exhibits I am going to present they will be forced to agree to that conclusion.

First, I want to read what happened in Austria. I read from the Washington Post of June 15, 1922:

RUSH TO SPEND KRONEN CLOSES VIENNA SHOPS—PANIC-STRICKEN POPULACE SEEKS TO TURN NEAR-WORTHLESS MONEY INTO MERCHANDISE.

(Special cable dispatch.)

VIENNA, June 14.—With the dollar quoted at 22,000 kronen, Vienna has reached the verge of collapse. After Monday's panic the stock exchange was closed, and to-day the panic had overtaken the population. Everybody is trying to get rid of kronen. The shops were open for only a few hours to prevent a total clearing of their stocks, as the panic-stricken customers want to convert all their money into goods.

In business circles there are wild rumors about the measures the Government is going to adopt, including a moratorium on all foreign payments and far-reaching restrictions of exchange dealings.

But we are not afraid of kronen. We permit foreign importers—and most of the importers are foreigners—to go to Austria and buy with the depreciated currency there all they please and bring it into this country without any question, and pay a duty amounting to one-fifth or one-tenth of the pre-war value.

We are the only country in the world to-day that has not closed its doors against depreciated currency such as exists in Austria, Germany, and other countries. We are a mighty brave people, but we will pay the price for it, which might be serious.

I hold in my hand a 22-caliber rifle [exhibiting]. I know something about guns, and I will say that this is some gun. There is not any question about that. This is not any toy at all. It is a real 22-caliber rifle. I want to read the history of it.

This is part of a shipment of two thousand nine hundred 22-caliber rifles purchased by the J. L. Galef Co., of New York, from Gustav Genschow & Co., of Berlin, Germany. The entire cost of these rifles in Germany was 685,500 paper marks, less 15 per cent for cash, making the invoice price 582,825 paper marks in Germany. To this there has been added 6,554 marks

for cost of packing. The cost of a single rifle was, therefore, 235 paper marks, which, at the exchange value of the mark on date of entry, viz, $0.00543, makes the foreign cost $1.09 each. The amount paid for this rifle at retail in New York was $10. The percentage of spread between the foreign cost and the American retail price was, therefore, 818 per cent. The landed cost of this rifle was $1.62, insurance and freight charges being $0.15 and the import duty $0.38, the rate being 35 per cent ad valorem. The spread, therefore, between the landed cost and the American retail price was 517 per cent.

Landed cost of 2,900 rifles, New York	$4,698
Retail value	29,000

I may add in this connection that the foreign invoice and the bill of lading accompany the exhibits.

I next have a razor made in Germany [exhibiting]. Value in Germany, 24 cents; charges, including transportation, insurance, freight, and so forth, 2.4 cents; rate of duty, 55 per cent; amount of duty, 13.2 cents; landed cost in the United States, 39.6 cents. The razor retailed in the United States for $5. The percentage of retail price to foreign cost was 1,980 per cent, and the landed cost 1,165 per cent. The razor was purchased from Parker & Battersby, New York. The original invoice is attached.

Here [exhibiting] is a pocketknife made in Germany. The foreign value was 39.4 cents. The transportation, insurance, and freight amounted to 4 cents. The rate of duty was 55 per cent; the amount of duty 21.6 cents; the landed cost 65 cents; the retail price in the United States $5. The percentage of retail price to foreign cost was 1,172 per cent and the percentage of retail price to landed cost was 669 per cent. The bill is attached and the original invoice also accompanies it. This knife was bought and paid for in March at the rate of 142 marks per dozen.

I have here now a lamp chimney [exhibiting] made in Germany. The foreign cost was 3.33 cents; the transportation, insurance, and freight charges were 1.58 cents. The rate of duty was 45 per cent and the amount of duty 1.5 cents. The landed cost in the United States was 6.41 cents and the retail price in the United States 23 cents. The percentage of retail price to foreign cost was 590 per cent and the percentage of retail price to landed cost was 258 per cent. This lamp chimney was bought from R. H. Macy & Co., New York. The original invoice and bill of purchase are attached.

I have here [exhibiting] a dog muzzle also made in Germany. The value in Germany was 4.2 cents. The transportation and other charges were 3 cents. The rate of duty was 30 per cent and the amount of duty 1.3 cents. The landed cost in the United States was 8.5 cents. The retail price in the United States was $1.50. Percentage of retail price to foreign cost 3,471 per cent, and percentage of retail price to landed cost 1,664 per cent. The bill and original invoice are attached. This leather muzzle was purchased from the Long Island Bird Store, in New York.

I have here next [exhibiting] a razor hone. Country of origin, Jugoslavia. Foreign value, 18.7 cents. Transportation and other charges, 2.1 cents. This is free of duty. The landed cost in the United States was 20.8 cents. The retail price in the United States was $1. The percentage of retail price to foreign cost was 435 per cent and the percentage of retail price to landed cost 380 per cent. This shipment consisted of 36,000 razon hones. The value of the shipment in Jugoslavia was $6,750. The value of the shipment landed in New York, $7,506. The retail selling value in the United States was $36,000.

Here [exhibiting] are some aluminum teaspoons, an article used in every home. These came from Germany. The foreign value was 4.6 mills each. The charges, including transportation, and so forth, amounted to 0.4 mill. The rate of duty was 20 per cent and the amount of the duty 0.9 mill. The landed cost in the United States was 0.59 cent. The retail price in the United States was 4 cents. The percentage of retail price to foreign cost was 770 per cent and the percentage of retail price to landed cost was 580 per cent. The bill is attached, together with the original invoice, all bought from R. H. Macy & Co., New York.

I have next the bill and original invoice of a shipment of cod-liver oil. The bottle was broken in transit, so the cod-liver oil can not be exhibited. This was the finest nonfreezing, steam refined, medical cod-liver oil that can be bought in Norway. The value in Norway was 4.35 cents per pint. The transportation and other charges were 2.32 cents. The cod-liver oil came in duty free. The landed cost in the United States was 6.67 cents. The retail price in the United States was $1.25 a pint. The percentage of retail price to foreign cost was 2,773 per cent and the percentage of retail price to landed cost was 1,774 per cent. In other words, the profits were 1,774 per cent. The oil is imported in barrels and bottled in the United States. This shipment consisted of 1,875 imperial gallons, equal to 2,250 United States gallons. The value of the shipment in Norway was $783. The cost of freight, insurance, and so forth, was $417. The value of the shipment landed in New York was $1,200. The retail selling value of the shipment in the United States was $22,500 based on the price paid for this pint of cod-liver oil. This bottle of cod-liver oil was bought from Fraser & Co., in New York, and was accompanied by the original invoice.

I next have a padlock. Country of origin, Germany. Foreign valuation, 2.7 cents. Transportation charges, 4.3 mills. The rate of duty was 20 per cent, and the duty amounted to 0.0054 cent. The landed cost in the United States was 0.0367 cent; retail price in the United States, 25 cents. The percentage of retail price to foreign cost was 826 and to landed cost 581.

The article was purchased from Louis Rice Co., New York. The bill accompanies this statement, together with the original invoice.

Here [exhibiting] is some lace, which is called "burnt-out cotton lace." The country of origin is Germany; foreign value per yard, 22 cents; transportation, insurance, freight, and other charges, 2 cents per yard; the rate of duty, 60 per cent plus 7 cents per pound, amounting to 14 cents; landed cost in the United States, 38 cents; retail price per yard in the United States, $1.95. These articles were purchased from Lord & Taylor, New York. The bill, together with the invoice, accompanies the statement.

Here [exhibiting] are two electric irons. I think all Senators agree that nowadays a home, the occupants of which are fortunate enough to have electricity, can hardly exist without an electric iron. The country of origin of these electric irons is Germany; the foreign value is 59 cents; the charges, transportation, insurance, freight, and so forth, amounted to 5.9 cents. The rate of duty was 20 per cent, amounting to 11.8 cents; landed cost in the United States, 76.7 cents; retail price in the United States, $6.50.

The percentage of retail price to foreign cost was 1,000 and the landed cost 747. So, if Senators please, on this electric iron there was a profit of 747 per cent. One of these irons was purchased at retail on May 26, 1922, for $5.50, while the other was purchased on June 10, 1922, for $6.50; both purchases were made from the same firm, and the bill and the original invoice of the purchase of these electric irons are presented. These two irons were invoiced at the same price, but evidently the retailers concluded that they were selling too cheap at $5.50.

I have here [exhibiting] a card of vegetable-ivory buttons. The country of their origin is Germany. The foreign value per card of 12 buttons was 6 mills; the charges, including transportation, freight, insurance, and so forth, were $0.0006; the rate of duty was 45 per cent, and the amount of the duty $0.0027; landed cost in the United States was $0.0093. The retail price in the United States was 25 cents for this card of 12 buttons. The percentage of retail price to foreign cost was 4,066 and to landed cost 2,588, the latter figures representing the profit of the retailer after all expenses were paid. These articles were purchased from Stern Bros., of New York.

Mr. President, to Senators on the other side of the Chamber or to Senators on this side of the Chamber who are so afraid that we are going to close our doors against foreign importations into this country, who are alarmed lest the rates in this bill are going to be too high, let me say that there is but one possible chance in America to give the men who are out of employment an opportunity to supply their families with the necessities of life, and that is to embody the American-valuation plan in the provisions of the pending bill. I do not think that any committee has ever made a greater mistake than did the Finance Committee when in reporting the pending measure, after the House of Representatives, following months of study and consideration had adopted the American system of valuation, it changed that system to the foreign plan of valuation.

Senators may study the question as they please, but taking into consideration the conditions which exist in America to-day, with 3,500,000 men out of employment, with many of our industries working only on half time and some of them practically closed down, if any Senator can perceive how we can possibly ameliorate the serious situation which now exists in America by any other means than through affording proper protection to American industries he is able to see more clearly into the future than can I.

Mr. LADD obtained the floor.

Mr. ROBINSON. Mr. President——

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

Mr. LADD. Does the Senator wish to ask a question?

Mr. ROBINSON. No. I desire to discuss the pending paragraph of the bill now under consideration and to make some references to the remarks which have been made by the Senator from Idaho [Mr. GOODING], who has just resumed his seat.

Mr. LADD. I desire to occupy the floor for about one hour in discussing the problem of Mexico and its recognition.

Mr. ROBINSON. Will the Senator from North Dakota be kind enough to yield to me for only five minutes?

Mr. LADD. I will yield to the Senator from Arkansas for five minutes

Mr. ROBINSON. Mr. President, the Senator from North Dakota has been very kind. I have been ready for a vote on the pending amendment since some time yesterday. I am astonished that the Senator from Idaho [Mr. GOODING] should take 2 hours and 24 minutes of the time of the Senate in a general discussion of tariff subjects remotely, if at all, related to the pending question. The Senator from Idaho has been foremost among Senators on the other side of the Chamber who have criticized Democratic Senators for their alleged action in holding up the passage of the tariff bill. With the item relating to hemp under consideration, the Senator from Idaho has taken the floor and consumed 2 hours and 24 minutes in the discussion of subjects entirely irrelevant to the pending question. He has read a speech, and the manner of his reading it shows that he is totally unfamiliar with the subject matter and the substance of the speech. During the course of his remarks there have been no more Senators present than now—two or three Senators on the Republican side of the Chamber and one or two Senators on the Democratic side of the Chamber. Yet the majority Senators are constantly taunting the minority Senators that they have been holding up the consideration and passage of the pending bill.

The Senator from North Dakota [Mr. LADD], who succeeded in obtaining the floor in advance of me, and who was kind enough to yield to me five minutes, has announced his purpose to consume an hour in general debate. I hope that the Senator from North Dakota will confine his remarks to the subject immediately under discussion. It ill becomes me, however, since I occupy the floor by his courtesy, to criticize in advance any remarks that he may submit; but I want to say to Senators on the other side of the Chamber that we are ready for a vote; that we are anxious to vote; we want to consider the provisions of the pending bill and pass upon them and dispose of the measure. The time for general debate on irrelevant subjects and for Senators on the other side of the Chamber to filibuster against the tariff bill has passed. This does not apply, of course, to the Senator from North Dakota, who has been good enough to yield to me five minutes, which I have just about consumed.

RECOGNITION OF MEXICAN GOVERNMENT.

WHY IS MEXICO NOT RECOGNIZED BY THE UNITED STATES?

Mr. LADD. Mr. President, it seems almost unnecessary for me to affirm that I would not willfully do anything which might embarrass the executive branch of our Government in its rightful conduct of foreign affairs or to interfere with negotiations which might be nearing a proper conclusion; but after painstaking investigation, after conferences with and repeated requests by many for information from the executive head of our Government, a sense of duty impels me to lay certain information before Congress and the country and to call attention to certain facts in the hope that an aroused public opinion, which ought to be the highest court of final appeal in any republic, will compel our Government heads to withdraw the apparently unjust demands they are insisting upon as the price of recognition and to reestablish immediately friendly relations and harmonious intercourse with the Republic of Mexico.

For 19 months Alvaro Obregon has been the duly elected President of the Mexican Republic. No suspicion of illegality clouds his tenure of office. For six months prior to his election Adolpho de la Huerta acted as provisional President under authority of the Mexican Congress. For 25 months, therefore, the Republic of Mexico has had a constitutional, pacific, and progressive Government—perhaps the best in the history of the Republic and certainly the most stable since the overthrow of Porfiro Diaz in 1911—and yet our Government withholds official recognition from this neighboring nation, except on terms that, in my judgment, are an insult to the sovereignty of the Mexican people and are a far cry from our traditional and boasted standards of true Americanism.

Our Chief Executive and the Department of State undoubtedly possess the legal right to withhold recognition from any believing that it is founded on violence, military oppression, fraud, or is conducting itself on principles antipathetical to international law and comity or the fundamentals which sustain civilization. In the past our Government has withheld and still withholds recognition from other Governments on these grounds, and there has been no protest by the people or unwarranted interference from Congress.

But it is my contention that the executive branch of the Government has no right to withhold arbitrarily recognition from a friendly Republic when that Republic for more than two years has proved beyond all reasonable question that it was established in accordance with its own constitutional provisions and international law; that it is founded on popular support; that it offers all reasonable safeguards to the life and property rights of its own citizens and foreign nationals; that accepts all valid international obligations; that advocates no confiscatory principles; and whose only offense is to insist upon certain sovereign rights which are expressly safeguarded in a treaty concluded with Mexico by our own Government which never has been revoked.

We have all the less right to withhold recognition when we know such an act trebles the difficulties that confront our neighboring Republic in its problems of reconstruction after 10 years of violent civil war and a succession of revolutions. There seems little doubt that England and France have some sort of an understanding with our Department of State not to recognize Mexico until the United States does.

The withholding of recognition makes it almost impossible for the Mexican Government to borrow funds needed for the reestablishment of transportation, commerce, and agriculture; it offers encouragement to certain sinister interests on this side of the border which have meddled unhappily in Mexico's internal affairs in the past and show an evident desire to do so again; it delays the adjustment of claims which concern the prosperity of many of our own nationals; and last, but by no means least, it postpones the industrial and agricultural development of Mexico, which otherwise would speedily become one of our best customers and restore our languishing foreign commerce by huge purchases which would furnish orders to our idle factories and give employment to our jobless workers.

COMMERCE AGAINST INDIVIDUAL INTERESTS.

Mr. President, I am forced to conclude, as I believe every person is who investigates the whole question with an impartial mind and with disinterested motives, that our refusal to recognize the constitutional, orderly, and friendly Mexican Government except on terms that seem a clear violation of Mexican sovereignty, is injurious to the best commercial interests of the United States as well as of Mexico, even though it may be advantageous to certain corporations and individuals of this and other countries; that it is an important factor in retarding the industrial rehabilitation of the whole world; that it damages our reputation with other Central and South American Republics as well as Mexico; and that it is an unfortunate departure from our former standards of honorable and just dealings with other nations, both great and small.

I do not care to comment at length upon some phases of previous interference by the United States officials in Mexican affairs. That is a closed chapter. I am only concerned with the present and future relations. But any fair consideration of the case calls forth the conclusion that we have interfered with Mexico in the past; that much of the disturbance in that unhappy country was the inevitable result of our meddling; and that certain great financial and industrial interests in the United States seem to have fomented past disorders within the boundaries of Mexico and still are endeavoring to influence public opinion in this country against recognition. For this reason it behooves us to be more than scrupulous in our dealings with Mexico and our respect for her sovereign rights, for it would be unfortunate indeed to afford any justification for the belief that in dealing with Mexico our State Department is acting at the behest of certain great, selfish, private or corporate interests or that the ends of decent and fair dealings with smaller neighboring nations have been subverted to the purposes of what is commonly called "dollar diplomacy."

WHAT ARE THE FACTS?

For this reason I am, after long consideration, laying all the facts in my possession before Congress and before the people. I believe that neither Congress nor the people place the demands of these private oil and land interests above the welfare of the whole Nation or our jealously guarded reputation for square dealing; and when all the facts are known I incline to the opinion that popular protest and popular pressure will bring about the recognition of Mexico, which already has been too

long delayed. In this connection it is necessary to rehearse briefly the facts leading up to the present situation, which, in my opinion, show that nation has done everything within its power that self-respect would permit to obtain recognition and that in longer withholding it we do an injustice to ourselves as well as to Mexico.

Mexico, Mr. President, once was the cradle of the oldest and most highly developed civilization known to the New World. The ancient Aztecs had an organized society which compared favorably with that of Egypt, Assyria, or Babylon, and in the arts, crafts, industry, and agriculture had made considerable progress. This was destroyed in 1519–1521, when the country was conquered by Cortez and his army of military adventurers, and for 300 years the unhappy land of Mexico was subjected to political tyranny, economic exploitation, and religious persecution that has no parallel in modern history.

The ancient civilization of Mexico was overturned; its proud, spirited aristocracy was almost exterminated; many of its cities were reduced to ruins; its people were enslaved in the mines or compelled to labor as serfs on the land; its treasures were taken to Spain; and the soil of Mexico literally was bathed in blood by the insatiable greed of its conquerors, who had no regard whatever for the rights or happiness of the original inhabitants but ruthlessly insisted upon extracting the largest possible tribute of gold.

Occasional revolts occurred from the first, but they were savagely repressed by armed force and the merciless, short-sighted, and barbarous rule of Spain continued until the opening of the last century, when, influenced, no doubt, by the example of the successful revolt of the American Colonies from the rule of England, large elements of both native and Spanish stock of Mexico spontaneously took up arms against the domination of Spain in 1810. The sanguinary struggle that followed is closely comparable to our own Revolutionary War, and no one who has studied the history of Mexico can doubt that they were animated by the same motives, with much more excuse, that led to our own fight for freedom.

In 1813 a revolutionary congress promulgated a formal declaration of independence from Spain, a provisional constitution was adopted, and decrees were issued abolishing slavery, ending the imprisonment for debt and establishing religious liberty. The struggle only started in earnest after the Mexican declaration of independence, just as our own historic document incited the more determined resistance from England, and for eight years more the revolution continued until in 1821 the new Republic was recognized by the United States and England, and Spain withdrew its last garrison.

OUR WAR WITH MEXICO.

The path of the new Republic was not peaceful, however. There followed a series of struggles between the forces of the republicans and monarchists, confused by the grandiose schemes of ambitious military dictators, and there was no settled government in Mexico until 1857. In the meantime, in 1847 and 1848, Mexico had come into collision with the United States over the annexation of Texas, which had seceded from Mexico, and our armies captured Mexico City, and we imposed rigorous terms on the conquered foe. Not only Texas but Arizona, New Mexico and California were added to the territory of the United States.

Mr. President, it is not necessary to go deeply into the causes of this war, but most impartial historians believe that our attitude was unjust; that Mexico's real offense was the opposition to the extension of slavery; that the quarrel was precipitated by the desire of the southern slave owners to offset the growing strength of the northern free States; and it is significant that Lincoln, Webster, Grant, and other American statesmen whose names we revere, denounced the course of our Government in the strongest possible language. Indeed, General Grant, even after he was President, went so far as to say that "No more unjust war ever was waged by a stronger against a weaker nation," and this represented the general attitude of northern statesmen of the time. I mention this merely to show that the righteousness of our cause was at least questionable even on the part of citizens of the United States, for whatever hostile feeling has existed in Mexico toward the United States has been the result of this war, and therefore perhaps not wholly unjustified. It is because of this past injustice that we should be all the more scrupulous in our present dealings with Mexico. We can not afford to have the 16,000,000 people of Mexico look upon us as grasping conquerors or regard us with suspicion.

The war with the United States at least served the purpose of convincing the more intelligent Mexicans that they must unite and establish a stable government to keep their country from disintegration, and in 1857 the reform elements did unite and adopted the constitution of 1857.

The constitution of 1857 was far in advance of the ideas of the early Mexican liberators, patriotic as they were, according to their rights. It was set forth "in the name of God and with the authority of the Mexican people," and recognized that "the rights of man are the basis and object of social institutions." The Mexican people declared that "all laws and all the authorities of the country must represent and maintain the guarantees which the present constitution establishes," and asserted further that "the national sovereignty resides essentially and originally with the people and is instituted for their benefit."

MEXICO'S TROUBLED WATERS.

But once more Mexico was not left free to work out its own destiny, for the great reactionary European powers, which operated under the agreement of the "holy alliance," hated the establishment of liberal principles on the soil of the New World, and, when the United States was torn by the dissensions of the Civil War, saw an opportunity to defy the Monroe doctrine and to reestablish monarchical rule in Mexico. Maximilian, grand duke of Austria, instigated and backed by Napoleon the Third, landed in Mexico with a powerful expedition of French troops and declared himself emperor in 1864. The Civil War that followed was not settled until 1867, and then only upon the threat of interference by the United States. This second war of independence was led by Benito Juarez, one of the outstanding figures of his day. Juarez occupied the presidency until 1872. His immediate successor was Sebastian de Tejada, who was unseated by the revolution of Palo Blanca. Gen. Porfiro Diaz succeeded Tejada in 1877 and was followed by Gen. Manuel Gonzales in 1880. In 1884 General Diaz was elected to a second term and he continued uninterruptedly at the head of the government until his resignation, May 25, 1911.

DIAZ'S IRON RULE.

The 27 years that Porfiro Diaz ruled Mexico was a period of outward stability and internal oppression. Since the repeated upheavals following his overthrow Diaz repeatedly has been extolled as a wise, beneficent ruler, a man who had the good of his country at heart, who was concerned only in its development, and a certain type of foreigners who prospered under his régime have lamented his passing and openly advocated the establishment of a similar régime by some "strong" successor.

The truth is that Diaz maintained himself in power by military might, in flagrant violation of the Mexican constitution, which provided that no President might occupy the office for two successive terms; that he habitually violated constitutional provisions concerning the granting of concessions; that he expropriaterd the native citizens of Mexico of millions of acres of communal lands, which had been theirs from time immemorial; that he reduced hundreds of thousands of native Mexicans to a state of peonage; that he jailed or killed all formidable political opponents and ruthlessly suppressed attempted organization on the part of city workers and agricultural laborers; that he favored foreigners at the expense of native Mexicans, and illegally gave away his country's richest resources in return for bribes paid to himself and his personal followers.

There is no doubt that Diaz "stabilized" the country, for banditry was almost entirely suppressed by his "rurales," a federal mounted police. He also encouraged foreign development and made some progress along educational lines, but his illegal expropriation of the natives' lands kindled the slow-smoldering fire that finally blazed forth in 10 years of revolution, and most of the international difficulties which Mexico faces to-day are the direct results of the illegal concessions granted by this dictator to foreign capitalists.

Louis XIV and Louis XV of France were loudly acclaimed by contemporary historians as the chief "ornaments" of Europe, and no one will claim that France was not "stable" under their rule; but we know now that it was their oppressions of the poor which caused the French Revolution under luckless Louis XVI. The long line of Russian Romanoffs also kept armed peace in the land by their secret police and "black hundreds," but the pent-up fury of the landless peasants finally broke forth and the present revolutionary excesses followed as night follows day. It was the same in Mexico. Under the rule of this "strong man" Diaz, whose "iron rule" is so often lauded by the concessionaires who exploited his favors, the powder train was laid that was terminated in the explosions of recent years.

REVOLUTIONS FORETOLD.

All students of history and economists know that revolutions follow certain definite trends which can be as closely diagnosed and as accurately predicted as the rise and fall of the fever chart of a typhoid patient, which ends in delirium. Certain wrongs were committed on the Mexican people; and from the

very day that those wrongs were perpetrated and perpetuated the upheavals of recent years were foredestined and inevitable. We should remember these facts in dealing with the Mexican people; we should recall their century-old struggle with the savage oppression of their Spanish conquerors and the crushing exploitation they have undergone from scarcely less greedy capitalists of our own and other nations; and it should make us patient with the common people of our neighboring nation, who are slowly but surely struggling upward toward political and economic independence. We should lend them a helping hand and not throw stumblingblocks in their way to make more difficult their struggle.

LAND GRABBING.

Unquestionably the most indefensible act of Diaz, and the one that first started the minds of the people flowing in a revolutionary direction, was his expropriation of the "ejidos" or community lands. These community lands were in possession of the aboriginal owners when the Spanish overran the country, but ruthless as were many of the acts of the invaders this immemorial ownership always was recognized, and when grants were made to Spaniards it always was stipulated that ownership of the Indians of lands occupied and farmed by them should be recognized and protected.

Under the instigation of land grabbers, however, who coveted these rich communal lands, Diaz passed a law requiring the Indians to appear before the authorities by a certain date and make proof of the ownership of these lands under pain of forfeiture. An overwhelming majority of the Indians were illiterate, and most of them were unaware of the passage of this law. Failing to register their ownership as the law required, their title was forfeited, and therefore thousands of Indians whose lands had come down to them for countless generations suddenly found themselves dispossessed and were forced to work as serfs on an unjust share-holding basis the very acres on which they had been born as free farmers.

Millions of acres of these communal lands were granted to foreign owners on condition they would colonize their huge estates. Four foreign firms in Lower California were given approximately 13,000,000 acres for a few pennies an acre, and then failed to meet the colonization agreements they had made. To-day the Mexican Government is investigating many of these grants, and wherever they are found to be clearly fraudulent or the conditions have not been lived up to the lands are being restored to their rightful owners who were illegally deprived of them.

OBREGON'S LAND POLICY.

This is one of the "confiscatory acts" of the Obregon government about which certain foreigners complain loudly. In my opinion these foreigners have no just grievance. The original grants were in conflict with the constitution and clearly tainted with fraud. Moreover, the concessionaires have violated the terms of their contract, which in itself vitiates any claim they ever may have had. In this matter my sympathies are entirely with the unfortunate natives and their descendants, who already have spent one generation in serfdom, and the present Mexican Government is heartily to be commended for its efforts to right this ancient wrong in cutting up these vast estates held by absentee landlords and restoring the land to its real owners. Every country prospers in direct relation to the happiness and prosperity of its people, and it long has been a political maxim that ownership of land makes for governmental stability. Most of the unrest of Mexico has been caused by the landless condition of its peons, and nothing will bring about peace in that country so surely or so speedily as the return of the land to those who actually farm it and have farmed it since the days of the Aztec empire.

It was the landless condition of the peons as well as their oppression by both native and foreign capitalists which led to the revolution of Francisco Madero in 1910. Outwardly all was peaceful in Mexico at that time, but discontent was simmering under the surface, and his slogan of "the land for the people" instantaneously won him popular support.

His revolt spread like wildfire and the corrupt government of Diaz fell apart like a hollow shell. In less than six months the dictator Diaz had fled aboard a ship bound for foreign parts and after a short provisional presidency by De la Barra, Madero was elected by a popular vote and legally installed as President.

There is a great difference of opinion about the character of Francisco Madero; but it seems fairly well established that, while honest and sincere, he lacked decisiveness and was vacillating in his decisions. Like many another, he found it easier to arouse the storm of popular discontent than to remedy the evils he complained of. He seemed singularly devoid of either political judgment or executive ability. He left the execution of many of his decrees to men who had little or no sympathy with his purposes. His rather idealistic conception of human nature failed to meet the stern exigencies of the occasion. His lack of consistency alienated his former supporters and his evident honesty failed to win the adherence of the "cientificos" who had surrounded Diaz. Discontent grew up in all quarters, and on February 9, 1913, a conspiracy, headed by Gens. Victoriana Huerta, Felix Diaz, and Bernardo Reyes culminated in an open attack upon the national palace. After 10 days of anarchy in the capital city, Madero finally surrendered, resigned his office under pressure, and, with his Vice President, was assassinated on the following night under circumstances which created a strong presumption that General Huerta was a prior accessory to the act.

It is not necessary to detail the chapters that followed. Our Government had recognized Madero as the legal successor of Diaz, but the Wilson administration consistently refused to recognize the Huerta government on the theory that he was actively implicated in the murder of Madero.

THE CARRANZA REVOLUTION.

In the meantime, Venustiano Carranza, Governor of the State of Coahuila, refused to recognize Huerta, took up arms, issued the call for a constitutional convention, and began a civil war that did not end until July 15, 1914, when Huerta finally fled aboard a ship at Vera Cruz.

Carranza entered Mexico City August 20, 1914, and shortly afterwards was declared "first chief" of the constitutionalist forces. Then Villa, Zapasta, and other chiefs who had aided in the overthrow of Huerta, took up arms against Carranza. Two years of civil war followed, which was complicated through occupation of Vera Cruz by United States troops following the bombardment of that port by our warships after a dispute with Huerta.

There is no doubt that the attitude of the Wilson administration was a strong factor in the collapse of the Huerta government; and it is equally indisputable that the bombardment of Vera Cruz and its subsequent occupation by our military forces created considerable hostility among all classes of Mexicans and was partially responsible for attacks upon Americans living in Mexico and damages to their property.

By the middle of 1915 Carranza had extended his authority over the greater part of Mexico and his recognition by the United States and other foreign Governments was accorded in October of that year. Sporadic outbreaks of banditry continued in various parts of Mexico for several years and the situation was complicated in the spring of 1916 when the forces of the rebel Villa raided the city of Columbus, N. Mex., and were later followed across the border by a United States army led by General Pershing. This army had one serious collision with Mexican forces, and the whole situation was tense.

At this time the propaganda for intervention flooded the press of this country, and this was increased after May, 1917, when Carranza was legally elected President and the new constitution of 1917 became the fundamental law of Mexico.

Carranza governed Mexico as its legally elected Chief Executive from May, 1917, until May, 1920, when he was killed while attempting to flee to Vera Cruz following an uprising started by Governor de la Huerta, of Sonora, Gen. Pablo Gonzales, and several other military chieftains.

Carranza undoubtedly was a man of high ideals, absolute honesty, and unquestioned sincerity. He played a commendable part in the reconstruction of Mexico and did much to place that country upon a more stable basis. The good that he accomplished is conceded even by his enemies. But he made the mistake—sometimes made by our own Chief Executives—of attempting to use his official power and prestige to influence the choice of his successor, and this aroused bitter resentment in Mexico and led to his downfall.

Gen. Alvaro Obregon, Gen. Pablo Gonzales, and Ignacio Bonillas, ambassador at that time to the United States, were the principal candidates for the Presidency to succeed Carranza. Obregon unquestionably was the more popular throughout Mexico, for he had been a loyal aid to Carranza in the struggle against Huerta and afterwards against Villa, and was a hero among the people on that account. Carranza, however, threw all his support to Bonillas. There was a general belief that Obregon would be an overwhelming victor if the election were honestly conducted, but the fear was expressed on all hands that Carranza might exceed his power and use Federal troops to influence the vote.

This fear became a conviction when Carranza ordered Federal troops into the State of Sonora on the eve of the State elections. The governor of Sonora, Adolpho de la Huerta, protested that the presence of troops was unnecessary and likely to precipitate violence, but Carranza persisted in his course and the invasion of Sonora by Federal troops was resisted by

Governor de la Huerta with the State military forces under his control. The outbreak spread rapidly to other parts of Mexico, and Carranza prepared to move the seat of Government from Mexico City to Vera Cruz. The train was intercepted by revolutionary troops and Carranza with an escort fled to the hills. There he encountered a force of "Palaezistas" under Rodolfo Herrero, irregular troops connected with General Palaez, and was murdered.

There can be no defense of this abominable crime; but it never has been charged by any responsible person familiar with the circumstances that Obregon, de la Huerta, Gonzales, or their followers had any connection with his death. Indeed, Obregon was a political fugitive at the time, for Carranza had issued orders for his arrest, and he had fled from Mexico City in disguise. They had the strongest reasons for not desiring his death, knowing this would be used as an argument against the recognition of his successor, and there is every reason to believe they sincerely regretted the affair. On the other hand, there is evidence which goes to show that General Palaez had close connections with some of the American oil companies which desired intervention.

They paid him regularly thousands of dollars monthly for "protection," as they themselves have testified, and with the consent of the United States Department of State. (See p. 285 of Fall report, Dohey testifies.) Certainly these were the only elements who would have profited by his death. It is noteworthy in this respect that the reasons officially given out by our Department of State for failure to recognize Obregon have never, even by implication, accused him of complicity in the death of Carranza. Before the bar of public opinion, both in Mexico and abroad, he stands universally acquitted of this heinous crime.

Governor de la Huerta, of Sonora, was immediately elected provisional President by the Mexican Congress. He pledged himself not to be a candidate for the presidency and to retire when his successor was legally elected. De la Huerta scrupulously obeyed this pledge. The election was held on September 5, 1920, and Obregon received 1,131,751 votes to 47,442 for Robles Dominguez and 2,357 for scattered candidates. The vote was canvassed by the National Chamber of Deputies on October 26. The national chamber declared that Obregon was the legally elected President and specifically acquitted him of participation in the movement that led to the overthrow and assassination of Carranza. Obregon took the oath of office on November 30, 1920, his term to expire on November 30, 1924.

MEXICO HAS STABLE GOVERNMENT.

Alvaro Obregon now has been President of Mexico for 19 months, and it is generally admitted that he has given Mexico the most stable, peaceful, and strictly constitutional government in all its history. There seldom was less disorder even under the "iron rule" of Diaz. Banditry has been ruthlessly suppressed; there is stringent regulation of saloons and gambling; many of the former bandit bands have been peaceably settled on farms; the army has been greatly reduced; education has been extended; courts have been reestablished; its budget is balanced; railroads are being repaired; citizens of the United States and other foreign nationals are returning to the properties which they abandoned during the revolution; and the growing general tranquillity is reflecting itself in increased exports and imports which, after falling to a very low point in 1913 to 1916, now have increased until they have exceeded the best years before the overthrow of Diaz. Despite the lurid stories concerning Mexico which still appear occasionally in certain sections of our "yellow press," I doubt if there is as much prostration of commerce, destruction of property, or danger of life in Mexico to-day as there was in the American Colonies 10 years after our own Revolutionary War, and, if any Senator thinks this statement extreme, I shall respectfully refer him to the pages of McMaster and other historians who have accurately depicted conditions of that period. Indeed, I might even go further and state that I doubt whether, speaking by and at large, there are as many crimes of violence or more danger to property in Mexico to-day than there is in the United States; and certainly a country which permits the barbarous lynchings that lately have disgraced the United States is in no position to criticize our neighboring Republic.

RECENT BANDIT RAIDS.

This statement stands despite the recent widely heralded "kidnapings" in the Tampico oil district. It is a curious coincidence that these well press-agented "outbreaks of banditry" should only occur where the American oil companies are located and where, as a matter of official record, former bandit chiefs have been in their pay. It also is significant that these affairs should be precipitated just as financial arrangements between the Mexican Government and a group of international bankers were on the eve of consummation in New York City.

Most unprejudiced observers will decide that these "kidnapings" have the appearance of being staged according to a prearranged plan at the very moment best calculated to embarrass the Mexican Government in its negotiations looking toward the funding of its debt, and practically all the metropolitan newspapers of the United States have taken precisely this view of the situation.

Indeed, it is doubtful whether some of these so-called "kidnapings" had any actual existence except in the mind of subsidized press agents; but, admitting that bandits, whether in the pay of American oil companies or otherwise, did commit the outrages charged to them, it can not be denied that President Obregon acted with great diligence in immediately dispatching a large force of Federal troops to the district.

In connection with the alleged wholesale kidnaping of Americans by bandit Gorozabe at the Aguada camp of the Cortez Co., near Tampico, the Mexican Embassy is in receipt of the following self-explanatory telegrams exchanged between President Obregon and General Sanchez, commander of the Federal military zone of the oil region:

Gen. GUADALUPE SANCHEZ,
Chiconcillo, Vera Cruz:

Several American newspapers have given prominence to news from Tampico to the effect that 40 Americans have been kidnaped at the Aguada camps of the Cortez Oil Co. by the bandit Gorozabe. Although I am confident that this news is one of the many deceitful means used by the enemies of Mexico to cause difficulties between the two Governments and to create animosities between the two people, please submit official report so as to inform the press.

A. OBREGON,
President of the Republic, Mexico City.

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Up to this moment no manager of any petroleum company has complained for the kidnaping of Americans. Yesterday afternoon the superintendent of the Cortez Oil Co. visited the headquarters of Juan Casiano, and in reply to my questions in regard to the situation at La Aguada, La Pluma, and Rosilla camps, he stated that bandits had been seen in the neighborhood of those places. Immediately after I call General Portas and instructed him to proceed to those camps or to any place till the bandits be found. I regret, Mr. President, that persons living at a great distance from here are more able to secure news about this region than I, residing at the place where these occurrences are said to have happened.

Gen. GUADALUPE SANCHEZ.

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PRESIDENT OF THE REPUBLIC,
Mexico City.

I have the honor to report that Gen. Panuncio Martinez has just arrived in an automobile from Ozuluama. General Martinez made the trip accompanied only by two officers and three privates, having gone through La Aguada, La Pluma, and Rosilla, places where they report nothing has occurred.

Gen. GUADALUPE SANCHEZ.

It is clear from the foregoing that up to the present time the reported kidnapping has not taken place, the story having been obviously framed for public consumption by certain American and Mexican interests whose activities have already been investigated by the Mexican authorities.

In view of the admitted facts that American oil interests have paid stipulated sums to bandits operating in the Tampico region and that Thomas F. Lee, secretary of the National Association for the Protection of American Rights in Mexico, endeavored to foment a revolution in Mexico only a year ago, it is safe to assume that President Obregon was correct when he characterized the recent Tampico "kidnappings" as the inspiration "of influences of work to disturb public opinion in the United States and to create controversies between both peoples for no other reason than the satisfaction of personal egotism."

Two Mexican citizens were murdered in the recent mine massacre at Herron, Ill., and five more were illegally deported from their residences during a mining strike in the State of Utah, yet the Mexican Government has not seen fit to send us belligerent messages or to order battleships dispatched to our ports. Nor would we so treat Mexico if her military establishment were on a par with our own. I am not impugning our national courage, but the United States Government would not dare, in my humble opinion, to negotiate with any power of equal magnitude in the same badgering, bullying manner that habitually characterizes our "diplomatic communications to Mexico."

MEXICAN COURTS.

Mexico is making every honest effort possible to restore stability after 10 years of internal struggle, to educate her people, to promote agriculture, industry, and commerce, and to reestablish legal, orderly, processes of adjudication through the courts.

Her judicial system is patterned after our own and consists of 11 supreme judges, 37 numerary district judges, 7 supernumerary district judges, and 9 circuit judges. In addition

to this there are hundreds of state and municipal judges. Her processes of law are fair and orderly, and it no longer can be said that any resident, whether a native or an alien, can be deprived of his property, his liberty, or life without the same rights accorded to an American citizen in the same situation

Mexico is one of the few nations of the world which has a balanced budget and does not issue large quantities of paper money. Mexico employs only metal currency, and during the last fiscal year the actual receipts exceeded the actual expenditures by some $3,000,000. Moreover, Mexico spends a far less proportion of her national revenue for military purposes than does the United States, or practically any of the great powers of Europe, and this, in the face of the fact that our attitude toward her has been equivocal and threatening. Not only that, but Mexico also spends a larger proportion of her national income for educational purposes than does the United States, and it is the settled policy of President Obregon and his cabinet to reduce their military establishment and to expend increasingly large sums of money for education, agricultural development, public works, and the improvement of communications.

MEXICAN SCHOOLS.

The expenditure of the Government of Mexico upon the schools of that country for 1922 will be $49,826,716, or approximately five times as much as was expended in 1921. This shows an admirable tendency and one which we might profitably pattern after.

These figures are taken from the report just issued by the secretary of public education, and I cite them as being indicative of the purpose of the present Mexican Government to extend its educational system until it will cover the whole Republic so thoroughly and so well that the children of the humblest peons will have the same opportunity for the development of their intellectual capacities as those of the rich.

It will surprise those who depend upon the "yellow press" for their "facts" about Mexico to learn that the schools in Mexico at present in operation and supported by the Mexican Government number 8,388. Of these 3,137 are for boys, 2,315 for girls, and 2,936 are coeducational. In addition to these there are 1,327 sectarian and private schools in the Republic, of which 399 are for boys, 313 for girls, and 615 coeducational. There also are thousands of private schools, for the Mexican constitution wisely provides that wherever more than 300 peons are employed on any ranch or rural factory the owner must set up a school and pay for its maintenance.

Students who attend the regular Federal schools number 711,592. Of this number 369,864 are boys and 341,728 girls. Students in private institutions number 108,183, of which 55,081 are boys and 53,102 girls. The total number attending schools, exclusive of the education supplied on farms and in rural factories, is 819,775, and this remarkable record is the best possible testimonial to the good intentions and zeal to improve the welfare of its people which actuates the Mexican Government.

MEXICO TO PAY HER DEBTS.

President Obregon repeatedly has announced the determination of his Government to pay all just foreign claims, and pursuant to this policy issued a formal decree on July 12, 1921, directing all Mexican diplomatic representatives in the United States and other countries to call to the attention of the various governments where they were stationed that the Republic of Mexico would enter into arrangements with those governments to establish a permanent international claims commission to study and to adjust the claims of any foreigners who suffered any damage by reason of the Mexican revolution.

President Obregon also has given repeated assurances, official and otherwise, that all legal international obligations will be met and absolute protection and every facility will be guaranteed foreign capital seeking investment in Mexico and that the lives of all foreign nationals will be secure.

SECRETARY COLBY GIVES FACTS.

So long ago as October 29, 1920, Mr. Bainbridge Colby, Secretary of State under the Wilson administration, made a public statement concerning his negotiations with Señor Roberto P. Pesqueira, special representative of Mexico to the United States, in which he said:

The discussions which have for some time been in progress with Mr. Pesqueira, representing the Mexican Government, give promise of a speedy and happy outcome. The letter which he has addressed to me and which I am giving out for publication is a very gratifying and reassuring statement of the attitude and purposes of the new Government of Mexico. Mr. Pesqueira came to Washington bearing the fullest powers to speak and act in behalf of his Government, and has exhibited throughout the course of the discussions a complete realization of Mexico's international obligations, just as his letter reflects clearly the firm resolve of his Government to discharge them.

I think I am warranted in saying that the Mexican question will soon cease to be a question at all, inasmuch as it is about to be answered, not only as it concerns the United States but indeed the whole world as well.

The new Government of Mexico has given indication of stability, sincerity, and a creditable sensitiveness to its duties and their just performance. While the full protection of valid American interests, which is clearly enjoined upon us as a duty, has at all times been a matter of primary concern to us, I may say that on the part of this country there has been no attempt to prescribe rigid and definite terms upon which a recognition of the Mexican Government would be definitely conditioned.

This we have deemed wholly unnecessary and the disavowal of the Mexican representative of any policy of repudiation of obligations or confiscation of property or vested rights, either through retroactive legislation or future regulations, has the added value of being spontaneous and unprompted.

There are certain pending matters in controversy between the two Governments and our respective nationals, but these will be determined either by agreement or by the process of arbitration, to which Mexico is prepared to yield complete assent.

The letter of Mr. Pesqueira offers a basis upon which the preliminaries to recognition can confidently proceed, and I am hopeful that within a short time the sympathetic friendship and patient forbearance which President Wilson has manifested toward the Mexican people during the long period of their internal disorders will be fully vindicated. The desire reflected in Mr. Pesqueira's letter for the confidence and amiable regard of the United States is fully reciprocated and I am happy to believe that the last cloud upon the ancient friendship of the two peoples is soon to disappear.

This extremely fair-spirited and optimistic letter by the then Secretary of State gave justifiable grounds for the hope that the Wilson administration intended to recognize the Obregon government, but for some reason it failed to materialize. Twenty months have elapsed since that statement was made. The Wilson administration left office without taking further action, and the Harding administration, although in office now for more than 15 months, has failed to recognize the Government of Mexico.

WHY IS MEXICO NOT RECOGNIZED?

Why has the Obregon government not been recognized by either the Wilson or the Harding administrations? In view of friendly, stable, constitutional rule which Mexico now has had for more than two years under the provisional presidency of De la Huerta and the legal presidency of Obregon, this question assumes a growing pertinency. It is all the more a matter of vital public importance because recognition undoubtedly would swell our already important commerce with Mexico. The Wilson administration has passed out of public life and is now no longer answerable for its failure to follow up the promises of Secretary Colby; but the Harding administration is seeking congressional support in the coming elections on the basis of its record, and the question of the recognition of Mexico can not longer be avoided.

The only statement of policy which we have on this point is contained in a public statement given to the press by Secretary of State Hughes on June 7, 1921. That statement follows:

The fundamental question which confronts the Government of the United States in considering its relations with Mexico is the safeguarding of property rights against confiscation. Mexico is free to adopt any policy which she pleases with respect to her public lands, but she is not free to destroy without compensation valid titles which have been obtained by American citizens under Mexican laws. A confiscatory policy strikes not only at the interests of particular individuals but at the foundations of international intercourse, for it is only on the basis of the security of property validly possessed under the laws existing at the time of its acquisition that commercial transactions between the peoples of two countries and the conduct of activities in helpful cooperation are possible.

This question should not be confused with any matter of personalities or of the recognition of any particular administration. Whenever Mexico is ready to give assurances that she will perform her fundamental obligation in the protection both of persons and the rights of property validly acquired there will be no obstacles to the most advantageous relations between the two peoples.

This question is vital because of the provisions inserted in the Mexican constitution promulgated in 1917. If these provisions are to be put into effect retroactively, the properties of American citizens will be confiscated on a great scale. This would constitute an international wrong of the gravest character, and this Government could not submit to its accomplishment. If it be said that this wrong is not intended and the constitution of Mexico will not be construed to permit or enforced so as to effect confiscation, then it is important that this should be made clear by guaranties in proper form. The provisions of the constitution and the executive decrees which have been formulated with confiscatory purposes make it obviously necessary that the purposes of Mexico should be definitely set forth.

Accordingly, this Government has proposed a treaty of amity and commerce with Mexico, in which Mexico will agree to safeguard the rights of property which attached before the constitution of 1917 was promulgated. The question, it will be observed, is not one of a particular administration, but of the agreement of the nation in proper form, which has become necessary as an international matter because of the provisions of its domestic legislation. If Mexico does not contemplate a confiscatory policy, the Government of the United States can conceive of no possible objection to the treaty.

The proposed treaty also contains the conventional stipulations as to commerce and reciprocal rights in both countries. It also provides for the conclusion of a convention for the settlement of claims for losses of life and property, which, of course, means the prompt establishment of a suitable claims commission, in which both countries would be represented, in order to effect a just settlement. There is also a provision for the just settlement of boundary matters.

The question of recognition is a subordinate one, but there will be no difficulty as to this, for if General Obregon is ready to negotiate a proper treaty it is drawn so as to be negotiated with him, and the making of the treaty in proper form will accomplish the recognition of the Government that makes it. In short, when it appears that there is

a Government in Mexico willing to bind itself to the discharge of primary international obligations, concurrently with that act its recognition will take place. This Government desires immediate and cordial relations of mutual helpfulness, and simply wishes that the basis of international intercourse should be properly maintained.

Accordingly, on the 27th day of May last, Mr. Summerlin, American chargé d'affaires at Mexico City, presented to General Obregon a proposed treaty covering the matters to which reference has been made. The matter is now in the course of negotiations and it is to be hoped that when the nature of the precise question is fully appreciated the obstacles which have stood in the way of a satisfactory settlement will disappear.

This statement by Secretary Hughes, made public more than a year ago, is the only official explanation of our policy toward Mexico that I have been able to obtain.

It must be perfectly plain to anyone who understands the fundamental principles of international law that the procedure outlined by Secretary Hughes is an unwarranted and unprecedented invasion of the sovereign rights of Mexico. Treaties should and usually are, except after a military conquest, consummated between friendly powers on a basis of equality, but here we have the spectacle of a great power presenting a treaty whose provisions are already predetermined to another power and openly threatening to withhold political recognition unless that treaty is accepted. We would not dare to submit such a high-handed proposal to a power of equal strength, and it is grossly unfair and unworthy of our best American traditions to affront Mexico in such a manner.

WOULD AMERICA DO IT?

Moreover, the tentative treaty of "amity and commerce" specifically asks for guaranties against any retroactive application of article 27 of the Mexican constitution. I do not profess to be a specialist on international law, but nevertheless I will venture the assertion that this is the first time in history that one nation ever asked the executive heads of another to bind themselves by treaty to a preconceived interpretation of the fundamental law of their land. Suppose the situation were reversed and some foreign power should demand of the United States that its Department of State negotiate, its President sign, and its Senate ratify a treaty binding the Supreme Court in advance to a definite interpretation of certain legislation. What a public protest would go forth! How we would clamor over this unparalleled insult! Yet this is exactly, as I understand, the proposal we have submitted to Mexico. Is it any wonder that the Chief Executive of that neighboring Republic declines to purchase recognition at a price so galling to any proud-spirited people?

President Obregon has, however, repeatedly stated that he did not believe article 27 of the Mexican constitution of 1917 was intended to apply retroactively. Indeed, he pointed to article 14 of the same constitution, which in brief and pointed terms declared that no law of a retroactive character shall be passed under that constitution. Beyond that he could not go. He is the Chief Executive of that Republic, and has no more power to limit or define the powers of its supreme court than has the President of the United States. Now, however, most fortunately, this particular matter is no longer subject to a controversy.

THE SUPREME COURT DECIDES.

The Mexican Supreme Court has acted and in no less than five separate opinions has decided that the provisions of article 27 of the Mexican constitution are not retroactive. The guaranties which Secretary Hughes insisted upon in regard to this question are supererogatory, for this question has been settled forever, as it is the unwritten but settled practice of the Mexican Supreme Court to establish a precedent which it is impossible to reverse.

It is no longer true, in the language of Mr. Hughes himself, that the provisions of the constitution "make it obviously necessary that the purposes of Mexico should be definitely set forth," for this desired end has already been consummated.

Secretary Hughes also stipulated a convention for the settlement of claims for losses of life and property by means of the establishment of a "suitable claims commission." What possible purpose can be served for longer insistence upon this point in view of the fact that on July 12, 1921, President Obregon formally issued an invitation to the United States and all foreign Governments to adjust such claims through the medium of a permanent international arbitration commission? Does not this offer meet fairly the issue Mr. Hughes has raised? One of the first acts of Carranza, in the early days of the revolution, was to issue a decree providing for an international arbitration commission to settle revolutionary damage claims.

Mr. President, there seems even less justification for the other demand raised by Mr. Hughes, when he stated that in his tentative treaty there was contained "a provision for a just settlement of boundary matters." What is this "just settlement"? Surely, Mr. Hughes knows that there already exists in the treaty of Guadalupe Hidalgo, consummated between the United States and Mexico on February 2, 1848, a clause which provides for the settlement of such disputes by the arbitration of a friendly nation or the appointment of a joint commission. There is in fact, and has been for years, such a commission which has been considering the changes in boundary caused by the change of the course of the Rio Grande at El Paso. Article 21 of the treaty of peace and amity concluded between the United States and Mexico on February 2, 1848, is as follows:

If unhappily any disagreement should hereafter arise between the Governments of the two Republics, whether with respect to the interpretation of any stipulation in this treaty, or with respect to any other particle concerning the political or commercial relations of the two nations, the said Governments, in the name of these nations, do promise to each other that they will endeavor, in the most sincere and earnest manner, to settle the differences so arising and to preserve the state of peace and friendship in which the two countries are now placing themselves, using for this end mutual representations and pacific negotiations. And if by these means they should not be enabled to come to an agreement a resort on this account shall not be had to reprisals, aggression, or hostility of any kind by the one Republic against the other until the Government of that which deems itself aggrieved shall have maturely considered, in the spirit of peace and good neighborship, whether it would not be better that such difference should be settled by the arbitrations of commissioners appointed on each side or by that of a friendly nation. And should such course be proposed by either party, it shall be acceded to by the other, unless deemed by it altogether incompatible with the nature of the difference or circumstances of the case.

Is not the course of our Government, in view of this unrevoked treaty, explicitly pledged? Are we as a Nation, after spending billions of dollars and tens of thousands of lives to uphold the principle that treaties between strong and weak nations are to be regarded as inviolate, to proceed ourselves to make a "scrap of paper" out of this solemn covenant? I do not think the enlightened public opinion of the United States will sanction such a course, and in dignity and honor we can do no less than to abandon these unworthy demands which we have attempted to impose upon our weaker neighbor.

RECOGNITION A SUBORDINATE ONE—WHY?

What good grounds longer exist for withholding recognition to Mexico? Has not every objection that Secretary Hughes raised in his public statement of June 7, 1921, already been met? Can longer delay be explained except on the ground that we are using unfair advantage and taking advantage of circumstances to compel Mexico to sign a distasteful treaty?

Secretary Hughes himself admits as much. He states:

The question of recognition is a subordinate one—

But, he adds, with unmistakable meaning—

that if General Obregon is ready to negotiate a proper treaty, it is drawn so as to be negotiated with him, and the making of the treaty in proper form will accomplish the recognition of the government that makes it.

In other words, although it is impossible to state the case much more clearly than has Mr. Hughes, there will be no recognition unless a "proper treaty," which is already drawn, shall be agreed to by President Obregon. Evidently we are already using recognition as bait with which to fish for commercial advantages in the troubled waters of Latin America.

It now becomes highly pertinent to ask what are the provisions of this "treaty of amity and commerce" which is being "negotiated" in a manner that belies its ostensibly amicable purpose? What specific agreements does it contain? Why does Mr. Hughes withhold all knowledge of this vital matter not only from the people but from Senators and Representatives of the United States, as he says, "in deference to the public interest"?

What legitimate "public interest" can be served by shrouding in secrecy the provisions of this proposed covenant which so closely concerns the relations of two great nations and the welfare of 110,000,000 American citizens on this side of the Rio Grande River and 16,000,000 Mexican citizens lying to the south? Has the United States of America committed itself to the same sort of secret diplomacy that wrecked Europe in 1914? Are the American people no longer to be trusted with matters which affect both their peace and prosperity? If not, then why are not the provisions of this "treaty of amity and commerce" which we seek to force upon a friendly neighboring nation dragged out into the light of day? I ask again, What honest, legitimate "public interest" forbids?

ALSBERG'S CHARGES.

But if Mr. Hughes has been as secretive in this matter as a European diplomat of the old school, others evidently have been more candid, for Mr. Henry G. Alsberg, a reputable newspaper man, declares in a signed article appearing in the New York Nation on May 10, 1922, that he "was informed by persons of the highest authority" in Mexico City that the United States Department of State during Mr. Hughes's incumbency—

has sent a series of notes to the Mexican Government, which, if acceded to, would have deprived Mexico of her standing as an independent nation.

I was told in all earnestness—

Writes Mr. Alsberg—

that our State Department had demanded as its price of recognition that Mexico sign a treaty which would have reduced her to the status of a protectorate. This treaty, said my informant, was almost a replica of that accepted by Guatemala before recognition. (I will have some comment to make upon our relations with Guatemala later.) My informant said that his Government was willing to make almost any concession to the United States except this, to sign a treaty surrendering national sovereignty in exchange for recognition. Some of the demands made by the State Department notes and proposals sent to Obregon since Mr. Harding's inauguration I was told were:

1. Supervision in some form of elections, or at any rate the assurance that so-called radicals, among whom were included some of the most prominent members of the party now in power, should not be candidates for election.
2. A demand that all radical elements, including these same individuals, leave Mexico.
3. An exception in favor of American Protestant churches in Mexico permitting them to hold property and conduct schools. The fundamental laws of the country forbid any church to hold lands or conduct sectarian schools.
4. Recognition of all concessions and land grants given under Diaz, no matter how acquired.
5. Special rights to American capitalists over capitalists of other nationalities.
6. A demand that the old minority stockholders in the Mexican railroads be given control of them, though the Mexican Government holds 51 per cent of the stock.

HUGHES'S REPLY.

It is only fair to state at this point that Mr. Hughes has issued an unqualified denial of these charges in a letter written to the editor of the Nation, following the publication of Mr. Alsberg's article. Mr. Hughes couched his denial in the following language:

I stated to the press correspondents, and reiterate now, that no such demands have been made, and that the statement, on whatever information, that such demands have been made is utterly false. It is true, of course, that as the department acts for American citizens we have asked protection of the valid rights of American citizens which had been acquired in accordance with Mexican laws, but this does not preclude, and rather anticipates, similar protection of citizens of other countries.

THE NATION'S REJOINDER.

In reply to this the Nation declared that it stood upon Mr. Alsberg's demand, and in turn it submitted to Secretary Hughes the following list of questions:

1. Did you or did you not propose as a condition of recognition of Mexico a modification, in favor of Americans, of the Mexican law according to the terms of which all foreigners are forbidden to acquire property in a certain restricted zone along the Mexican coasts and international boundaries?
2. Did you or did you not at any time propose as a condition of recognition that the Mexican law regulating the activities of the clergy of all denominations in Mexico be modified in favor of the American clergy?
3. Did you or did you not ever intimate in any way to the Mexican Government that the United States Government disapproved of the political tendencies of certain personalities in the Mexican Government?
4. Will you publish in full the proposed treaty offered Obregon as a condition of recognition last spring in the form then offered?
5. Will you publish in full all the notes and negotiations, official and unofficial, which led up to the formulation of this promised treaty?
6. Will you also publish in full the "many" notes which the Washington dispatches in to-day's newspapers refer to as having been sent following the presentation of this proposed treaty of commerce and amity and up to date?
7. Will you publish all your negotiations with France and England, if any, in which the question of recognition of Mexico was discussed?
8. Will you publish in full all the negotiations and the agreement, if any, which preceded your recognition of the new Orellana in Guatemala?
9. Did you or did you not ever propose to the Mexican Government as a condition of recognition an agreement similar to that, if any, which was entered into with the Guatemalan Government above referred to?
10. Will you publish the names of your representatives, official, semiofficial, and unofficial, in your negotiations with Mexico, together with the instructions given by you to them and their reports?

It was these questions that Secretary Hughes refused point blank to answer "in deference to public interest," to which he added, "in view of my official responsibility I must be the judge."

It is not my intention to question the veracity of either Mr. Alsberg or Secretary Hughes, but when they diametrically differ on such an important matter, in order to ascertain the truth it becomes necessary to examine any evidence which may shed illumination upon the controversy. Some pertinent evidence exists.

WHAT WAS DEMANDED.

An Associated Press dispatch of May 22, 1921, sent from Washington, D. C., and widely published in hundreds of newspapers all over the United States, gave the following version of the demands which our Government presented to President Obregon of Mexico:

A definite statement outlining the conditions upon which the United States would extend recognition to the Obregon government of Mexico has been prepared for submission to President Obregon. This statement, in the form of a memorandum, it was said to-night, will be delivered to President Obregon by George T. Summerlin, counselor of the American Embassy at Mexico City, who is expected to leave Mexico this week.

Among the conditions set forth are:

"Elimination of those provisions of article 27 of the Mexican constitution relating to the nationalization of the subsoil rights in so far as they affect the tenure of land to which title was obtained prior to the adoption of the constitution in 1917.

"Elimination of the provisions which deprive Americans of the right of diplomatic appeal in cases where property is acquired.

"Modification of the provisions which prevent Americans acquiring and owning property within a certain zone along the Mexican coasts and international boundaries.

"Assurance that article 33 of the constitution providing for the expulsion of 'pernicious foreigners' will not be applied to Americans without the filing of charges and the opportunity of fair trial.

"Modification of the provisions governing religious worship in such manner that American clergy shall have the right to exercise the functions usual in their denominations.

"It is also suggested that the two Governments agree to the creation of a mixed court for the adjudication of claims."

The demands mentioned by the Associated Press report in three important particulars are practically the same as those which Mr. Alsberg maintains were submitted to the Mexican Government, namely, an exception in favor of American Protestant churches holding land; the recognition of all concessions granted by Diaz; and the special rights to American capitalists.

Those familiar with the practice of the Associated Press in sending out dispatches on important matters of state know that it is not in the habit of reporting unverified rumors or mere speculations. The reporter usually interviews some high official of the Government and in most cases the greatest care is exercised to insure entire accuracy. Although the Associated Press report in question was widely published all over the United States, I can not find its accuracy was questioned at the time or that any officials of the Department of State denied the substance of this dispatch. This is curious, to say the least, in view of Mr. Hughes's repudiation of this point one year later.

Moreover, the language of Secretary Hughes's statement to the press, given out on June 7, 1921, in one most vital particular lends itself to only one construction, and that construction corroborates the most offensive demand which our Government is alleged to have presented to Mexico.

Accordingly—

Said Mr. Hughes—

this Government has proposed a treaty of amity and commerce with Mexico, in which Mexico will agree to safeguard the rights of property which attached before the constitution of 1917 was promulgated.

This particular sentence certainly conveys the impression with unmistakable clarity that Mexico was asked to validate all titles held by Americans to property acquired previously to 1917, regardless of whether these were acquired legally or whether the conditions attached thereto were carried out. I can place no other interpretation on this, for nothing is said about "valid rights of property" or "the rights of property legally obtained." If Mr. Hughes did not intend to convey the impression that Mexico was asked to validate all titles obtained prior to 1917, regardless of the questionable manner in which many of these concessions were obtained, he was very unfortunate in his phraseology.

EXPULSION OF FOREIGNERS.

With regard to that provision of the Mexican constitution concerning the summary expulsion of undesirable foreigners it has been sought to persuade the public that this was peculiar to the so-called Carranza fundamental law. But the constitution of 1857 adopted under the Juarez government contains identically the same provision, and it had been repeatedly enforced without protest. The 1857 constitution says:

In all cases the government has the right to expel undesirable foreigners.

The 1917 constitution says:

The executive shall have the exclusive right to expel from the Republic forthwith, and without judicial powers, any foreigner whose presence he may deem inexpedient.

This is the demand, outside of the general invasion of its sovereign rights, which is most offensive to Mexico. The Mexican Government maintains, and with justice, that many of the concessions granted by Diaz were illegal; that some were marked by fraud; and that in many cases the conditions were not complied with. They intend to examine these concessions, particularly the lands granted to colonization companies which did not carry out their agreements, and cancel those which obviously are fraudulent or were vitiated by nonperformance of contract. This also applies to extensive areas of oil lands held by American companies, but the titles to which they have persistently refused to record as required by law, thereby casting suspicion upon the bona fides of their titles.

MEXICO FOLLOWS UNITED STATES POLICY.

The right of the Mexican Government to proceed in this manner can not be questioned. Our own Government in numerous cases has brought proceedings against corporations and individuals which were granted Government lands under conditions which they failed to meet. Our courts have repeatedly sustained these cancellations. Millions of acres of the best land in Mexico are involved in grants of questionable validity, and their whole intelligent back-to-the-land program would fail if they were compelled to recognize all the Diaz grants, regardless of their legality. Not only land but title to oil deposits whose value runs into the hundreds of millions of dollars are involved in this matter.

It is the crux of the whole situation, and we can not rightfully or reasonably expect that Mexico surrender her sovereign powers of domestic regulation by abandoning all hope of recovering natural resources fraudulently granted or claimed. Billions of dollars are at stake in this matter, and I fear that this affords the clue to the secret diplomacy and unprecedented stubbornness that has marked our negotiations with Mexico.

THE FALL REPORT.

There is evidence on this point so convincing that it seems to me it outweighs the denials of any individual. This evidence is contained partly in the language of the Fall report on Mexico, made May 28, 1920, to a subcommittee of the Senate, the fact that Senator Fall later was appointed Secretary of the Interior by President Harding thus giving official sanction to his recommendations.

The recommendations of the Fall report to which I have reference follows:

Article 130 of the constitution of 1917 shall not apply to American missionaries, preachers, ministers, teachers, or American schools, nor to American periodicals, but that American missionaries, ministers, and teachers shall be allowed freely to enter, pass through, and reside in Mexico, there to freely reside, preach, teach, and write, and hold property and conduct schools without interference by the authorities so long as such ministers, teachers, or missionaries do not participate in Mexican politics or revolutions.

That article 3 shall not apply to any American teaching or conducting primary schools.

That none of the provisions of article 27 of said constitution with reference to limitations upon rights of property heretofore acquired by Americans, or which may hereafter be acquired, shall apply to Americans except where the limitation is written in the deed, lease, or other instrument of title, and particularly—

"The provision of said article to the effect that the subsoil products other than of metalliferous minerals shall be the property of the National Government of Mexico, to be disposed of by decree or by law, shall not apply to the property of American citizens purchasing from other individuals or from State, national, or municipal authorities of Mexico unless the limitations or reservations with reference to such subsoil products shall be written in the original deed or other instrument of conveyance transferring the surface of the property to such American purchaser.

"That the prohibition against the ownership of property in lands, waters, or their appurtenances, or against the concessions for the development of mines, waters, or mineral fuels in the Republic to foreigners, shall not apply to American citizens.

"That subsection 2 of said article 27 shall not apply to church properties or episcopal residences, rectories, seminaries, orphan asylums, or collegiate establishments of religious institutions or schools held or owned by Americans.

"That the subdivisions of subsection 7, article 27, described as a, b, c, d, and e, shall not apply to the property of any Americans now owned under whatsoever title or which may hereafter be acquired, except where distinct reservations and limitations covering such provisions are affirmatively set out in the documents or evidence of title or transfer of such property.

"That article 33 of said constitution providing that 'The Executive shall have the exclusive right to expel from the Republic forthwith and without judicial process any foreigner whose presence he may deem inexpedient,' shall not apply to American citizens who shall, when they so demand, have access to their consulate or consular agent or diplomatic representative and have the right to avail themselves of the assistance of such officials and until after our judicial proceedings upon application of such American.

"That such agreement should provide for the immediate appointment of a claims commission to pass on all claims for the damage to Americans in Mexico or upon its boundaries, the commission to be composed of American citizens appointed by the President of the United States and a like number of Mexican citizens to be appointed as that Government may in said agreement provide, and that the decision of this commission shall be binding upon the respective Governments and shall immediately be carried out by the payment of the damages adjudged.

"That a like commission should be in such agreement provided for the settlement of disputes concerning the international boundary and waters of the Rio Grande and the Colorado River and particularly the Chamizal dispute and the Colorado River irrigation complication, with power to such commission to render a decision for the payment of money and transfer of property, if any, necessary in the final settlement of such dispute.

"We have the legal right and it is our duty to refuse to recognize any government in Mexico which will not agree by way of a treaty to the foregoing conditions of recognition."

Can it be denied that the recommendations of the Fall report are virtually the same as those Secretary Hughes is alleged to have presented to Mexico? And does any sane person believe that President Harding was not familiar with and did not thus tacitly indorse the recommendations of Mr. Fall when he selected him for a high Cabinet position? Does this not at least strongly imply that the policy urged by the Fall report thus has become the official policy of our Government?

It is also on record that Mr. Fall made public a letter which he personally prepared, which stated in the following unequivocal language that "So long as I have anything to do with the Mexican question no government in Mexico will be recognized, with my consent, which government does not first enter into a written agreement practically along the lines suggested," namely, the recommendations of the Fall report.

A REMARKABLE LETTER.

If this does not make the attitude of our Government sufficiently clear and give at least a strong clue as to the motives which have actuated our executive officials, another remarkable letter written by Mr. Fall after he became Secretary of the Interior and introduced by Senator LODGE into the CONGRESSIONAL RECORD of April 12, 1921, will furnish additional illumination.

The pertinent portions of Secretary Fall's letter, which was dated March 21, 1921, follow:

Allow me to call your attention here to a most significant matter which has recently occurred, i. e.:

The British Government and the French Government have each repeatedly protested to the Mexican Government from time to time along exactly similar lines to the protests made by this Government concerning the confiscatory decrees of the Mexican Government under the constitution of 1917 proclaimed by Carranza and being followed by Obregon.

These protests yet stand as the official last word of Great Britain and France, as exactly similar protests yet stand as our last word to that country.

The Mexican Eagle Co. ("Aguila") has been a member of the American Association of Oil Companies and has for years cooperated with this association in making protests against confiscatory decrees in Mexico, both from the British Government and the American Government.

Recently, within the last three months, the "Aguila" Co. finally notified the American association that it proposed to pursue its own lines and make its own terms with the Mexican Government, accepting the Mexican Government's demands with reference to oil-drilling permits, etc.

This came as a shock out of the clear sky, and I am informed that after certain protests made by the association and by the American companies the Mexican Eagle ("Aguila") Co. has not, in fact, obtained titles under this confiscatory decree upon properties belonging to others, but yet has not countermanded instructions to its agents in Mexico to obtain such titles from time to time.

Nevertheless the British protest still stands, and Great Britain is ostensibly acting with the United States officially in identical official protests against the constitution of 1917 and decrees under it.

The British "Aguila Oil Co.," owned, as a matter of fact, by Great Britain herself, is, however, yielding to such decrees and obtaining advantage of American companies, who are faithfully abiding by the advice and instructions of the American Government in the matter.

British oil interests are giving every assurance to Obregon and Mexican officials of their support and friendly cooperations, seeking advantage against or over American companies, while the British Government, owning this oil company, is ostensibly standing by the United States Government in its action.

EXPLANATIONS IN ORDER.

This astonishing letter requires little comment. It complains because British-owned oil companies are "accepting the Mexican Government's demands with reference to oil-drilling permits" and thus "obtaining an advantage of American companies who are faithfully abiding by the advice and instructions—presumably not to obey the laws—of the American Government in this matter." It plainly reveals a close understanding between the American oil companies in Mexico and the United States Department of State to disobey the laws of Mexico in order that Mexico may be forced to revoke domestic legislation and be compelled to sign a treaty distasteful to its legally elected officials.

It seems to me that the "public interest," which Secretary Hughes is so deferential to, now clearly demands a full and frank statement of the terms of the proposed treaty with Mexico. The people of the United States and Congress are entitled to this knowledge. We can not afford to have Mexico, all of Latin America, and the world believe that there is an unholy alliance between our Department of State and certain sinister oil interests which not only have exploited Mexico's natural resources but have repeatedly interfered in her governmental affairs.

REVOLUTIONARY PLOTS.

Comparatively recently there was exposed in the press of the United States authentic evidence whereby it appeared Thomas F. Lee, secretary of the National Association for the Protection of American Rights in Mexico, an association financed largely by the oil interests and whose evident purpose is to force American intervention in Mexico, sought to finance Gen. Pablo Gonzales in a revolutionary attempt to overthrow the Obregon government.

Letters and telegrams which have never been denied show that a group of American financiers offered to advance arms and money in this revolutionary effort. The facts were never denied. Men served sentences in Federal penitentiaries during the war for similar offenses against other countries, but our

authorities have never proceeded against Mr. Lee and his associates, although they flagrantly violated our neutrality laws.

Even more recently another revolutionary plot was consummated in this country by Felix Díaz, who, in pursuance of his plan, spent some time in New York and afterwards in the city of Washington, as also in New Orleans; but although his purposes were blazoned forth on the front pages of all the papers in the land, so far as I am able to ascertain, his illegal attempts to set afoot an armed expedition against a friendly government have not been interfered with in the slightest degree by the officers of our Government whose duty it is to preserve neutrality and peace between nations.

Every day we withhold recognition of Mexico increases the difficulties of its Government and encourages renewals of these revolutionary attempts. We owe it to Mexico, we owe it to the world, and most of all we owe it to ourselves to end this unfair and anomalous condition by recognizing a neighboring Government which is doing its utmost to restore peace and prosperity to Mexico.

MEXICO AND GUATEMALA.

In this connection I can not refrain from comparing the prompt recognition of the Guatemalan Government only recently with our dilatory dealings with Mexico. President Herrera, of Guatemala, was deposed on December 5, 1921, by a military coup engineered by General Orellana. The coup was accompanied by wholesale arrests and numerous assassinations. So far as can be determined, on the other hand, the government of Herrera was considered the most peaceful and prosperous ever accorded Guatemala. Orellana held an election on February 15, 1922, and although his candidacy was expressly prohibited by the Guatemalan constitution, soldiers were posted at the polls and more than 500 of the leaders of the opposing political party were placed in jail. He was declared elected, however, and on April 15 he was recognized by the United States, notwithstanding the fact that the gravest suspicions of illegality attach to the entire proceeding.

It is a general report—and I have not seen it denied by the State Department—that as a precedent of his recognition we signed a trade treaty with Guatemala which gives citizens of the United States preferential trade rights. Following the recognition the Wall Street banking firm of Blair & Co. attempted to fasten a $15,000,000 loan upon the Guatemalan Government, the terms of which were so unfair and onerous that, although agreed to by the President and his cabinet, it was almost unanimously rejected by the Guatemalan National Assembly.

It seems strange indeed that the revolutionary government of Orellana in Guatemala should be recognized with such suspicious speed, considering all the circumstances, while Obregon has waited 19 months for recognition.

RECOGNITION GRANTED WHEN?

Our previous refusals to recognize foreign governments usually have been based upon the conditions surrounding their origin. It was the illegality and violence attending the overthrow of Madero by General Huerta that caused President Wilson to withhold recognition in that case. At other times in the past we have declined to sanction the methods employed by certain Latin-American governments in obtaining power. The Executive doubtless has both a moral and legal right to refuse recognition on these grounds.

But we have no right, either legal or moral, to withhold recognition from a Government whose legal claim is unclouded and which has maintained itself for more than two years, admitted all proper international obligations, offered to arbitrate all claims as provided by existing treaties and the precedents of international law, and succeeded in restoring law and order to a country just emerged from the throes of a 10-year revolutionary struggle.

The people of the United States demand such recognition. Many chambers of commerce and commercial organizations in all parts of the United States, and particularly those closest to the Mexican border, have passed resolutions urging recognition. Hundreds of reputable and responsible business men who have been in Mexico and seen conditions with their own eyes advocate this step. Fourteen State legislatures have passed resolutions calling upon the Department of State and the President to recognize Mexico. I venture the assertion that an overwhelming majority of the Members of both Houses of Congress, irrespective of party affiliation, favor this step; the greatest banking houses of the Nation already have shown their complete confidence in the Government of Mexico by completing arrangements for the funding of its national debt, and every legitimate interest in the United States would be benefited by the immediate establishment of friendly relations.

Mexico is one of our best customers. Last year she purchased $267,200,366 worth of products from the United States and in return sold us commodities, mostly in the form of raw materials, valued at $154,993,154. This is but a small percentage of the trade that could be developed if we recognized the Government of Mexico and established friendly relations which would encourage greater development.

MEXICO THE TREASURE HOUSE.

Mexico, despite centuries of systematic exploitation, is still the treasure chest of the world. No other country has equal deposits of mineral, and still the surface of her soil is comparatively unscratched. Her oil deposits seem almost limitless, and her wise policy of having the State conserve title to the petroleum fields and charging an export tax will give the Government a constantly increasing revenue for internal development and educational purposes for years to come.

There is nothing in the Mexican constitution of 1917, in its official decrees, or in the taxes that it has imposed which is in the least degree inimical to the continued operation of the American oil companies now doing business in Mexico. As a matter of fact, the oil companies in Mexico have prospered exceedingly. Their annual dividends are large and their stock often leads the advances on the New York exchange. They have been so prosperous, in fact, that oil producers in the United States have repeatedly petitioned Congress for a tariff on oil that will allow them to compete on equal terms.

Secretary Fall's letter to Senator LODGE, which I referred to previously, makes it clear that British companies which obey the decrees of the Mexican Government "have an advantage of the American companies," which apparently are disobeying the laws at the request of the State Department. This should forever end the cry that the oil laws of Mexico are "confiscatory."

MEXICO'S LAND POLICY.

Mexico's land policy is an enlightened one, which, in view of the ever-increasing farm tenantry in the United States, we might do well to follow. Mexico has a peculiar land problem. An overwhelming majority of her people are of Indian descent. The domination of Diaz by foreign capitalists resulted in their expropriation from the soil and reduced them to a state of peonage. We know in this country from our own experience that exploiters have not always been scrupulous in dealing with Indians. It was the same in Mexico, and there never will be a contented people or a stable government south of the Rio Grande until that old wrong is righted and the mass of her citizens, who are agriculturists by temperament and training, are given back their hereditary possessions.

Mexico has the right as a sovereign nation to regulate her peculiar land problem. I think I may reasonably claim to know something about agricultural problems, and Mexico's policy in this respect meets my hearty approval, as it must meet the approval of every disinterested person who has given the matter serious thought. We have problems enough of our own without meddling with those indigenous to Mexico. If it were not for the complaint of certain corporations who apparently fraudulently obtained grants of communal lands in Mexico we would not think of doing so.

It is to our advantage to immediately establish harmonious relations with Mexico and do everything in our power to aid in her material, moral, and educational development. That nation has finally come through a period of acute distress which follows all revolutionary upheavals. The American Colonies were in much the same condition after our War of the Revolution and the Southern States were almost prostrated after the Civil War.

For more than a century Mexico has been struggling for political freedom. The country under Spanish rule was more completely subjugated than any other country in modern times. The spirit of independence was almost crushed and we must remember that the mass of the Mexican people do not have traditions of Anglo-Saxon liberty behind them. They had to build from the very bottom, and time and time again they have been set back by outside interference.

The Mexican State came into collision with our own slave oligarchy and the result was disastrous. Then Maximilian and his French mercenaries kept the land disturbed for six years, and under Diaz the people were reduced to economic exploitation in some ways comparable to that of Spain. But the struggle continued and always progress upward was distinguishable. Now, after 10 years of severe civil war a government which is approved by the mass of the people has attained stability and is endeavoring to function for the mass of the people.

We should be the first to extend the helping hand. Time was when the United States gladly acclaimed each new nation

that threw off the yoke of Spain and joined the brotherhood of republics in the New World. Time was when Americans were mindful of their own revolutionary origin and as a matter of right and principle were the first to extend the fraternal hand of welcome to republics which deposed tyrants, no matter in what quarter of the globe.

Washington, Jefferson, Webster, Calhoun, and Lincoln voiced the truest traditions of our country when they affirmed these decisions. It was our boast that we feared aggression from no strong nation, and we scorned to impose on one weaker than ourselves. In pursuance of this policy we flung the Monroe doctrine in the face of the world as a warning that democracy, in this Western Hemisphere at least, should not perish from the earth.

Has our historic policy changed? Have we abandoned the traditional policy of Washington, Jefferson, and Monroe that won us universal esteem and gave good cause for the smaller nations of this continent to look upon us as a big brother, to be trusted and to be loved?

When I review our recent domineering attitude toward Haiti, San Domingo, Nicaragua, Guatemala, Panama, and even Cuba, it seems evident that we have. We seem to have entered upon a course of aggression and imperialism. An apparent unholy alliance between certain powerful financial interests and our Department of State, in the minds of many, already has reduced more than one heretofore independent republic to the status of a Wall Street protectorate.

It seems evident that the present administration can not be expected, if we are to judge by its policies thus far outlined, to afford any immediate change toward Mexico. Toward the Latin-American countries to the north of Panama and the West Indies the administration's policy seems to be wholly imperialistic. The relief sought for by them can only come, in my humble opinion, when a really progressive party has been placed in power in this country by the common people, as they certainly will do at an early date if the policies now in vogue are persisted in by those who determine governmental policies. The imperialistc policy on which the United States has launched in recent years is without sanction of law, Congress having never authorized nor have the American people ever been called upon to vote on any such policy, and I do not believe they ever would sanction it. If permitted a chance, they would most overwhelmingly reject any such policy. Neither would our people authorize Executive interference with Latin countries to our south or the land-grabbing policy we have entered upon. I am sure, however, that these same countries that now look with fear upon us would welcome our friendship and good will.

This policy is short-sighted and ruinous, for it is true of nations as well as individuals that "the paths of glory lead but to the grave." And the United States for the last two decades has stepped rapidly along the perilous paths of imperialism. It is time to stop this tendency short and to return to our earlier traditions of honorable and equitable dealing with all nations.

OUR DUTY TO MEXICO.

We should start with Mexico. The first step should be recognition—a recognition that is unequivocal and seeks to impose no terms. Let us deal with Mexico in a way that will give her no just cause for grievance, that will compensate for our past errors of policy, and that will disarm all Latin-American nations of the suspicion they have begun to feel as to our motives. Let us, in short, act not with the bargaining spirit of a market-place bully but in accordance to the great fundamental truth that the Nazarene voiced when he said:

Do unto others as ye would have others do unto you.

If this is made the actuating motive of our international relations, we can not go far wrong, and though some skeptics may smile it is a policy that will eventually bring us richer returns than the bloody fruit of imperialism.

A few days ago the Nation united to honor the memory of Abraham Lincoln. North, South, East, and West all paid homage to this far-visioned statesman, this tender-souled humanitarian, this rugged, sterling man who typifies all that is best of real Americanism. And I remembered that he had had a "Mexican problem" on his hands, and I recalled that a few months before the assassin's untimely bullet laid him down he had sent a message to President Benito Juarez, "the liberator of Mexico," whose country was just struggling to free itself from the yoke of Maximilian. This is what Lincoln wrote:

For a few years past the condition of Mexico has been so unsettled as to raise the question on both sides of the Atlantic whether the time has not come when some foreign power ought, in the general interest of society, to intervene, to establish a protectorate or some other form of government in that country and guarantee its continuance there * * *.

You will not fail to assure the Government of Mexico that the President neither has nor can ever have any sympathy with such designs, in whatever quarter they may arise or whatever character they may take on * * *.

The President never for a moment doubts that the republican system is to pass safely through all ordeals and prove a permanent success in our own country and so be recommended to adoption by all other nations. But he thinks, also, that the system everywhere has to make its way painfully through difficulties and embarrassments which result from the action of antagonistical elements which are a legacy of former times and very different institutions.

The President is hopeful of the ultimate triumph of this system over all obstacles, as well in regard to Mexico as in regard to every other American State; but he feels that these States are nevertheless justly entitled to a greater forbearance and more generous sympathy from the Government and the people of the United States than they are likely to receive in any other quarter.

The President trusts that your mission, manifesting these sentiments, will reassure the Government of Mexico of his best disposition to favor their commerce and internal improvements.

I find the archives here full of complaints against the Mexican Government for violation of contracts and spoliation and cruelties practiced against American citizens. It is not the President's intention to send forward such claims at the present moment. He willingly defers the performance of a duty which at any time would seem ungracious until the incoming administration in Mexico shall have had time, if possible, to cement its authority.

It was this spirit that made Lincoln the greatest American, and it was the same spirit that once made the United States beloved and respected the world around. Once more I plead for a return to these ancient and honorable standards, and in closing I ask that we deal with Mexico with the same tolerance, the same fairness, and the same warm sympathy that Abraham Lincoln once displayed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. ROBINSON. Mr. President, rumor has it that you are a very wise man. Your conduct here and elsewhere sometimes justifies the rumor. I wonder if you know what is the day. I wonder if you know what is the pending question.

It is astonishing to state that while the calendars unanimously inform us that this is the 19th of July, 1922, as a matter of fact in the Senate it is the 20th of April, 1922. In order to facilitate one particular subject of legislation the Senate of the United States has disregarded the scientific laws which regulate the expression of time. Like Joshua of old, it has commanded that the sun stand still. While the people of the United States and the world look on with amazement at these proceedings, the clock, which governs them, reflects the hour of 12 noon, April 20, 1922.

This legislative fiction, by which the Senate commands the sun to stand still and lives in days that are accomplished and long past, is designed to prevent the interposition of other questions than those relating to tariff legislation. A unanimous-consent arrangement has been effected by which, instead of adjourning, as ordinary parliamentary processes contemplate the Senate should do, we have recessed from day to day, so as to keep before the Senate one subject matter of legislation to the exclusion of every other.

Under the parliamentary method of procedure now in force by unanimous consent no bill, no resolution, no discussion is in order save that which is directed to the question immediately pending. In the beginning of the debate on the pending bill this morning—that is, by parliamentary fiction about noon or the early afternoon of April 20, 1922—impatience was manifested by the Senator from North Dakota [Mr. McCUMBER], in charge of the bill, and his able associate, the Senator from Utah [Mr. SMOOT], and from them and from others we heard repeated declarations that Democratic Senators had combined in a policy of filibustering for the purpose of preventing the passage of the pending tariff bill, which Republican Senators said the country demanded.

Irrelevant speeches were delivered from both sides of the aisle. That was following a custom which has prevailed in the Senate for perhaps half a century. In the early days of this debate one side of the Chamber was perhaps as much to blame in that regard as the other, but recently irrelevant discussions have come from the majority side of the Chamber, and to-day they have come exclusively from Senators who are professedly supporters of this legislation.

Yesterday afternoon, when the Senate was about to conclude its session, having charge of the particular schedule pending, I proposed an amendment to the committee amendment and announced that we were ready for a vote. The Senator from North Dakota stated that the Senator from Wisconsin [Mr. LA FOLLETTE] was vitally interested in the pending proposition, but was out of the city, and that he was expected to return this morning. For that reason no vote was taken yesterday.

My amendment to the committee amendment, which has not been mentioned to-day except by myself, is still the pending question. This side of the Chamber has long been ready to vote. I have sat here for four hours waiting for a vote, and the only reason the Senate has not voted is that the Senator from Idaho [Mr. GOODING] and the Senator from North Dakota [Mr. LADD] have consumed the time of the Senate in discussions of matters entirely irrelevant to the question immediately before the Senate.

When the Senator from Idaho concluded his remarks, the junior Senator from North Dakota obtained the floor. He was good enough to yield to me then for a brief statement, to point out the fact that the Senator from Idaho consumed 2 hours and 24 minutes in entirely irrelevant debate, that the matter of the debate was neither calculated nor intended to influence the action of the Senate upon the question pending or upon any other question. The Senator from Idaho has been foremost among the friends of this legislation in charging Democratic Senators with filibustering.

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

Mr. ROBINSON. I yield with pleasure.

Mr. HEFLIN. I want to remind the Senator that this is the legislative day of April 20. It will be three months to-morrow——

Mr. ROBINSON. I have already discussed that.

Mr. HEFLIN. Three months to-morrow that we have been carrying on this bill without prayer in the Senate.

Mr. ROBINSON. I discussed that matter at considerable length in the beginning of my remarks and I have passed away from that proposition.

Under the rules of the Senate the Senator from Idaho [Mr. GOODING] can waste the time of this body in a 2-hour and 24-minute discussion if he wants to do so, but he does it in spite of the preference of Democratic Senators and to the utmost displeasure, if not disgust, of many Senators on the other side of the Chamber.

Mr. GOODING. Mr. President——

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

Mr. GOODING. I will say to the Senator from Arkansas that I do not think the RECORD will show that I have charged Senators on the other side of the aisle with filibustering. I have said that they believed that the bill was unconstitutional or that the tariff was unconstitutional, and that they had a right to abuse it and damn it as they have done from the beginning.

Mr. ROBINSON. Now, Mr. President, that is a remarkable contribution to this debate, is it not, coming from the source from which it originates? The Senator from Idaho has in some mysterious, indefinable, and, to all mankind other than himself, inexplicable way arrived at the conclusion that the opposition to the bill is based upon constitutional grounds. If I chose to be diverted from the line of discussion which I was pursuing to answer in detail that suggestion, I would be guilty of the same parliamentary crime that the Senator has been committing throughout this day. If Senators present, if the visitors in the gallery, if the learned occupant of the chair, think that the observation of the Senator from Idaho requires further argumentative reply, they will be disappointed in so far as any remarks of mine are concerned. Everyone but the Senator from Idaho knows that the fundamental distinction between Democrats and Republicans touching the tariff, if that distinction remains, is that the Democrats advocate a tariff for revenue purposes and the other party advocates a tariff for protective purposes.

The Senator from Idaho now disclaims any purpose of a contention that Democratic Senators have been filibustering against the passage of the bill. I wonder whether he is as familiar as some of the rest of us with the attitude and course he has pursued during the debate. I wonder if he knows that his attitude toward the matter is influenced by his own present disposition to filibuster on the measure which he formerly so warmly advocated? What else can we term it than a filibuster when a Senator takes the floor and talks for 2 hours and 24 minutes about something that is not before the Senate? Now, the Senator from Idaho can answer that, and any other Senator can answer it. I wait for a reply.

Mr. GOODING. Mr. President——

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

Mr. GOODING. I quite understand the Democratic viewpoint that I did not discuss the tariff question at all.

Mr. CARAWAY. Nor anything else that anybody understood.

Mr. ROBINSON. I could not hear the statement of the Senator.

Mr. GOODING. I say I understand thoroughly that from the Democratic viewpoint or standpoint I did not discuss the tariff question at all. That is not strange at all.

Mr. ROBINSON. I take time enough to show even the Senator from Idaho that he either did not discuss the question before the Senate and that he knows that he did not, or that his mental constitution is such that he can not understand what is the pending question. Listen: The Senator from Utah [Mr. SMOOT] is in charge of the cotton schedule and the hemp, flax, and jute schedule on the majority side. The pending question is an amendment offered by myself to paragraph 1001, striking out the committee amendment of 2 cents per pound and inserting one-quarter of 1 cent per pound. Now, let my friend the Senator from Idaho do what he apparently had not done when he began to make his speech to the Senate to-day—let him read his speech and then let him make answer to the Senate whether he was discussing that question or any subject intimately or remotely related to it.

Mr. GOODING. Mr. President——

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

Mr. GOODING. I ask the Senator from Arkansas if he is discussing the pending question?

Mr. ROBINSON. Yes; and I am going to try to get a vote on the amendment by suppressing the Senator's filibuster against this tariff bill.

Mr. GOODING. Up to the present time the Senator has not mentioned at all the question before the Senate.

Mr. ROBINSON. Mr. President, I do not know of any better way to get a vote, after sitting here four hours and listening to Republican speeches on irrelevent subjects, than by driving it home to their conviction and to the conviction of other Senators that we ought to confine debate to the subject under consideration.

The junior Senator from North Dakota [Mr. LADD] was kind enough to yield to me to make some observations respecting the delay which the Senator from Idaho [Mr. GOODING] was causing to the bill by his irrelevant and, to some of us, meaningless speech. Then, the junior Senator from North Dakota proceeded for nearly 1 hour and 30 minutes to read a speech on a subject that was not before the Senate—worse than that, on an issue that can not come before the Senate under the Constitution and practice that prevails.

If any who heard him are in doubt, I am here to inform them that his subject was the recognition of the Mexican Government, the Obregon government. The United States Congress has nothing whatever under the Constitution to do with the recognition of other governments. Everyone knows that the recognition of another government is an Executive function. My good friend the junior Senator from North Dakota, if he wants to accomplish the recognition of Obregon, had better either mail a letter to the President of the United States, who has the power of recognition, or present to him the facts which in his opinion justify it. He can not accomplish recognition by talking about it to the Senate.

Why, Mr. President, of course the Senator from Idaho can talk about anything that he pleases. He can do just what I am doing now—talk about nothing when I talk about the speech of my good friend the Senator from Idaho [Mr. GOODING]. Nevertheless, if these irrelevant speeches by Republicans had not been made, we would have been almost through with schedule 10, relating to hemp, flax, and jute. We would have disposed of the remaining paragraphs of the cotton schedule and would have voted upon many of the paragraphs contained in the hemp, flax, and jute schedule. But we could not get a vote, because Republican Senators, Senators committed to the bill, have wasted the time of the Senate and the country in debate upon questions which are not before the Senate.

What is accomplished by the review of Mexican history, by the presentation of the views of those who favor recognition, before the Senate, which has no power to deal with the question? What advance can be made to a decision of the issues involved in the pending bill if Senators pursue to the end the course taken by my good friend the Senator from Idaho [Mr. GOODING] and discuss general topics not intimately related to the immediate question before the Senate?

Mr. President, yesterday it was explained to the Senate that the hemp industry as now organized and as it likely will be conducted in the future is not a successful American industry. American laborers will not perform the insanitary, the difficult labors which are required in producing hemp.

We asked then, and I repeat it now, what is the use of increasing, as the Senate Finance Committee does increase enormously, the tariff rates on the raw products when it is known that such action can not result in the creation and maintenance of an American industry in competition with other agricultural industries?

Now I conclude where I began. For my part I want to get through with the pending bill.

Mr. GOODING. Mr. President——

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

Mr. GOODING. I would like to ask the Senator from Arkansas if it is not a fact that at one time the hemp industry was a great industry in the United States?

Mr. ROBINSON. It never was a great industry. It has been steadily declining in Kentucky, where it was formerly one of the chief industries of the State. It has dwindled almost to nothingness, and, as explained yesterday, it never will become a profitable American industry, well established and maintained, unless machinery may be devised which will do the work that experience now shows must be performed by hand labor. The senior Senator from Kentucky [Mr. STANLEY] yesterday went into a detailed description of the work necessary to be performed in the production of flax and hemp. He showed that the weeding must be done by hand, that the pulling and the combing must be done by hand, and that the work of retting is extremely disagreeable to the extent of being repulsive to American laborers, and that, considering the fact that the production of hemp is less profitable than growing other agricultural crops, there is no likelihood hemp growing ever will become an established industry in the United States unless a revolution occurs and machinery is developed which will do the work that human hands must now perform.

I recall that the former Senator from Kentucky, Mr. Bradley, something like 12 years ago in this body made a speech in which he declared that the hemp industry in Kentucky would soon be placed on a secure basis because of the fact that machinery had been invented which would perform the labor then done by human hands, but his opinion on the subject proved to be incorrect, and students, with the exception of some university professor who is connected with the University of Wisconsin, have almost unanimously agreed that the machinery has not yet been devised by which this labor may be performed. So there is not very much likelihood that the industry can ever be securely established in the United States.

We are not, then, accomplishing anything by putting this high tax upon the raw products, but we are embarrassing unnecessarily other industries which might become profitable but for the very high tax on the raw product.

I again say that, so far as I am concerned, I am ready to vote.

Mr. McCUMBER. Mr. President, I think that most Senators deprecate the fact that we have no rule in the Senate requiring Senators to confine their remarks to the pending subject matter. Yesterday the senior Senator from Florida [Mr. FLETCHER] spent, I think, about three hours or more in the discussion of the ship subsidy bill, a subject, of course, which is very close to his heart. Inasmuch as the Senator from Florida had taken three hours or more in the discussion of a subject which he thought it proper to discuss, this morning my colleague, the junior Senator from North Dakota [Mr. LADD], felt that he might very properly take a third of that time in the discussion of a question that is very close to his heart, and so my colleague discussed our relations with Mexico. Then the Senator from Arkansas [Mr. ROBINSON] took about half as much time as did my colleague in making his whole speech in telling my colleague that he ought not to have talked upon a subject which was not the matter pending before the Senate.

Now, I want to get right down and agree with the Senator that we all ought to confine ourselves to the real question which is before the Senate.

Mr. ROBINSON. Will the Senator from North Dakota yield to me?

Mr. McCUMBER. Certainly.

Mr. ROBINSON. The Senator from North Dakota, I presume, will agree with me that up to the present time, since the beginning of his remarks, he himself has not touched the pending subject.

Mr. McCUMBER. Very well. I will occupy but a few moments in referring to the pending question.

Mr. President, I stated on yesterday afternoon that the senior Senator from Wisconsin [Mr. LA FOLLETTE] had made an argument on the hemp schedule before the Finance Committee and that perhaps he had a more thorough knowledge of the subject than had any other member of the committee, but that he, being absent from the city, his secretary had sent up to me the correspondence which the Senator from Wisconsin had received from, I think, the president and secretary of the Wisconsin Agricultural College. These men are experts upon this subject and they present a very complete statement of the case from the standpoint of the farmer and the protectionist. I could hardly by speaking elucidate the subject as well as the letters themselves elucidate it. Therefore I am going to ask that the Secretary may read the six letters which I shall send to the desk—they are not very long—which have been received from this agricultural college. I ask Senators who are interested in the subject to remain while the letters are being read, for I think it will assist all in arriving at an accurate judgment. I ask that the letters may be read in the order in which I send them to the desk.

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

The Assistant Secretary read as follows:

THE UNIVERSITY OF WISCONSIN,
COLLEGE OF AGRICULTURE,
Madison, September 24, 1921.

Senator ROBERT M. LA FOLLETTE,
United States Senate, Washington, D. C.

DEAR SENATOR LA FOLLETTE: Our Professor Wright has been corresponding with you relative to a tariff on hemp fiber, and I wish to support his action and to emphasize the great importance of this matter to the people of Wisconsin.

We started the hemp business in the State some 10 years ago and have actively continued our efforts along that line ever since, until Wisconsin leads all other States in America in hemp-fiber production. The methods of growing and handling hemp during that time, and largely through our efforts, have been practically revolutionized. We have changed the hemp industry from a tedious hand-labor, man-killing job to a machine basis of production and handling throughout. We also developed good markets, from which we obtained satisfactory prices. We were getting established in a very satisfactory manner and were in a position to compete with fiber from other countries so long as normal conditions continued, and if this were not a new industry we could better cope with present severe competition, but the industry is new and no reserves have been built up. Much money has been expended for machinery, equipment, and buildings, and unless we can get reasonable protection from the ridiculously cheap fibers that are being dumped on our markets, our industry is going to be utterly destroyed. I am sending you a bulletin relating to the hemp industry of Wisconsin so you can better determine the rapid strides made in a short period of time.

We should have a tariff of 5 cents a pound on what is termed "line hemp" and 2½ cents a pound on the grade known as "tow." This tariff would make it possible for us to continue in business. The three-fourths of a cent a pound, as proposed in the Fordney bill, will, of course, do no harm, but neither will it be of much help. We wish you could look into this matter carefully and give it your personal attention.

Sincerely yours, RANSOM A. MOORE.

THE UNIVERSITY OF WISCONSIN,
COLLEGE OF AGRICULTURE,
Madison, September 26, 1921.

Senator ROBERT M. LA FOLLETTE,
United States Senate, Washington, D. C.

MY DEAR SENATOR LA FOLLETTE: I have inclosed herewith a rather formal letter upon the Wisconsin hemp work, the facts of which I feel may be helpful to you in securing a reasonable tariff upon hemp.

I am not sure that you are fully aware of the great strides that have been made with hemp in Wisconsin. Twelves years ago, when I took up this work, there was not a single acre of hemp grown in the State. Hemp was introduced quite largely because it was thought that we could use the same as a fiber to make binder twine. However, the legislature, after making the appropriation for a binder-twine building at Waupun in connection with the State's prison, the succeeding legislature refused to equip the same, and the delay of several years then took place investigating as to whether or not it would be profitable for the State to go into the manufacturing of binder twine.

I naturally established the hemp center in the Waupun district, thinking the fiber could easily be put into the plant. However, when I saw that the enterprise of making binder twine was delayed an effort was made to secure markets for the hemp outside. We canvassed the manufacturing plants of the East and also of the foreign countries, particularly England. When the legislature finally put in the equipment for making binder twine we had established markets which gave us a price that far exceeded anything that could be paid for the fiber for the manufacturing of binder twine. We ran a test in manufacturing binder twine, and found that the hemp fiber makes an exceedingly fine and strong binder twine, but the price we were then receiving for hemp fiber did not warrant us in putting it into the plant in competition with sisal.

We encouraged capital to put in fiber plants that can be run night and day throughout the year. We have now one large plant 1 or 2 miles away from Waupun, one at Waupun, two at Brandon, two at Fairwater, and another at Markesan. The fiber output amounts to about $1,200,000 per year. A year ago we sold about $250,000 worth of hemp in England, about an equal amount went to the United States Navy, while the remainder went to the various manufacturing plants in the East.

At the present time we are up against this particular proposition: Hemp fiber can be shipped from Italy to New York at practically the same rate that we can ship to New York from Wisconsin. The Italian hemp is grown and fiber taken from the plant with cheap labor. Consequently the foreign hemp can come into our markets at considerably less than we can produce the fiber, and our industry, which has taken the past 12 years to build up, will be practically ruined unless we can have a substantial tariff upon the same.

Our farmers feel quite keenly the situation, as they have purchased machinery which was especially built for harvesting, binding, and breaking of the hemp. Last year Wisconsin grew more hemp fiber than all the other States put together, and we also had more up-to-date hemp machinery than all the other States, and the hemp industry has become a stable one in our State.

I hope something can be done. The proposed three-fourths of a cent tariff would not be sufficient protection to aid in protecting this industry which has now gained such a strong foothold in our State. I really hope that something can be done to give the protection which is so necessary at the present time to maintain this line of effort which has been established.

With kind remembrance to your family from myself and Mrs. Moore, I am,

Sincerely yours, RANSOM.

WISCONSIN HEMP ORDER,
Madison, Wis., March 29, 1922.

Hon. ROBT. M. LA FOLLETTE,
Senate Chamber, Washington, D. C.

DEAR SENATOR LA FOLLETTE: We wish to remind you of the importance to Wisconsin of increasing the tariff on imported hemp. The Fordney bill carries a rate of three-fourths cent a pound, which is of such little consequence that it constitutes no protection whatever.

We earnestly request that you, as a member of the Senate Finance Committee, urge that this rate be increased to 2 cents a pound. Two cents a pound will make it possible for us to continue in business. On the other hand, if we can not get protection we will be obliged to go out of business here in Wisconsin so far as hemp is concerned, or at least to discontinue business until foreign conditions become materially changed.

To assist you in presenting this matter to the Senate we submit the following summary of our reasons:

"(1) An important industry: The United States now actually produces from 50 per cent to 75 per cent of the hemp consumed in this country. Furthermore, the production during recent years proves that the hemp-growing districts of the United States are fully able to produce each year sufficient hemp fiber to satisfy all domestic demands. The States which produce hemp are Wisconsin, Kentucky, California, Illinois, Minnesota, Indiana, Ohio, and Michigan.

"Special emphasis is placed on the foregoing reason because there is a prevalent opinion that but a small percentage of hemp used in the United States is produced here.

"(2) An infant industry: Under the present method of production hemp is an entirely new industry in the United States and has been developed during the last few years. This development is the result of the activity of such public agencies as the United States Department of Agriculture and University of Wisconsin. New machinery has been introduced which has eliminated the laborious hand methods employed during former years and a large amount of capital has been invested in this new equipment.

"This new industry was established during a period when it was difficult to obtain foreign fiber, and since the policy of a protective tariff is to protect infant industries and encourage their development, it is here maintained that no agricultural industry is more deserving of tariff protection than hemp. It is also maintained that if such old and well-established agricultural industries as wheat, potatoes, cotton, wool, and the like are entitled to tariff protection a new industry should receive at least equal consideration. It is further maintained if a tariff be placed on other agricultural products and not on hemp, the result will be a direct discrimination against the production of hemp, and the American public certainly does not wish to discriminate against an infant industry.

"(3) Hemp necessary for the national welfare: The use of hemp fiber is interwoven with nearly every industry in the United States and is necessary for the manufacture of such essential naval equipment as marline, houseline, and ratline. These uses make hemp necessary for the national welfare.

"(4) Competition of foreign hemp: Foreign hemp is now being dumped into this country at prices less than actual cost of domestic production, and unless something is done to prevent this the American hemp industry can not long survive. This critical condition is the result of depreciated foreign exchange and cheap labor. To illustrate: Italian hemp is the chief competitor and Italian exchange is less than one-fourth of normal and the cost of Italian labor is approximately one-tenth that of American labor."

In consideration of the competition of foreign hemp, the cost of domestic production, and the cost of transportation to manufacturing points the American hemp producers request a tariff of 2 cents a pound on all grades of hemp fiber. The hemp producers feel that this rate is necessary to preserve the American hemp industry.

Respectfully submitted.

WISCONSIN HEMP ASSOCIATION,
By A. H. WRIGHT, *Secretary.*

WISCONSIN HEMP ORDER,
Madison, Wis., May 4, 1922.

DEAR SENATOR LA FOLLETTE: In reference to our correspondence relative to a tariff on hemp, I now have a copy of Schedule 10 of the tariff bill as amended by the Senate. I wish to call your attention to the wording of Schedule 10 so far as it affects hemp.

Schedule 10 as amended states "hemp and hemp tow, 2 cents per pound; hackled hemp, including line of hemp, 4 cents per pound." This wording is confusing in that it evidently makes a distinction between hemp and line of hemp. To explain this I offer the following discussion of the several terms used:

(1) Hemp: This term when used alone in trade transactions refers to the long, straight hemp fiber which has been more or less cleaned by removing the woody portion. It is often called rough hemp, raw hemp, or scutched hemp, but in any case refers to a general class of hemp fiber which has been roughly prepared, but which is long and reasonably straight. In other words, it is a term used to distinguish the long, straight fiber from the tangled, more or less matted and short fiber known as tow.

(2) Hemp tow: This is the short, more or less tangled, usually somewhat wadded or matted, and generally contains considerable extraneous material. It is obtained from the hemp proper by scutching, shaking, beating, or otherwise handling the original fiber. In other words, it is the combings from the hemp proper or the residue left in cleaning the hemp proper.

(3) Hackled hemp: This term is applied to hemp proper which has been put through a special process of combing over a hackle. In this country it is often spoken of as dressed hemp. In other words, it is ordinary hemp proper which has been processed by hackling.

(4) Line of hemp: This term, which is used principally in the American trade, is synonymous with hemp proper. In other words, it is the straight, long-hemp fiber as distinguished from the short, tangled tow.

From the above it is evident that by placing a tariff of 2 cents a pound on hemp and hemp tow and the placing of 4 cents a pound on line of hemp and hackled hemp that it is a question as to just what kind of hemp the 4 cents a pound applies. So far as Wisconsin is concerned, all of our hemp is produced in the form of hemp proper and hemp tow. What we should have, therefore, is 2 cents a pound on hemp tow and 4 cents a pound on hackled hemp and hemp proper (sometimes termed line of hemp or hemp line). If this is not made clear in the wording it will very likely be construed to mean that the 4 cents a pound tariff is to be applied to hackled hemp or similarly prepared hemp, and will not include the hemp proper as it is produced in this country.

If I have not made myself clear on this point, I shall be glad to give as much detailed explanation as you desire.

A. H. WRIGHT, *Secretary.*

WISCONSIN HEMP ORDER,
Madison, Wis., May 6, 1922.

DEAR SENATOR LA FOLLETTE: In reference to your letter of May 2, Professor Moore is out of town and he wishes me to give you the information concerning cost of production and the like for hemp in order that you may be aided in sustaining the increased duty as provided by the Senate.

I shall prepare the information which you request immediately and will endeavor to work it up in sufficient detail that it may be altogether dependable. I will send this on to you just as soon as I can get it up in proper shape. In the meantime I submit the following brief statements:

Foreign hemp: The only true foreign hemp which competes with Wisconsin hemp at the present time is the Italian. Grades of this hemp (line hemp) comparable to the grades of line hemp produced in Wisconsin are being sold c. i. f. New York at from less than 10 to around 12 cents a pound. Italian tow, known as strappatura, is offered New York at around 5 cents a pound. The ocean freight from Leghorn to New York on Italian hemp is less than 50 cents a hundred pounds. The labor in Italy is equivalent to about 25 cents a day. The transportation, therefore, from Leghorn to American ports is less than the American land freight from Wisconsin points to eastern manufacturing points—the freight from Wisconsin to New York is approximately $1 a hundred. The labor is ten times or more than that of the Italian labor, as we are paying from 25 to 35 cents an hour, or from $2.50 to $3.50 a day of 10 hours.

Cost of producing Wisconsin hemp: Wisconsin hemp fiber is fundamentally of two kinds, known in the trade as "line hemp" and "hemp tow." The growing and the handling of hemp fiber up until the time it is delivered to the hemp mills where the fiber is separated from the straw costs 4 cents a pound for tow and 7½ cents a pound for line. The separation of the fiber from the retted hemp straw by the hemp mills costs 3 cents a pound for tow and 4 cents a pound for line. Freight from Wisconsin points to manufacturing points averages approximately 1 cent a pound for both line and tow. This may be itemized as follows:

	Tow.	Line.
	Cents.	*Cents.*
Cost of growing and handling the crop.....per pound..	4	7½
Cost of milling the crop.....do....	3	4½
Transportation.....do....	1	1
Total.....do....	8	13

From the above it is shown that Italian hemp is being delivered New York at 3 cents a pound less for both line and tow than we are able to produce Wisconsin hemp and deliver it to New York. These figures allow nothing for profit, but are computed as nearly as possible on the actual costs of growing and milling and allow no profit either to the farmer or to the scutch mill.

I hope the foregoing will be of assistance and that I shall be able to get you more detailed information within the next day or two.

A. H. WRIGHT, *Secretary.*

WISCONSIN HEMP ORDER,
Madison, Wis., May 9, 1922.

DEAR SENATOR LA FOLLETTE: I have endeavored to assemble some detailed information relative to the cost of producing hemp in Wisconsin and also information relative to the cost of producing foreign hemp which competes with our product. The following data are necessarily approximations and are based on conditions prevailing during the seasons of 1920 and 1921. It might be well to mention that hemp is produced on the very best soil and that but a small portion of the average farm in the hemp district is suitable for the crop.

In estimating the cost of producing hemp fiber it is necessary to mention that there are two fairly distinct processes: (1) Growing and handling the crop by the farmer, including preparing the soil, seeding, cutting, and spreading, lifting and binding, hauling and stacking. (2) The milling of the fiber, which includes all of the processes at the hemp scutch mill necessary to separate the fiber from the straw, clean, grade, and bale it.

Cost of growing a crop of hemp and delivering the retted straw to the hemp mill.

	Per acre.
Preparing the soil and seeding the crop	$6.00
Seed	7.50
Harvesting and spreading	6.00
Lifting and binding	6.00
Hauling and stacking	5.00
Rent, taxes, etc	12.50
Total	43.00
Average yield of total fiber in Wisconsin, including line hemp and hemp tow	750
Total cost for line and tow to the farmer for growing the crop and delivering the retted straw to the mill...cents per pound	5.75

"So far as the farmer is concerned no definite distinction can be made between the cost of producing a pound of line hemp and that of producing a pound of hemp tow. Inasmuch, however, as line hemp is a superior fiber and brings a higher price on the market a proportionate cost can correctly be placed on each kind of fiber. In this way we arrive at the following:

	Cents per pound.
Farmer's cost for producing line hemp	7½
Farmer's cost for producing hemp tow	4

COST OF MILLING HEMP, INCLUDING DRYING, BREAKING, SCUTCHING, SHAKING, GRADING, AND BALING.

"The average hemp mill represents an investment of fifty to seventy-five thousand dollars and employs from 18 to 25 men in addition to a manager, field man, office work, and the like. The upkeep on these mills is very heavy, the insurance rate is very high, consequently the overhead is considerable.

COST OF MILL LABOR.

"Eighteen to twenty-five men, at $2.50 to $3.50 a day, averages $75. Average labor cost, including line and tow, based on an average production of 3,000 pounds of total fiber a day is 2.5 cents a pound. Overhead cost, including insurance, taxes, interest, repairs, and the like, 1.25 cents per pound. Total cost of milling (both line and tow), 3.75 cents per pound.

"In milling hemp it is impossible to distinguish between the cost of producing the line and that of producing the tow. However, the line requires more careful treatment and in addition is the more valuable product, consequently a relative cost of each kind can be arrived at according to the relative market value of each kind; consequently we assume the following:

	Cents per pound.
Cost of milling line hemp	7½
Cost of milling hemp tow	3

TRANSPORTATION OF HEMP FIBER.

"Hemp fiber is not manufactured into the finished products in Wisconsin. It is all shipped to other States, principally to the North Atlantic States. New York City represents an average shipping point. The freight from Wisconsin points to New York City averages approximately 1 cent a pound for both line and tow.

COST OF PRODUCING FOREIGN HEMP WHICH COMPETES WITH WISCONSIN HEMP.

"I can add very little to that which I gave you in my letter of May 6. During the last two years our principal competitor has been Italy. In normal times Russia was the most important country exporting to this country. During the last two years, however, very little hemp has come out of Russia for export to the United States. However, Russia can be expected to become a competitor in time. Just what is the cost of producing hemp in Russia is impossible to learn. Ordinarily it is less than that of Italy. We can assume, so far as labor is concerned, that the Russians are able to produce the fiber in a condition for export at at least one-fifth of the American labor costs.

"Italian labor may now be proportionally higher than that stated in my letter of May 6. A recent report by the Office of Foreign Statistics, United States Department of Agriculture, indicates the average wages for Italian laborers to be about 60 cents a day of eight hours. In the production of hemp a great deal of the work is done by women and children, and the wage paid women and children is considerably less than that paid men. Twenty-five cents a day may be too low at present, but we are altogether safe in assuming that the average labor costs for producing hemp in Italy is not over 50 cents a day (10-hour basis). This is at most only one-fifth of the cost of American labor.

"The method of growing and handling in Russia and Italy differs so completely from the methods used in America that no detailed data for comparison can be given."

In addition to the foregoing, it may be well to state that we believe that by utilization of machine methods, of managerial ability, and intelligent labor that we can compete with foreign fiber provided a reasonable differential is provided through a tariff. The hemp business not only in Wisconsin but every other hemp-producing section in the United States is now in a deplorable condition. A tariff of 2 cents a pound on all hemp tow and 4 cents a pound on all other hemp, including hemp proper (hemp line or line of hemp) and hackled hemp, will make it possible for the hemp industry to survive.

We sincerely appreciate the services which you have rendered, and earnestly hope that you will be able to procure in the final tariff bill the tariffs just suggested.

A. H. WRIGHT, *Secretary.*

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The question is on the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. The committee proposes, on page 132, line 1, to strike out "three-fourths of 1 cent" and to insert "2 cents." The Senator from Arkansas [Mr. ROBINSON] moves to strike out "2 cents" and to insert in lieu thereof "one-fourth of 1 cent," so that, if amended, it will read:

Hemp and hemp tow, one-fourth of 1 cent per pound.

Mr. SMOOT and Mr. ROBINSON called for the yeas and nays, which were ordered.

Mr. WALSH of Montana. Mr. President, the duties on agricultural products having been made the subject of some comment to-day, I send to the desk and ask to have read a letter which came to me this morning from an unusually well-informed and intelligent constituent, who resides in one of the chief if not the chief agricultural counties of my State.

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

The Assistant Secretary read as follows:

JUDITH MILLING CO.,
Hobson, Mont., July 15, 1922.

Hon. T. J. WALSH,
Washington, D. C.

DEAR SENATOR WALSH: I just want to write a short letter to you about the tariff. I am a Republican, but this tariff bill that is now before the Senate, and which the Finance Committee and farm bloc seem to want to railroad through the Senate, is just a little bit more than I can stomach.

I feel that without question it is about the most foolish piece of legislation that could possibly be enacted at the present time, with all the world owing the United States. The thing that we need is less tariff, not more tariff. Let the rest of the world trade with us on more nearly an equal basis, in order to give them a chance to pay some of their debts to us. This idea of building a Chinese wall around this country and taxing everything that comes in is ridiculous. I don't see how it is possibly going to benefit the farmers or anyone else in the long run, and is very liable to be disastrous in its consequences.

The wool and wheat schedules in the Senate bill are altogether too high. They will defeat their purpose and bring about a drastic reaction of no tariff on wheat and wool that will bring disaster on the farmer within a few years. This has been the history of such things in the past, and certainly should be in the future.

I hope that you will do all in your power to defeat the present bill, or at least have it amended so that the schedules do not call for such high tariffs as they do now.

This is not my opinion alone. I do considerable traveling, and I have yet to find anyone, Republican or Democrat, who thoroughly approves of the tariff bill now before the Senate. That may sound like a strong statement, but it is literally true. The people at large are absolutely disgusted with the antics of Congress, and especially their trying to foist on the dear public this awful tariff bill.

Yours very truly,

S. B. FAIRBANK.

Mr. POMERENE. Mr. President, I have before me an editorial on the subject "That impossible tariff." The editorial is from the Ohio State Journal, a Republican paper printed in Columbus, Ohio, and it is taken from the issue of July 17, 1922. The last sentence, referring to the McCumber-Fordney bill, reads:

It ought to be put to sleep.

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

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

[From the Ohio State Journal, July 17, 1922.]

THAT IMPOSSIBLE TARIFF.

Devotion worthy of a better cause is being shown by a group of higher tariff Senators in trying to force through the impossible McCumber-Fordney tariff bill, with its many enormous increases in tariff rates and duties. There has been no agreement of the majority Members for it at any time. Opposition has been in evidence from the start. New objections have flared into prominence as unwelcome rates and duties were made public. Senator after Senator has solemnly served notice that if particular provisions were held in the bill he could not support it. Opposition has increased almost daily until the votes on offensive amendments on Thursday brought a wide-open split of the majority, many of the stronger Members of the Senate on the Republican side helping kill the amendments.

However much these tariff-boosting Senators may be entitled to credit for the devotion they have shown, they are entitled to an equal measure of criticism for the bad judgment displayed. There has been no nation-wide need shown or demand heard for a tariff revision that puts rates very much higher. On the contrary, there has been stout opposition to the measure and the idea on which it is based, that opposition coming from all sections of the country and from nearly all lines of business. Republicans of national prominence are in the open fighting the measure, appealing to the tariff enthusiasts not to pull down that load on the party. High-tariff legislation is not wanted, but is distasteful and will be a mistake. Men of wide experience and high standing insist there will be a wave of higher prices forced if the bill passes, and the increase in prices at retail would be burdensome. Congress is taking time for the tariff that might be given to more important work. Or it might adjourn and give the country a legislative rest. That would be a welcome experience. High tariff doubtless was helpful when McKinley brought it back in the nineties. The tariff bill then fitted to some extent the need of the Nation. The tariff-raising bill now before Congress does not fit conditions existing to-day. It promises higher prices, an unwelcome offering to a people already burdened. The McCumber-Fordney bill is impossible. It ought to be put to sleep.

Mr. WALSH of Massachusetts. Mr. President, I have a letter from a leading manufacturer of my State protesting against the duties proposed to be levied in the paragraph on which we are about to vote. It is a very short letter, and I ask that it be read.

The PRESIDING OFFICER. The Secretary will read as requested.

The Assistant Secretary read the letter, as follows:

ANDOVER, MASS., *April 14, 1922.*

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

DEAR SENATOR WALSH: Referring to Schedule 10 in the Senate tariff bill, we are very much disturbed over the inequitable duties on the raw materials in which we are interested—namely, flax, hemp, and jute.

The duty on raw flax is placed at 1 cent per pound, on raw hemp at 2 cents per pound, and raw jute is on the free list.

There is no justification whatever in putting a higher duty on hemp than flax, as the average value of hemp is considerably below the average value of flax and all previous tariff bills have placed approximately the same duty on these two fibers.

We manufacture quantities of twine from hemp which compete on a yardage basis with twine made from jute. That is, our twines sell at a higher price per pound, but hemp being of a stronger nature than jute we are able to make our twines run more yards to the pound and so offset the difference in the price per pound.

We were not disposed to make any protest against the 1 cent per pound on hemp in the Fordney bill, but with a 2-cent duty we feel that we are being discriminated against and would be unable to hold our own against twines made from the cheaper fiber.

We most earnestly desire that the duty on raw hemp and hackled hemp be no higher than in the Fordney bill.

Hoping that our request may have your consideration, we remain,

Very respectfully yours,

SMITH & DOVE MFG. CO.,
By GEORGE F. SMITH,
President.

Mr. WILLIS. Mr. President, since it seems to be the fashion just now to print editorials, I ask unanimous consent to place in the RECORD, without reading, an article appearing on the editorial page of the Tiffin (Ohio) Tribune in favor of the enactment of the pending tariff bill.

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

[From the Tiffin (Ohio) Tribune, reprinted from the New York Mail.]

A PROTECTIVE TARIFF.

A tariff for protection is a tariff for the American people and for American prosperity.

It has been tested time and again and has never failed. It is the policy that has held the American home market for the American farmer.

It is the policy that has developed every American industry, maintained every American wage scale above the competing wage scale in other countries, and made the American wage earner the best paid workingman in the world.

The pay envelope of the American wage earner under a protective tariff always carries more contentment, better living conditions, and greater individual possibilities than any other pay envelope anywhere.

Every Democratic free trade law ever enacted has sooner or later forced industrial depression and panic; every protective tariff law has encouraged industrial expansion and created prosperity.

Whenever the Republican Party has been given power in the Nation it has been because its first principle is, through protection, to assure stability and prosperity to our farms and factories; a Republican Congress has always met that expectation as its most immediate duty.

This Congress has delayed too long performing that duty. It should have enacted a tariff law months ago. Farmers know, indeed the country knows, what the emergency tariff, passed a year ago, has done to put our farmers back on the road to prosperity. It provided them with a market. Our industries are entitled to the same helpful legislation. The Republican Congress is a year late in according it to them; it is now time for action.

Free-trade Democrats in the Senate are assailing the pending bill with prophecies that it will add to the cost of living. That is an old, old story with free traders. For nearly a century they have been saying it over and over again until it has worn so deep a groove in the Democratic platform that no Democrat can see over the sides of it.

All they have said in the present debate was uttered in precisely the same terms by their Democratic predecessors of years ago, in denouncing every protective tariff law before enactment.

Never do these same Democrats—nor did their predecessors—justify their argument by taking the figures of a protective tariff period to prove that protection has ever added a penny to the cost of living. They do not do it because results do not show it.

Democrats talk fiercely of what a protective tariff will do; but you never can get a word out of them as to what a protective tariff has done. The difference is the difference between prophecy and results.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas [Mr. ROBINSON] to the committee amendment on which the yeas and nays have been ordered.

The Assistant Secretary proceeded to call the roll.

Mr. ROBINSON (when his name was called). I have a pair with the senior Senator from West Virginia [Mr. SUTHERLAND], which I transfer to the senior Senator from Missouri [Mr. REED], and vote "yea."

Mr. TRAMMELL (when his name was called). I transfer my pair with the Senator from Rhode Island [Mr. COLT] to the Senator from Texas [Mr. CULBERSON] 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 Rhode Island [Mr. GERRY] and vote "yea."

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

The roll call was concluded.

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

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

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

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

The Senator from Michigan [Mr. TOWNSEND] with the Senator from South Carolina [Mr. DIAL].

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the senior Senator from Maryland [Mr. FRANCE], and vote "nay."

Mr. CALDER. I have a pair with the senior Senator from Georgia [Mr. HARRIS] which I transfer to the senior Senator from Colorado [Mr. PHIPPS], and vote "nay."

Mr. GLASS. I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. STANLEY. Has the junior Senator from Kentucky voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. STANLEY. I have a pair with that Senator, and not being able to obtain a transfer I withhold my vote. If permitted to vote, I would vote "yea."

Mr. JONES of New Mexico. Has the senior Senator from Maine [Mr. FERNALD] voted?

The PRESIDING OFFICER. He has not voted.

Mr. JONES of New Mexico. I have a general pair with that Senator, and not being able to obtain a transfer I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. JONES of Washington (after having voted in the negative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent for the afternoon, and I promised to pair with him. I find that I can transfer my pair to the junior Senator from Oregon [Mr. STANFIELD]. I do so and allow my vote to stand.

The result was announced—yeas 19, nays 38, as follows:

YEAS—19.

Ashurst	Hitchcock	Robinson	Underwood
Borah	King	Sheppard	Walsh, Mass.
Caraway	Myers	Simmons	Walsh, Mont.
Glass	Overman	Smith	Watson, Ga.
Heflin	Pomerene	Trammell	

NAYS—38.

Brandegee	Jones, Wash.	McNary	Shortridge
Broussard	Kellogg	Moses	Smoot
Bursum	Kendrick	Nelson	Spencer
Calder	Keyes	Newberry	Sterling
Cameron	Ladd	Nicholson	Wadsworth
Capper	Lenroot	Norbeck	Warren
Curtis	Lodge	Oddie	Watson, Ind.
Gooding	McCormick	Pepper	Willis
Hale	McCumber	Ransdell	
Johnson	McLean	Rawson	

NOT VOTING—39.

Ball	Ernst	La Follette	Reed
Colt	Fernald	McKellar	Shields
Crow	Fletcher	McKinley	Stanfield
Culberson	France	New	Stanley
Cummins	Frelinghuysen	Norris	Sutherland
Dial	Gerry	Owen	Swanson
Dillingham	Harreld	Page	Townsend
du Pont	Harris	Phipps	Weller
Edge	Harrison	Pittman	Williams
Elkins	Jones, N. Mex.	Poindexter	

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

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

Mr. ROBINSON. On that, I ask for the yeas and nays.

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

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

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

Mr. JONES of New Mexico (when his name was called). Making the same announcement regarding my pair and its transfer as on the previous vote, I withhold my vote.

Mr. JONES of Washington (when his name was called). Making the same statement as before with reference to my pair and transfer, I vote "yea."

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

Mr. STANLEY (when his name was called). I am unable to obtain a transfer of my pair with the junior Senator from Kentucky [Mr. ERNST], and therefore withhold my vote. If at liberty to vote, I would vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as to the transfer of my pair as on the last vote, I vote "nay."

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

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. DIAL. I have a pair with the Senator from Michigan [Mr. TOWNSEND]. Being unable to obtain a transfer, I withhold my vote.

Mr. CARAWAY (after having voted in the negative). I have a pair with the junior Senator from Illinois [Mr. McKINLEY]. That Senator has not voted. I am, therefore, compelled to withdraw my vote, as I can obtain no transfer. If permitted to vote, I would vote "nay."

Mr. McCUMBER (after having voted in the affirmative). I desire to inquire if the junior Senator from Utah [Mr. KING] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. McCUMBER. I transfer my general pair with that Senator to the junior Senator from Vermont [Mr. PAGE] and allow my vote to stand.

Mr. BALL. I transfer my general pair with the senior Senator from Florida [Mr. FLETCHER] to the junior Senator from Washington [Mr. POINDEXTER], and vote "yea."

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

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

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

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

The result was announced—yeas 39, nays 17, as follows:

YEAS—39.

Ball	Johnson	McLean	Rawson
Brandegee	Jones, Wash.	McNary	Shortridge
Broussard	Kellogg	Moses	Smoot
Bursum	Kendrick	Nelson	Spencer
Calder	Keyes	Newberry	Sterling
Cameron	Ladd	Nicholson	Wadsworth
Capper	Lenroot	Norbeck	Warren
Curtis	Lodge	Oddie	Watson, Ind.
Gooding	McCormick	Pepper	Willis
Hale	McCumber	Ransdell	

NAYS—17.

Ashurst	Myers	Simmons	Walsh, Mont.
Borah	Overman	Smith	Watson, Ga.
Glass	Pomerene	Trammell	
Heflin	Robinson	Underwood	
Hitchcock	Sheppard	Walsh, Mass.	

NOT VOTING—40.

Caraway	Ernst	King	Poindexter
Colt	Fernald	La Follette	Reed
Crow	Fletcher	McKellar	Shields
Culberson	France	McKinley	Stanfield
Cummins	Frelinghuysen	New	Stanley
Dial	Gerry	Norris	Sutherland
Dillingham	Harreld	Owen	Swanson
du Pont	Harris	Page	Townsend
Edge	Harrison	Phipps	Weller
Elkins	Jones, N. Mex.	Pittman	Williams

So the committee amendment was agreed to.

Mr. SMOOT. Mr. President, I now ask that we return to paragraph 912, page 127, which was passed over yesterday. There was one amendment in that paragraph which went over at the request of the senior Senator from North Carolina [Mr. SIMMONS]. It refers to labels for garments or other articles. I will say that the committee desire to strike out "50 cents per pound and" as the first amendment, and then to strike out "25" and insert "50," so that the clause will read:

Labels for garments or other articles, composed of cotton or other vegetable fiber, 50 per cent ad valorem.

The PRESIDING OFFICER. The first amendment will be stated.

The ASSISTANT SECRETARY. On page 128, line 10, the committee proposes to strike out "50 cents per pound and."

Mr. SMOOT. Mr. President, I desire to stat that under the existing law the rate is 25 per cent and under the Payne-Aldrich law it was 50 cents a pound and 30 per cent ad valorem. The committee, however, desire to strike out the compound rate and to have a straight ad valorem rate of 50 per cent. Even under the prices which prevailed in 1910, the equivalent ad valorem of 50 cents a pound and 30 per cent ad valorem amounted to 48 per cent.

I want to call the attention of the Senate to the fact that the importations of cotton labels for the year 1920 were as follows:

January, $245; February, $1,016; March, $837; April, $2,072; May, $3,127; June, $4,517; July, $6,724; August, $5,512; September, $3,871; October, $3,632; November, $2,350; December, $4,389; or a total importation for the year 1921 of $38,292.

Now, for the first five months of 1922 the importations were $63,402, or nearly twice what they were in the whole year of 1921. From the invoices and manifests which the committee have received there is no question of doubt that the goods are beginning to come into the United States in greatly increased quantities.

These labels are mostly made out of yarns of 120s. The duty imposed upon such yarn is 27 per cent. That only gives 23 per cent to cover the making of the labels of the finest thread and inserting the names or advertisements by weaving them into the cloth. I think under conditions existing to-day it is a little doubtful whether the domestic producers can hold their trade with a 50 per cent duty, considering the 27 per cent duty imposed upon the yarn.

Mr. SIMMONS. Mr. President, what was the amount of importations just given by the Senator?

Mr. SMOOT. For the first five months of 1922 they were $63,402; in other words, twice the amount of importations in 1910, twice the amount of importations in 1914, and nearly twice the amount of importations in 1921.

I have here [exhibiting] samples of the cloth, showing the German make and the American make. It takes a duty of all the way from 78 per cent up to over 228 per cent to equalize the prices of these labels as of last year when the Reynolds report was made. But, taking into consideration changed conditions, the committee felt that the producers could get along with 50 per cent. Of course, they do not think so, but any article of this character made of the fine yarns of which these are made and woven as they are will, I believe, be sufficiently protected with a 50 per cent rate of duty, which is not a high rate.

Mr. SMITH. Mr. President, I wish to call attention to the fact that under the present rate of duty, which is 25 per cent straight, the value of our importations ran as follows: 1914, $23,000; 1915, $15,000; 1916, $2,000; 1917, $8,000; 1918, $8,000; 1919, $5,000; 1920, $35,000; 1921, $38,000.

But we must remember that our domestic production amounted to about $624,000 worth. In addition to that, these labels are just the ordinary single-thread labels. They are made very readily here and they are not very difficult to make. It is only the very fine and difficult figures that are imported. We have not increased the duty on the kind of yarn out of which they are made to anything like the extent of the proposed duty here. This is increasing the duty 100 per cent.

Mr. SMOOT. The duty on the yarn is 27 per cent.

Mr. SMITH. Yes; 27 per cent; but it is proposed to now place a duty of 50 per cent, which is 100 per cent higher than the existing rate, and the importations into this country are a very small fraction of the amount produced here.

In addition to that, those that have the fine figures, such as faces and features of the face, are not produced in this country at all but are largely produced abroad. The United States Government itself imported some of these labels for the Army, because our mills were not equipped to make that particular kind of labels.

Mr. SMOOT. I think the Senator ought also to state that the Government importation was on account of the smallness of the order at that particular time which made it impractical to place the order in this country.

Mr. SMITH. Mr. President, that is the point I am making. The policy of mills and manufacturing plants in the United States is to standardize and to not deal in specialities and novelties; but it is now proposed to increase this duty from 25 per cent to 50 per cent, purely in the interest of those who are manufacturing the articles, for the statistics do not show that the competition is of any very serious import.

The Senator from Utah has called attention to the increase in importations in the first months of this year. Anyone with any degree of common sense knows that with the proposition pending of raising the duty on a certain kind of label to a point where it is going to act as an embargo, the importers are going to import all they can before the duty, under which the article can not get into this market at all, shall apply. That is the explanation of why foreign imports are now being rushed into our market.

I protest against doubling the present duty. If we had such an importation as practically to put our own people out of business, there might be some excuse for the majority party increasing the duty by the enormous difference between 25 per cent and 50 per cent, or 100 per cent over the prevailing rate. I have quoted during the period of the operation of the Underwood law the figures which show that the quantity imported into this country was negligible as compared with the domestic production and consumption.

Mr. SMOOT. But, I will say to the Senator, there were, of course, none coming from Germany at that time.

Mr. SMITH. They were not coming from anywhere.

Mr. SMOOT. Of course, they could not come from Germany; and it is Germany where these goods are principally made.

Let me call the attention of the Senator to the fact that the importation for the first five months of 1920 was 10 per cent of the entire domestic production in 1919, and during every month the importation has increased. For January the importation was $5,297; it increased in February to $13,000; it increased in March to $13,243; in April to $13,999; and in May to $16,935. The importations during those five months, including the low importations in January, were 10 per cent of the American production in 1919, not of the American production of to-day, because the mills have not been working half time. When that is taken into consideration, if the importations for five months amounted to 10 per cent of the domestic production in 1919, for the full year they would amount to a little over 20 per cent, and with a production now but half what it was in 1919 the importations would be 40 per cent of the goods used in the United States.

Mr. SMITH. Mr. President, in 1914 there was an importation of $23,000 worth.

Mr. SMOOT. In 1914 there was an importation of $32,750 worth.

Mr. SMITH. In 1915 the importations dropped to $15,000 worth.

Mr. SMOOT. Yes; Germany could not make any at all then, for she was at war.

Mr. SMITH. Then our importations rapidly declined until 1919; and in 1920 and 1921 we practically got back to the prewar importations.

With the Government of the United States giving an order for labels for its own use, it is reasonable to suppose that the foreign producers had equipped themselves and had on hand a quantity of labels to dispose of in anticipation of the proposed prohibitory duty.

I maintain that the duties on yarns have been increased in no such ratio. Therefore to increase this duty from 25 per cent to 50 per cent is practically to prohibit any importations whatever, and to mulct the purchasers of these labels in whatever price the American manufacturer sees fit to charge. It is unfair to those who use this article. Even our own Government would have been forced to have paid this 50 per cent had the duty obtained at the time that it placed this foreign order.

Mr. SMOOT. I can show any Senator here a sample that has been taken from a shipment which has very recently arrived at New York. The selling price in Germany was 84 cents; the selling price in England was $1.22; and the cost of production in the United States was $2.42. I have the samples here and I am willing to show them to anyone. It would require the imposition of a duty of 188 per cent in order to equalize the cost of production as against German importations.

Mr. SMITH. Mr. President, in all conscience God knows the majority party have put a duty on everything that goes on the back of the human being just as high as they dare to put it. Even on those commodities which we generally manufacture in large quantities, including every form of cloth, the duties have been raised, and now when we come to the little, insignificant item of labels, which the makers of clothing use to indicate the maker, a duty has been piled upon them, so that the garments that the people wear, from the thread that goes in them to the little label that is sewn in the lining, a burden of taxation has been added. It is intolerable to think that every little device is hunted out for the purpose of imposing a tax upon it. I would not be at all surprised to find an effort being made to tax patches, in order to make the people who can not wear whole clothes, but who have got to patch them, pay a duty on the patches. It appears that the committee are actually hunting out labels, which are used as the distinctive mark of the manufacturer who makes the clothes, and are proposing to levy a very high duty on them. As a mountain is not made of one big rock but is made of sand particles and dirt particles, so the burden on the American people is made up of the taxes and profits on every little article, the aggregate of which spells the ruin and poverty of the American masses. Thank God this side of the Chamber is not a party to any such insidious imposition. Surely Senators on the other side could let the labels go into a suit of clothes which the poor man purchases without this intolerable system of burdening up to the limit everything which he has to buy.

Mr. SMOOT. It makes no difference whether it be little or whether it be great, the same story is told by Senators who oppose this bill about laying a burden upon the back of the individual. The cost of these labels is 84 cents a thousand. That means that the cost of a label upon a suit of clothes is one one hundred and twentieth of a cent; in other words, a man would have to buy 120 suits of clothes before a 1-cent burden would rest upon him.

Mr. SMITH. Mr. President, will the Senator allow me?

Mr. SMOOT. Certainly.

Mr. SMITH. One hundred cents make a dollar, but 99 cents do not. Every single measurement we have in the world is according to the unit standard; and it is the addition of the ones that spell the millions, and it is the addition of the little one-tenths that spell the millions of taxes that break the backs of the American people.

Mr. SMOOT. If the manufacturer who puts his label in a suit of clothes were compelled to pay for them, he would put them on just as quickly as if they were given to him.

Mr. SMITH. Then, the responsibility would be with the man and not with the legislative body of the United States.

Mr. SMOOT. There is a certain advertising value in such labels. That is what they are used for. When you buy a suit of clothes from the Kuppenheimer Co., we will say, you will find on the coat a cotton label which advertises the Kuppenheimer Co., of Chicago, Ill., as the maker. So labels are put in the fancy sealskin coats, for which ladies pay from $1,500 or $1,600, perhaps, the label costing one one-hundred-and-twentieth of 1 cent. Does the Senator think that a sealskin coat is going to sell for $1,600, plus one one-hundred-and-twentieth of a cent?

Mr. SMITH. No; Mr. President, I think the manufacturer will take advantage of that one one-hundred-and-twentieth of a cent and add 10 cents to the price.

Mr. SMOOT. I do not think the Senator would contend that the coat would be sold for $1,600.10.

Mr. President, the only question involved is whether or not we want to make labels in this country. If we want to make them here, we have got to provide the proposed rate of duty, and I doubt very much whether that rate of duty will keep out the goods from Germany. It is ample so far as England is concerned. The English price compared to the German price is 84 cents as against $1.22 on the same article, some samples of which I have here which were collected at the port of entry upon an importation just a short time ago.

Mr. SIMMONS. Mr. President, if this is a matter of such insignificance to the consumer, it must be a matter of like insignificance to the manufacturers.

Mr. SMOOT. It is not if there are three or four manufacturers who have all they have in the world invested in this business. What about the thousand employees? I may add that the production in 1919 was $624,000 worth.

Mr. SIMMONS. Mr. President, I did not yield to the Senator. He did not ask me to yield to him.

Mr. SMOOT. I beg the Senator's pardon.

Mr. SIMMONS. What the Senator has said in substance is that the interests of three or four manufacturers in this country are more important than the interests of 110,000,000 people.

Mr. SMOOT. Oh, well——

Mr. SIMMONS. Mr. President, it is "oh, well." I myself, like the Senator from South Carolina, am utterly amazed at the dragnet which has been thrown out to gather up for the purpose of taxation the most insignificant items. According to the Senator from Utah, this is a very trifling item so far as those who have to buy it is concerned, but it is sufficiently important where it affects the interest of two or three manufacturers to make the Senator exceedingly anxious, in their interest, to secure these very high rates.

But, Mr. President, I did not rise for the purpose of discussing this matter. I know nothing about it; I should not have bothered with it—it is a very small item, it is true—but for the fact that I received a telegram a few days ago which I had read into the RECORD. It was because of that telegram that I asked that this matter go over until I could look a little more carefully into it. That telegram came, as I recall the name, from the firm of Kitts & Kitts, and declared that the duty proposed by the committee upon this particular item was, as I remember, either 146 or 148 per cent. It struck me that 146 per cent or 148 per cent, whichever it might have been—and it was one or the other, I am quite sure—was practically a prohibitory duty to impose upon this product.

Mr. SMOOT. That is the compound duty of the House.

Mr. SIMMONS. That is the duty as you had it written in the bill at that time.

Mr. SMOOT. We changed it to 60 per cent, and now to 50 per cent.

Mr. SIMMONS. The duty which you had written in the bill at that time was 50 cents per pound plus 25 per cent ad valorem, and that is the duty to which I understood the sender of this telegram was referring.

Mr. SMOOT. I do not know what he was referring to, but the committee made it 60 per cent ad valorem.

Mr. SIMMONS. But the Finance Committee raised the House rate. The House rate was 50 cents per pound and 20 per cent ad valorem. The Senate retained the 50 cents a pound and made it 25 per cent ad valorem.

Mr. SMOOT. Originally.

Mr. SIMMONS. Originally. That was the rate at the time this telegram was received. The Senator had not announced any change in the rate at that time.

Mr. SMOOT. It had been published, but this man had not seen it, I presume.

Mr. SIMMONS. I had not seen it and he had not seen it. That is the rate to which he is referring. The Senator's committee proposed a rate upon this little item of practically 146 per cent. The Senator now comes in and says that they are willing to strike out that part of the duty which imposes a

duty upon the pound basis—namely, 50 cents a pound—and yet at the same time they insist upon raising the ad valorem rate from 25 to 50 per cent.

Mr. President, 50 per cent has always been regarded as a very high rate. I am not able to say whether, compared with other rates in this bill, it is too high or not. I think probably it is about on a parity with the other rates in the bill. Almost all of them are too high. This seems to be unwarranted, in view of the fact that heretofore importations have been kept out almost entirely by a 25 per cent rate. Now, the committee are doubling that; they are increasing it 100 per cent; and they say they are doing that because Germany has gotten into the market again. Before the war we were competing with Germany on a 25 per cent rate and keeping out the German product.

There may have been, and I think there was, a short time when Germany was making goods and trying to sell them throughout the world at really less than the cost of production in Germany; but I do not think that condition exists now, and I do not think it can continue to exist. Germany is in no condition to be making and selling goods to the outside world for less than the cost of production. Germany is now in a state of absolute economic and financial collapse, and I do not think we need to be legislating here altogether upon the basis of financial and economic conditions in Germany. In my judgment there is nothing serious for us to fear, especially in the immediate future, from that country. If there is any country in the world to-day that is in a state of absolute collapse it is Germany, and I am very much afraid that that condition is going to continue for a long time to come.

In any event, I feel ashamed of the fact that not a single thing mentioned in this bill that can be produced in Germany is brought here and held up before the Senate as an article as to which we are able to compete with that poor and distracted country. It makes me ashamed of my own country; it causes me to distrust the proud boast that we have indulged in for years as to our efficiency and our ability to compete with the world in production, to be told that we can produce nothing in this country now with safety unless we tie the hands of Germany; that our own commercial and industrial safety in this country depends upon our making it impossible for that crippled and disabled country to ship us any of its products.

That argument is persisted in here from day to day, in the face of the fact that our imports from Germany are shrinking and not growing; that we are shipping to Germany and selling in German markets, below the German price or in competition with the German products, four times as many goods as we are buying from Germany. It is a miserable bogy; it is a sham and a fraud; it is an insult to the American people and a reflection upon the American Government.

Mr. President, I am not going to make any further contest about this matter. I had intended to write to these gentlemen who telegraphed me and request them to send me some additional information about this little matter, because I believe that an injustice can be done about a small thing as well as about a big thing, and, so far as I am concerned, I hate a little mean thing more than I do a big mean thing; but I have not written to them as I intended to, and I have not gotton the information. This matter will come up again in the Senate, however, and meanwhile I will get the information; and if I find that it is of a character that justifies me in calling it to the attention of the Senate when the matter reaches the Senate, I shall do so, as small as it is, because I want to say here now that there is no taxpayer in America that I am not ready to stand up here and defend; there is no item that the American people consume that is so small that I am not ready to stand here and insist that the user of that product shall not with my consent and without my protest be unjustly mulcted, taxed, and robbed.

Mr. SMOOT. Mr. President, in answer to the Senator I want to say only one word. There is no laboring man in the United States that I am not willing to protect; and when wages in Germany are one-tenth of what they are in this country, and the labor itself can run a machine just as well in Germany as it can in this country, and there is just as efficient labor employed in making these particular goods, I would rather protect the 1,000 employees that are employed in making these goods than to give all of that labor and our money as well to any other country; I do not care whether it is Germany or any other.

The PRESIDING OFFICER. The question is on the proposed amendment striking out "50 cents per pound and."

The amendment was agreed to.

The READING CLERK. On the same line it is proposed to strike out "20" and insert "50."

The amendment was agreed to.

Mr. SMOOT. Mr. President, the next amendment passed over is in paragraph 913.

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

The READING CLERK. In paragraph 913, on page 128, line 16, it is proposed to strike out "35" and insert "60," so as to read:

Knit fabric, in the piece, composed wholly or in chief value of cotton or other vegetable fiber, made on a warp-knitting machine, 60 per cent ad valorem.

Mr. SMITH obtained the floor.

Mr. SMOOT. Mr. President, if the Senator would like to have me do so, I will make a brief statement as to this paragraph; but, if not, I do not want to take the time of the Senate.

Mr. SMITH. I shall be glad to have the Senator make it.

Mr. SMOOT. Mr. President, this is the knit fabric out of which cotton gloves are made. The cloth never was made in America until during the war. Most of the large glove manufacturers in the United States made this cloth during the war. The small ones depended upon its being made in other mills in the United States.

The general public do not buy a yard of this cloth. Whatever tax they pay comes in the tax upon the gloves. It is a highly finished article. It contains very fine threads, and every yard of the cloth is made into cotton gloves. The next paragraph provides for the duty upon cotton gloves.

To-day every concern in the United States making this cloth is at a standstill. That is very natural, because every glove manufacturer in the United States is at a standstill. Even the glove manufacturers themselves have been compelled to import the gloves from Germany in order to try to hold their own customers. I do not think 10 per cent of the glove manufacturers in the United States are operating their factories to-day. I am speaking now of cotton gloves. When we reach the kid-glove schedule I will make another statement in relation to them; but the cotton-glove industry in the United States to-day is absolutely paralyzed. There is little left, and this is the cotton cloth from which those gloves are made. The committee felt that if we were going to maintain a cotton-glove industry in the United States it was absolutely necessary to make in this country the cloth from which the gloves are made, otherwise the manufacturers would be at the mercy of the country that made the cloth.

The 60 per cent ad valorem duty perhaps seems to be a high rate of duty. The manufacturers, under the conditions that existed here in 1921, showed figures to the effect that over 100 per cent duty would be necessary; but things have changed, and the committee recognized that fact. The changes that are made daily here are made not because of the criticism of the bill but because the committee recognize that there have been changes in Europe, and that conditions exist now that did not exist particularly during the early part of 1921.

Mr. SMITH. Mr. President, if the Senator has concluded his statement——

Mr. SMOOT. I want to say to the Senator that if he looks at the statistics as to importations he will find, of course, no importations of this cloth, because no gloves have been made in the United States. As I say, the industry is paralyzed.

Mr. SMITH. The Senator is wrong. This knit cloth is the material out of which the gloves are made, and as soon as the Senator gets through with his statement I will be glad to make one.

Mr. SMOOT. One statement I did make in the beginning was that this cloth is used only for making cotton gloves. It is not used for any other purpose, and there are no importations, because of the fact that there have been no gloves made in this country in recent years. If you go to Gloversville you will see a whole city paralyzed, and at all the other places where they make cotton gloves the mills are at a standstill. The only question for us to decide is whether we want to maintain this industry in the United States or let it perish. The committee thinks that with a 60 per cent duty they can make the cloth. If it were 50 per cent or 60 per cent, it would not make any difference whatever in the duty upon the gloves, which the committee intends to offer an amendment to cover.

Mr. SMITH. Mr. President, I take this from the report of the Department of Commerce, released for immediate use:

Knitted cloth—

Out of which the gloves are made—

showed the largest increase of any group of knit goods in quantity of production, with 253.5 per cent more square yards for 1919 than in 1914.

Mr. SMOOT. Certainly.

Mr. SMITH (reading)—

And for these respective years formed 8.3 per cent of the total value of the knitted goods industry.

Mr. SMOOT. I agree with that.

Mr. SMITH. I want to read still further from the Tariff Information:

Practically all of the glove establishments make their own suèded fabric, so that very little is offered for sale. Hence the census figures for 1919—165,000 square yards, valued at $380,000—represent only a small proportion of the total, which was estimated at over 1,000,000 square yards for that year.

Mr. SMOOT. That is just what I stated as to 1919. I will say to the Senator again that to-day the mills are at a standstill because there are no gloves to speak of made in the United States.

Mr. SMITH. According to the Tariff Commission there has been an extraordinary importation of gloves during the last year; but the Senator does not pretend to say that up to the time of this extraordinary condition which exists now, in view of the vast amount which must necessarily have been produced for obvious reasons during the war, in view of the probability of this tariff bill being passed, whatever surplus they may have would be poured upon the market?

Mr. SMOOT. They did not have a surplus. In fact, I know of institutions which placed their orders for gloves in Germany a year ago and have not gotten them yet. They have no surplus.

Mr. SMITH. To be perfectly frank, there has been a larger importation of gloves into this country in the last year than perhaps in any other year; but the point I am making is this, that there has been no such condition before in the history of the glove business. We had a duty of 30 per cent on this character of goods. There had been no such danger of flooding this country until this last year. In order to meet an extraordinary condition we raised the duty 100 per cent.

Mr. SMOOT. If the Senator will turn to the statistics of importations before the war, under the Payne-Aldrich law, he will find that there was an immense amount imported compared to importations of other items in the cotton schedule.

Mr. CALDER. If the Senator will permit me, in 1914 the importation of these cotton suède gloves amounted to 1,500,000 pairs and in 1915 to 1,513,000 pairs. It dropped to 112,000 pairs in 1917.

Mr. SMOOT. They could not import them then.

Mr. CALDER. They could not get them in. Nearly all the goods come from Saxony; they are made in other parts of Germany also.

Mr. SMOOT. The whole story is told in the conditions existing at the mills. Just ask the employees of any glove-manufacturing concern in this country. They will tell you the condition.

Mr. SMITH. I got the figures from the Tariff Information Survey, and on the cotton gloves in 1914 we had 1,511,000 pairs, and in 1921 we had only 1,164,000 pairs. I have not the figures of the domestic production here. Of the knitted gloves and mittens, except the suèded, we produced in his country in 1919 3,408,000 pairs, and we imported 1,411,000 pairs. It does not state whether those were of the suèded variety or whether they were just the ordinary, common glove.

Mr. SMOOT. They were all kinds of ladies' cotton gloves.

Mr. SMITH. The total value was $2,161,000 against $18,000,000, the value of the domestic production.

Mr. SMOOT. Not of common cotton gloves.

Mr. SMITH. It says knitted gloves and mittens, except suède, 3,408,000, valued at $18,469,000.

Mr. CALDER. In one year?

Mr. SMITH. This is for the years 1919 and 1914. It gives the quantity and value.

Mr. SMOOT. Five dollars a dozen?

Mr. SMITH. That is the figures they have given here.

Mr. SMOOT. Somebody has made a mistake.

Mr. SMITH. It is not my mistake.

Mr. SMOOT. I did not claim it was the Senators' mistake.

Mr. SMITH. This is per dozen pair, $18,469,000, quantity value.

Mr. HITCHCOCK. What is the price?

Mr. SMOOT. Even to-day they are $1.20.

Mr. SMITH. This is per dozen pair.

Mr. SMOOT. I am speaking of the price per dozen. I can show the Senator the price to-day. These gloves [exhibiting] are a dollar a dozen to-day and the better grade cost $1.20. I have the invoices for them.

Mr. SMITH. Of the suède gloves there were 163,000 pairs and the price was $1,062,000, so that the parity seems to be about correct.

Mr. CALDER. What year was that?

Mr. SMITH. In the year 1919, according to the statement of the Department of Commerce. We produced 163,000 dozen, and the value of 163,000 dozen was $1,062,000.

Mr. WADSWORTH. The Senator will admit that the production in the United States of 163,000 dozen is scarcely a drop in the bucket in comparison with the consumption.

Mr. POMERENE. Mr. President, I have just come into the Chamber. May I ask the Senator from South Carolina what class of gloves is being referred to?

Mr. SMITH. Cotton gloves.

Mr. POMERENE. The Summary of Tariff Information, on page 886, shows that—

Production values of various kinds of cotton gloves for 1918 were estimated as follows: Work gloves, $4,000,000 to $5,000,000, the bulk produced in the Middle West; gloves of "circular" cloth, $500,000; lisle gloves, $2,000,000; and suèded cotton gloves, $8,450,000 (1,300,000 dozen pairs).

Mr. WADSWORTH. That is correct.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield to the Senator from Arkansas.

Mr. ROBINSON. Will the Senator from Ohio, if he has the information available, or the Senator from New York, if he has it, furnish the Senate a statement of the domestic production of this commodity as compared with the consumption? The Senator from New York has referred to the fact that the production is small as compared with the consumption.

Mr. POMERENE. Mr. President, I have a memorandum prepared by the experts employed by the committee, and it might be interesting, possibly, if I am not interfering with the Senator from South Carolina, to submit it.

Mr. SMITH. I yield for that purpose.

Mr. POMERENE. It relates to paragraph 914, and, under the title "Cotton goods made of fabric," states:

COTTON GLOVES MADE OF FABRIC KNIT ON A WARP KNITTING MACHINE.

House rate: 40 per cent.

Senate rate: If single fold of such fabric and not over 11 inches in length, $2.50 per dozen pairs (changed in committee); and for each additional inch in excess of 11 inches, 10 cents per dozen pairs. If two or more fold of such fabric and not over 11 inches in length, $3 per dozen pairs (changed in committee); and for each additional inch in excess of 11 inches, 10 cents per dozen pairs.

Payne-Aldrich rate: 50 per cent.

Present rate: 35 per cent plus 7 cents per pound for long-staple cotton.

The proposed Senate rate as given above is equivalent to 119 per cent. Cotton gloves may be divided into four classes:

(1) Canvas or flannel work gloves.
(2) Gloves made from tubular (circular) knit fabric.
(3) Lisle gloves.
(4) Suède cotton gloves made of knit (Atlas) cloth.

This Atlas cloth is a fabric knit on a warp knitting machine. The latter class overshadows all other in interest so far as concerns its relation to the tariff. The tariff has never affected the manufacture of work gloves to any extent and the other classes of gloves mentioned are produced and used in the United States in relatively unimportant quantities.

This is the matter in which the Senator is interested:

DOMESTIC PRODUCTION.

Several million dollars worth of work gloves are produced annually in this country, although the total output is difficult to estimate.

Mr. SMOOT. That has nothing to do with this schedule. Men's working gloves fall in another schedule. We can make those almost as cheaply as they can be made in any country in the world.

Mr. POMERENE. We were talking about cotton gloves. That is just one matter I wish to call to the attention of the Senate. I do know that these cotton gloves are produced here in very, very great quantities. A great many of them are produced in my own State.

Mr. WADSWORTH. When I made the observation a moment ago that 163,000 dozen was but a drop in the bucket compared with the consumption, my remark was directed to the suède glove, and that is what this paragraph affects.

Mr. POMERENE. Senators were not explicit about that; but while I am on the floor I will take just a moment further of the time of the Senate. This memorandum continues:

These gloves are very often made of a combination of woven cloth and leather, and the component material of chief value being as often leather as it is cloth. The value of the annual production of work gloves made entirely of woven cotton cloth may be conservatively estimated at $3,000,000 to $4,000,000. The value of the annual output of gloves made of tubular knit fabric is about $400,000. The value of the output of lisle gloves is small. It is estimated that 1,300,000 dozen pairs of suède cotton gloves, valued (price at factory) at $8,450,000, or $6.50 per dozen pairs, were manufactured in 1918.

Mr. SMOOT. The Senator will notice when I offer the amendment to the glove paragraph that men's gloves or women's gloves spoken of are made of woven fabric and are given only 25 per cent ad valorem.

Mr. POMERENE. Will not the Senator place that amendment in the RECORD?

Mr. SMOOT. I will have it all go in the RECORD when we reach the glove paragraph.

Mr. POMERENE. Very well.

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

The amendment was agreed to.

The READING CLERK. The next amendment is, on page 128, in line 17, to strike out "23" and insert "35," so as to read:

Made on other than a warp-knitting machine, 35 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. I now send to the desk a substitute paragraph for paragraph 914.

The PRESIDING OFFICER. The substitute paragraph will be read for the information of the Senate.

The READING CLERK. On page 128, strike out all of the matter beginning with line 19, down to and including line 4, on page 129, and insert in lieu thereof the following:

PAR. 914. Gloves, composed wholly or in chief value of cotton or other vegetable fiber, made of fabric knit on a warp-knitting machine, if single fold of such fabric, when unshrunk and not suèded, and having less than 40 rows of loops per inch in width on the face of the glove, 50 per cent ad valorem; when shrunk or suèded or having 40 or more rows of loops per inch in width on the face of the glove, and not over 11 inches in length, $2.50 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; if of two or more folds of fabric, any fold of which is made on a warp-knitting machine, and not over 11 inches in length, $3 per dozen pairs, and for each additional inch in excess of 11 inches, 10 cents per dozen pairs; made of fabric knit on other than a warp-knitting machine, 50 per cent ad valorem; made of woven fabric, 25 per cent ad valorem.

Mr. SIMMONS. Mr. President, I wish to ask the Senator from Utah a question. He has just presented this amendment. It is an exceedingly complicated amendment. No one can understand it from hearing it read at the desk, and if one understands it he has no opportunity to study it. I submit to the Senator that under the circumstances he ought not to ask that the amendment, which is entirely new, be taken up without some opportunity to study it.

Mr. SMOOT. May I explain it, and then if the Senator asks that it go over I shall of course consent?

Mr. SIMMONS. I may say to the Senator from Utah that I am compelled to leave the Chamber in about 10 minutes.

Mr. CALDER. May I suggest to the Senator from North Carolina that it is the same as the amendment which the Senator from Utah offered the other day.

Mr. SMOOT. It is substantially the same with the exception that the rates are lower than there printed.

In the first bracket, where we have 50 per cent ad valorem, the gloves are unshrunk and not suèded. The lower grade costs $1 a dozen and the higher grade $1.20. They are commonly known as funeral gloves.

Mr. CALDER. And used by elevator boys.

Mr. SMOOT. I have here a letter from the largest importer in the United States. Of course he complained of the $2.50 rate on them, and he was right. He suggested that we put in the pending provision, and the Senate committee accepted the suggestion and imposed a rate of 50 per cent on those gloves. Even the importer himself is satisfied.

Mr. POMERENE. Who made the suggestion?

Mr. SMOOT. Theo. Deiddeman & Sons, importers, of New York.

Mr. POMERENE. He made the suggestion to the committee?

Mr. SMOOT. He suggested they would not object to 50 per cent.

Mr. POMERENE. When was this suggestion made?

Mr. SMOOT. On June 21, 1922.

Mr. POMERENE. What reduction does the Senator think that makes?

Mr. SMOOT. On these gloves it would make over 50 per cent reduction.

Mr. CALDER. Yes; 50 per cent reduction.

Mr. POMERENE. The statement furnished me was to the effect that the average duty under this amendment, as it was reported by the Finance Committee, would be about 119 per cent. Is that substantially correct?

Mr. SMOOT. That would be substantially correct if we took the lowest price at which they were imported. In other words, they import gloves at 90 cents a dozen, and at that price the Senator's figures are about correct. The general class of glove imported is $1 a dozen, and, as I said, there is a 50 per cent reduction on that glove.

Mr. HITCHCOCK. Mr. President, will the Senator answer this question? Is there any cheaper glove than that made?

Mr. SMOOT. There is no cheaper glove of this type coming into the United States. These are the unsuèded gloves.

Mr. HITCHCOCK. It is proposed to put a 50 per cent tariff on the cheapest glove that is made—used by elevator boys?

Mr. SMOOT. Oh, there are cheaper gloves made from the woven fabric. We only put 25 per cent on those. These are made from knitted fabric.

Mr. HITCHCOCK. This glove is not sold for 10 cents a pair?

Mr. SMOOT. Oh, no; this glove could not be bought at retail anywhere for less than 25 cents a pair.

Mr. HITCHCOCK. I understood the Senator to say they sold at 10 cents apiece in Germany.

Mr. SMOOT. That is the manufacturer's selling price.

Mr. HITCHCOCK. So that, practically speaking, it is the cheapest glove in common use.

Mr. SMOOT. Oh, no. That is the one made from the woven fabric.

Mr. HITCHCOCK. What is that glove used for?

Mr. SMOOT. It is used by workingmen and by many working girls. The others are not supposed to be working gloves.

Mr. ROBINSON. When the Senator speaks of the price being 25 cents apiece, does he mean per glove or per pair?

Mr. SMOOT. Per pair.

Mr. HITCHCOCK. At $1.20 a dozen in Germany and here they retail for 25 cents a pair?

Mr. SMOOT. Yes.

Mr. HITCHCOCK. Is the material out of which that glove is made grown in the United States?

Mr. SMOOT. Oh, yes. This is made of cotton.

Mr. HITCHCOCK. Yet we have put a 50 per cent tariff upon an article the material of which is grown in the United States?

Mr. SMOOT. Yes.

Mr. HITCHCOCK. In the Senator's opinion, practically the cheapest glove that comes in has to have a protective tariff of 50 per cent, although the material out of which it is made is grown in the United States.

Mr. SMOOT. It is not the cheapest glove.

Mr. HITCHCOCK. The material itself is made by machinery?

Mr. SMOOT. Part of it, of course. The fabric itself is made by machinery.

Mr. HITCHCOCK. Is it an infant industry?

Mr. SMOOT. No; I could not say that it is an infant industry.

Mr. HITCHCOCK. It is an adult?

Mr. SMOOT. It has been in operation in the United States for a good many years.

Mr. HITCHCOCK. How long have we been giving it this protection?

Mr. SMOOT. It was given a greater protection in the Payne-Aldrich law.

Mr. HITCHCOCK. Will the time ever come when it will be possible in the United States to make, largely by machinery, an article out of material raised in the United States under some sort of reasonable revenue tariff?

Mr. SMOOT. Not where the cost of labor is such a large part of the cost of the article. It never can be done with high wages in the United States as compared to wages in foreign countries.

Mr. HITCHCOCK. What percentage is the labor cost in the glove?

Mr. SMOOT. I should think the labor is 80 per cent.

Mr. HITCHCOCK. The Senator has the census report?

Mr. SMOOT. I do not think there is any question about it. The Senator could see the cotton that is in the glove which I now exhibit to him. One dozen pairs of them would not weigh half a pound.

Mr. HITCHCOCK. The material is not made by hand labor?

Mr. SMOOT. No.

Mr. HITCHCOCK. It is made by machinery, is it not?

Mr. SMOOT. But the machinery requires hand labor to run it.

Mr. HITCHCOCK. The German buys his cotton in the United States, takes it to Germany, makes the material over there by machinery, and sends it over here, and we can not compete without a 50 per cent protective tariff.

Mr. SMOOT. It is not all made in that way.

Mr. CALDER. One glove is made of long-staple cotton and the other is not.

Mr. HITCHCOCK. We are talking about the gloves made of cotton grown in the United States.

Mr. SMOOT. Here is one [exhibiting] at $1.20 a dozen and made of long-staple cotton.

Mr. HITCHCOCK. Then, there is no such thing as the industry ever getting out of the infant class.

Mr. SMOOT. There will be no time in the history of America when the wages here are three or four or five times the amount of the wages paid in Germany, when the articles consist of 80

per cent labor, that it can be sold in competition with Germany, no matter whether the raw product is purchased in the United States or anywhere else in the world.

Mr. HITCHCOCK. So it amounts to this, that the elevator boys and the elevator girls, living on the lowest possible wages, have to buy a glove subjected to a tariff duty of 50 per cent.

Mr. SMOOT. I am not going into the question where the profits are found.

Mr. WALSH of Montana. Mr. President, I want to inquire of the Senator from Utah just what part of these gloves is the product of hand labor and what part of machine work?

Mr. SMOOT. A part of the sewing, not all of it, is by hand.

Mr. WALSH of Montana. Does the Senator say the cutting is done by hand?

Mr. SMOOT. A part of it. It is not a question of the glove above the hand portion. That portion is by machine. The difficult part is in the hand and finger part of the glove.

Mr. WALSH of Montana. I had the impression that all gloves were cut by regular stamps.

Mr. SMOOT. They are, outside of the finger part of the glove.

Mr. WALSH of Montana. The fingers are cut by machinery, are they not?

Mr. SMOOT. They are not all cut by machinery, I will say to the Senator.

Mr. WALSH of Montana. It is my impression that they do. However, all the sewing is done by machinery. There is no sewing on them by hand?

Mr. SMOOT. Most of it is done by machinery, I will say to the Senator.

Mr. WALSH of Montana. But is there any hand sewing on the glove at all?

Mr. SMOOT. A part of it is hand sewing.

Mr. WALSH of Montana. There is not a feature of it that is handwork except the putting on of the thumb?

Mr. SMOOT. I was discussing the amount paid to run the machines, and that requires handwork.

Mr. WALSH of Montana. I am asking for information; that is all.

Mr. SMOOT. I am discussing the amount of wages that is paid for making a dozen pairs of gloves. That constitutes 80 per cent of the cost of the gloves.

Mr. WALSH of Montana. I want to understand whether those wages are paid for operating the machine or for doing the handwork?

Mr. SMOOT. Mostly for operating the machine. That makes no difference, because the wages of the operator of the machine here are about ten times the amount paid in Germany.

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

Mr. POMERENE. Just a moment, Mr. President. I thought the Senator from Utah was going on with his explanation of the meaning of these various rates.

Mr. SMOOT. I will only take a very few moments.

The next rate provided for in the amendment is on gloves when shrunk or suèded or having 40 or more rows of loops per inch in width on the face of the glove, and not over 11 inches in length, where the rate of duty is $2.50 per dozen pairs. The Senate committee imposed upon that glove a rate of $3 per dozen pairs when reporting the bill to the Senate.

Mr. POMERENE. Let me ask the Senator a question there. Reduced to an ad valorem duty, what does the $2.50 mean?

Mr. SMOOT. Does the Senator mean the equivalent ad valorem?

Mr. POMERENE. Yes; the equivalent ad valorem.

Mr. SMOOT. That would depend upon the price of the glove.

Mr. POMERENE. I understand that; but it means a good deal in trying to determine the relative merits of the proposed amendment as compared with the original amendment offered by the Finance Committee.

Mr. SMOOT. I will say to the Senator that this is about the way they run. They run all the way from 35 per cent upon the cheapest of that class of goods to about 78 or 79 per cent. That is about the way the rate will apply when reduced to equivalent ad valorem.

Mr. POMERENE. Then why is it that they make the cheaper grade of a certain class pay an ad valorem duty of 50 per cent, which is a reduction of perhaps 100 per cent or more from the rate originally reported by the Finance Committee, and on the other grades they make the rate vary from, I think the Senator said, 35 per cent to 78 or 79 per cent?

Mr. SMOOT. Of course, the Senator will notice in the amendment that for each inch over and above the 11-inch length of glove there is 10 cents per inch added. The first length of glove is usually 11 inches, which is a short glove. The next is 14 inches, then 17 inches, then 20 inches, and then 24 inches, which is the shoulder glove. For every inch added above 11 inches there is 10 cents a dozen added to the duty imposed.

Mr. POMERENE. How much of a reduction is that?

Mr. SMOOT. Under the proposed amendment it would be about 16⅔ per cent.

Mr. POMERENE. That is, if I understand the Senator correctly, comparing the pending amendment with the House bill?

Mr. SMOOT. Comparing it with the amendment as reported by the committee in the first instance.

Then, Mr. President, as I have said, as to gloves made of woven fabrics, the committee reduced the 40 per cent duty to 25 per cent. Those are the common ordinary workmen's gloves, provision relative to which is found in the very bottom line of the proposed amendment.

Mr. POMERENE. I understood the Senator from Utah to say that the 50 per cent ad valorem rate covered workingmen's gloves. Did I misunderstand him?

Mr. SMOOT. No; those are the knit gloves, and the duty on the woven fabric is only 25 per cent.

Mr. POMERENE. But it is a complete change in the rates. The Senator from North Carolina [Mr. SIMMONS] asked that this matter go over, after the Senator from Utah shall have finished his discussion, and I wish to join in that request.

Mr. SMOOT. I did not know that the Senator from North Carolina wished the matter to go over now. Does the Senator from Ohio desire that it go over?

Mr. POMERENE. I should like this matter to go over until I can look a little further into it in the morning. I may have something to say on it in the morning; but if I do I shall be very brief. I think, however, in view of the complete change which is proposed, the matter should go over until we can have an opportunity to learn something more about it.

Mr. SMOOT. Why should not the Senator from Ohio permit the amendment to be agreed to, and then, if he wishes to reconsider the matter to-morrow after examining the amendment, I shall have no objection to that being done?

Mr. POMERENE. I first wish to examine these surveys on the subject which I have received and to confer with some of the experts about the matter, so I would rather have the amendment go over until morning.

Mr. McCUMBER. At this time I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The pending amendment proposed by the Committee on Finance goes over by unanimous consent.

Mr. SMOOT. Paragraph 919 was passed over by the Senate, and I should like to ask that the amendment in that paragraph be further passed over until we reach paragraph 1430, in which laces are covered. Whatever the committee finally decides upon as to duties on laces in paragraph 1430 will have a bearing upon the rates to be imposed upon the items in paragraph 919. I ask, therefore, that paragraph 919 be passed over.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over. The next committee amendment will be stated.

Mr. SMOOT. The next committee amendment is in paragraph 918.

The ASSISTANT SECRETARY. On page 130, paragraph 918, line 25, before the words "per centum," the Committee on Finance proposes to strike out the numerals "33⅓," and in lieu thereof to insert the numerals "45," so as make the paragraph read:

PAR. 918. Clothing and articles of wearing apparel of every description, manufactured wholly or in part, composed wholly or in chief value of cotton, and not specially provided for, 45 per cent ad valorem.

Mr. SMOOT. On behalf of the committee I move to substitute the numerals "35" for the numerals "45."

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

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment proposed by the Committee on Finance will be stated.

The next amendment proposed by the Committee on Finance was, on page 131, line 2, before the word "cents," to strike out the numeral "25" and in lieu thereof to insert the numeral "35," so as to read:

Shirt collars and cuffs, of cotton, not specially provided for, 35 cents per dozen pieces.

Mr. SMOOT. Mr. President——

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

Mr. ROBINSON. I think the Senator from Utah ought to explain this amendment. I had understood that he was just about to submit an explanation of it.

Mr. CALDER rose.

Mr. SMOOT. The Senator from New York is familiar with the amendment. I will ask him to explain it. I will, however, say to the Senator from Arkansas that the Committee on Finance have decided to modify the amendment by striking out "15 per cent ad valorem" and in lieu thereof inserting "10 per cent ad valorem."

Mr. ROBINSON. But the Senate was about to vote on the original committee amendment.

Mr. SMOOT. The first amendment is a proposition to impose a duty of 35 cents per dozen. The ad valorem duty is what counts. The duty will only apply to specialities which are imported here.

Mr. SMITH. Mr. President, I have not particularly studied any of the last few paragraphs of the bill, but it might be well to call the attention of the Senate to the fact that we imported about $49,000 worth of these articles, as against a domestic production of $341,789,000 worth.

Mr. SMOOT. I will say to the Senator from South Carolina that this is purely a revenue duty. The ordinary collars and cuffs are made in the United States and a great many of that style are exported, but there are certain styles of collars and cuffs which are imported into this country. Some people want the foreign article; they do not want to wear the style of collar and cuff that is made here. The imported articles being specialties of the highest type, why not get a little revenue out of their importation?

Mr. CALDER. Mr. President, I should like to add a brief statement. The duty now proposed by the committee is 35 cents per dozen specific and 10 per cent ad valorem; the rate under the Payne-Aldrich law was 45 cents a dozen and 15 per cent ad valorem, and the rate under the Underwood Act was 60 per cent. Under the amendment to be proposed by the committee the equivalent ad valorem will be 27 per cent, which is 3 per cent less than the rate in the present law.

I can only add what the Senator from Utah has stated in connection with importations and production——

Mr. WALSH of Montana. Mr. President, I should like to ask the Senator from New York a question.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Montana?

Mr. CALDER. I do.

Mr. WALSH of Montana. The Senator from Utah has told us that the importations are only of specialties and that we would derive some revenue from the duty. I wish to inquire if the Senator from New York speaks in favor of the rate from a revenue standpoint, or is he desirous of protecting some producers of this commodity in the United States?

Mr. CALDER. I am for the rate from a revenue standpoint, but I am also desirous of having a moderate and reasonable rate that will not encourage large imports from abroad.

Mr. WALSH of Montana. I merely wanted to satisfy myself as to whether the Senator desired to have a rate which would enable the domestic producer to charge an additional price for his product.

Mr. CALDER. May I add again that this rate is 3 per cent less than the rate carried by the Underwood Act?

Mr. WALSH of Montana. That is not an answer to the question which I addressed to the Senator. I want to know whether it will increase the price which the consumer must pay for the domestic product, and if that is what the Senator from New York is endeavoring to accomplish?

Mr. CALDER. Of course, the rate proposed by the committee will not increase the price to the domestic consumer of the ordinary, everyday collars such as the Senator and I wear.

Mr. WALSH of Montana. Then the Senator's interest in it is purely from a revenue standpoint?

Mr. CALDER. To an extent; but also I am anxious that the rate shall be sufficient to afford proper protection to the domestic industry.

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

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 131, line 2, before the words "per cent," to strike out "12½" and insert "15."

Mr. SMOOT. On behalf of the committee, I move to modify the amendment by inserting "10" in lieu of "15."

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

The amendment as modified was agreed to.

Mr. SMOOT. That concludes the cotton schedule, Mr. President, with the exception of those paragraphs which Senators have asked to go over to-night.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 1001, on page 132, line 3, it is proposed to strike out "1½" and insert "4," so as to read:

hackled hemp, including "line of hemp," 4 cents per pound.

Mr. ROBINSON. Mr. President, I propose the following amendment to the committee amendment: Strike out "4" and insert "1" in lieu thereof.

Mr. President, yesterday and to-day I have discussed this amendment and asserted that under existing conditions, particularly those relating to labor required in the production of hemp, it is an economic impossibility to develop a hemp-producing industry in the United States for fiber purposes. The Senator from Kentucky [Mr. STANLEY] desires to discuss the amendment which I have just proposed in conjunction with other questions related to the subject matter of that amendment. He is not in the Chamber, and I suggest to the Senator from North Dakota and the Senator from Utah, in view of the lateness of the hour, that very little would be accomplished by proceeding this afternoon if we pursue the usual course and recess at 6 o'clock. So I think we had better take a recess now, unless there is some other matter to be brought before the Senate.

Mr. McCUMBER. I think it is desired to have a short executive session, and, if the Senator from Arkansas thinks we will gain time by so doing, I will ask that the Senate proceed to the consideration of executive business.

RIVER AND HARBOR PROJECTS.

Mr. JONES of Washington. Mr. President, in view of the situation I desire to call attention to the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

I should like to have the attention of Senators to what I am about to say. The bill referred to provides for new river and harbor projects, although it does not make appropriations to carry them on. Under the legislative procedure which has been inaugurated, river and harbor matters are dealt with in two bills. The appropriations are provided in the appropriation bill, but before any appropriation can be provided for a project that project must be adopted by a legislative act, so that an appropriation for it will be in order on the appropriation bill. That requires two acts of Congress, one the real legislative act adopting the project and the other the appropriation bill making an appropriation for the project.

In the Army appropriation bill appropriations for river and harbor work are carried. We made an appropriation in the last Army appropriation bill for projects that had been heretofore adopted. The House has passed what may be termed a legislative river and harbor bill, adopting certain new projects. Many of those projects, if not all of them, are as important, if not more important, than the projects which have heretofore been adopted and for which we made appropriations in the last Army appropriation bill.

I think that it is very desirable that this measure should pass before very long. The bill has been reported from the Commerce Committee with certain amendments. We have recommended the approval of, I think, four or five additional projects, and then we have provided for several surveys. I know that I can not ask the chairman of the Finance Committee to lay aside the tariff bill for any considerable time for the consideration of this measure; but it occurred to me that if at some time, for instance, to-day, when we are quitting a half an hour before the regular time, we could take up the river and harbor bill and adopt matters to which there is no objection, we would know what is objected to. I anticipate that there are probably only about two amendments which the committee has reported to the bill to which there will be objection. The surveys are adopted as a matter of course, and I think the projects which we have recommended will appeal to Senators and that they will be adopted without any objection. If we should do that, and ascertain to what provisions or amendments there are objections, then we could ascertain about how much time it would take to consider them; and if we should find that it would take only half an hour, or such a matter, the Senator from North Dakota might be willing to lay aside the tariff bill at some time.

I wanted to make this statement in order to advise Senators that if an opportune time comes I will ask the Senator from North Dakota to permit me to take up the bill and dispose of unobjected matters in it. Any matters leading to discussion will go over; but, as I say, if we could do that we could ascer-

tain what we would have in controversy, and if an occasion like this comes again, where we do not desire to continue the consideration of the tariff bill for a half hour, then I shall ask to take up the bill. I do not feel like asking it to-night, because I had not given notice that I would do so.

Mr. ROBINSON. Mr. President, in connection with the statement just made by the Senator from Washington, who is the chairman of the Committee on Commerce, I deem it proper to say, as a Senator who is not a member of that committee, that I am in hearty accord with the plan and purpose that he has expressed. This bill ought to be considered, and I think it will take but a very short time to dispose of it. There are some important provisions in it that should be passed upon in the very early future; and I can only say to the Senator from Washington that when he is ready to proceed with the bill he will receive the cooperation of myself and a large number of other Senators.

Mr. JONES of Washington. I thought I would give this notice, so that if even to-morrow a condition like this should arise we could take up the bill.

Mr. ROBINSON. I should be glad to see the Senator take it up now if he found it convenient to do so.

RELIEF OF LIBERTY LOAN SUBSCRIBERS.

Mr. PEPPER. Mr. President, I ask for the immediate consideration by unanimous consent of House bill 5775, being a bill for the relief of those subscribers to Liberty loans who paid in money in accordance with governmental direction to banks which subsequently failed under such circumstances that these people received neither the bonds for which they had subscribed nor the money which they had paid in.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. ROBINSON. Mr. President, I could not hear the statement of the Senator from Pennsylvania, although I tried very hard to do so. What is the Calendar number of the bill?

Mr. PEPPER. It is Order of Business No. 615.

Mr. ROBINSON. Let the bill be read, Mr. President.

The PRESIDING OFFICER. The Secretary will read the bill.

The Assistant Secretary read the bill (H. R. 5775) for the relief of Liberty loan subscribers of the North Penn Bank, of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers and Merchants State Bank, Kenmare, N. Dak., as proposed to be amended.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. OVERMAN. Mr. President, let me inquire how much this will amount to?

Mr. PEPPER. The number of claimants is approximately 7,500. The average amount in each case is somewhat less than $35, and the grand total is approximately $254,000, the 7,500 losers being scattered through five or six different States.

Mr. ROBINSON. Mr. President, I do not intend to object to the consideration of this bill. It is a measure of some importance and involves the appropriation of a considerable sum of money. It was, however, very carefully considered by the Committee on Claims, of which I am a member, and the committee reported it unanimously. Therefore I shall not object to the consideration of the bill and shall vote for it.

Mr. OVERMAN. Mr. President, I am not going to object, but it seems to me that any bill which requires the payment out of the Treasury of $250,000 under our rules ought to go to the Committee on Appropriations, and the amount of money ought to be appropriated, instead of making an indefinite direction that the Secretary of the Treasury shall pay out of the Treasury so much money that has not been appropriated. It is a very indefinite appropriation. It is a very unusual bill. It ought to state the amount and ought to go to the Committee on Appropriations.

I have no objection to the consideration and passage of the bill; I think it ought to pass; but it is very irregular in form.

Mr. POMERENE. Mr. President, permit me to suggest to the Senator from North Carolina that some questions may arise as to who is entitled to receive this money, and all of those questions are left to the Comptroller General of the United States to determine. I think it is very much better to have it done in the way provided for in this bill than to make a lump-sum appropriation of the amount now. As the Senator from Pennsylvania suggests, the amounts are payable to 7,500 different people. The Comptroller General will be able to care for that. There may be questions of the assignment of certain rights against certain estates, and so forth. All of those things will have to be taken into consideration.

Let me illustrate. I am especially interested on behalf of some of my constituents who were paying into the Mineral City Bank, at Mineral City, Ohio. That was a bank in a little country village of probably 1,200 or 1,500 people. The agents of the Treasury Department were busy soliciting subscriptions for Liberty bonds, and the subscribers were directed to make their payments at this particular bank.

Mr. OVERMAN. Mr. President, if the Senator will allow me to interrupt him, I am not objecting to the merits of the bill.

Mr. POMERENE. Oh, I understand that.

Mr. OVERMAN. But any bill that passes the Senate directing the Secretary of the Treasury to pay out an indefinite sum of money is all wrong and unusual so far as its form is concerned.

Mr. POMERENE. As a general proposition, I think the Senator is correct; but here is the situation: I intended to say further that the cashier of that bank had been guilty of misappropriation of and speculation with the funds of the bank. He has a certain estate, and if the amount is paid to these different subscribers, and so forth, of course the Government will have a claim against that man's estate. I think that is true also in the case of the Philadelphia bank and others; is it not?

Mr. PEPPER. Yes.

Mr. POMERENE. There are all of those questions to be worked out. This matter was pretty fully discussed during the morning hour here some months ago, and I know that the committee gave it very careful attention.

Mr. ROBINSON. Mr. President, with respect to the proposition raised by the Senator from North Carolina [Mr. OVERMAN] that the jurisdiction to report this bill properly lies in the Appropriations Committee and not in the Committee on Claims, I think if the Senator from North Carolina will look a little more closely into the subject matter of the bill and the form of it, he will find that under the practice of the Senate such bills have always gone to the Committee on Claims, and there never has been an instance where they have been referred to the Committee on Appropriations.

It is observable that the first section of the bill provides for the auditing of the claims by the Comptroller General of the United States—a step that is absolutely necessary before any payments can be made. The second section of the bill provides that when he has found the correct amounts due these respective persons the claims may be paid. In view of the character of the claims, the large number of them, and the amounts claimed and unascertained, I think the jurisdiction properly lies in the Committee on Claims, and that the committee has reported a proper measure in connection with these claims.

I shall, therefore, favor the passage of the bill.

Mr. JONES of Washington. Mr. President, I desire to ask either the Senator from Arkansas or the Senator from Ohio a question. I did not pay attention to the reading of the first part of the bill. Does the Senator consider that there is a legal obligation on the part of the United States to pay these claims?

Mr. POMERENE. I am quite certain that that is true, so far as the claimants interested in the Ohio bank are concerned.

Mr. ROBINSON. Mr. President, if the Senator is addressing the question to me, I will say that there is undoubtedly a moral obligation, which is just as binding in good conscience upon the Government of the United States as a legal obligation. Of course, if there were a legal obligation in the strict sense of the words, the legislation would not be necessary; but when the Government of the United States instructs its citizens who purchase bonds of the United States to deal with particular banks in the transaction, and the banks fail, and a loss is suffered, I think in all fairness the United States should bear the loss rather than the citizens who have complied in every particular with the requirements of the Government.

Mr. JONES of Washington. At any rate, the committee came to the conclusion that there was a distinct equitable obligation upon the part of the Government to pay these claims?

Mr. ROBINSON. An unquestionable moral obligation.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none.

Mr. WILLIS. Mr. President, I do not desire to object. I merely wanted to say, confirmatory of what my colleague [Mr. POMERENE] has said, that I have made some inquiries as to the Ohio case, and I think it is perfectly just. I do not believe there is a legal obligation, but I do think there is an undoubted moral obligation, and that this bill ought to pass.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with amendments.

The amendments were, on page 1, line 3, to strike out "accounting officers of the Treasury Department" and insert "Comptroller General of the United States"; in line 4, to strike out "are" and insert "he is"; on page 2, line 11, to strike out "said accounting officers" and insert "the Comptroller General of the United States"; in line 15, to strike out "accounting officers" and insert "Comptroller General of the United States"; and in line 17, to strike out "they" and insert "he," so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to receive, examine, and determine the claims of Liberty loan subscribers for losses suffered by them by reason of payments on Liberty bond purchases made through the North Penn Bank of Philadelphia, Pa.; Santa Rosa National Bank, Santa Rosa, Calif.; Mineral City Bank, Mineral City, Ohio; Robbinsdale State Bank, Robbinsdale, Minn.; and Farmers and Merchants State Bank, Kenmare, N. Dak., for which bonds were not delivered on account of the failure of said banks, and to determine the amount of losses actually suffered by each claimant, not exceeding the amount paid by them, less all sums paid or to be paid said claimant upon the liquidation of said banks.

SEC. 2. That the amount of the loss actually suffered as so ascertained and determined shall be certified by the Comptroller General of the United States to the Secretary of the Treasury, who shall pay the same to said claimants out of any money in the Treasury not otherwise appropriated. Said Comptroller General of the United States may also, before the final liquidation of said banks, whenever he can determine the approximate amount to be paid to claimants hereunder, certify the same to the Secretary of the Treasury, who shall thereupon have power to pay claimant such sum, upon the claimant assigning to the said Secretary for the benefit of the United States all interest he may have in any additional sum which may become payable to such claimant from said banks or the receiver thereof on account of his payment for such Liberty bonds: *Provided, however*, That no payment hereunder shall be given to any claimant found to be a director or officer of the failed banks at the time he became a subscriber for such bonds.

The Secretary of the Treasury shall have no power to act upon any claim hereunder not presented within six months after the passage of this act.

The amendments were agreed to.

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

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

INDIAN SCHOOL NEAR TOMAH, WIS.

Mr. SPENCER. From the Committee on Indian Affairs I report back favorably, without amendment, House bill 10957, to rebuild the school building of the Indian school near Tomah, Wis.

This bill is to replace an Indian school at Tomah, Wis., which burned down in February. It is a nonreservation school, and accommodates about 300 pupils. The department is very anxious to commence the rebuilding of the school, so that it may be finished in time for the fall term, and I ask unanimous consent for the present consideration of the bill.

Mr. OVERMAN. Mr. President, did we not consider that in connection with the Indian appropriation bill?

Mr. SPENCER. No; it was another one. I thought we did, and I went down to investigate it. It was another building in the Northwest; it was not this one.

Mr. ROBINSON. What is the amount of the appropriation?

Mr. SPENCER. About $50,000.

Mr. JONES of Washington. Does this bill make an appropriation?

Mr. SPENCER. No; this is a House bill, and, in the language of the bill, it authorizes the appropriation to be made.

Mr. ROBINSON. The fund will actually be appropriated through the Appropriations Committee on this authorization?

Mr. SPENCER. It will.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to cause the school building of the Indian School, recently destroyed by fire, near Tomah, Wis., to be rebuilt upon the ground and site now owned by the Government, and refurnished in such manner as to meet the present needs of the said school as well as such needs as may reasonably arise in the future, at a cost not to exceed $50,000, including heating, ventilating, plumbing, etc., which may be incident to said rebuilding.

SEC. 2. That the sum of $50,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purposes aforesaid.

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

EXECUTIVE SESSION.

Mr. CURTIS. 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 47 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Thursday, July 20, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 19 (legislative day of April 20), 1922.

REGISTERS OF THE LAND OFFICE.

Claude C. Turner, of North Dakota, to be register of the land office at Dickinson, N. Dak.

Robert E. Patterson, of Minnesota, to be register of the land office at Duluth, Minn.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 19 (legislative day of April 20), 1922.

ASSISTANT APPRAISER OF MERCHANDISE.

Laird Curtin to be assistant appraiser of merchandise in customs collection district No. 11, Philadelphia, Pa.

REGISTER OF THE LAND OFFICE.

Edwin E. Winters to be register of land office at Montgomery, Ala.

POSTMASTERS.

NEW YORK.

Pearla S. Kling, Albany.
George M. Edsall, Nanuet.

PENNSYLVANIA.

Malcolm F. Clark, Coudersport.
Elmer G. Cornwell, Mansfield.

REJECTION.

Executive nomination rejected by the Senate July 19 (legislative day of April 20), 1922.

POSTMASTER.

Lawson J. Pritchard to be postmaster at Tennille, Ga.

SENATE.

THURSDAY, *July 20, 1922.*

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

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

Mr. UNDERWOOD obtained the floor.

Mr. NORRIS. Will the Senator from Alabama permit me to submit a report, as I am about to leave the city?

Mr. UNDERWOOD. I yield for that purpose.

THE MUSCLE SHOALS PROJECT.

Mr. NORRIS. Mr. President, I ask unanimous consent to report a joint resolution on the Muscle Shoals proposition from the majority of the Committee on Agriculture and Forestry.

The joint resolution (S. J. Res. 227) rejecting bids for the acquisition of Muscle Shoals was read twice by its title.

Mr. NORRIS. I ask that the accompanying report (No. 831) be printed.

The PRESIDENT pro tempore. The report will be printed under the rule.

Mr. NORRIS. The report also expresses the views of the minority on the bill (S. 3420) to provide for the manufacture of explosives for the use of the Army and Navy, to provide for the manufacture of fertilizer for agricultural purposes, to incorporate the Federal Chemical Corporation, and for other purposes. Later on, I understand, there will be a minority report made by other members of the committee on the Ford offer and an adverse majority report on Senate bill 3420.

Mr. ROBINSON. May I ask the Senator what is the minority report that he is presenting? I understand that he is presenting a majority report relating to Muscle Shoals and the propositions which have been submitted concerning it.

Mr. NORRIS. In the same report there are some views expressed by a minority, naming who they are, with reference to the bill. On that bill there will be a majority report later on; I do not know when; but that is understood in the committee.