

Francisco, against the passage of the Hobson nation-wide prohibition resolution; to the Committee on Rules.

Also, resolution of the Annual Convention of the Protestant Episcopal Church, Diocese of Los Angeles, Cal., favoring the passage of the Palmer child-labor bill; to the Committee on Labor.

By Mr. O'LEARY: Petition of the Italian Chamber of Commerce, of New York, against national prohibition; to the Committee on Rules.

By Mr. REILLY of Connecticut: Memorial of the Italian Chamber of Commerce, of New York, protesting against national prohibition; to the Committee on Rules.

Also, petition of the Central Labor Union of Meriden, Conn., favoring the passage of House bill 15222, relative to compensation for Federal employees in case of accident, etc.; to the Committee on the Judiciary.

By Mr. SELDOMRIDGE: Petitions of Miss Bessie Morefield and Mrs. John M. Price, of Mancos; 50 citizens of Lyeon, 75 citizens of Mosca, 60 citizens of Florence, 150 citizens of Las Animas, 30 citizens of Idaho Springs, 30 citizens of Olney Springs, 100 citizens of Holbrook Center, 50 citizens of Hugo and Mead, and various Highland Lake churches, all in the State of Colorado, favoring national prohibition; to the Committee on Rules.

By Mr. SLOAN: Petition of the Nebraska State Association of Bonded Abstracters, protesting against the passage of House bill 12989, to establish national farm-land banks; to the Committee on Banking and Currency.

By Mr. TOWNER: Petition of the Page County (Iowa) Sunday School Association, favoring the enactment of national constitutional prohibition amendment; to the Committee on Rules.

By Mr. WALLIN: Petition of sundry residents of the thirtieth congressional district of New York, favoring national prohibition; to the Committee on Rules.

Also, petition of sundry residents of the thirtieth congressional district of New York and sundry citizens of Gloversville, N. Y., protesting against national prohibition; to the Committee on Rules.

By Mr. WILLIS: Petition of O. H. Ramsey and 50 other citizens of Delaware, Ohio, in favor of House joint resolution 168, relating to national prohibition; to the Committee on Rules.

By Mr. WOODS: Petitions of various societies and individuals of the tenth congressional district of Iowa, favoring amendment to the Constitution for national prohibition; to the Committee on Rules.

Also, petitions signed by numerous persons of the tenth congressional district of Iowa, protesting against amendment to the Constitution for national prohibition; to the Committee on Rules.

SENATE.

FRIDAY, June 5, 1914.

The Senate met at 11 o'clock a. m.

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

Almighty God, if there be master spirits among us who are capable of reading the signs of the times, if there be great souls that have healing in their touch, these are Thy gifts to us as a Nation and are tokens to all the people of Thy continued care for us. We pray Thee to give to Thy servants in places of power and authority the special qualifications for leadership, that Thou wilt endue them not only with wisdom concerning the passing phases of the world's life but with that deeper wisdom that understands the purpose of God in view of the ultimate end. This day may Thy blessing abide upon this Senate. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Hughes	Overman	Smoot
Brady	Johnson	Page	Sterling
Bristow	Jones	Perkins	Sutherland
Bryan	Kenyon	Pittman	Swanson
Burton	Kern	Pomerene	Thomas
Cañon	La Follette	Root	Thompson
Chamberlain	Lane	Saulsbury	Thornton
Clapp	Lodge	Shafroth	Tillman
Clark, Wyo.	Mcumber	Sheppard	Townsend
Chilton	McLean	Sherman	Vardaman
Cummins	Martin, Va.	Shively	Walsh
Gallinger	Martine, N. J.	Simmons	Weeks
Goff	Nelson	Smith, Ga.	West
Gronna	Norris	Smith, Mich.	White
Hitchcock	O'Gorman	Smith, S. C.	Works

Mr. WHITE. My colleague [Mr. BANKHEAD] is unavoidably absent. He is paired with the junior Senator from West Virginia [Mr. GOFF]. This announcement may continue for the day.

Mr. CHILTON. The Senator from New Mexico [Mr. FALL] is necessarily absent to-day. He is paired with me.

I wish to state that the Senator from Tennessee [Mr. LEA] is also necessarily absent.

Mr. MARTIN of Virginia. I wish to announce that the senior Senator from Maryland [Mr. SMITH] is detained from the Senate by official business. He is paired with the Senator from Vermont [Mr. DILLINGHAM].

The VICE PRESIDENT. Sixty Senators have answered to the roll call. There is a quorum present.

ENROLLED BILL SIGNED.

The VICE PRESIDENT announced his signature to the enrolled bill (H. R. 15190) to amend section 103 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended by the act of Congress approved March 3, 1913, which had previously been signed by the Speaker of the House.

FRENCH SPOILIATION CLAIMS.

The VICE PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims transmitting the findings of fact and conclusions of law filed under the act of January 20, 1885, in the French spoliation claims set out in the annexed findings of the court relating to the following causes:

The schooner *John*, Walter Jeffrey, master (H. Doc. No. 1016);

The schooner *Regulator*, Stephen Chase, master (H. Doc. No. 1015);

The snow *Light Horse*, James Gibson, master (H. Doc. No. 1010);

The schooner *Polly*, Alexander Ross and Justin McCarthy, masters (H. Doc. No. 1017);

The brig *Lydia*, John Allison, master (H. Doc. No. 1013);

The brig *Harmony*, Richard Penniston, master (H. Doc. No. 1012);

The brig *Clarissa*, Daniel Brewton, master (H. Doc. No. 1011);

The ship *Active*, John Garde, master (H. Doc. No. 1019);

The sloop *Rebecca*, William Clark, master (H. Doc. No. 1020);

The schooner *Phoenix*, Robert Miller, master (H. Doc. No. 1018); and

The brig *Friendship*, Gad Peck, master (H. Doc. No. 1014).

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a telegram in the nature of a petition from the Marine Engineers' Beneficial Association, of San Francisco, Cal., praying for the enactment of legislation to protect the lives of passengers and crews of vessels at sea, which was referred to the Committee on Commerce.

He also presented petitions of sundry citizens of Yankton and Ethan, S. Dak.; of Greencastle, Ind.; and of Philadelphia, Pa., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. SIMMONS. Mr. President, I send to the desk and ask unanimous consent to have read a telegram communicating a resolution adopted by the Democratic State convention which met in North Carolina on yesterday concerning the matter of the repeal of the tolls exemption.

There being no objection, the telegram was read and ordered to lie on the table, as follows:

[Telegram.]
RALEIGH, N. C., June 4, 1914.

Senator F. M. SIMMONS,
United States Senate, Washington, D. C.:

The Democratic State convention this afternoon, by a unanimous vote, adopted the following resolution, introduced by me:

"Be it resolved, The Democracy of North Carolina, in convention assembled, guided by the fundamental principles of the party in opposition to subsidies and bounties, gives its full indorsement to President Woodrow Wilson in his position for the repeal of the Panama Canal tolls exemption clause, applauds the action of the United States House of Representatives in voting for such repeal, and calls upon the Democratic majority in the United States Senate to uphold the President and sustain the time-honored and underlying principles of the Democratic Party."

EDWARD E. BRITTON.

Mr. ASHURST. Mr. President, I also have received a large number of telegraphic dispatches and letters in relation to the Panama Canal question, and, following the example set by the eminent Senator from North Carolina [Mr. SIMMONS], I shall

read one telegram. This which I now read is signed by a gentleman who is one of the most powerful orators and profound thinkers in our State. It is proper for me to state that this telegram is in response to a question I had asked of Mr. Cleary as to his opinion on the Panama Canal question. It is as follows:

[Telegram.]

BISBEE, ARIZ., May 29, 1914.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.:

There is but one way for you to vote, and that is against the repeal of free tolls. Have followed all arguments in Senate in favor of repeal. The one including our Nation in the term "all nations" is made absurd by the very reading of the entire treaty; the one on the ground of it being a subvention is weak, because even Jefferson stood for subventions relative to public schools; and your Underwood tariff law recognizes subventions as proper; besides, France, the most paternalistic country in the world, has its wealth more equally distributed. The one against the platform is perfidious. Lastly, Arizona, as well as the entire West, should not be denied nor curtailed in receiving the whole benefits of the canal. All Arizona against repeal save those connected with railroads and corporations. Be an American and stand for your country and Arizona will remember you.

WILLIAM B. CLEARY.

This telegram is signed by Mr. William B. Cleary. I ask that it may go with the telegram sent to the desk by the Senator from North Carolina.

Mr. CLAPP. Mr. President, I should like to inquire of the Senator from North Carolina if he is personally acquainted with the sender of the telegram that he had read?

Mr. SIMMONS. Of course I am.

Mr. CLAPP. Is he the man who held the Democratic convention at Baltimore for several hours in earnest protest against subsidy involved in the plank which declared for free tolls?

Mr. SIMMONS. I do not think Mr. Britton was a delegate to the convention. I never heard that he was.

The VICE PRESIDENT. The telegram read by the Senator from Arizona will lie on the table.

Mr. GALLINGER. I present a telegram in the nature of a protest, which I ask to have read.

There being no objection, the telegram was read and referred to the Committee on Interstate Commerce, as follows:

[Telegram.]

CONCORD, N. H., June 4, 1914.

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.:

At a meeting of the representatives of New Hampshire national banks, held in Concord June 4, 1914, the following resolution was unanimously adopted:

"Resolved, That we emphatically oppose the passage of House bill 15657 or any other measure which will prevent the same person from acting as a director in more than one national bank or in a national bank and savings bank and trust companies. We believe that any such measure would be detrimental to the best interests of both the banks and the people of the State, and that copies of this resolution be sent to our Senators and Representatives in Congress, with the request that they use their influence and vote in opposition to any such measure."

LESTER F. THURBER, Chairman.

Mr. WALSH. I send to the desk and ask unanimous consent to have read a letter concerning the radium bill received from a miner of carnotite ores in the State of Colorado.

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

Mr. THOMAS. I was unable to understand what the Senator from Montana said.

Mr. WALSH. I send to the desk a letter received from a miner of carnotite ores in the State of Colorado in relation to the radium bill.

The Secretary read as follows:

NATURITA, COLO., May 29, 1914.

Hon. THOMAS J. WALSH,
Chairman Mines and Mining Committee,
United States Senate, Washington, D. C.

SIR: Speaking not only my own convictions, but also the sentiments of every bona fide prospector and miner in the carnotite region to whom I have talked, I earnestly pray the passage of the so-called radium bill, S. 4405, reported to the United States Senate on March 16, 1914.

I am owner of carnotite claims in both San Miguel County and Montrose County, and know that bill S. 4405 not only does not imperil any of my rights in these claims, nor in prospecting for and locating carnotite claims from lands now in the public domain, but that it offers to me the most positive encouragement in the vigorous prosecution of the mining of carnotite ore and acquirement of more property. Any man of good character can easily secure ample credit covering all legitimate expenses of the mining and transportation of carnotite ore if the United States Government is a steady buyer of the ore, as the facility of conversion of the value of the ore into cash and the absolute certainty attending such exchange makes the ore itself, in a way, a medium of exchange. These are the selfish reasons which actuate those engaged in the carnotite business in this region to favor bill S. 4405.

But in this carnotite region we have the most convincing proof of the curative powers of radium, for in this year one of our local miners was treated by radium for a deep-seated cancer by Dr. Howard A. Kelly. The terrible tortures of cancer had prevented this poor man from sleeping for three weeks; for many months he had been incapable of working; surgery had been ineffective. Nothing seemed before him but suffering, misery, and an early grave. That man came back home with clear eyes and buoyant spirits, 30 pounds heavier, and feeling 20 years younger, as he expressed it. Radium snatched this man from the grave.

This is the proof which makes us steadfast in our faith in radium. When the Secretary of the Interior proposes that the hospitals of the Army and Navy shall be provided with sufficient radium to treat patients suffering from cancer and that this radium shall be furnished to those hospitals at actual cost, he is proposing only that which any decent man with knowledge of the facts must uphold him in.

You have reported a wise and efficient law and you have the support of the people of this carnotite region now, just as the United States Bureau of Mines will have the enthusiastic loyalty of our miners and prospectors in the practical operation of the law.

Respectfully, yours,

CHAS. F. CURRAN.

Hon. JOHN F. SHAFROTH,
United States Senate, Washington, D. C.

NATURITA, COLO., May 29, 1914.

DEAR SENATOR: I attach hereto copy of letter to Hon. THOMAS J. WALSH, chairman Committee on Mines and Mining of the United States Senate, in which I advocate the immediate passage of bill S. 4405, as reported to the Senate March 16, 1914.

When this bill was reported to the Senate it was taken for granted out here that it would become a law within a comparatively few weeks, but the long delay in its consideration has given us a very uneasy feeling, for I won't attempt to disguise the fact that our material prosperity is dependent upon the passage of this bill.

In securing amendments to the bill as originally framed by which the status of location, acquisition, and maintenance of carnotite claims was unaffected our neutrality was assured, but when provision was made that the Government should buy large quantities of the ore at competitive prices our position was changed to active partisans of the bill.

As an independent miner I realize that there is one concern operating in this region that has the resources to supply the European users of carnotite with all the ore they would require and cut off this European market entirely from the independent miner. If, then, that large concern should refuse to buy ore, the independent eventually would be forced to sell his holdings at whatever price the buyer might fix. This is a possibility which might easily become a probability if the situation is left as it exists to-day. Even the originally framed bill is preferable to such condition, for no sane miner will contend that it were better for the Standard Chemical Co. to fix values for profit than for Secretary Franklin K. Lane to fix them in the perfunctory exercise of the duties of his high office.

I know your notable record of service to the workingman, to the welfare and progress of the young man struggling to get a foothold in business and to swing himself onto the ladder of success. I know that you sympathize with men who, like me, have gone into the waste places and in sweat and toil try to acquire the minerals hidden by mother nature. I know that you understand the brutal callousness of big corporations in their relations with us, of the trickery, chicanery, and fraud to which they resort habitually, and that if we are left unprotected you would thereby foster the destruction of the very elements that are the very soul of independent manhood.

With sincere regards, I am,

Yours, respectfully,

CHAS. F. CURRAN.

Mr. CLARK of Wyoming presented petitions of sundry citizens of Pine Bluffs, Powell, Carpenter, Wheatland, and Cheyenne, all in the State of Wyoming, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. BRISTOW presented petitions of sundry citizens of Plainville and Palco, in the State of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Ottawa, Kans., praying for Federal censorship of motion pictures, which was referred to the Committee on Education and Labor.

He also presented a petition of the Farmers' Union of Pleasanton, Kans., praying for the enactment of legislation to make lawful certain agreements between laborers and employees and persons engaged in agriculture or horticulture and to limit the issuing of injunctions in certain cases, which was referred to the Committee on the Judiciary.

Mr. THOMAS. Mr. President, I have been requested by citizens of Longmont, Colo., to present and ask to have inserted in the CONGRESSIONAL RECORD certain resolutions which they adopted at a mass meeting on May 25, 1914, relative to labor conditions in that State. I ask unanimous consent to have the resolutions inserted in the RECORD without reading, accompanying the request with the statement that I do not either approve of or disavow the sentiments therein expressed.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is agreed to.

The resolutions referred to are as follows:

Resolutions adopted by a mass meeting of citizens of Longmont, Colo., May 25, 1914.

Whereas a certain class of people, whose only claim to publicity is their ability and purpose to breed contempt of law, to encourage riot, murder, and incendiarism, are posing before the world as the representatives of the patriotic citizens of the patriotic State of Colorado: It is

Resolved, That we deny that this small class of agitators represents in any large sense the public sentiment of this State, and we denounce as unworthy of citizenship these people who to advance their political ambitions, to gratify their silly vanities, and thrust their otherwise obscure personalities into the limelight would before the nest that shelters them, incite ignorance to lawlessness, plunge the State into anarchy, and hold it up to the world emasculate and unworthy a place in the galaxy of Commonwealths; and

Whereas all Denver daily newspapers, under the gaudy pretext of maintaining popular rights, are aiding and abetting lawlessness, riot, and anarchy: It is further

Resolved, That such newspapers are unworthy the moral or financial support of the law-abiding citizens of the State; and

Whereas the State militia called to service by the legally constituted authority and representing the sturdy manhood of the State has been doing its duty as fully as did the young men of a generation ago, who bared their breasts to the assaults of disunion, we protest against the unpatriotic, false, and libelous vituperation that has been so unjustly used against our young soldiers as destructive to a wholesome military spirit that may stand the Republic in good stead in the not-distant future; and

Whereas we believe that the sovereignty of the State of Colorado and not the private disputes of individuals or corporations is the issue we are facing to-day: We therefore

Resolve, That it is the duty of every loyal citizen to sustain by word and deed the governor of the State at whatever cost in putting down rebellion, punishing treason by whomsoever instigated, and redeeming the State from the humiliation of standing as a mendicant, hat in hand, at the door of the White House, begging for the protection we are too feeble to afford ourselves, and to protest to the world that the mouthings of near statesmen, frenzied women, and patriots for revenue only is not the voice of the sovereign State of Colorado.

Mr. THOMPSON presented a petition of sundry citizens of Manhattan, Kans., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. SHERMAN presented memorials of sundry citizens of Illinois, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Illinois, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of lodges of International Association of Machinists of Bloomington and Mount Carmel; of the Federal Labor Union of Hillsboro; of the Trades and Labor Assemblies of Streator and Ottawa; of the United Mine Workers of Thayer, East Peoria, Springfield, and Rutland; of the Brick, Tile, and Terra Cotta Workers of Grant Park; of the Brotherhood of Blacksmiths and Helpers of Danville; of the Glass Bottle Blowers of Streator; of the Cigar Makers of Centralia; of the Electrical Workers of Chicago; of the Brewery Workmen of Peru and Quincy; of the Typographical Unions of Mount Morris, Quincy, and Galesburg; of the Packing House Teamsters and Chauffeurs of Chicago; of the Iron, Steel, Tin, and Granite Ware Workers of Granite City; of sundry post-office clerks of Chicago; of the Coopers' Union of Alton; of the Painters' Union of Chicago; of the Railroad Telegraphers of Forest City; of the Cement Workers and Helpers of Springfield, all in the State of Illinois, praying for the enactment of legislation to make lawful certain agreements between laborers and employees and persons engaged in agriculture or horticulture and to limit the issuing of injunctions in certain cases, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Illinois, praying for national recognition of the services of Dr. Frederick Cook in his polar efforts, which was referred to the Committee on the Library.

He also presented memorials of Pope Post, No. 411, Grand Army of the Republic, of Pana; of Dunham Post, No. 141, Grand Army of the Republic, of Decatur; of Abraham Lincoln Circle, No. 2, Ladies of the Grand Army of the Republic; of Corps No. 190, Woman's Relief Corps, of Pana; of Washington Alexander Post, No. 176, Grand Army of the Republic, of Bethany; of J. Q. A. Jones Post, No. 526, of Havana; and of Love-Joy Circle, No. 99, Ladies of the Grand Army of the Republic, of Brighton, all in the State of Illinois, remonstrating against any change in the American flag, which were referred to the Committee on the Judiciary.

He also presented petitions of Local Division No. 302, Brotherhood of Locomotive Engineers, of Chicago; of the joint protective board, Brotherhood of Locomotive Firemen and Engine-men, of Murphysboro; of the Brotherhoods of Railroad Trainmen, No. 24, of Galesburg; No. 647, of Chicago; and No. 578, of Murphysboro; of Lodge No. 477, Locomotive Firemen and Engine-men, of Galesburg; of Friendship Division, No. 81, Order of Railway Conductors, of Beardstown; of sundry citizens of Decatur; of New Hope Baptist Church, of Lakewood; of the Brotherhood of Railroad Trainmen, of Douglas Park Lodge, and of Victory Lodge, of Chicago; of Brotherhood of Railroad Trainmen, Calumet Lodge, and Hobbs Lodge, of Chicago; of Brotherhood of Locomotive Engineers, No. 826, of Chicago; of the State legislative board, Locomotive Engineers, of Blue Island; of the legislative committee, Order of Railway Conductors, of Peoria, all in the State of Illinois, praying for the enactment of legislation to further restrict immigration, which were ordered to lie on the table.

He also presented memorials of members of United Mine Workers of America, of Bloomington, Willisville, Herrin, Girard, Thayer, Mount Olive, Cary, Coal City, Percy, and Murphysboro, and resolutions passed at the international Labor Day

celebration at Rockford, all in the State of Illinois, remonstrating against labor conditions in the mining districts of Colorado, which were referred to the Committee on Education and Labor.

He also presented memorials of the medical societies of Fulton, Wayne, Clark, Cass, Mercer, Whiteside, and Kendall Counties, all in the State of Illinois, remonstrating against the enactment of legislation to prohibit the distribution and dispensing of narcotic drugs by physicians, dentists, and veterinarians, which were ordered to lie on the table.

He also presented a petition of the congregation of the Central Presbyterian Church, of Joliet, Ill., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which was referred to the Committee on the Judiciary.

He also presented a memorial of Typographical Local Union of Danville, Ill., remonstrating against an increase of second-class postage rates, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Post Office Clerks Local Union No. 1, of Chicago, Ill., praying for the enactment of legislation to reduce night work and overtime work in the Chicago post office, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Young Men's Christian Association of Chicago, Ill., praying for an appropriation of \$165,000 for the maintenance of the Children's Bureau, which was ordered to lie on the table.

He also presented a petition of the Trades and Labor Assembly of Bloomington, Ill., praying that an increase be made in the pay of printers employed in the Government Printing Office, which was referred to the Committee on Printing.

He also presented a petition of Camp No. 54, United Spanish War Veterans, of Chicago, Ill., praying for the enactment of legislation to provide pensions for widows and orphans of veterans of the Spanish-American War, which was referred to the Committee on Pensions.

He also presented a petition of District Council No. 6, United Garment Workers, of Chicago, Ill., praying for the enactment of legislation to regulate the interstate commerce of prison-made goods, which was referred to the Committee on Interstate Commerce.

He also presented a petition of the Retail Druggists' Association of Chicago, Ill., praying for the enactment of legislation to provide publicity of prices, etc., which was referred to the Committee on Interstate Commerce.

He also presented a petition of Douglas Lodge, No. 832, International Association of Machinists, of Villa Grove, Ill., praying for the enactment of legislation to provide a more thorough inspection of boilers and appurtenances, which was referred to the Committee on Interstate Commerce.

Mr. SMITH of Michigan presented petitions of the Woman's Christian Temperance Union of Wheeler, of the congregation of the First Baptist Church of Ithaca, and of sundry citizens of Dowagiac, all in the State of Michigan, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented a memorial of the Metal Polishers, Buffers, and Platers' Local Union No. 7, of Grand Rapids, Mich., and a memorial of sundry citizens of Michigan, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD presented petitions of sundry citizens of Texas, praying for the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Texas, remonstrating against the adoption of an amendment to the Constitution to prohibit the manufacture, sale, and importation of intoxicating beverages, which were referred to the Committee on the Judiciary.

Mr. WEEKS presented memorials of sundry citizens of Worcester, Holyoke, South Boston, Boston, New Bedford, Chicopee, Roxbury, Lawrence, Lowell, Springfield, and Fall River, all in the State of Massachusetts, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. TOWNSEND presented petitions of sundry citizens of Marley, Detroit, and Grand Rapids, all in the State of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Grayling, Detroit, Ypsilanti, and Grand Rapids, remonstrating against national prohibition, which were referred to the Committee on the Judiciary.

Mr. COLT. I present resolutions adopted by the Chamber of Commerce of Providence, R. I., which I ask may be printed in the Record and referred to the Committee on Commerce.

There being no objection, the resolutions were referred to the Committee on Commerce and ordered to be printed in the Record, as follows:

Whereas the Chamber of Commerce of the United States of America having by referendum presented to this organization for an expression of opinion the recommendations of their special committee on trust legislation in regard to the proposals to create an interstate trade commission; and

Whereas Government supervision and control of business concerns and operations as outlined in pending legislation before Congress, among which is included a bill to create an interstate trade commission, is a subject fraught with momentous consequences to American business and should receive careful analysis and deepest study: Now, therefore, be it

Resolved, That the Providence Chamber of Commerce most emphatically protests against the enactment of such legislation as is contained in the above-mentioned bills pending before Congress until ample time shall have been given for the consideration and discussion of these new proposals by all the people of the country, that provision be made for obtaining testimony from business men and business organizations throughout the United States whose activities would prevent their appearing at Washington to express their views, and that in order to prevent hasty and ill-considered action it is urgently requested that Congress refer passing such or similar legislation until a later session of Congress, thereby allowing time for a clearer comprehension and more thorough discussion and a resulting complete expression of opinion throughout the country, to the end that what shall finally be determined upon shall be the product of mature judgment and that which will be likely to inure to the benefit and not to the injury of the interests of all the people; and be it

Further resolved, That the Providence Chamber of Commerce accordingly defer voting upon the referendum of the Chamber of Commerce of the United States of America at this time; and be it

Further resolved, That a copy of these resolutions be forwarded to said chamber, as well as to the President of the United States and Rhode Island Senators and Representatives in Congress.

PENSIONS AND INCREASE OF PENSIONS.

Mr. SHIVELY, from the Committee on Pensions, to which was referred the bill (H. R. 14738) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, reported it with amendments and submitted a report (No. 582) thereon.

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. ROOT:

A bill (S. 5739) to present the steam launch *Louise*, now employed in the construction of the Panama Canal, to the French Government (with accompanying papers); to the Committee on Foreign Relations.

By Mr. BRISTOW:

A bill (S. 5740) granting an increase of pension to Jacob C. Rennaker (with accompanying papers); to the Committee on Pensions.

By Mr. LA FOLLETTE:

A bill (S. 5741) granting a pension to Alice S. C. McNaught; to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 5742) granting a pension to Daniel Howery; to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 5743) granting an increase of pension to George W. Evans (with accompanying papers); and

A bill (S. 5744) granting an increase of pension to Jacob M. Stark (with accompanying papers); to the Committee on Pensions.

By Mr. PAGE:

A bill (S. 5745) granting a pension to Jennie C. Potter; to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 5746) granting an increase of pension to Horace Page (with accompanying papers); to the Committee on Pensions.

By Mr. TOWNSEND:

A bill (S. 5747) granting an increase of pension to Margaretta B. Snyre; to the Committee on Pensions.

By Mr. GORE:

A bill (S. 5748) to establish a fish-cultural station in the State of Oklahoma; to the Committee on Fisheries.

By Mr. O'GORMAN:

A joint resolution (S. J. Res. 156) providing for a commission to contract for finishing the historical frieze in the Rotunda of the Capitol; to the Committee on the Library.

AMENDMENT TO SUNDRY CIVIL APPROPRIATION BILL.

Mr. OLIVER submitted an amendment proposing to appropriate \$20,000 to purchase 25 oil portraits of the justices of the Supreme Court of the United States, etc., intended to be pro-

posed by him to the sundry civil appropriation bill, which was referred to the Committee on the Library and ordered to be printed.

WIDOWS' PENSIONS.

Mr. JONES. Mr. President, I offer an amendment which I intend to propose to House bill 13044. I ask that it may be read, and I call the attention of the Committee on Pensions to the amendment, because I expect to press it when the bill referred to is called up for consideration.

The VICE PRESIDENT. In the absence of objection, the Secretary will read the amendment.

The Secretary read as follows:

Amendment intended to be proposed by Mr. JONES to the bill (H. R. 13044) to pension widows and minor and helpless children of officers and enlisted men who served during the War with Spain or the Philippine insurrection or in China, between April 21, 1898, and July 4, 1902, viz: At the proper place insert the following as section 3:

"Sec. 3. That every widow who is now receiving or may hereafter be entitled to a pension under present laws of less than \$20 per month by reason of the Civil War shall, upon due proof that she was the wife of a soldier at any time during said war and continued his wife until his death, be entitled to a pension of \$20 per month, the same to begin from the date of filing her application under the provisions of this act."

Mr. JONES. I ask that the amendment lie on the table and be printed.

The VICE PRESIDENT. The amendment will lie on the table and be printed.

PANAMA CANAL TOLLS.

Mr. SUTHERLAND submitted an amendment intended to be proposed by him to the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation and government of the Canal Zone, approved August 24, 1912, which was ordered to lie on the table and be printed.

WOMAN SUFFRAGE.

Mr. CLAPP. I ask to have printed in the Record the views of the minority submitted by Hon. Thomas B. Reed, of Maine, from the Committee on the Judiciary of the House of Representatives April 24, 1884, relating to the right of suffrage to women.

There being no objection, the report was ordered to be printed in the Record, as follows:

Mr. Thomas B. Reed, of Maine, from the Committee on the Judiciary, submitted the following views of the minority:

No one who listens to the reasons given by the superior class for the continuance of any system of subjection can fail to be impressed with the noble disinterestedness of mankind. When the subjection of persons of African descent was to be maintained, the good of those persons was always the main object. When it was the fashion to beat children, to regard them as little animals who had no rights, it was always for their good that they were treated with severity, and never on account of the bad temper of their parents. Hence, when it is proposed to give to the women of this country an opportunity to present their case to the various State legislatures to demand of the people of the country equality of political rights, it is not surprising to find that the reasons on which the continuance of the inferiority of women is urged are drawn almost entirely from a tender consideration for their own good. The anxiety felt lest they should thereby deteriorate would be an honor to human nature were it not an historical fact that the same sweet solicitude has been put up as a barrier against every progress which women have made ever since civilization began. There is no doubt to-day that if in Turkey or Algiers, countries where women's sphere is most thoroughly confined to the home circle, it was proposed to admit them to social life, to remove the veil from their faces and permit them to converse in open day with the friends of their husbands and brothers, the conservative and judicious Turk or Algerine of the period, if he could be brought to even consider such a horrible proposition, would point out that the sphere of women was to make home happy by those gentle insipidities which education would destroy; that by participation in conversation with men they would learn coarseness, debase their natures, and men would thereby lose that ameliorating influence which still leaves them unfit to associate with women. He would point out that "nature" had determined that women should be secluded; that their sphere was to raise and educate the man child, and that any change would be a violation of the divine law which, in the opinion of all conservative men, always ordains the present but never the future.

So in civilized countries when it was proposed that women should own their own property, that they should have the earnings of their own labor, there were not wanting those who were sure that such a proposition could work only evil to women, and that continually. It would destroy the family, discordant interests would provoke dispute, and the only real safety for woman was in the headship of man, not that man wanted superiority for any selfish reason, but to preserve intact the family relation for woman's good. To-day a woman's property belongs to herself; her earnings are her own; she has been emancipated beyond the wildest hopes of any reformer of 25 years ago. Almost every vocation is open to her. She is proving her usefulness in spheres which the "nature" worshiped by the conservative of 25 years ago absolutely forbade her to enter. Notwithstanding all these changes, the family circle remains unbroken, the man child gets as well educated as before, and the ameliorating influence of woman has become only the more marked. Thirty years ago hardly any political assemblage of the people was graced by the presence of women. Had it needed a law to enable them to be present, what an argument could have been made against it! How easily it could have been shown that the coarseness, the dubious expressions, the general vulgarity of the scene, could have had no other effect than to break down that purity of word and thought which women have and which conservative and radical are alike sedulous to preserve. And yet the actual presence of women at political meetings has not debased them, but has raised the other sex. Coarse-

ness has not become diffused through both sexes but has fled from both. To put the whole matter in a short phrase: The association of the sexes in the family circle, in society, and in business having proved improving to both, there is neither history, reason, nor sense to justify the assertion that association in politics will lower the one or demoralize the other.

Hence we would do better to approach the question without trepidation. We can better leave the "sister" of woman to the future than confine it in the chains of the past. Words change nothing. Prejudices are none the less prejudices because we vaguely call them "nature" and prate about what nature has forbidden when we only mean that the thing we are opposing has not been hitherto done. "Nature" forbade a steamship to cross the Atlantic the very moment it was crossing, and yet it arrived just the same. What the majority call "nature" has stood in the way of every progress of the past and present, and will stand in the way of all future progress. It has also stood in the way of many unwise things. It is only another name for conservatism. With conservatism the minority have no quarrel. It is essential to the stability of mankind, of government, and of social life. To every new proposal it rightfully calls a halt, demanding countergains, whether it be friend or foe. The enfranchisement of women must pass the ordeal like everything else. It must give good reason for its demand to be or take its place among the half-forgotten fantasies which have challenged the support of mankind and have not stood the test of argument and discussion.

The committee claim that suffrage is not a right, but a privilege to be guarded by those who have it, and to be by them doled out to those who shall become worthy. That every extension of suffrage has been granted in some form or other by those already holding it is probably true. In some countries, however, it has been extended upon the simple basis of expediency, and in others in obedience to a claim of right. If suffrage be a right, if it be true that no man has a claim to govern any other man except to the extent that the other man has a right to govern him, then there can be no discussion of the question of woman suffrage. No reason on earth can be given by those who claim suffrage as a right of manhood which does not make it a right of womanhood also. If the suffrage is to be given man to protect him in his life, liberty, and property, the same reasons urge that it be given to woman, for she has the same life, liberty, and property to protect. If it be urged that her interests are so bound up in those of man that they are sure to be protected, the answer is that the same argument was urged as to the merger in the husband of the wife's right of property, and was pronounced by the judgment of mankind fallacious in practice and in principle. If the natures of men and women are so alike that for that reason no harm is done by suppressing women, what harm can be done by elevating them to equality? If the natures be different, what right can there be in refusing representation to those who might take juster views about many social and political questions?

Our Government is founded, not on the rule of the wisest and best, but upon the rule of all. The ignorant, the learned, the wise, and the unwise, the judicious and the injudicious are all invited to assist in governing, and upon the broad principle that the best government for mankind is not the government which the wisest and best would select, but that which the average of mankind would select. Laws are daily enacted, not because they seem the wisest even to those legislators who pass them, but because they represent what the whole people wish. And, in the long run, it may be just as bad to enact laws in advance of public sentiment as to hold on to laws behind it. Upon what principle in a Government like ours can one-half the minds be denied expression at the polls? Is it because they are untrained in public affairs? Are they more so than the slaves were when the right of suffrage was conferred on them? It should also be considered, upon the proposition that to admit women would be temporarily to lower the suffrage on account of their lack of training in public duties, that what is now asked of us is not immediate admission to the right, but the privilege of presenting to the legislatures of the different States the amendment, which can not become effective until adopted by three-fourths of them. It may be said that the agitation and discussion of this question will long before its adoption have made women as familiar with public affairs as the average of men, for the agitation is hardly likely to be successful until after a majority, at least, of women are in favor of it.

We believe in the educating and improving effect of participation in government. We believe that every citizen in the United States is made more intelligent, more learned, and better educated by his participation in politics and political campaigns. It must be remembered that education, like all things else, is relative. While the average American voter may not be all that impatient people desire, and is far behind his own future, yet he is incomparably superior to the average citizen of any other land where the subject does not fully participate in the government. Discussions on the stump and, above all, the discussions he himself has with his fellows, breed a desire for knowledge which will take no refusal and which leads to great general intelligence. In political discussion, acrimony and hate are not essential, and have of late years quite perceptibly diminished and will more and more diminish when discussions by women, and in the presence of women, become more common. If, then, discussion of public affairs among men has elevated them in knowledge and intelligence, why will it not lead to the same results among women? It is not merely education that makes civilization, but diffusion of education. The standing of a nation and its future depend not upon the education of the few, but of the whole. Every improvement in the status of woman in the matter of education has been an improvement to the whole race. Women have by education thus far become more womanly, not less. The same prophecies of ruin to womanliness were made against her education on general subjects that are now made against her participation in politics.

It is sometimes asserted that women now have a great influence in politics through their husbands and brothers. That is undoubtedly true. But that is just the kind of influence which is not wholesome for the community, for it is influence unaccompanied by responsibility. People are always ready to recommend to others what they would not do themselves. If it be true that women can not be prevented from exercising political influence, is not that only another reason why they should be steadied in their political action by that proper sense of responsibility which comes from acting themselves?

We conclude, then, every reason which in this country bestows the ballot upon man is equally applicable to the proposition to bestow the ballot upon woman, that in our judgment there is no foundation for the fear that woman will thereby become unfitted for all the duties she has hitherto performed.

T. B. REED,
E. B. TAYLOR,
M. A. MCCOY,
T. M. BROWN.

ADDRESS BY SENATOR ASHURST.

Mr. O'GORMAN. Mr. President, I ask consent of the Senate for the insertion in the RECORD of some remarks made by the Senator from Arizona [Mr. ASHURST] at a meeting of the Society of the Friendly Sons of St. Patrick, of Philadelphia, on the 17th of last March. They bear in part upon a question that is now agitating the country and receiving the attention of the Senate, and make special reference to the Panama Canal controversy.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York? The Chair hears none, and it is agreed to.

The matter referred to is as follows:

"THE UNITED STATES," HON. HENRY F. ASHURST.

Mr. Toastmaster and members of the Friendly Sons of St. Patrick, my first duty is to return my thanks to the members of the committee who honored me with their kind invitation to be present upon this occasion, and I congratulate your society upon arriving at its one hundred and forty-third anniversary. Your freedom from sectarian and political bias is commendable, and worthy of emulation by many societies throughout our land.

The response you have assigned to me, "The United States," is so vast and varied that, in speaking upon it, I feel as if I were trying to grasp a globe so large that it permits the hand to obtain no hold.

If a student of the firmament, whose vigils are consecrated to exploring the skies and searching the heavens, were asked to describe in a single speech the influence of the sun upon our solar system, the student would stand amazed at the immensity of his task. Not less immense is the task of the speaker who attempts, in a single speech, to respond to the toast, "The United States."

Commencing with the War for Independence and extending down to this good hour, a great nation was and still immeasurably is in the making; fundamental principles of government, of infinite importance to the human race, have been and are now being applied and tested; new ideas are constantly taking hold; new truths constantly being discovered; reforms are being made in institutions and laws; a population noted for tireless energy and unconquerable spirit has pushed its way westward, founded towns, cities, and States, built roads, bridged rivers, joined great lakes by waterways and canals, built factories, mined for metals, covered prairies with mantles of waving grain, and dealt on a gigantic scale and in a new manner with economic, scientific, and financial problems in a vast country where nature has poured forth her resources with generosity, yea, extravagance.

Civilizations were built up in ancient times, notably in Greece and Rome, but it is an unhappy circumstance that it occurred to but few of the moral philosophers and statesmen of those early civilizations that to build an enduring State all the people must have equal civil and natural rights, and the recognition of this truth by our early statesmen largely accounts for our growth and opulence.

The discovery of America gave birth to an amazing awakening, for soon the stories of the discoveries of Columbus kindled the imagination of men. These discoveries doubled the earth, and ships of conquest, adventure, glory, and science began to cut through the billows of every sea. The expanse and magnificence of this new physical world thus opened had, as such things always have, its beneficent influence upon human character, and the trend of the world's events, because a contemplation of the external charms of nature inevitably produces a mental and moral evolution and growth which excite a lively and intense interest in human existence.

In 1771 the population of the American colonies was composed principally of the descendants of persons who had felt the oppression of European tyrants, and had emigrated hither to enjoy freedom of conscience, speech, and worship.

The American colonists were descended from the most persevering, thrifty, and energetic races—they were intolerant of restraint and possessed a noble enthusiasm for civil and religious liberty, which even to-day is the dominant and characteristic trait of the American people. Large numbers of the sons and daughters of Erin's sturdy race, a race noted for bravery of spirit and loyalty to free government, were scattered through the colonies. Their ancestors had been tortured in dungeons, murdered on scaffolds, robbed of the fruits of their sweat and toil, scourged by famine, plundered by the avarice of heartless power, and driven by tyrants and despots like the leaves of autumn before the keen wintry winds. These various families of men, transplanted to this new soil and welded together by events and years, became a race of blood and iron. They evolved the Declaration of Independence and with their bayonets wrote

another charter of American liberty on the backs of the fleeing soldiers of Gen. John Burgoyne and Lord Cornwallis. [Applause.]

If by the potent influence of some magical wand, or some mysterious chant, we could be transported to the time when, 143 years ago, your ancient and honorable society held its first banquet, and then compare the conditions of 1771 in North America with the conditions of 1914, we would almost be persuaded to forsake our disbelief in Aladdin's lamp and Fortunatus's purse. In the intervening time between your first and your one hundred and forty-third annual dinner there has sprung up a nation, "The United States," which for strength and growth is unparalleled in the annals of the human race, and the wildest hyperbole becomes prosaic in attempting to describe the social and moral advance made by our people during this period; the progress in mechanical and electrical contrivances, transportation, scientific research, educational facilities, and the multiplied accomplishments of liberty and civilization which have made life broader, more useful, and beautiful. [Applause.]

Your society held its first annual dinner just five days after Sam Adams had written to Mr. Charles Lucas and said, "The man who nobly vindicates the rights of his country and mankind shall stand foremost in the lists of fame." I would say nothing in this splendid presence that might savor of invidious distinction in any offensive sense; yet, how may one eulogize Pericles and not speak of the glories of Athens; how may one commemorate Caesar and be silent concerning the achievements of his legions; how, then, may I speak of the United States at a banquet of the Friendly Sons of St. Patrick and omit to make the observation that the Irish race has nobly vindicated the liberty of our beloved country, and, therefore, is entitled, in the eloquent language of Sam Adams, "to stand foremost in the lists of fame." [Applause.]

When you held your first annual dinner, had any traveler possessed the fortitude—yea, the hardihood—to endure the discomforts and brave the dangers of a journey through the thirteen colonies, over the wretched roads, in jolting buckboards, ramshackle stagecoaches, or irregular packet boats, he would have found less than 3,000,000 people. Here in Philadelphia our traveler would have found Dr. Benjamin Franklin, known even then in the most remote corners of civilization as our American pioneer of experimental science—Dr. Benjamin Franklin, who later stood unabashed before kings and princes and challenged the admiration of Europe's best trained diplomats.

It is said that when Thomas Jefferson appeared before the King of France as the successor of Franklin, before that glittering court of letters and fashion, the King exclaimed to Jefferson, "So you have come to take the place of Dr. Benjamin Franklin?" and that Jefferson replied, "Sire, no man will ever take the place of Dr. Benjamin Franklin; I simply succeed him."

Our traveler would have found Chestnut Street, now so cluttered with banks and trust companies, to be the fashionable walk where ladies, wearing gorgeous brocades and taffetas and shoes with high wooden heels, gravely returned the stately salutations of gallant gentlemen wearing colonials and their faces besmeared with a prodigious profusion of white powder. Our sojourner would have found Philadelphia all unknown to the distinction which was later to come to her as the city where were to be enunciated the immortal principles of the Declaration of Independence. Our traveler would have found in the Eastern States a sturdy people, engaged largely in shipbuilding. Indeed, writing of the extent to which American timbers were found in English ships, Allen, a poet of ante-Revolutionary fame, says:

Even the tall masts that bear your flag on high
Grew in our soil and ripened in our sky.

And these same timbers a few years later furnished the gallant little navy that was baptized with the blood of fighting "Jack" Barry and John Paul Jones. [Applause.]

Our traveler would have found that George Washington had marched with Gen. Braddock to the fatal field of the Monongahela and had there exhibited a dauntless courage in the face of danger, disaster, and hardship, surpassed only by the wisdom, fortitude, and iron will he later exhibited in holding the little colonies united and determined amid all the grief and all the glory of Valley Forge and Yorktown.

At the time of your first annual banquet James Madison and Aaron Burr were students in Princeton, Thomas Jefferson had shown himself to be a young lawyer of erudition and ability, and was serving with distinction as a youthful and useful member of the house of burgesses. Alexander Hamilton, aged 14 years, was showing signs of genius at his desk in a countinghouse on the island of Nevis, and freckle-faced, sandy-haired Irish Andrew Jackson was 4 years of age,

down on Waxhaw Creek, waiting in homely indigence the summons that was later to call him to New Orleans and immortal fame.

Looking back through the dust of history over the mutations of time we are justly proud of our country's achievements. We are the heirs and beneficiaries of heroes who sacrificed much that we might enjoy the rights which we exercise today. American citizenship is an inheritance which has been attained only by virtue of stupendous sacrifices that have been made by those who have gone before to secure this inestimably valuable boon for us. [Applause.]

While we of the present day are enjoying the fruits of the labors of those who have passed across the disk of human existence, we should not proceed with smug indifference to enjoy these blessings, for destiny casts upon us a duty as great, if not greater, than the duty so faithfully performed by our people in the past. Not only must we retain the advanced ground they nobly won, but we must resolutely attempt to solve the problems of the present and the future. The happiness of the people now in existence and the rights of our innocent and unborn posterity should ever engage the attention and solicitude of the statesmen of the present, for civilization's mighty sweep is each year multiplying our problems and augmenting their complexities.

I shall now briefly discuss the question concerning a certain strip of land, 10 miles wide and 49 miles long, owned by the United States and called the Panama Canal Zone.

Through this zone, at an expense to the American people of \$425,000,000, we have constructed a ship canal. And in discussing this question I do so without reserve, for neither the proprieties of this occasion nor the careful guarding of official speech require that an American Senator shall withhold an open expression of the opinion he maintains upon the imminent questions of the day. Moreover, I was never much given to the habit of immersing my words in a tank of diplomatic antiseptic before I allowed them utterance. I represent, in part, a great Commonwealth—Arizona—whose heroic history shows that she has never been enamored of those public men who in their mind harbor one thought while their lips tell another. We are in full possession of the Canal Zone, having acquired this territory from the Republic of Panama. The United States, by the express terms of the grant, is made the sovereign and proprietor of the zone and the land through which and in which the canal is built. The American flag flies over the canal and over the zone; the American Congress makes laws for the governing of the canal and zone. The zone and canal are as much the property of the United States as is Alaska. Of the nations of the world that have assumed any burden in constructing the canal the United States of America is the only one. Of the multitudes of the earth, the Americans are the only people who have been taxed to build this canal. Great Britain has protested that if we exempt our coastwise vessels passing through the canal from the payment of tolls we will have discriminated against her. How specious becomes such protest when we remember that foreign vessels are by law prohibited from engaging in our coastwise or local trade and that England, under an act not dissimilar, passed in 1815, guaranteeing equality of ships for 99 years, favored her local shipping.

Granting, for the sake of argument only, that the exemption of our own coastwise shipping from the payment of tolls is not a wholesome domestic policy, we would still be unable to adopt the British view, for its adoption would be the entering of the thin wedge which sooner or later would mean that our canal would be controlled from London instead of Washington. It does not require the services of a soothsayer to foretell that if we should yield to Great Britain on this point, the inexorable logic of the situation would compel us to yield to Great Britain on other points, for the present attitude of Great Britain on this question is simply the initial move on her part of a series of moves yet to be made by her, looking to the degrading of our country at Panama from the position of sovereign to the position of tollgate keeper.

In conclusion, allow me to say I believe that as the years glide by your society and its descendants will maintain the same record for virtue, rectitude, and patriotism that you have maintained during the past 143 years. [Applause.]

COMMITTEE SERVICE.

On motion of Mr. KEERN, it was

Ordered, That the Committee on Cuban Relations be reestablished with five members, as follows:
Senator J. L. BURSTOW, of Kansas, chairman,
Senator SMITH, of Michigan,
Senator SUTHERLAND, of Utah,
Senator WHITE, of Alabama,
Senator WEST, of Georgia.

On motion of Mr. KERN, it was

Ordered, That Senator HOKE SMITH, of Georgia, be appointed a member of the Committee on Rules to fill the vacancy occasioned by the death of Senator Bacon.

On motion of Mr. LODGE, it was

Ordered, That the following appointments be made to the committees of the Senate:

Mr. DU PONT to the Committee on Expenditures in the Department of Justice;

Mr. STERLING to the Committee on Post Offices and Post Roads;

Mr. KENYON to the Committee on Agriculture and Forestry;

Mr. SHERMAN to the Committee on Pensions.

Mr. FALL to the Committee on Privileges and Elections;

Mr. McLEAN to the Committee on Claims; and

Mr. COLT to the Committee on Military Affairs.

Mr. KENYON was, at his own request, excused from further service on the Committee on Military Affairs.

PENSIONS AND INCREASE OF PENSIONS.

Mr. SHIVELY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4260) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 2, and agree to the same.

That the House recede from its amendment numbered 1.

BENJ. F. SHIVELY,
CHARLES F. JOHNSON,
REED SMOOT,

Managers on the part of the Senate.

JOHN A. KEY,
WM. H. MURRAY,

Managers on the part of the House.

The report was agreed to.

Mr. SHIVELY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4657) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1 and 4, and agree to the same.

That the House recede from its amendments numbered 2, 3, 5, 7, and 8.

That the Senate recede from its disagreement to the amendment of the House numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the sum "\$24"; and the House agree to the same.

BENJ. F. SHIVELY,
CHARLES F. JOHNSON,
REED SMOOT,

Managers on the part of the Senate.

JOHN A. KEY,
WM. H. MURRAY,

Managers on the part of the House.

The report was agreed to.

Mr. SHIVELY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4353) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 1.

BENJ. F. SHIVELY,
CHARLES F. JOHNSON,
REED SMOOT,

Managers on the part of the Senate.

JOHN A. KEY,
WM. H. MURRAY,

Managers on the part of the House.

The report was agreed to.

Mr. SHIVELY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4167) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and of other wars than the Civil War, and certain widows and dependent relatives of such soldiers and sailors, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1, 2, 3, 4, and 5.

BENJ. F. SHIVELY,
CHARLES F. JOHNSON,
REED SMOOT,

Managers on the part of the Senate.

JOHN A. KEY,
WM. H. MURRAY,

Managers on the part of the House.

The report was agreed to.

CLAIMS OF SISSETON AND WAHPETON SIOUX INDIANS.

Mr. GRONNA. Mr. President, I inquire if morning business has closed?

The VICE PRESIDENT. It has.

Mr. GRONNA. I ask unanimous consent for the present consideration of the bill (S. 5255) conferring jurisdiction on the Court of Claims to hear, determine, and render judgment in claims of the Sisseton and Wahpeton Bands of Sioux Indians against the United States.

Mr. President, I wish to state that this is a bill to which there can be no possible objection. The Indians who are interested in this legislation have for years been coming to Congress asking that a commission be appointed to investigate their claims. The Department of the Interior was opposed to the appointment of a commission, but drew a bill recommending that the claims be referred to the Court of Claims. The bill for which I ask consideration is practically the bill that was drawn by the department. The Committee on Indian Affairs unanimously recommend that the bill be passed, and in order that it may go to the House and be enacted into law at this session of Congress it is necessary that action here should be taken upon it immediately.

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

Mr. GALLINGER. Let the bill be read first, Mr. President.

The VICE PRESIDENT. The Secretary will read the bill.

The Secretary read the bill (S. 5255) conferring jurisdiction on the Court of Claims to hear, determine, and render judgment in claims of the Sisseton and Wahpeton Bands of Sioux Indians against the United States; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Indian Affairs with amendments, on page 3, line 1, after the words "by the," to strike out "Court of Claims" and insert "Secretary of the Interior," and in line 4, after the word "exceed," to strike out "5 per cent of the moneys found to be due said bands of Indians" and insert "\$15,000," so as to make the bill read:

Be it enacted, etc., That all claims of whatsoever nature which the Sisseton and Wahpeton Bands of Sioux Indians may have or claim to have against the United States shall be submitted to the Court of Claims, with the right to appeal to the Supreme Court of the United States by either party, for the amount due or claimed to be due said bands from the United States under any treaties or laws of Congress; and jurisdiction is hereby conferred upon the Court of Claims to hear and determine all claims of said bands against the United States and to enter judgment thereon. If any such question is submitted to said court it shall settle the rights, both legal and equitable, of said bands of Indians and the United States, notwithstanding lapse of time or statute of limitations. Such action in the Court of Claims shall be presented by a single petition, to be filed within one year after the passage of this act, making the United States a party defendant, which shall set forth all the facts on which the said bands of Indians base their claims for recovery; and the said petition may be verified by the agent or authorized attorney or attorneys of said bands, to be selected by said bands and employed under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, in accordance with the provisions of existing law, upon information or belief as to the existence of such facts, and no other statements or verifications shall be necessary. Official letters, papers, reports, and public records, or certified copies thereof, and oral testimony, depositions, and sworn statements by members of said bands of Indians may be used as evidence. Whatever moneys may be found due the Sisseton and Wahpeton Bands of Indians under the provisions of this act, less attorney's fees, shall be placed to their credit in the Treasury of the United States: *Provided*, That the compensation to be paid the attorney or attorneys for the claimant Indians shall be determined by the Secretary of the Interior, but in any event shall not be greater than the amount named in the approved contract: *Provided further*, That such compensation shall in no event exceed \$15,000.

The amendments were agreed to.

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

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

GLACIER NATIONAL PARK, MONT.

Mr. WALSH. I ask unanimous consent for the present consideration of the bill (S. 5433) to amend an act entitled "An act to establish the Glacier National Park in the Rocky Mountains south of the international boundary line, in the State of Montana, and for other purposes," approved May 11, 1910. The bill was reported from the Committee on Public Lands on Tuesday last, the 2d of June.

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

Mr. SIMMONS. Mr. President, I shall not object to the request, provided no debate follows—

Mr. WALSH. I should not ask unanimous consent otherwise.

Mr. SIMMONS. But I give notice at this time that I shall object to further requests for unanimous consent to consider bills this morning.

Mr. SHAFROTH. I should like to know the nature of the bill before consent is given.

Mr. WALSH. The bill, Mr. President, provides for the exchange of land held in private ownership within the Glacier National Park in the State of Montana for dead, decadent, and matured timber within the park, and for the exchange of lands held in private ownership within the park for lands within national forests outside of the park, the exchange to be made by the Secretary of the Interior; but if the lands are selected outside, the selection to be made only with the approval of the Secretary of Agriculture.

I will state, Mr. President, to the Senate the immediate purpose of the bill. The Glacier National Park is entered from the western entrance at Belton by a magnificent boulevarded road 3 miles long to the lower end of the central feature of the park, Lake McDonald. That road is bordered by a magnificent grove of cedar trees. I should like to give you some kind of an idea of the beauty and grandeur of the cedars in that section of the country, but I will not take time now further than to say that many of them are at least 20 feet in circumference and tower to a height of a hundred feet, with magnificent spreading branches. This beautiful grove of cedars, just on the border of this boulevarded road, is on land held in private ownership. The owner of the land, as a matter of course, desires to avail himself of the timber upon it, but he is also desirous of preserving the beauty of the park. He does not want those trees destroyed, and he offers to exchange that land for dead, decadent, and matured timber somewhere else in the park, to be designated by the Secretary of the Interior. We desire to have an opportunity to make that exchange, and thus preserve the beauty of the scenery through which the road passes.

Mr. THOMAS. Mr. President, I should like to inquire of the Senator from Montana whether the Northern Pacific Railroad Co. owns any lands in this park, to be exchanged for other lands?

Mr. WALSH. No, Mr. President; it does not own any; nor does any railroad company.

Mr. THOMAS. Of course, the Senator well knows that large amounts of worthless railroad lands have been intentionally included in a great many of these reserves and parks which have afterwards been exchanged for the finest timberland in the country. Inasmuch as there is just a little of it left outside of the lands which thus far they have been able to secure under the operations of the forestry system, I am a little suspicious of all bills of this character.

Mr. WALSH. The question of the Senator is quite pertinent, and I am very glad to assure him that the Northern Pacific grant does not extend that far. The Northern Pacific Co. owns no land within the park.

The VICE PRESIDENT. Is there any objection to the present consideration of the bill?

Mr. SHAFROTH. Mr. President, this bill does not affect the exchange of lands in any other place than in the State of Montana?

Mr. WALSH. None except those within the Glacier National Park. It is intended to preserve the trees that line the routes of travel within the park.

Mr. SMOOT. Mr. President, I notice there is no report from the department on this bill. Does the Senator know whether or not it has been passed upon by the different departments?

Mr. WALSH. The Senator will find there is a report. The report of the committee says:

The necessity for the legislation contemplated by this bill is suggested in the Annual Report of the Secretary of the Interior for the fiscal year ended June 30, 1912, wherein he discusses the matter of securing title to private holdings in the various national parks.

I speak from personal knowledge of every feature of the park and the particular grove of trees that it is intended thus to preserve.

Mr. SMOOT. I think myself the object of the bill is a worthy one, and I have no objection whatever to its provisions.

The VICE PRESIDENT. Is there any objection to the present consideration of the bill?

Mr. SIMMONS. Mr. President, I make the reservation that I indicated a few moments ago.

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, for the purpose of eliminating private holdings within the Glacier National Park and the preservation intact of the natural timber along the roads in the scenic portions of the park, both on patented and park lands, is hereby empowered, in his discretion, to obtain for the United States the complete title to any or all of the lands held in private or State ownership within the boundaries of said park, by the exchange of dead, decadent, or matured timber that can be removed from any part of the park without affecting the scenic beauty thereof or from the Government lands within the metes and bounds of the national forests within the State of Montana, and also, in his discretion, to exchange for patented lands in the Glacier National Park Government lands of equal value within the metes and bounds of the national forests within said State: *Provided, however,* That the lands in the national forests to be offered in exchange shall be determined by the Secretary of Agriculture.

Sec. 2. That the value of all patented lands within said park, including the timber thereon, offered for exchange, and the value of the timber on park lands, or on Government lands within the metes and bounds of the national forests within the State of Montana, proposed to be given in exchange for such patented lands, shall be ascertained in such manner as the Secretary of the Interior and the Secretary of Agriculture may jointly in their discretion direct, and all expenses incident to ascertaining such values shall be paid by the owners of said patented lands; and such owners shall, before any exchange is effective, furnish the Secretary of the Interior evidence satisfactory to him of title to the patented lands offered in exchange; and if the value of timber on park lands or on the Government lands in the national forests within the State of Montana exceeds the value of the patented lands deeded to the Government in exchange, such excess shall be paid to the Secretary of the Interior by the owners of the patented lands before any timber is removed, and shall be deposited and covered into the Treasury as miscellaneous receipts. The same course shall be pursued in relation to the exchange of patented lands in the park for Government lands in the national forests within said State: *Provided,* That the lands conveyed to the Government under this act shall become a part of the Glacier National Park.

Sec. 3. That all timber on Government lands in the park must be cut and removed under regulations to be prescribed by the Secretary of the Interior, and any damage which may result to the roads or any part of the park or the national forests in consequence of the cutting and removal of the timber therefrom shall be borne by the owners of the patented lands, and bonds satisfactory to the Secretary of the Interior and the Secretary of Agriculture, jointly, must be given for the payment of such damages, if any, as shall be determined by the Secretary of the Interior so far as the same relates to lands within a national park and by the Secretary of Agriculture where the same relates to lands in the national forests.

Mr. CLARK of Wyoming. Mr. President, this seems to be almost entirely a local matter; therefore, I shall not oppose the bill. I do wish, however, to call attention at this time and in connection with this bill to the manipulations that are constantly going on in regard to our forest reserves, of which this is but another sample.

Many of the western Members of Congress and Senators have protested against the creation of so many of these forest reserves. They have been met by the forest reservists and others with the argument that the timber is absolutely necessary; that it should be protected for the future; and that the forest reserve embraces country that should not pass into private ownership under any circumstances. It has also been urged that land within the forest reserve, whenever it should be discovered to be available for agricultural purposes, should be thrown out of the reserves and made subject to agricultural purposes.

I understand from the Senator from Montana that this bill meets the approval of the departments of the Government. It is simply and solely an exchange by which private individuals are allowed to go into the national forests and acquire public lands. It seems to me that it is not consonant with the avowed purpose of the Forestry Service, in meeting objections, that when lands should be found to be not necessary for forest reserves they should be passed into private ownership through the operation of the general land laws.

It seems, however, that in the national forests of Montana there are areas, large or small, which the Forestry Service do not consider necessary for the purposes of that service and the purpose for which the forests were originally reserved, and this bill proposes to exchange those lands for patented lands now held within the Glacier National Forest. It is only of a piece with the sort of legislation and manipulation that has been going on in regard to the public lands, forested and un-forested, in the West and Northwest.

I desire to enter this statement now so that it can not be assumed by anybody that the effect of this bill is not understood.

It is understood, and perhaps at some future time attention will be called to it.

Mr. SHAFROTH. Mr. President, I should like to ask the Senator before he takes his seat whether or not this bill simply limits the exchange to a national park. I do not like the idea of the ordinary forest reserves—

Mr. CLARK of Wyoming. No; as I understand—and if I am incorrect, the Senator from Montana will correct me—the bill provides that the Secretary of the Interior may exchange lands now in private ownership in the Glacier National Park for dead or matured timber in the park, or may exchange it for other lands in national forests in Montana. I think that is what the bill provides.

Mr. WALSH. The Senator has correctly stated the substance of the bill.

Mr. SHAFROTH. I do not see any objection, if the Government is going to have a national park out there, to its having absolute control of every foot and every acre of it. I am very much opposed to that policy as applied to the ordinary forest reserves, because they are supposed to be open to entry for homesteaders, and also for mining; and for that reason there is no occasion for any such exchange as to forest reserves. As to a park, however, it seems to me that it occupies a different position from a forest reserve, because there the Government is supposed to exercise jurisdiction and sovereignty over it. A national park is something of which it has control in every respect, whereas in forest reserves the Government is not supposed to have that control.

Mr. CLARK of Wyoming. I think the Senator from Colorado hardly understood my view upon the matter. I am not objecting to the Government getting under its administration and control and owning all the land within the borders of the Glacier National Park. I think that is proper; I think it is right for the proper administration of the park which has been created. I am, however, calling attention to the fact that the department and the Forestry Service are now saying that they are willing to let private individuals come in and acquire portions of the national forests. We have insisted all the time that if there are any portions of the national forests that are not absolutely required for the purposes for which they were created, they should be thrown open to the general public, and that a man should not be given an advantage simply because he owns a piece of land in a national park. That is the statement I wish to make.

Mr. SHAFROTH. I will state to the Senator that I am heartily in accord with that. I think it is proper.

Mr. SIMMONS rose.

Mr. WALSH. Mr. President, if the Senator will indulge me, we can dispose of this bill, I think, in just a few moments.

I merely desire to say that I trust no Senator will regard this as in any sense a local matter. The preservation of the beauty of the Glacier National Park as a national park is most distinctly a national consideration in the very highest sense. I trust that most of us shall live to see the day when that region, very appropriately spoken of as the Switzerland of America, will attract annually the great crowd of tourists who flock to the real Swiss mountains instead of visiting the beauties of our own country as they are there disclosed.

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

Mr. GALLINGER. Mr. President, before the bill is passed I simply wish to say that I have no objection to it, but I do object to the Senator from Montana taking from New Hampshire the appellation of "the Switzerland of America."

The VICE PRESIDENT. The question is, Shall the bill pass? The bill was passed.

PANAMA CANAL TOLLS.

Mr. O'GORMAN. I ask that the tolls bill be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. STONE. Mr. President, I take advantage of this occasion to say what I wanted to say yesterday.

Mr. BRISTOW. Mr. President, will the Senator from Missouri yield to me for just a moment, for a resolution?

Mr. STONE. I will.

THE COMMITTEE ON CUBAN RELATIONS.

Mr. BRISTOW. Mr. President, I submit a resolution and ask for its immediate consideration. I desire to say that it requires no appropriation to provide for these clerks, for it is already provided in the appropriation bill.

Mr. STONE. Mr. President, I will say to the Senator that I have no personal objection to it, but I rather think that can not be done under the rules.

Mr. BRISTOW. If the Senator was making a speech, that is perhaps true, but I did not think the Senator had begun his speech.

Mr. STONE. I had addressed the Chair. I make no objection, however.

The resolution (S. Res. 387) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Cuban Relations be, and it hereby is, authorized to appoint a clerk, at \$2,220 per annum; an assistant clerk, at \$1,440 per annum; and a messenger, at \$1,200 per annum.

PANAMA CANAL TOLLS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. O'GORMAN. Mr. President, do I understand that the tolls bill is now before the Senate?

The VICE PRESIDENT. It is. The Senator from Missouri [Mr. Stone] has the floor.

Mr. CUMMINS. Mr. President, will the Senator from Missouri yield to me?

Mr. STONE. Mr. President, the Senator from Iowa was not present when the bill was laid before the Senate, and I had addressed the Chair with the intention of making some remarks. The Senator had the floor at adjournment yesterday, and if he especially desires to proceed at this time I will yield.

Mr. CUMMINS. I am perfectly willing that the Senator from Missouri shall make the address that he has it in mind to make. I assume that it is not upon the tolls bill.

Mr. STONE. No; it is not.

Mr. CUMMINS. The Senator very kindly yielded to my appeal yesterday morning, and I do not feel that I ought to interpose any obstacle in the way of his making the address this morning. Therefore I shall very gladly wait until the Senator from Missouri has finished.

Mr. SMOOT. Mr. President, I suppose the Senator from Iowa will not object to one or two other Senators following the Senator from Missouri?

Mr. CUMMINS. No, Mr. President; I will not. I realize the fairness and justice of the discussion being completed when once begun. I hope, however, that if I do not go on now, I shall not be required to go on until Senators have had an opportunity to get their lunch. I do not care to speak while they are eating.

Mr. STONE. Mr. President, on May 23 the Senator from Washington [Mr. Jones] presented a resolution calling on the Postmaster General to furnish the Senate with complete information respecting the resignation, discharge, and demotion since March 4, 1914, of employees in his department and in the Washington City post office who had ever served in any war of the United States, together with their efficiency ratings.

On Monday last the Postmaster General made his reply to this resolution, submitting the information called for. This resolution was the outgrowth of a "teapot tempest" raised by a rather odd combination of people in Washington over the alleged dismissal of 18 or 20 old Civil War veterans—that was the indefinite number stated more than once in the press—who had been employed in the Post Office Department and in the Washington City post office.

Several partisan newspapers, one or two partisan local Grand Army officials, and a lot of Washingtonians who are seeking to force the enactment of a law to pension civil employees of the Government have worked in concert to stir up a popular feeling against this administration because of these alleged dismissals, and thus force along the larger scheme for civil pensions. Public meetings have been held which have adopted denunciatory resolutions, and a number of newspapers have been filled with pictorial and printed stories to show that a great outrage has been committed. But back of all this furor has been a purpose, starting with using the names of old, decrepit soldiers to promote this civil-pension proposition. This propaganda has been apparently managed by one Fulton R. Gordon, a gentleman whose time seems to be chiefly employed in promoting various schemes out of which he gets a lot of free advertising, even though he may get nothing else.

Mr. GALLINGER. I did not understand the gentleman's name. Will the Senator repeat it?

Mr. STONE. Fulton R. Gordon.

Mr. GALLINGER. He is a lawyer here.

Mr. STONE. He has a long tin horn which he toots from day to day, gathering promiscuous crowds before whom he

shows himself that he may exploit his beneficent deeds arduously done for the public good.

One of his fads now is the civil-pension fad, his noble purpose being to organize and lead on a valiant fight to pension a great body of people who have been in the civil service of the Government, drawing salaries, for many years. For evident reasons we know it is not a difficult task to arouse a responsive sentiment in Washington to a movement of that kind.

When this story about the discharge of these old soldiers was started Mr. Gordon was in the front of it, clamoring for the restoration of these scarred veterans of war, and hoping out of the fuss and fume to find a chance for promoting his larger scheme for a civil-pension law.

On Monday night last a meeting was held here in Washington to consider this whole subject, over which Mr. Gordon presided as permanent chairman. According to the press reports, he was full of ardor and the glowing fire of a great enthusiasm. He made a speech to this meeting, from which I quote:

We are going to take this battle to headquarters. We are not going to allow these old men to be made the sport and toy of politicians. Furthermore, we will not allow the aged civil-service employees of Washington to be the coin with which political debts may be paid back home.

He speaks with the high tone of one in authority. He is dictatorial, and seems determined, willy-nilly, to force Congress into obedience. Whether there is merit in this propaganda, I will not say. Indeed, there may be. We can better discuss that, however, after Mr. Gordon has marched in under the dome of the Capitol and laid down his ultimatum at the door of the Senate. I wish now merely to say that it is easy to make a noise if men are permitted to invent their facts, to exaggerate and discolor the truth, and can find sympathetic newspapers to do the necessary exploiting. The sensational publications with which this community and other communities have been recently flooded have led many people to believe that 18 or 20 old soldiers had been, in fact, peremptorily and arbitrarily dismissed from the service of the Post Office Department since the 4th day of last March. That impression has been scattered through the country. Now, what are the real facts? Not a soldier—not one—has been dismissed or demoted in the Post Office Department since March last. Not only so, but, with one exception, not a soldier who ever served in any war on any side has been dismissed or demoted in the Post Office Department since Woodrow Wilson was inaugurated as President on March 4, 1913. The one exception was that of George Marshall, a colored laborer in the department, who served in the Spanish-American War. He was demoted from \$720 per year to \$660 per year as a disciplinary measure because he had been guilty of the excessive use of intoxicants; but this demotion was with the understanding that he would be restored to his former grade at the expiration of two months provided he should abstain from the use of liquor. Accordingly on May 24, that being the end of the two months' period, he was restored to his former position. That is the only instance of the dismissal or demotion of an ex-soldier serving in the Post Office Department during this administration.

Now, as to the Washington City post office. This post office, of course, stands on the same plane of any other city post office. The postmaster, Mr. Praeger, reports that since March 4, 1914, six Union soldiers employed in the city post office have resigned, two have been dropped from the rolls, and one reduced from \$1,000 to \$800 per year; also, that one ex-Confederate soldier had been reduced from \$1,000 to \$800 per year. That covers the whole case since March 4, 1914. Prior to that only one other ex-soldier serving in the Washington City post office had been dismissed or demoted since the incoming of the Wilson administration. That one was Henry L. Johnson, whose salary was reduced in 1913, when the postmaster was a Republican. This reduction was based on charges contained in a letter from Mr. Fulton R. Gordon—the same Gordon who now cries out so vociferously against the crime of demoting an employee who has ever served in the Army of the United States.

From all this it will be seen that since this administration began, 15 months ago, 6 ex-Union soldiers have resigned, 2 have been dropped without their consent, and 2 have been demoted, making 10 in all. One ex-Confederate soldier has also been demoted, as I have stated. There are very few ex-Confederates in the departmental service or in the city post office. Postmaster Praeger states in his letter to the Postmaster General, printed in Monday's Record, that all these changes, except in the case of Henry L. Johnson, demoted on Gordon's charges, resulted from a necessary reorganization of the Washington City post office, when a large number of changes were made in the clerical force, the reasons for which are clearly stated in Mr. Praeger's letter. I will ask leave to print as a supplement to these remarks a table furnished by Mr. Praeger, explaining in each individual case why the changes were made.

An examination of this table will show that, considering the number of ex-soldiers employed in the Washington post office, the per cent of soldiers affected by the reorganization was small. So much for the facts.

Now, I wish to make a few general observations with reference to this matter. I cordially agree that the Government and people of the United States should deal generously with the men who have endured suffering and honorably imperiled their lives in the military service of the United States. No matter in what war our soldiers fought, it is the patriotic duty of the American people to care for them with tender and generous hands; and that, happily, this Government and people have done. No other nation in the whole history of the world has ever even approached the liberality which this Nation has displayed in caring for those who have fought and suffered under the American flag. We have allowed liberal pensions not only to the men who wore the national uniform, but to their widows and dependents even unto the second and third generations. Pensions have been allowed not only to those who served in the regular organizations in times of war or peace, but also to many who, when the stress of war was on, rendered service to the Government outside of any regular organization. Thousands upon thousands of special bills have passed Congress to pension men who could not establish a legitimate claim under the terms of the law. Since 1866 the United States have paid out in pensions \$4,586,966,346.

In 1913 \$176,714,907 were appropriated for the current fiscal year, and the report of the Commissioner of Pensions for that fiscal year shows that there are on the pension rolls at this time 820,200 persons, and this more than 50 years after Fort Sumter was fired upon. In addition to that, the United States have established 10 or 12 homes and branch homes for Federal soldiers in different parts of the country. These soldiers' homes are established on a magnificent scale. One of them near this city embraces a broad, picturesque domain of several hundred acres beautifully improved in every way, and with quarters on a splendid scale for the accommodation and comfort of the inmates. Recently I had occasion to visit the home at Hampton, Va., on the shores of Chesapeake Bay, which is one of the most beautiful and attractive spots in all the South. No expense is spared to make these places real and attractive homes for the old men who enjoy their hospitalities. For the support of these establishments we appropriated for the current fiscal year ending June 30, 1914, the munificent sum of \$3,981,265. In addition to this, many of the States have provided State homes, run, for the most part, at State expense, as agreeable habitations for the old soldiers living within their borders. We have one such home in my State of Missouri. For this Federal soldiers' home the State makes annual appropriations. The General Government aids the States in the maintenance of these establishments. During this fiscal year we have appropriated for that purpose \$1,200,000. Altogether, for the support of soldiers' homes, State and National, we are now appropriating out of the Federal Treasury between \$5,000,000 and \$6,000,000 per year. In addition to all that, we have enacted laws which give to old soldiers in the civil employment of the Government privileges and preferences not common to the people at large. Yes, Mr. President; the American people have been appreciative of the services rendered the country by the men who have borne arms in its defense. Far from begrudging this generous action, I applaud the patriotic American spirit which has prompted it.

But, Mr. President, we have no civil pension law nor civil pension list—at least, not yet. It may be that in the near future the Government, moved thereto by Fulton R. Gordon and like effervescent patriots, will be prevailed upon to load an additional burden of multiplied millions upon the taxpayers for the support of men and women who have long been favored with positions with good salaries in the civil service of the Government. But so far civil pensions have not been authorized; but to the contrary we now have, at least for the regulation of the Post Office Department, a law against civil pensions. By an act of Congress approved April 1, 1909, it is provided that—

The establishment of a civil pension roll or an honorable service roll, or the exemption of any of the officers, clerks, and persons in the Postal Service from the existing laws respecting employment in such service, is hereby prohibited.

Now, what would you do with an old soldier employed in the civil service who becomes incapacitated? What would you do with a man who becomes mentally or physically so infirm as to be unable to perform with efficiency the duties of the place he may hold? Suppose a man should be paralyzed so that he lost the use of both hands and arms, what would you do with him? Suppose one became stone blind in both eyes, what would you do with him? Suppose one became old, infirm, and so utterly deaf that he could only be communicated with by writing, what would you do with him? Suppose one should be afflicted

with a contagious or infectious disease, such as malignant cancer, what would you do with him? Such cases are cited by the Washington City postmaster in his communication printed in the RECORD. Would you allow these unfortunate men to hold their desks nominally, and crowd them into rooms occupied by numerous associate clerks and maybe subject them to the danger of disease? What would you do in such cases? If a man is incapable of performing the service for which he is employed, but is still kept on the pay roll, would not that be in effect a civil pension—a civil pension added to his military service pension—and would that not be in violation of the statute of 1909, which I have quoted? Of course, we sympathize with those who have grown old, infirm, and incapacitated, whether they have served in the Army or not; but there is no provision made by the law to care for them, except in the case of soldiers who draw a pension for military service and who can enter a soldiers' home if necessary. In the meantime it should not be forgotten that the public work must go on if the Government is to be effectively administered. If a man who can not perform the duties of his position is kept at his post, then the public service must suffer. If the work committed to an employee, man or woman, is important, then it must be efficiently performed, or else the public service will be impaired. If the work is useless or unnecessary, then it would be a waste of public funds to continue it. The executive departments were not intended to be eleemosynary institutions. Mr. President, men should be reasonable, and I think the people generally will be reasonable, about matters of this kind. Strive as they may, it will be a difficult task for any set of men to inflame the public mind against the Government or the administration, when only things reasonable and fair and just are done. In this connection it is apropos to call attention to this provision of an act approved March 4, 1913, as follows:

That the appropriations made for the officers, clerks, and persons employed in the public service shall not be available for the compensation of any persons incapacitated, otherwise than temporarily, for performing such services.

Is not that a proper and just law, and is it not in the public interest? Mr. President, partisanship may cut fantastic capers before the country, but not many people will be misled by fustian intended to deceive. The people are quick to detect a pretense. One might suppose from the sensational partisan accounts printed during the last month that no old soldiers had ever been dismissed or demoted, and that no resignations had ever been accepted, until since the Wilson administration was inaugurated; but all these things were done under Taft, under Roosevelt, and under previous administrations. I hold in my hand a list showing the demotion in 1911 of 15 old soldiers in the Post Office Department alone. I ask leave to insert this table at the end of my remarks.

The VICE PRESIDENT. Without objection, permission to do so is granted.

The paper referred to will be found at the end of Mr. STONE's remarks.

Mr. STONE. Mr. President, these 15 demotions of Civil War veterans occurred, mind you, not in the Washington City post office, but in the Post Office Department itself, and occurred under a Republican Postmaster General; and here I call special attention to the fact that on July 1, 1913, 2 of the 15 men demoted—L. S. Mortimer and A. Anderson—were restored by Postmaster General Burleson to their former positions and salaries. No one heard any roar from Fulton R. Gordon or Dr. Cleson or any other man about these demotions in 1911, nor did you hear any roar from anybody about demotions, dismissals, or resignations in the Post Office Department or any other department during any year of former Republican administrations. Of course not, for that was a gray horse of another color. It appears to have been all right in the estimation of these men and papers who assail Gen. Burleson if a Republican Postmaster General demoted or fired employees who had seen service in the field.

Mr. GOFF. Mr. President—

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

Mr. STONE. Yes.

Mr. GOFF. Does the table to which the Senator from Missouri alludes, relative to the resignation of these soldiers, give information as to the number of requests for resignation that were made during the present fiscal year?

Mr. STONE. No; I think not. The table contains several columns under proper headings, stating the facts.

Mr. GOFF. I desire simply to know whether or not the information which the Senator has shows the requests that were made by the department for resignations?

Mr. STONE. I will undertake to say that the department has not requested the resignation of any man.

Mr. GOFF. I mean, as a matter of course, those in authority over the parties who did resign.

Mr. STONE. The table, to which I suppose the Senator from West Virginia refers, was prepared by Mr. Praeger, the postmaster of Washington City, which I have asked and obtained leave to insert at the end of my remarks, and which, of course, the Senator may examine.

Before closing there is one other thing of more immediate concern to the Senate to which I might allude. When some 14 or 15 years ago the Republicans regained control of this body they speedily fired Democratic Senate employees, whether ex-soldiers or not, and substituted Republicans. Only the other day—in fact, during the present week—an old ex-Civil War veteran from Ohio, who was severely wounded in battle, told me that he was dismissed from the position he held as a Senate employee to make room for a Republican ex-soldier whom Senator Dick, of Ohio, desired to have appointed. The name of this soldier is James W. Byrne, now residing in Washington. He is a Democrat, and he told me that he was discharged solely to make room for a Republican. After you Republicans had about cleaned the platter, and when at a later period the weather began to grow squally for you and Democratic prospects were brightening you passed this resolution in the Senate:

Resolved, That the Secretary of the Senate and the Sergeant at Arms of the Senate are hereby directed to retain in the employ of the Senate those persons who served in the Union Army during the late Civil War and whose service in the Senate is necessary and satisfactory and who are not otherwise provided for, and to continue such persons in their positions until cause for their removal shall have been reported to and approved of by the Senate and their removal directed.

July 11, 1911, is the date of that resolution. When the Democrats recovered control of the Senate, on March 4, 1913, we found 30 ex-Federal soldiers on the Senate pay rolls. Since then 2 of these 30 employees have voluntarily resigned and 2 have died. Of the remaining 26 only 1 is a Democrat and 25 are Republicans. But we have let the resolution of 1911 stand. We have made no effort to repeal it or to modify it. These 25 Republicans remain, although some of them are so old and feeble that long leaves of absence have been necessary and have been granted. Still they have been retained on the roll. This situation affords a striking contrast and shows how much greater consideration Democrats pay to old soldiers, without regard to politics, than Republicans accord them.

Mr. President, all these things are well calculated to make reasonable men who believe in fair and honorable fighting exceedingly fatigued and somewhat painfully weary over such outbursts as have recently regaled our ears. I wanted to say this much so that the Senate, the press, and the country might have some reliable information respecting these matters about which such a hullabaloo has been made. And yet, after all, I can not much blame Republicans. Since they are so hard pressed and can find no serious mistakes to criticize and no large things to complain of, they must of necessity invent something, even though very small, to quarrel with us about. But, as usual in such cases, the "thunder in the index" dwindles into a low, muffled growl as the story unfolds under the subduing light of truth.

The matter referred to by Mr. STONE is as follows:

Reductions of Civil War veterans during the year 1911, Post Office Department.

Name.	Date.	From—	To—
J. B. Moulton.....	Jan. 1, 1911	\$1,400	\$1,200
W. E. Nye.....	do.	1,400	1,200
D. M. Gould.....	Mar. 16, 1911	840	720
C. B. Diekey.....	do.	2,000	1,800
L. S. Mortimer.....	do.	1,600	1,400
H. A. Kelly.....	Dec. 16, 1910	2,000	1,600
H. Sherwood.....	Mar. 16, 1911	1,900	1,400
A. Anderson.....	do.	1,400	1,400
J. E. McCabe.....	do.	1,600	1,400
J. Burroughs.....	Oct. 1, 1910	1,800	1,200
W. A. MacNulty.....	Mar. 16, 1911	1,600	1,200
A. H. G. Richardson.....	Jan. 1, 1911	1,600	1,400
E. L. Richmond.....	Jan. 1, 1911	1,600	1,400
G. W. Smith.....	Mar. 16, 1911	1,600	1,400
S. R. Stratton.....	do.	1,400	1,200

* Promoted July 1, 1913, to \$1,600.

* Promoted July 1, 1913, to \$1,400.

MAY 23, 1914.

HON. POSTMASTER GENERAL,
Washington, D. C.

Sir: Supplementing my letter of this date, giving the information called for in the Senate resolution of May 23, I herewith transmit a complete list of all demotions and separations from the service resulting from the reorganization of the Washington post office. In this connection I would call attention to the fact that the ratings given are misleading and valueless as an indication of the value of the employee to the Postal Service, inasmuch as the ratings generally took into consideration the past history and past standing of the superannuated employees, particularly war veterans.

The complete list is hereto attached.

Very respectfully,

OTTO PRAEGER, Postmaster.

EMPLOYEES RESIGNED.

Name.	Salary.	Age.	Years of service.	Rating.	Character of work.	Remarks.
Mrs. Grace W. MacPherson...	\$1,000	46	13	75	Addressing pay envelopes.....	Stricken paralysis Oct. 2, 1912, and only partially recovered. Services of no value: kept on pay roll for half-day service from Apr. 28, 1913, to May 15, 1914. All her work had to be reviewed. Transferred from Moorestown, N. J., Sept. 1, 1900.
Mrs. May Barlow.....	900	72	(1)	(*)	Lightest work in directory service and stamping postmaster's name on cards.	Services entirely valueless and work unsatisfactory. Transferred from Post Office Department Oct. 30 1913.
Bliss N. Davis.....	1,800	43	(9)	(9)	1 of 2 assistant superintendents in money-order division.	Efficient, but unnecessary to the service and no place to put him. Transferred from Post Office Department July 1, 1913.
William A. Hutchins.....	1,200	77	19	84.8	Stamp clerk at Station A.....	Position abolished and services unnecessary. Appointed Nov. 24, 1891.
Mrs. Elizabeth Mainwaring..	1,000	38	(1)	61.2	Directory searcher.....	Inefficient and services unnecessary. Excessive number of clerks on this work. Transferred from Post Office Department Oct. 8, 1913.
Mrs. Jennie W. Coleman.....	900	56	(1)	69	.....do.....	Same remarks as next above in every particular.
Miss Augusta L. Smith.....	1,100	47	11	82	.....do.....	Services unnecessary. Appointed Feb. 27, 1903.
Reuben T. Reeve.....	1,200	77	14	57.9	.....do.....	Services unnecessary. Transferred from Nyack, N. Y., July 1, 1899.
Miss Mary R. Sheets.....	1,000	71	12	85	.....do.....	Services unnecessary. Position abolished. Transferred from Philadelphia, Pa., Jan. 2, 1902.
Wm. E. Tew.....	500	74	37	78.4	Cutting table.....	Services unnecessary. Incapacitated by complete deafness and age. Appointed Dec. 13, 1878.
Samuel R. Strattan.....	1,200	74	(1)	85	Work in "Nixe" room, on misdirected packages.	Unnecessary. Transferred from Post Office Department, Oct. 8, 1913.
Gustav A. Knabe.....	1,000	70	31	65	Custody and care of hand stamps for postmarking mail, etc.	Services unnecessary. Appointed June 13, 1882.
Augustus Ridgely.....	1,100	78	51	69.1	Work in "Nixe" room, on misdirected mail.	Inefficient, due to advanced age. Appointed January, 1863.
Joseph Randall.....	1,200	77	47	84.6	Cutting table.....	Services unnecessary. Appointed May, 1867.
William W. Nottingham.....	1,200	65	31	80	Canceling and dispatch of mails.....	Services unnecessary. Appointed Mar. 22, 1883.
J. J. B. Lerch.....	900	81	51	59.2	Opening and distributing sacks of "Nixe" mail matter, and helping on returning undeliverable mail.	Unsatisfactory and unnecessary. Incapacitated by age. Appointed Apr. 13, 1863.
Andrew A. Davis.....	720	74	11	88.5	Picking up paper from approaches to building.	Inefficient by reason of advanced age and infirmities. Appointed Sept. 15, 1902.
Guylott W. Bird.....	720	77	14	90	Watchman in carpenter shop.....	Unnecessary and incapacitated by age. Appointed Sept. 1, 1899.

EMPLOYEES DROPPED.

Dean, George.....	\$1,200	69	41	88	Cutting table, and reviewing mail for Senators and Representatives.	Incapacitated by affliction. Also, services unnecessary. Appointed Sept. 5, 1872.
William W. Mills.....	1,200	77	42	88	Cutting table, and carrying inward letter mail to distributors.	Incapacitated by affliction. Also, services unnecessary. Appointed Apr. 9, 1872.
Charles White.....	720	68	21	75	Laborer at station.....	Services of little or no value, due to advanced age and infirmities. Appointed Aug. 22, 1892.

¹ Only 7 months.

² No rating, on account of short period of service in this office.

³ Only 11 months.

⁴ No rating; supervisory officers not rated.

⁵ Transferred to post office at Alexandria, Va., May 15, 1914.

EMPLOYEES REDUCED IN SALARY.

Name.	Former salary.	Reduced to—	Age.	Years of service.	Rating.	Character of work.	Remarks.
George T. Galleher.....	\$1,100	\$800	68	22	85	Witness in opening remittance letters.	Overpaid for character of service rendered. Appointed July 11, 1881.
John J. Hill.....	900	800	71	39	70	Watchman, special delivery section...	Overpaid. Incapacitated by age and physical infirmities. Appointed May 1, 1875.
Harrison Wilson.....	900	800	73	31	70	.....do.....	Overpaid and incapacitated by age. Appointed Sept. 15, 1882.
John N. Mitchell.....	1,100	800	77	44	85	Employed in inquiry section on simple work.	Overpaid for character of service rendered. Appointed July 1, 1859.
Edward L. Rosse.....	1,400	1,200	63	30	99.8	Clerk, Registry Division.....	Overpaid for character of work performed. Transferred from Patent Office June 11, 1833.
Miss F. L. Hamilton.....	1,400	1,200	66	46	100	.....do.....	Overpaid for character of work performed. Appointed June 1, 1863.
Joshua Gideon.....	1,000	900	54	29	68.8	Clerk, Registry Division, on simplest kind of work.	Overpaid for character of service rendered. Appointed Aug. 1, 1834.
John B. Quay.....	1,200	1,000	60	2	87.2	Clerk, Station C.....	Overpaid for character of service rendered. Transferred from Baltimore, Md., Mar. 28, 1912.
Edward Rouser.....	1,200	1,000	44	22	83.5	State distribution.....	Overpaid for character of service rendered. Appointed June 6, 1892.
Philip W. Shippen.....	1,200	1,000	57	26	80.8	State distribution.....	Overpaid for character of work performed. Appointed Aug. 17, 1887.
William T. Hutchinson.....	1,200	1,000	61	31	75.3	Primary separation and dumping paper mail.	Overpaid for character of work performed. Appointed Feb. 15, 1883.
Henry A. Minor.....	1,100	900	54	22	80	State distribution, Station H.....	Same as above. Appointed Aug. 5, 1891.
Edwin Campbell.....	1,100	1,000	69	32	95.5	Box section, Delivery Division.....	Same as above. Appointed Aug. 1, 1881.
Orville T. Putnam.....	1,000	800	71	11	75	General station work.....	Efficiency impaired. Appointed May 1, 1903.
William M. Kennedy.....	1,100	900	55	29	80	Cutting table.....	Overpaid for character of work performed. Appointed July 15, 1884.
Herman W. Davis.....	1,200	1,000	66	40	90	Distributor.....	Overpaid for character and quality of service rendered. Appointed July 7, 1873.
William Witte.....	1,100	900	50	21	95	Watchman.....	Overpaid for character of service rendered. Appointed July 26, 1832.
John Holland.....	1,200	900	58	31	82.2	Distributor.....	Overpaid for character and quality of work performed. Appointed Apr. 1, 1883.
Allan R. Searle.....	1,100	900	57	22	88.1	Cutting table.....	Overpaid for character of work performed. Appointed Aug. 12, 1891.
James Holmes.....	1,100	900	60	11	85	.....do.....	Same as above. Appointed Dec. 29, 1902.
Henry Hood.....	\$1,100	\$900	43	13	86.5	.....do.....	Overpaid for character of work performed. Transferred from Niles, Mich., July 1, 1903.
James F. Johnson.....	1,000	900	57	31	80	Messenger and utility.....	Overpaid. Appointed Apr. 18, 1883.
John Biddle.....	1,200	1,000	66	40	89.3	Directory searcher.....	Efficiency impaired by advanced age. Appointed July 1, 1873.
Anthony L. Dennison.....	1,200	900	49	27	89.9	Abbreviated distribution.....	Overpaid for character and quality of work performed. Appointed Dec. 15, 1883.

EMPLOYEES REDUCED IN SALARY—continued.

Name.	Former salary.	Reduced to—	Age.	Years of service.	Rating.	Character of work.	Remarks.
William R. Williams.....	\$1,200	\$900	38	8	91.8	State distribution.....	Overpaid for character of work performed. Transferred from Norfolk, Va., Sept. 16, 1905.
Charles C. Miller.....	1,200	900	52	14	85.9	.....do.....	Same as above. Appointed Oct. 4, 1899.
Percival Marshall.....	1,200	900	40	15	90.8	Minor station work.....	Overpaid. Appointed Dec. 1, 1898.
Harry L. Walcott.....	1,200	1,000	52	32	74.7	Simple distribution.....	Overpaid. Appointed Apr. 1, 1882.
Charles W. Seville.....	1,100	1,000	43	19	93.6	.....do.....	Overpaid. Appointed Feb. 9, 1894.
Thomas W. Short.....	1,000	900	43	(?)	85	State distribution.....	Overpaid for character and quality of work performed. Transferred from Post Office Department Nov. 5, 1913.

¹ Only 7 months.

Mr. SMOOT. Mr. President, I think the Senator from Missouri [Mr. STONE] will acquit me of any intention whatever of inflaming the mind of the public or of any particular class of people against the administration. What I have said in relation to the demotion and the discharge of old soldiers—and I now wish to say that I have said very little, indeed—I have said, because I think that a wrong has been done them. I know that I never would treat men who worked for me as long as some of the men discharged have worked for the Government in such a way as they have been treated by the Government, nor would I think, if men had saved my very existence, as the old soldiers did the existence of our Nation, of ever discharging them from my service so long as I had the power to give them employment.

Mr. President, I have read the report made in answer to the resolution of the Senator from Washington [Mr. JONES], and I want to call the attention of the Senate now to the cases reported by the Postmaster General of dismissals and demotions. I shall call them to your attention in detail, but before doing so, I want to call attention to a law that has been passed by Congress, later than the one that was read by the Senator from Missouri, referring particularly to the employment of old soldiers by our Government.

This is the law:

Provided, That in the event of reductions being made in the force in any of the executive departments no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped, or reduced in rank or salary.

Any person knowingly violating the provisions of this section shall be summarily removed from office, and may also upon conviction thereof be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year.

Mr. President, let us take the names of the ex-soldiers who have been dismissed from the service, not in the Post Office Department but in the city post office, as stated by the Senator from Missouri.

Mr. STONE. Mr. President, will the Senator yield to me for a moment before he does that?

Mr. SMOOT. Certainly.

Mr. STONE. The law the Senator read is contained in a proviso in the legislative, executive, and judicial appropriation bill, is it not?

Mr. SMOOT. Yes; of the date of August 23, 1912.

Mr. STONE. It is an appropriation bill. The Senator will observe that it forbids, under penalties, the removal of any soldier serving in one of the executive departments. That is the language of the law. It does not, by any fair construction, relate to the post office.

Mr. SMOOT. Mr. President, the law does not say "executive departments." The law specifically says:

No honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary.

Mr. JONES. Mr. President, will the Senator permit me a word?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. JONES. The first part of the section of which the proviso the Senator read is a part is as follows:

SEC. 4. The Civil Service Commission shall, subject to the approval of the President, establish a system of efficiency ratings for the classified service in the several executive departments in the District of Columbia based upon records kept in each department and independent establishment—

Mr. SMOOT. Yes; "independent establishment."

Mr. JONES (reading)—

With such frequency as to make them as nearly as possible records of fact.

Then the proviso appears at the close of that section.

Mr. SMOOT. Which, of course, includes the Washington City post office.

Mr. JONES. It includes everything.

Mr. SMOOT. Now, I want to call attention to the name, the age, the length of service, the efficiency rating, and the

action taken in each of the cases referred to by the Senator from Missouri, and let the Senate decide for itself whether these men should have been dismissed from the service upon the rating that has been given them. I wish also to call attention to the fact that this rating has been given to them since this administration has been in power.

Take William E. Tew. His age is 74. His length of service is 37 years. His rating is 78.4. "Resigned."

Now, I want Senators to understand that these resignations were not given because the old soldiers desired to resign. They were requested.

Mr. STONE. I should like to ask why they resigned, if, as the Senator contends, the law making it a crime to dismiss them applied to the city post office. Of course I insist that the law does not apply to the city post office, for it says specifically, in words, that they shall not be dismissed from the executive departments.

Mr. SMOOT. No, Mr. President.

Mr. STONE. I have it right before me, and the language is as I have stated.

Mr. SMOOT. Mr. President, if the Senator will allow me to conclude, I am perfectly willing that he shall put in the Record the exact words of the law. They have already been put in the Record by the Senator from Washington; and I am perfectly willing to have Senators judge whether that language applies only to the executive departments or whether it applies to all of the departments of the Government, including the independent establishments.

Mr. STONE. But the Senator ought not to make such a statement, and insist upon it, when the very language of the law is, "in the event of reductions being made in the force in any of the executive departments."

Mr. SMOOT. I will let the law speak for itself, just as it reads.

Now we will take Samuel R. Strattan. His age is 74. The report says he has a length of service of seven months, with an efficiency rating of 85; "resigned." What are the facts? Mr. Strattan has been in the employment of the Government for nearly 20 long years, working in the dead-letter office in this city. Only seven months ago he was transferred from the dead-letter office to the Washington City post office, and, of course, the record shows that he served only seven months, whereas every Senator who knows him knows that he has been here nearly 20 years, and knows that he is an efficient man. Why, his very rating of 85 proves that he is efficient, and yet he is classed as one who "resigned."

William A. Hutchins; age 77; length of service, 19 years; with a rating of 84.4 per cent.

Joseph Randall; age 77; length of service, 47 years; with a rating of 94.6 per cent.

Mr. SMITH of Michigan. In what department?

Mr. SMOOT. In the Washington City post office, with a forced resignation.

Mr. GALLINGER. Did I understand you to say that those ratings have been recently made?

Mr. SMOOT. They have. All of the ratings have been given since this administration has been in power.

I am not going to go into the record of all, because there is no need of taking the time of the Senate to do so; but I do not believe there is a Senator in this Chamber who will say that a man holding a rating under the civil service of 94.6 per cent is inefficient—

Mr. GALLINGER. With a Democratic commission.

Mr. SMOOT. Or that he should be dismissed, or virtually dismissed, from the service of our Government.

It is true that one of the old soldiers is deaf, and perhaps it is true that every order that is given him by his superior must be given to him in writing. I want to say to the Senators that it was fighting for the preservation of the Government, and it was the roar of cannon that caused that affection. Now,

for efficiency's sake, for economy, this man who offered his life for his country, and through that service brought an affliction of deafness upon himself, must, because there may be a younger and more capable man, be demoted and driven from the service of this Nation.

Mr. President, where a man has worked for this Government, and is a soldier of the Civil War, with a service of 47 years, and there is not a charge against his character, and during that whole time his rating has been good, I do not believe there is a community in all the United States that would justify his dismissal from the service of the Government.

Is it only in the city post office? If it were only these few that I have named, this whole question might have been called a "tempest in a teapot"; but I wish to say to the Senate that it is in nearly all the departments of this Government. Not only that, but it is in the Senate itself.

It is true that there were 30 old soldiers in the service of the Senate when the Democratic Party came into power, and it is true that those who have not resigned and those who have not died are still in the service of the Senate; but what is their position? Every one of them, with the exception of four, has been demoted—demoted from the highest salary of \$2,500 to \$1,440; from a salary of \$2,250 to \$1,200; from a salary of \$1,440 to \$720.

Mr. President, we find right at the doors of this Chamber men who have served in the Civil War, who were wounded in that war, with a service in the war of three years and a service in the Government of nearly a quarter of a century, drawing salaries of \$840 a year, while others, doing exactly the same work, guarding the same doors, are drawing salaries of \$1,440. It is not that the old soldier who is drawing the \$840 does not attend to the doors as well as anyone else, for he does, but it is a change made by the powers that be.

Mr. President, the Senator referred to the fact that there is no law for paying a man when he is inefficient and when he is incapable of performing his duty. How many Senators are there in this body now who do not remember, only three years ago, when there was a committee appointed by this body to consider the question of patronage. Do you not remember that the report to the Senate showed that there were certain individuals who never served one day in the year, who were continually away from Washington, who were drawing a salary? I remember when the vote was taken upon the continued payment of wage to John Jones. He was not in the city; he was absolutely incapable of doing any work; but because he was the bodyguard of Jeff Davis he was allowed to draw his salary, and is drawing it to-day.

If we are going to economize, I believe we ought to begin with the legislative appropriation bill, which will be considered by this body in a very few days, and strike from that bill clerks of Senators who spend very little time in the city of Washington. If we must have economy, let us not begin with the old soldier. Let us not cut him off. I believe the Senator from Missouri himself, if he had a man working for him as long as these men have worked for the Government, would be inclined to take care of him, particularly if he had saved the Senator's home or his family.

The Senator asks, "What would you do with an old soldier who has become physically incapable of performing his labors?" Mr. President, the report that is made to the Senate of the United States from the Post Office Department does not show that they are incapable of performing their duties. A man who holds a rating of 94 per cent is capable of performing his duties. I want to say frankly to the Senate and to the country that as far as I am concerned every old soldier would be kept in his position, even if some other person had to supervise his work, as intimated is the case in the report.

Mr. President, I want to say to the Senate that I have told the people of the intermountain country more than once that the expense of running this Government is greater than it ought to be; I have told them that it could be cut in many departments; and when I called their attention to the fact that there is one class of citizens in the Government service who perhaps could be discharged and others more competent employed and make a saving to the Government, but that was a class who saved this Nation, men in the departments with one arm, with one leg, with one eye, and in no instance has there been a single one who ever objected to the money paid to the soldiers of the Civil War by our Government.

I wish to say to the Senator that the honorary Senate roll of the Senate, created nearly a quarter of a century ago, is not composed of all Republicans. When I first came into the Senate a third of those on that roll were Democrats, and they have remained on the roll until death came to them, and I

believe the Senate as a whole think they should have remained until they resigned or death took them to the great beyond.

Mr. President, I do not think that this question ought to be a partisan one. What I am saying here to-day is not a criticism of the party in power. I believe when the attention of the country is called to it this administration will rectify the wrong and see that these old soldiers are taken care of as long as they live. If we do that nobody will complain, no citizen of the United States will object.

Mr. President, there is not an appropriation bill passed at this session of Congress that with only a part of the appropriations for many items would pay the salary of every old soldier in the Government service, and as far as I am concerned I would just as leave see the money go to taking care of them in their last days, and a great deal more so, than to have the hundreds and thousands and millions of dollars appropriated for the eradication of imaginary bugs.

Mr. President, the happiness of an old soldier to me is just as dear as the happiness of a man who might have saved my home or my life, and I want, for one, to protest against any movement on the part of Congress to demote or dismiss them from the service.

I hardly think, Mr. President, that I will say more to-day. I want it understood that I have not the least feeling in my heart against anyone, and I only speak because I believe an injustice has been done to these few old men. I trust, as I stated before, that when attention is called to it it may be rectified.

Mr. JONES. Mr. President, I introduced this resolution simply for the purpose of getting the facts. I was not consulted by anyone before it was done. I had seen these statements and charges in the papers with reference to the discharge and demotion of soldiers in the Post Office Department and in the city post office, and I wanted to get the facts. It was not done to further any civil-pension propaganda or anything of the kind.

The Senator from Missouri has suggested that this is a political or partisan matter. I want to say that until he suggested it it never entered my mind, as far as that is concerned. There ought not to be any partisanship about it. There ought not to be any politics in it; and, if there should be any politics developed from it, it will come probably from what the Senator from Missouri has said and suggested and those who try to justify the acts taken and excuse the facts that appear to exist.

The resolution called for the facts. Some have asked why the resolution is confined to the time since the 4th of March of this year. The only reason why it was done was that no suggestion of any improper discharges or demotions or transfers had been made until lately, and that date was supposed to cover all the necessary facts in connection with this controversy. The fixing of that date had no significance whatever. If any suggestions had been made of improper transfers or demotions or discharges before that time—even a year or two years back—I should have been glad to have covered that time, because it would not make any difference to me what administration is in power with reference to a matter of this kind.

It seems to me that the facts as disclosed by this report show that injustice has been done to some of these soldiers, and that our Democratic friends and the administration should be just as anxious to rectify it as I am, because in nothing that I shall suggest shall I intimate that they are any more unfriendly to the old soldiers than anyone else. I hope they regard him and his services and sacrifices as highly as I do.

Attention has been called to the record by the Senator from Utah [Mr. SMOOT]. I want to reiterate it and to call attention to two or three or more of these discharges and as to what the ratings here show, because as to whether or not the soldiers were efficient and whether their discharge is justifiable will appear from the record itself. If we take the facts that have been sent to us by the department, it seems to me that they show clearly that an injustice has been done whether intentional or not.

Here is George Dean, who was dropped. He has been in the service for 41 years and his rating is 83. The statute says that if the rating is good the old soldiers shall not be dropped. I assume that that rating of 83 would be considered as good.

Mr. LEE of Maryland. Mr. President—

The PRESIDING OFFICER (Mr. JAMES in the chair). Does the Senator from Washington yield to the Senator from Maryland?

Mr. JONES. Certainly.

Mr. LEE of Maryland. I should like to ask the Senator two questions. The first is, are not these ratings made upon past services going back 30 or 40 years?

Mr. LODGE and Mr. JONES. Oh, no.

Mr. LEE of Maryland. I was so advised by the department, and that these ratings do not show the present efficiency. I should like to ask—

Mr. LODGE. The rating is made from year to year. They are given fresh every year.

Mr. LEE of Maryland. There is a fresh statement every year, but based upon considerations that go back for many years.

Mr. LODGE. The Senator is mistaken. The ratings are made from year to year. They do not make them 40 years back.

Mr. LEE of Maryland. But are they not made upon that basis? That is the question.

Mr. LODGE. They do not average them.

Mr. JONES. I understand that the ratings are based on service and the capacity for service not 40 years past, but the present. Under the law that we passed in 1912 we require the Civil Service Commission to "establish a system of efficiency ratings for the classified service in the several executive departments in the District of Columbia based upon records kept in each department and independent establishment, with such frequency as to make them as nearly as possible records of fact." That must mean records of fact up to date, not 40 years ago, and under this law these ratings must have been made.

Mr. LODGE. If the Senator will allow me, in the city post office the ratings are constantly made, because the promotions are automatic and according to the ratings.

Mr. SMOOT. It may be one thing one year and another thing another year.

Mr. LODGE. Yes; it may be one thing one year and another thing another year. They do not average the ratings over a period of 40 years anywhere.

Mr. STONE. Postmaster Praeger states in his communication that the ratings cover the entire service and are based upon that.

Mr. JONES. They must be based upon the existing capacity of the employee. We have no right, it seems to me, to assume anything else.

Mr. LODGE. One of the men had been only seven months in the department, and his rating must have been for seven months. It could not have been for anything else.

Mr. LEE of Maryland. Obviously different facts are presented here, because I am advised by the assistant postmaster that the ratings go back over a large number of years and do not necessarily show present efficiency. That is a subject to be inquired into.

Mr. President, there is one other question—

Mr. LODGE. Does the Senator mean to tell the Senate that the ratings are averaged?

Mr. LEE of Maryland. That is what I have just been told by the assistant postmaster.

Mr. LODGE. The assistant postmaster is mistaken. They do not take the average for 1900, 1901, 1902, 1903, and then average them for 1914. They do not average the rating; at least they never did before. Probably the present man is doing it. I should think he is capable of it.

Mr. LEE of Maryland. The service for a number of years is considered in these ratings, I am advised. The question is whether the statement of the Senator from Massachusetts is the fact or the statement of the assistant postmaster to me is the fact.

Mr. LODGE. I say I think the assistant postmaster of the city, whoever he may be, who has just come in, evidently, does not understand the postal business. It is not surprising that he should not.

Mr. LEE of Maryland. It is a civil-service process, is it not?

Mr. LODGE. What is a civil-service process?

Mr. LEE of Maryland. The whole rating business.

Mr. LODGE. The rating is civil service.

Mr. LEE of Maryland. There is one other question I should like to ask the Senator. Has the place of this particular employee who was demoted or discharged been filled by any other person? My advice is that only three of these places have been filled at all, and those places that have been filled have been filled strictly from the civil-service list, the next person available in order.

Mr. JONES. They could not be filled in any other way.

Mr. LEE of Maryland. Then, of necessity, there was no political sinister meaning or significance in their removal.

Mr. JONES. I have not said anything and I have not suggested anything of the kind. I only said that I thought injustice had been done, and I am trying to suggest that if any injustice has been done when attention is called to it, it will be

rectified by the administration. I am not concerning myself about the filling of these places, the dismissals are what is in issue now.

Mr. OLIVER. Will the Senator allow me?

Mr. JONES. Certainly.

Mr. OLIVER. Alluding to the statement of the Senator from Maryland that only three places have been filled, I should like to say there is no doubt whatever that quite a number more than three have been unfilled, and that is what we are talking about.

Mr. JONES. There is no question raised here as to the filling of the positions after the vacancies were created or putting somebody else in or anything of that sort. I do not understand that they were dropped in order to put somebody else in their place, but the question is whether these people have been justly and properly dropped from the service.

William W. Mills, mentioned here, is 77 years of age, has been in the service 42 years, and his rating is 88. That is a pretty high rating. I may be mistaken, but I understand the rating for admission into the service is 70. Here is a man who has a rating of 88 of efficiency of service, and yet he is dropped. Others may be put in on a rating of 70. I do not mean in this class, but I mean in general under the law. It seems to me that those are facts which show that injustice has been done.

The Senator from Pennsylvania [Mr. OLIVER] has called my attention to one sentence in the report of the Postmaster General that is printed here. It reads as follows:

The ratings here given were made on January 1, 1914, and covered the period from July 1, 1913, to December 31, 1913. They were the only ratings with which the men were credited either on March 4, 1914, or at the time of their demotion or separation from the service.

That apparently shows that they have not gone back over many years and averaged up, but that the rating that he made shows his capacity as of the last year.

O. T. Putnam, 71 years of age, has been in the service 11 years. He has a rating of 75.

G. T. Galliher is 68 years of age. A great many men of 68 are very efficient. He has been 32 years in the service, and he has a rating of efficiency of 85. 15 per cent higher than is necessary for admission into the service. He has been reduced.

Then here is Augustus Ridgely, 78 years of age, 51 years in the service. His rating is only 69.1. He is a little below what would allow him to enter the service in the regular way. There might be some justification for his reduction or dropping him from the roll, although I do not think so myself; but on the figures and on the facts shown there is some justification for that.

Then here is John J. B. Lerch, 81 years of age, 56 years in the service, and his rating is 59.2 per cent, still lower.

Then here is Joseph Randall, 77 years of age, 47 years in the service, with a rating of 94.6 per cent. It seems to me that shows clearly that Mr. Randall has been unjustly dealt with and that there is no excuse for his discharge. Ninety per cent is a high rate in any work, and a man who maintains that rating is surely entitled to great consideration, whether a soldier or not, and when a soldier no thought of disturbing him should enter the mind of anyone.

Then here is William A. Hutchins, 77 years of age, 19 years in the service, 84.1 per cent rating, or 14 above the percentage required for admission into the service of those first taking the examination.

In this report it is stated that several of these employees have resigned, and that is all that is said about it. That gives the impression they left the service voluntarily. I am reliably informed, as the Senator from Utah [Mr. SMOOT] also mentioned a while ago, that these resignations were forced and brought about in this way: Some time ago these employees were told that unless they resigned to take effect on the 30th of June they would be dropped from the rolls on the 15th of May, and under those conditions the resignations were sent in. I have this from such a source that I consider it as a fact, and as a fact that ought to get into this record and ought to be considered in passing upon the justice of the action taken by the postmaster.

Mr. CLARK of Wyoming. Mr. President—

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

Mr. JONES. Certainly.

Mr. CLARK of Wyoming. I understood the Senator from Missouri [Mr. STONE] in his statement to give what I supposed to be authority that that was not the fact. It seems that there is a dispute here as to the facts. I understood from the Senator from Missouri that these resignations were absolutely voluntary and the persons seemed to be very ready and quick to separate themselves from the service.

Mr. JONES. Of course, that does not look to be reasonable. It looks to be very unreasonable. Men holding these positions so long and as efficient as they appear to be would not voluntarily resign.

Mr. STONE. I made no such statement that the Senator from Wyoming credits me with. I said nothing about their resignations except that they had resigned. I said in answer to the Senator from West Virginia that no resignations had been asked by the Post Office Department.

Mr. CLARK of Wyoming. Of course it was my dull comprehension—I should suppose that under the statement of the Senator from Washington that that was pretty definite asking for the resignations. Of course the Senator from Missouri and myself may misunderstand the import of that sort of language.

Mr. JONES. I understand the Senator from Missouri confined his statement, whatever that was, to the executive department. Apparently from his contention in reference to the law that we have read here that does not include the city post office, and these employees were in the city post office.

So I do not think now there is any difference with reference to the facts. It must be conceded and is conceded that the resignations of these men were asked for and they were told unless they did resign they would be dropped from the roll on the date stated.

Mr. SMOOT. Mr. President, I want to say to the Senator from Missouri I do not know whether it is true or not, but one of the old soldiers of the Post Office Department told me that there was a request from the Post Office Department for the resignation of 13 old soldiers. The letters were handed to them to sign, and the following day they were told not to sign the letters, that there had been a mistake made, and that their resignations were not called for. I say that is what they tell me. Whether it is true or not, of course I can not say.

Mr. JONES. Mr. President, we have the facts with reference to these discharges and these demotions. The facts show that there were a number of soldiers discharged or their resignations forced in the city post office. The record also shows that their record of efficiency in many cases was high, and so far as the record discloses there was no justification for the dismissal or the forced resignation of several of these men.

I am in favor of efficiency in the Government service. I am in favor of economy. I believe that our service should be as efficient as possible, that it should be done as economically as possible. I think there are many places in the Government service where we can begin to economize without impairing efficiency, but I do not believe we ought to begin or that the country expects or asks us or hopes that we will begin upon the old soldiers in the public service, even though those soldiers may not be as efficient as others who might take their places. I do not believe that even if we find an old soldier in a place where the work he is doing is not really necessary that simply for the purpose of saving a few dollars the people of the country expect or ask us or expect or ask any department of the Government to discharge that man and put him aside into the world without anything and without any way or means of sustenance. He helped to save this country when it needed the best of our men. They responded in the country's need, and they have a right now in their need and old age to expect that they will be taken care of by the people and by the Government, and the people themselves expect it. I am satisfied that the people will not condemn any administration even if it allows men of this character to be on the roll when their services are not efficient or not really necessary. I do not believe they would condemn it. I know I would not. I do not feel that these discharges have been made out of hostility to the soldier. I do not feel that at all, and I hope that is not the case; and I therefore look to see this injustice righted without delay.

I accept the statement of the postmaster here that he wants to reorganize his service and make it efficient and make it economic; but I do say he ought to take into account and consider these men and their services and what they have rendered the Government, and the way in which the people of the country regard them and ought to regard them. If he does that, if that is done by the administration, I am satisfied that some care and provision will be made for these men for their remaining few years. A man of 88 years will not be long with us. He will not be a burden upon the Government very long, and we can well afford to take care of these men in the positions that they are filling, and which the facts show they are capable of filling with efficiency, until the grim reaper takes them to their reward. Let us make their last days happy. Let them not feel embittered against the Nation they helped to save because of its apparent ingratitude in their declining years.

Mr. SIMMONS. Mr. President—

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

Mr. JONES. I yield.

Mr. SIMMONS. I was going to ask the Senator to permit me to interrupt him for a parliamentary inquiry. I wish to inquire of the Chair if the unfinished business is before the Senate, notwithstanding the fact that it was not laid before the Senate when the morning hour expired? I wish to inquire if it is still before the Senate?

The PRESIDING OFFICER. The unfinished business was laid before the Senate prior to the time when the Senator from Missouri [Mr. STONE] took the floor.

Mr. SIMMONS. It is still before the Senate, notwithstanding the expiration of the morning hour?

The PRESIDING OFFICER. It is.

Mr. JONES. Now, just a word with reference to the employees of the Senate. I have not given any particular attention to that phase of this matter, and I do not know anything about the details except as to one employee of the Senate. The Senator from Missouri suggested that several old soldiers had resigned from the Senate roll. I know one of the old soldiers who as soon as the reorganization of the Senate took place, who had been filling a position on the Senate roll, was directed to take another place at a lower salary where he could not possibly do the work. He was directed to go away down into the folding room somewhere and put on overalls and do some heavy work. He could not stand that work. He was too old for it. He could fill efficiently the place he had been holding, but he could not do this work. It looked like it was done for the purpose of forcing him to resign, just as these men were forced to resign. While I have not looked into it, I know it was suggested that in a great many cases old soldiers who were employees of the Senate were placed in positions and placed at work where it was reasonable to suppose they could not stand it, and, whether that was the purpose or not, it was thought that the purpose was to force them to resign. Now, it may be that that is one reason why several of those to whom the Senator from Missouri referred have separated themselves from the Senate roll.

Mr. STONE. Only two.

Mr. JONES. I understood the Senator suggested that about 26 had resigned.

Mr. STONE. Oh, no; only two.

Mr. JONES. I misunderstood the Senator.

Mr. STONE. I said 26 are now on the roll; that there were 30 when the Democrats became the majority party in this body; that 2 had died since and 2 resigned.

Mr. JONES. I misunderstood the Senator, then; but many of them have been reduced, as the Senator from Utah [Mr. SMOOT] has just suggested, and put in other positions or continued in their old places at lower salaries, while increases have been made in other positions.

Mr. NORRIS. I should like to inquire if the Senator can give any information as to how many of these 26 have been demoted and are getting a less salary than when the Senate changed political control.

Mr. JONES. I have not gone into that myself, and I can not give the Senator that information.

Mr. SMOOT. All but four, I will say to the Senator.

Mr. NORRIS. They are demoted?

Mr. SMOOT. Yes; if the Senator does not—

Mr. KERN. Mr. President—

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

Mr. JONES. Yes.

Mr. KERN. On the reorganization of the Senate there was a very earnest desire expressed on the part of some people that the example set by the Republicans of this body some years ago be religiously followed—that the soldiers' roll be maintained as heretofore, but that the Republican soldiers should give way to Democratic soldiers of equal merit. That proposition, apparently fair in the game of politics, was regarded as fair by the Republican Members of this body. It was regarded as fair throughout the country where Republicans were in control. It was voted down in the Democratic caucus, and there was a declaration made that these old soldiers, notwithstanding their politics, should be kept in office—not in the choice places which they held. We thought we were dealing generously by them in the way of comparison when we permitted them to remain here at all and did not fill their places from among the ranks of thousands of ex-soldiers of equal valor who are Democrats, who fought as they did to maintain the flag and honor of the country. There are thousands of old Democratic soldiers in this

country to-day, of equal merit to any of these, who would be glad to have these places, and who point us to the example set by the Republicans and want to know of us why there are no places about the Senate for them.

It seems to me in view of this generous treatment on the part of the majority of these men it comes with poor grace for Senators now to claim that there has been bad treatment of any ex-soldier here on the part of the Democratic majority.

So far as I know, and I have talked with many of them, the old soldiers who have been kept on the roll here, notwithstanding their partisanship, in the place of Democratic soldiers who want their places, are very well satisfied that they are kept here. I have heard no complaint from them. I know there were some from my own State who were personal friends of mine who were very glad to hold their places at a reduced salary, and regarded the treatment as generous because their places were not taken from them and given to Democratic ex-soldiers of equal merit.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. JONES. Certainly.

Mr. NORRIS. Mr. President, it seems to me that this system, whether practiced by a Democratic Senate or by a Republican Senate, is wrong. It is just as bad for the Republican organization to take partisanship into consideration and to remove men from office and to replace them with others of a different political faith as it is for Democrats to do it. In neither case do we get the most efficient service. I recognize, as I think everybody else does, that when the Democrats came into control of the Senate they were confronted with a large number of constituents and friends who had been out in the cold for a great many years, and they did not have nearly enough places to go around; they were in a very difficult position, and they are yet in that position. There is not any doubt that so long as you fill these places as a reward for political service, when a political party takes control of a body of this kind or of a similar body, the same difficulty will arise.

I understand it to be the fact that there is a law applying particularly to the old soldiers who are employees of the Senate. No matter how bad that law might apparently hurt, it ought to be enforced in good faith. If there is a law against the removal of an old soldier who is on the Senate roll, and that old soldier is transferred, as the Senator from Washington suggested had been done in some cases, to some work that he is unable to do, in order to put him in a position where he can not perform his work and would necessarily either have to resign or be discharged, it seems to me that is not the enforcement of the law in good faith.

I believe these places ought to be under some kind of a civil-service arrangement, not only with the idea of getting more efficient service but for the protection of the men themselves who have to dole out this patronage. It is a mistake in the Senate, as it is everywhere else, to think that the man who has a lot of political patronage to dole out is therefore in a position of advantage over the man who does not have any, as I presume a great many Democrats who have been out of power for a great number of years have learned since they came into power; at least many of them have said so to me privately. The greater reason why, as I look at it, it is wrong is because it does not bring about the most efficient service. As I understand from what I have heard Senators say here and from what little information I had before, there is a law making specific provision in regard to the employment of old soldiers in the Senate. There is a law—and it has been read here to-day—applying to the appointment of old soldiers in the several departments that has been often violated, I think, from information that has come to me not only in the Senate—I have not got any information in regard to the Senate—but in the departments in a great many instances, for partisan political reasons. When Republicans came into power after the Democrats, they did the same thing; they removed men for partisan political reasons. Democrats have done the same thing when they came into power. That, as a matter of fact, in my judgment, is a violation, in spirit at least, of the civil-service law.

Several old soldiers in the different departments have come to me and told me privately of being demoted and of being asked to resign. Several who were not old soldiers told me they were asked to resign, and were frankly told the reason for it was that the party in power had to have their places for Democrats.

When the Republicans came into power after the Democratic administration went out some of those men who were still in office, particularly in the Government Printing Office, were re-

moved for the same offense. It is not a thing, in my judgment, that can be charged up alone to one party; but, nevertheless, it is a thing to be regretted. As I view it, it would be to the benefit not only of good service, but to the members of the political party in power themselves to say: "We will enforce the law in good faith; we are not going to resort to any circumlocution in order to put one man out and put another one in because they are of different political faiths."

Mr. JONES. Mr. President, I agree fully with what the Senator from Nebraska has said.

Mr. WEEKS. Mr. President—

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

Mr. JONES. I yield to the Senator from Massachusetts.

Mr. WEEKS. Mr. President, the suggestion has been made by two or three Senators that there may be some difference in the construction of the ratings of the men who have been referred to in this discussion, but certainly there can be no dispute as to the quality of the service of those men who are immediately under the eye of the Senate. I am not surprised that Democratic Senators wish to avoid any possibility of being charged with unfairness to the old soldiers.

The Senator from Indiana [Mr. KERN] has said that, in his judgment, the old soldiers on the roll of the Senate were treated generously when the present organization of the Senate was made at that time. In my judgment, if Republican soldiers had been replaced with Democratic soldiers, Democratic Senators could not have been charged with unfairness, but that course was not followed in some cases and it was not done in the case of a few men who are serving right on this floor. Now, there are 14 doorkeepers employed on the floor of the Senate. Of those 14 men, 11 are Democrats and 3 are Republicans. The 11 Democrats are receiving an average of \$1,520 per year and the 3 Republicans, all of whom are old soldiers with excellent, if not distinguished, records, are receiving an average salary of \$946 a year.

Mr. KERN. Will the Senator state to the Senate how many Democrats were employed at those doors during the time of the Republican control of the Senate?

Mr. WEEKS. I am not complaining because Democrats have been employed at these doors, but there were two Democrats employed at that door over there [indicating], the Democratic door, under a Republican administration. One of them was paid a salary of \$1,800 a year.

Mr. KERN. They are there yet, are they not?

Mr. WEEKS. They are there yet, and one of them, a distinguished veteran of the Confederacy, was paid a salary of \$1,800 a year, which he is now receiving, and I do not complain of that, but I do complain that the man occupying a corresponding place at this door [indicating], a Republican with a distinguished record, is paid \$840 a year. This Democratic Congress has demoted him from \$1,440 to \$840. The Democrats of the Senate owe it to themselves to see that these men who are performing the same service on this floor that they were performing before March 4, 1913, the same service that is being performed by Democrats in the same positions, should have their salaries restored to what they were before the change. It is an outrage that old soldiers who were occupying such places, and who have always performed their duties acceptably, should be reduced from \$1,440 to \$840 a year, as has been done in this case.

Mr. SMOOT. And in some cases to \$720.

Mr. WEEKS. And I hope calling the attention of the Democratic Senators to this case will be sufficient to restore such salaries.

Mr. KERN. Mr. President—

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

Mr. JONES. I yield.

Mr. KERN. I understand the Senator from Massachusetts—or was it some other Senator—said the Democrats would have been entirely justified if they had taken those places and filled them with deserving and worthy Democratic soldiers.

Mr. WEEKS. Mr. President, I said that I did not think the Democrats could have been greatly criticized if they had done it, but I think they can be greatly criticized if they demote these men who are perfectly able to perform the duties which they are performing. If you are looking for an economical administration, here is an opportunity to put it into force. You are saying that Republican doorkeepers should only be paid \$1,000 a year and that Democratic doorkeepers be paid, on an average, \$1,520 a year. If a thousand dollars a year is enough for a Republican, it is certainly enough for a Democrat, and you can save \$6,000 every year here on the floor of the Senate.

Mr. KERN. If the Senator will allow me, the thing I had in mind when I asked the question was this: I know an old soldier in my State, I have known him for many years, indeed since my boyhood, who lost an arm at Shiloh. He served, I think, up to the Battle of Shiloh, and has gone lame through life ever since. When the Democrats came into control of the Senate, he came to me and insisted on knowing why he should not have a place on the soldiers' roll of the Senate. He called my attention to the fact that none of these soldiers were maimed as he was, that none of them could be quite as deserving so far as disability was concerned, that none of them had a higher character. Many of them he said had been on the pay roll for years, while he had never received any recognition of any kind at the hands of the Government, and he appealed to me as the caucus chairman—for it was after I was made caucus chairman—to use what little influence I had to take the place of some one of the Republican soldiers who had been on the pay roll here for years, and give it to him. Notwithstanding the loss of limb, he was entirely able to sit at a door. I turned a deaf ear to his request. He wanted to be on the soldiers' roll; it was the roll of honor; and he called my attention to the fact that when the Republicans came into control of this body every Democratic veteran was fired out. He wanted to know why, in view of those circumstances, he would not be permitted to sit at a door here as a long-deferred reward for the service he had rendered the country.

If the man who sits at the door is complaining that his salary was reduced, that under a Democratic administration he does not receive as much money as he did before, if these gentlemen are not satisfied with their salaries, if there is a disposition here to complain, I will agree to find one-armed and one-legged Democratic soldiers—men who lost a leg or an arm at Shiloh or at Antietam or at Gettysburg, as good soldiers as ever wore the blue—to fill every one of these places with men who will be satisfied.

I thought when we maintained this soldiers' roll of Republicans that we were rendering a favor to those men. If it is not so regarded, then men can be brought here who are every whit as worthy, men who are maimed, men who need the places, men who have never had an office, men who are willing to come here and take these places without any murmuring.

Mr. WEEKS. I understand perfectly well, and so does the Senate, that the majority can take that course if it sees fit; and if it sees fit to do so, I am not going to make complaint; but what I say to the Senator is that he had the power to give that maimed soldier a place, because there have been nine changes made among the doorkeepers on the floor of the Senate, and many of these places have been filled by men who are not maimed or who did not wear the blue, or the gray either.

Mr. KERN. Are they on the soldiers' roll?

Mr. WEEKS. Not on the soldiers' roll.

Mr. KERN. I am speaking of the soldiers' roll.

Mr. WEEKS. That could have been provided at the time. What I am saying is that you are asking Republican soldiers with distinguished records to perform the same service, one at \$840 a year and two others at a thousand dollars a year, for which other men are receiving an average of \$1,520 a year. That is the complaint I make.

Mr. KERN. I understood that we were rendering favors to these men when we permitted them to remain here. If it is not to be regarded as a favor, if it is not to be regarded as an act of generosity on our part, then we had as well understand it.

Mr. WEEKS. I am speaking for myself entirely. I do not consider it a favor or an act of generosity; I consider such a condition an insult to the men who wore the blue.

Mr. JONES. Mr. President, just a word, and then I am through. This resolution, as I have said, was introduced to get the facts with reference to certain resignations and removals in the departments and in the Washington post office. Certain facts have been secured and others that were not in the report have been brought out here in the discussion. They show that certain soldiers were discharged; that, while they are set down in the record here as having resigned, those resignations were forced; and that many of these soldiers had a very high rating of efficiency at the time of their resignation or discharge. It appears also that we have a law, the spirit of which at least says that no soldier who is efficient shall be discharged, removed, or demoted; that this law was passed as late as 1912, and that it expresses the sentiment not only of Congress, but of the country.

I do not know anything about the politics of the men who have been discharged. I do not think there ought to be any politics in this matter. There was no politics in my mind when I introduced the resolution, and there will be no politics made out of it, so far as I am concerned, unless it is shown that the

wrong which has been done them is not rectified, and I hope that the administration will rectify the wrong which, in my judgment, has been done these men without delay.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Colorado?

Mr. JONES. I yield.

Mr. THOMAS. I should like to inquire of the Senator, if he will permit me, whether he does not think that the basis of this whole thing is politics?

Mr. JONES. I do not think so. I am speaking for myself, and I want to say to the Senator that I had no idea of politics when I introduced the resolution. I know that when matters of this kind come up statements are sometimes made in the newspapers that are not in accordance with the facts; I know that things are represented that do not exist; I know that there are two sides to these questions; and I introduced this resolution simply to get the facts with reference to this matter, and, so far as I am concerned—and I speak for myself—at any rate I have not endeavored to make politics out of it. I do not want any politics in it. I simply want justice done to the men who helped save this country, and whom our Democratic friends, I believe and hope, honor just as much as I do, and who would do them an injustice just as unwillingly as I would. That is the spirit that animates me. This Nation can not pay the debt it owes these men. They gave of their youth in its defense, and it can not afford to deny them aid, help, and a competence in their hour of need.

Now, Mr. President, I ask that I may print in the RECORD section 4 of the act of 1912, and it will speak for itself.

The PRESIDING OFFICER. Without objection, permission to do so is granted.

The section referred to is as follows:

Sec. 4. The Civil Service Commission shall, subject to the approval of the President, establish a system of efficiency ratings for the classified service in the several executive departments in the District of Columbia based upon records kept in each department and independent establishment with such frequency as to make them as nearly as possible records of fact. Such system shall provide a minimum rating of efficiency which must be attained by an employee before he may be promoted; it shall also provide a rating below which no employee may fall without being demoted; it shall further provide for a rating below which no employee may fall without being dismissed for inefficiency. All promotions, demotions, or dismissals shall be governed by provisions of the civil-service rules. Copies of all records of efficiency shall be furnished by the departments and independent establishments to the Civil Service Commission for record in accordance with the provisions of this section: *Provided*, That in the event of reductions being made in the force in any of the executive departments no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary.

Any person knowingly violating the provisions of this section shall be summarily removed from office and may also upon conviction thereof be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year.

Mr. STONE. Mr. President, as the Senator from Washington has obtained permission to print the entire section 4 as a part of his remarks I will not make the same request, as I had intended to do, but I will call attention to the proviso in that section, as follows:

Provided, That in the event of reductions being made in the force in any of the executive departments no honorably discharged soldier or sailor whose record in said department is rated good shall be discharged or dropped or reduced in rank or salary.

That is the language of the proviso in the statute; so, clearly the impression which the Senator from Utah had and which he gathered from a newspaper from which he read is inaccurate.

I do not care to add more than a word or two to what I have said. The Senator from Washington [Mr. Jones] has disavowed any partisan purpose or thought in offering his resolution, and I accept his disclaimer. He has not made a partisan speech to-day; and that is in accord with what he declares to have been his purpose. The Senator from Utah [Mr. Smoot] has injected a little more of the virus of partisanship into his observations. I agree with the Senator from Colorado [Mr. Thomas] that this whole business was started and has been prosecuted, in the main at least, in the hope of deriving some partisan advantage from it. It has been exploited all through the country with that object in view.

There is one thing that makes it clear to my mind that partisanship is at the base of this propaganda. Old soldiers were discharged and demoted in salary and station under the administrations which preceded the present one, and no complaint was made here or by the people who started this noise around Washington and in the press. I have called special attention to the year 1911, when 15 veterans of the Civil War were demoted, one of them demoted twice during that year, or nearly twice as many soldiers as have been demoted during this entire administration. We did not hear anything about that. The Senator from Utah occupied a seat in this Chamber

at that time, and so did the Senator from Washington. This was two and a half years ago or less. How did it happen that the Argus-eyed representatives of the Republican section of the press did not exploit that? How did it happen that Dr. Gleason and Mr. Gordon, of this city, and others cooperating with them in this city, did not then call public meetings to adopt resolutions of protest and denunciation? Not a word, however, was printed in the press or couched in resolutions or uttered in public speech; but when this administration, not in a department, but in a local post office, finds it necessary in the reorganization of its force in the interest of economy and better administration to separate from the service or demote fifty-odd employees, nine of them being ex-soldiers, a great uproar is started, and an effort made to impress the remnant of the old soldiers of the land with the idea that this being a Democratic administration they might expect the grossest injustice done them. To arouse prejudice, passion, and partisanship was the primary purpose of this movement, and, though Senators on the other side may say that they have no partisan feeling, when they stand here to defend what has been done on the outside, the color of partisanship is reflected on them.

Now, Mr. President, just a word more. When Mr. Cleveland went out of office as President of the United States it is a fact that practically every Democrat in the various departments of the Government was separated from the service or demoted, old soldiers included. I was told but a moment ago by a Senator that it was a fact within his knowledge that a number of old Democratic soldiers from his State, who had been given places in the public service during the Cleveland administration, were demoted on the incoming of the Republicans, to the end that Republican soldiers might be given their places. I am not complaining that that was done; I have never complained, and never will; but what I complain of is that if a Republican soldier found holding a position in any department of the Government is demoted and a Democrat put in his place we are accused of unfriendliness to the men who wore the blue and fought the battles of the Republic. Right here in the Senate, when Republicans got control some years ago, Democratic soldiers employed by the Senate were not demoted, but dismissed. Our friends who have spoken on the other side are not entirely ingenuous or disinterested. What are you trying to do, if you are not trying to make party capital out of this?

I do not like to hear men disclaiming a partisan purpose, with honeyed words and soft speech, while at the same time their words and conduct can have but one intelligent meaning, and that is to arouse partisanship.

Mr. WILLIAMS. Mr. President, it has been nearly five decades since Jefferson Davis was captured, and the War between the States thereby terminated. This administration, a Democratic administration, has made a rule for admission into the public service under which no ex-Confederate soldier "need apply." Every one of them is barred by the age limit. The boy that entered the Confederate Army in 1862 at 14 years of age—and there were some of them—is barred by the age limit. The statute books bear an expression of preference for ex-Union veterans which must be obeyed.

The War between the States, five decades ago, has ended. At that time the States of these United States were separated into two independent groups. One group retained the old name, "The United States of America"; the other group assumed a new name "The Confederate States of America." The muse of history will never contemplate a picture equal to that of those two warring factions of the States, of those who stood by their States, because the northern soldier stood by Iowa and Massachusetts just as much as the southerner stood by Mississippi and Texas. There will be no picture of human valor, when the end comes, to equal that which both sides displayed. It is pitiable that now, five decades afterwards, men should seek to stir the embers of the old strife for pitiable, miserable, contemptible partisan advantage; and that, too, when there were more Federal soldiers dismissed and discharged and demoted under McKinley than under either Cleveland or Wilson.

It was a psychological problem. The Democratic Party had been accused of disloyalty, and it dared not discharge even inefficient Federal soldiers; whereas a man who had been major in the Federal Army, like Mr. McKinley, upon becoming President of the United States, could disport himself freely.

I wish to read a list of the men who were demoted, forced to resign, or discharged under the McKinley administration from March 4, 1897, to December 31, 1898; and after I have read it I hope this discussion will cease.

SOLDIERS AND SAILORS AFFECTED ADVERSELY FROM MARCH 4, 1897, TO DECEMBER 31, 1898.

Aspinwall, A. A., reduced from chief of division, \$2,000 to \$1,800.
Albert, A. D., reduced from principal examiner, \$2,000 to \$1,300.

Ake, W. S., reduced from \$840 to \$720.
Archer, J. W., reduced from \$1,400 to \$1,200.
These are chiefs of division as a rule.

Bell, H. C., resigned (?).
Bassett, George T., dismissed.

Every one of these is a Union soldier.

Bonorden, H. S., reduced from \$1,400 to \$1,300 to \$1,200.
Boorum, C. R., reduced from \$1,400 to \$1,200.
Browa, Henry B., reduced from \$1,400 to \$1,300.
Buckley, J. D., reduced from \$1,400 to \$1,300.
Bliss, W. W., reduced from \$750 to \$720.
Britton, Wiley, reduced from \$1,300 to \$1,200.
Clayton, E. P.,* reduced from \$1,000 to \$900.
Clements, John T., reduced from \$1,400 to \$1,300.
Crosby, W. O., reduced from \$1,300 to \$1,200.
Chipp, Rodney, reduced from \$1,400 to \$1,300.
Clark, Eben E., reduced from \$1,400 to \$1,300.
Clark, John B., reduced from \$1,000 to \$900.
Davis, M. C., reduced from \$1,400 to \$1,300.
Davis, J. A., reduced from \$1,400 to \$1,300.
Davis, William P., reduced from \$2,000 to \$1,400.

They seem to have been a little hard on the Davises; I do not know why, particularly; perhaps because they are a good old Welsh family and because Jeff Davis bore the name.

Dick, J. M., dismissed.
Dungan, Irvine, dropped.

As I put these names in print Senators will notice that some of them bear the asterisk. The asterisk indicates that the men belonged to the Regular Army or Navy. The balance of them were volunteers.

Ellis, H. G., reduced; dismissed.
Elliott, Edward P., reduced from \$1,400 to \$1,200.
Erdman, Adolph, dropped.
Eager, J. H. L., reduced from \$1,400 to \$1,200.

Mr. Eager, as I am informed, was a member of the old Howard Eager family of Baltimore who kept the Star-Spangled Banner afloat when Key wrote about it.

Elliot, James H., reduced from \$1,400 to \$1,300.
Fleming, George B., dismissed.
Frisbie, W. R., reduced from \$2,000 to \$1,400.
Fuss, W. H., reduced from \$1,300 to \$1,200.
Fernald, George W., reduced from \$1,400 to \$1,300.
Fairbanks, Charles, reduced from \$1,400 to \$1,300.
Fawcett, Thomas R., dismissed.
Fierce, W. W., dropped.

Oh, I am not complaining about these things, Mr. President. I expect these men were inefficient from superannuation; but if a Federal major and a Republican President could afford, without hostile criticism, to do all these things, I say it is time for you to shut your mouths when you are talking about this administration.

Foote, J. M., reduced from \$1,400 to \$1,300.
Freeland, John J., reduced from \$2,000 to \$1,600 to \$1,400.
Fritts, James R., reduced from \$1,800 to \$1,600 to \$1,400 to \$1,300.
Fairhurst, Jeremiah F., reduced from \$750 to \$720.
Gray, Thomas P., reduced from \$1,200 to \$900.
Gallenne, J. B.,* reduced from \$1,000 to \$900.

By the way, I happened to know something about him. He was in the Regular service, and had done remarkably good service, and he was reduced from \$1,000 to \$900.

Guernsey, A. W., reduced from \$1,300 to \$1,200.
Goldstein, Moses,* dismissed.
Gury, Louis C., reduced from \$1,000 to \$900.
Hanback, Charles, reduced from \$1,600 to \$1,400.
Harris, C. E., reduced from \$1,300 to \$1,200.
Hughes, William, reduced from \$1,400 to \$1,300.
Hale, James D., dismissed.
Halley, Noah W., reduced from \$2,000 to \$1,400 to \$1,300.
Harding, A. C., dismissed.
Hilpbringer, William H., dismissed.
Hersey, S. R., reduced from \$2,000 to \$1,800 to \$1,400.
Hambl, J. N., reduced from \$1,400 to \$1,300.
Holliger, P. J., reduced from \$1,300 to \$1,200.
Hunter, A. J., reduced from \$1,300 to \$1,200; dismissed.
Hursh, E. G., reduced from \$1,400 to \$1,300.
Ingram, Thomas D., reduced from \$2,000 to \$1,400.
Jefferson, Ralph, reduced from \$1,400 to \$1,300.
Johns, L. E., reduced from \$1,600 to \$1,400.
Johnson, William L., dismissed; watchman.
Jones, F. C., dismissed.
Kennedy, James N., reduced from \$1,400 to \$1,300.
Kinney, A. T., reduced from \$1,400 to \$1,300.
Livingston, George S., reduced from \$1,800 to \$1,600.
Lucas, N. A., reduced from \$1,400 to \$1,300.
Lake, D. D., reduced from \$1,400 to \$1,300.
Lamson, H. P., reduced from \$1,400 to \$900.
Loomis, George C., dismissed.
Lake, D. D., reduced from \$1,400 to \$1,300.
Liverpool, W. H., reduced from messenger to assistant messenger.
Lowe, Heman, dropped.

McClain, Dow, reduced from \$1,400 to \$1,300.
Macy, W. W., reduced from \$1,400 to \$1,300.
Maxwell, E. H., reduced from \$1,400 to \$1,200.
Maxwell, H. P., reduced from \$1,400 to \$1,200.
Mays, Charles P., reduced from \$1,400 to \$1,300.
Miller, Martin B., reduced from \$1,300 to \$1,200.
Moler, Henry H., reduced from \$2,000 to \$1,300.
Melbourne, W. F., reduced; dismissed.
Martin, Henry T., reduced from \$750 to \$720.
Noble, P. S., reduced from \$1,400 to \$1,300.
Olfey, Holmes E., dismissed.
Okey, C. W., reduced from \$1,400 to \$1,300.
Patterson, John S., dropped.

Patton, H. N., reduced from \$1,400 to \$1,300.
 Perkins, H. E., reduced from \$1,300 to \$1,200.
 Proctor, William H., reduced from \$1,300 to \$1,200.
 Paine, John L., reduced from \$1,400 to \$1,300.
 Palmer, A. B. P., dismissed.
 Parkinson, E. C., reduced from \$1,400 to \$1,300.
 Pearson, Samuel P., reduced from \$1,800 to \$1,600.
 Peck, Fred C., reduced from \$1,600 to \$1,300.
 Powell, Ransom T., reduced from \$1,400 to \$1,300.
 Riley, John, dismissed.
 Riley, Thomas F., reduced from \$1,000 to \$900.
 Ribble, George T., reduced from chief of division, \$2,000 to \$1,200.

This was done for no reason that anybody has ever discovered, except that he was a Democrat.

Russell, Leonidas, reduced from \$1,800 to \$1,400.
 Schuckers, William F., reduced from \$1,400 to \$1,300.
 Shafer, Elias, reduced from \$1,400 to \$1,300.
 Shanks, C. D., reduced from \$1,400 to \$1,300.
 Sidman, George D., reduced from \$1,400 to \$1,200.
 Smith, George M., reduced from \$1,400 to \$1,300.
 Stibbs, J. H., reduced from \$1,400 to \$1,200.
 Shoemaker, J. A., dismissed.
 Slavens, Charles, reduced from \$1,300 to \$1,200.
 Stockslager, T. A., reduced from \$1,600 to \$1,400 to \$1,200.
 Smith, Napoleon J., dismissed.

Even the name "Napoleon" could not save him under the Republican administration, he being a Democrat.

Smith, William, reduced from \$2,000 to \$1,400.
 Sprague, F. H., reduced from \$1,400 to \$1,300.
 Swain, George M., dropped.
 Schaffer, M. R., reduced from \$1,600 to \$1,400.
 Stevens, C. A., reduced from \$1,600 to \$1,200.
 Sues, O. L., reduced from \$1,400 to \$1,200.
 Tansill, Charles F., reduced from \$1,200 to \$1,000.
 Telcher, John G., dismissed.
 Tegethoff, Anthony, reduced from \$1,200 to \$900.
 Thompson, Charles W., reduced from \$1,800 to \$1,600.
 Tierney, Matthew, reduced from \$1,000 to \$900.
 Tyers, Frederick, reduced from \$1,600 to \$1,400.
 Vail, Henry W., dropped.
 White, William L., reduced from \$1,600 to \$1,200.
 Wolston, J. R., reduced from \$1,400 to \$1,300.
 Wright, Moses B. C., reduced from \$2,000 to \$1,800.

And that is not all, Mr. President.

Mr. SMITH of Arizona. Mr. President—

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Mississippi yield to the Senator from Arizona?

Mr. WILLIAMS. I do.

Mr. SMITH of Arizona. As the Senator was reading the list of these many demotions and dismissals, I was wondering whether or not he knew the particular party to which those demoted or dismissed belonged?

Mr. WILLIAMS. I do not, except in a few cases that I have mentioned.

Mr. SMITH of Arizona. And I was wondering whether, amid all these demotions and dismissals, any ordinary or very loud complaints were made on the floor of the Senate by reason of them?

Mr. WILLIAMS. Not that I ever heard of.

Mr. President, I do not know the politics of these men, except in a few cases where I happened accidentally to know them. I do know, however, because I was serving in the other branch of Congress at the time, that a Democratic soldier stood no more chance under McKinley's administration than any other Democrat, as far as demotions were concerned. They dared not, as a rule, remove them outright, because there was a law expressing a preference; but in every department of this Government every chief of a division, whether an ex-Union soldier or not, if he were a Democrat, was removed and a Republican, whether an ex-Union soldier or not, took his place.

We are all Americans. The war is over, thank God, and it settled some things. Among other things that it settled was that these States were to continue as an indestructible union of indestructible States; and yet, under a national administration, there is a law upon the statute books giving the preference to ex-Union soldiers, and there is a rule of the departments cutting off all hope of public employment for ex-Confederate soldiers, both of them American soldiers, both of them fighting for a part of these United States.

It seems to me it is too late, and yet at the same time premature, and that it is wrong to indulge in a foul calumny against this administration to try to produce in the popular mind the impression that Woodrow Wilson is prejudiced against ex-Union soldiers. I could produce a much better case to prove him prejudiced against ex-Confederate soldiers—the rule of his departments.

Why, I recommended during this administration, for the office of assistant United States district attorney, a man who had been a Member of Congress, a man who had been a major in the Confederate army, a man who had borne along between the battle lines at Franklin—under God's providence, without losing anything except one finger—a command from Gen. Claiborne to

Gen. Adams; and I was coolly told that he was "too old." The age limit affected not him alone, but all ex-Confederates. He had been an assistant United States district attorney under Cleveland, and he had borne himself splendidly in his position; but I was told that he was "too old." I said: "If he is too old, every man that wore the gray is too old. This man entered the Confederate service at 15 years of age." I begged for him; but my begging amounted to nothing. There was the rule.

I am not complaining. Perhaps he was too old. I do not think so. My friend the Senator from Michigan [Mr. SMITH] will remember him—Maj. Pat Henry, from Mississippi, who served with him and me in the House—and I think younger than either of us in spirit—but he was turned down. Yet you come up here now, at the last day, trying to calumniate Woodrow Wilson with the charge of prejudice against Federal soldiers. Why? Ah, because you know he was born in Virginia of southern parents, and you think, perhaps, the charge will take. You think perhaps people will think that that has influenced him to entertain prejudice against those who wore the blue.

He not only does not entertain that prejudice, but even I do not entertain it. If I knew the very man who shot and killed my father, I could shake hands with him and tell him that his duty was to shoot, and shoot true, and shoot right, and shoot a colonel, if he could, rather than a private. This attack on this Democratic administration is contemptible.

Mr. WORKS. Mr. President, I happen to be an old soldier myself, and as such I resent any effort on the part of a Republican or a Democrat to exploit old soldiers for political purposes. It is a pitiable thing to me that the names of these old veterans should be bandied about this Chamber for the purpose of securing some political advantage, either to Republicans or to Democrats.

The preference that has been given heretofore to old soldiers was not confined to Republican veterans or to Democratic veterans. The question whether they should be employed or retained in their positions as old soldiers should have nothing whatever to do with their politics, whether it be Republican or Democratic.

I have no means of knowing what reason there might have been for the discharge or demotion of the old veterans who have been referred to by the Senator from Mississippi. There may have been the best of reasons for taking that course. I do not know what may be the merits of the question of the discharge or demotion of the old soldiers in the post office here in Washington. It may have been entirely justified and in the proper exercise of the duties of the postmaster, so far as I know.

I have been surprised, however, at the position taken by the junior Senator from Indiana [Mr. KERN]. He says an old friend of his, maimed and crippled on the field of battle, appealed to him for a position here under the Senate. He was good enough to the incumbent to deny that request and continue in his place an old soldier who was a Republican; but he or his party retained the Republican old soldier upon a reduced salary. Now, if the Senator from Indiana can be held responsible for that course, he has committed two wrongs to two old soldiers. He has denied one of them employment here at the salary that had been theretofore allowed and has taken away a part of the salary from a Republican old soldier and given the higher salary to somebody else.

With all due respect to the Senator from Indiana, I say there is no justification for any such position as that. If the old soldier, whether he be a Democrat or a Republican, is competent and able to perform the duties of any position, he should be paid the salary that belongs to that position. To demote him or to reduce his salary, if he is able to perform the duties of his position, is an injustice; I do not care what his politics may be.

If the Senator from Indiana believes that under the political system that governs affairs here, I am sorry to say, he would have been justified in displacing the Republican veteran and putting in his place a Democratic veteran, that would have been infinitely more just than to deny one of them a position and reduce the salary of the other.

I regret exceedingly that politics should enter into the question of appointments of any of the employees of the Senate. The system itself is vicious and should be abolished. The idea of the Senate of the United States spending a large portion of this day, or any other, in discussing this question of place, upon political grounds, is an abomination.

I introduced only a short time ago, in an effort to correct this condition of things, a bill which provides for the appointment at the beginning of the term of a newly elected President of a commission to receive and pass upon all applications and recommendations for office, providing that that commission

shall select the man believed to be the most competent and efficient for the place and recommend him to the President for appointment, and providing—and this, I think, is the best provision in the bill—that no Member of Congress or Cabinet member shall have the right to recommend or aid in securing the appointment of anybody to office. This is a legislative body. It should not be here doing politics at all. It should have nothing whatever to do with the selection of other public officials. It is no part of the duty of a Senator of the United States to do any such thing. The duty is imposed upon us of passing upon appointments made by the President, and it is inconsistent with that duty, on our part, that we should become the champions of anybody seeking appointment at the hands of the President.

I have felt that the Democratic Party has been unjust to the old soldiers now in its employ. The real spirit and purpose of the law preferring the old soldier has been violated. If the Democratic Party believes that it had a right under the system that prevailed here to appoint Democrats in places held by Republicans that would have been better than to have sent these old soldiers away into dark places and inferior positions. There is no justification for that course. The political system that prevails here does not justify it, but it has been done in a great many instances. The case that has been referred to by the Senator from Massachusetts of a doorkeeper sitting at that door receiving \$1,800 and one sitting at this door receiving \$840 is a palpable injustice. I do not care anything about what the politics of the two of them may be, because as a matter of fact we all know the duties of a doorkeeper at this door are greater and more onerous than of the one at the back door of the Chamber. I do not mean to say that the Democratic Party purposely and maliciously reduced the salary.

Mr. OVERMAN. Mr. President—

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

Mr. WORKS. In just one moment. It reduced the salary of the doorkeeper here and retained the full salary to the doorkeeper there, and that has come about in some way which I say is unjust. Now I yield to the Senator from North Carolina.

Mr. OVERMAN. Perhaps some things ought not to be stated here on the floor as to the reasons which moved us in this matter. I think the doorkeeper at that door should thank his stars that he is there at all, because there are Republican Senators who think we did a kindly thing in keeping him at a lower salary.

Mr. WORKS. There is no justification—

Mr. OVERMAN. There are two sides to all these questions.

Mr. WORKS. I do not care what may have induced it, the injustice remains. I have no doubt in the world that many of these old soldiers are very glad to remain here at reduced salaries.

Mr. REED. Mr. President—

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

Mr. WORKS. I do.

Mr. REED. I think the Senator from California is too fair a man to select a particular instance and to leave the impression, intentionally or otherwise, that there has been a discrimination by Democrats that did not exist when the Republicans had control of this body. I wish to ask the Senator if it is not true that the Democrats since they came in control of the Senate have been just as generous to their political opponents who are now in the minority as the Republicans were to the Democrats when the Republicans were in the majority?

Mr. WORKS. Mr. President, I am not discussing this question on political grounds. I do not know whether the Senator from Missouri is right or wrong. It does not make the slightest difference to me whether the old soldier whose salary has been reduced is a Democrat or a Republican. That has nothing to do with it, in my estimation; but if the Democratic Party has reduced the salary upon that ground, then there is no justification for it, and if Republicans have reduced the salary or dismissed employees of the Senate because they were Democrats that was equally unjustifiable.

Mr. OVERMAN. May I ask the Senator a question?

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

Mr. WORKS. I do.

Mr. OVERMAN. I wish to give the Senator one case where an ex-soldier was reduced who was thoroughly incompetent.

Mr. WORKS. I want to say I am not questioning that at all.

Mr. OVERMAN. The Senator says there was a man getting \$1,800 and we reduced him to \$840. He came to me and ex-

pressed his gratification that we kept him. The Senator does not complain of that.

Mr. WORKS. I have not complained.

Mr. OVERMAN. The Senator is very generous, and I am glad that he is an old soldier and has made the remark he has. They can be put against the remarks of some of the gentlemen who did not fight and would not have fought if they had been old enough to fight during the war. I am glad the Senator is in this Chamber. He is generous and kind. He was one of the old soldiers, and as an old soldier he has a kind feeling for the Confederate soldiers. That is the feeling of the old soldiers who fought on the same side the Senator did. It is only those who did not fight who are attacking them and seeking to make a political question out of it, and I say from the character of their remarks they would not have fought if they had been old enough. That is the kind of men who talk and rage in matters of this kind 50 years after the war. I have never seen an old ex-soldier of the Union yet who is not gracious and kind in his remarks about the Confederate soldier. When a man stands up in the Senate for political purposes on account of the Confederate soldiers I think it is contemptuous. I say I thank the old soldier on the Republican side for making the generous remarks he has made about these matters.

I happened to be on the committee, and I just want to cite an instance as to the old soldier who received \$1,800 a year and who was reduced to \$840. He admitted his incompetency, and he came to me and thanked me. The old soldier at the door there was reduced because he insulted the daughter of a Senator on this floor. We did not discharge that one from Massachusetts. All we did was to reduce him. If all the facts were known, there would not be this complaint made here on the floor. We have investigated the matter thoroughly. All these old soldiers are receiving pensions. Some of them could not do the work. We did the best we could to retain every one of them on the roll.

Mr. WORKS. I think I said in the beginning that where an old soldier was competent and able to perform the duties of the position his salary should not be reduced simply for the purpose of giving a place to somebody else who is receiving a higher salary.

Now, taking the case mentioned by the Senator from North Carolina, of course if an old soldier is incompetent and can not perform the duties of the position, he has no right to ask to be retained in the position; and if in the case mentioned he was given another position where he could perform the duties of that place, and was paid the salary that belonged to it, he might well be grateful; at least, he would have no reason to complain.

The question of the Confederate soldier has been mentioned here. Mr. President, I have shown by some remarks that I have made on the floor of the Senate on previous occasions that I have no animosity toward the Confederate veteran; none whatever. That question is not up here for discussion, except as it has been mentioned by the Senator from Mississippi. I know nothing about the number of Confederates who are employed. There is no reason why they should be excluded from employment simply because they are Confederate soldiers or because they come from the South. I have no sympathy with any feeling of that sort.

Mr. WILLIAMS. Mr. President, I hope the Senator will understand that he was not excluded from employment because he was a Confederate soldier. He has been excluded from employment because of an arbitrary age limit that has been fixed which happens to cover all Confederate soldiers; that is all.

I wish to add, before I take my seat, that no one is more appreciative than I am of the broad, tolerant attitude which the Senator from California has always shown, bearing malice toward none and good will toward all in this country. If you think we do not appreciate it, you are mistaken. We appreciate it, and we realize it perhaps more than you do.

Mr. WORKS. That is very kind of the Senator from Mississippi. I hope I am able to keep my mind from prejudice or animosity toward any class of people. I try to do that, at least.

Mr. President, I should not have said anything on this subject, except that I do entertain some feeling about any discussion of this kind involving the old soldier when it takes on a political aspect. I do not like to think of the old soldier in connection with politics at all in any employment he may have, and I regret myself that there should have been any occasion for a discussion of this kind on the floor of the Senate.

Mr. REED. Mr. President, on yesterday the Senator from Michigan [Mr. TOWNSEND] presented a letter which he said was

In the nature of a petition from the Cadillac Motor Co., and which afterwards he read into the Record, giving it his personal sanction. I would not advert to this matter at all if it were not for the fact that the Record is constantly being lumbered up with material like the Cadillac letter. This letter was put into the Record ostensibly as the expression of a business concern that had no interest in legislation except that which is common to all honest business.

Mr. President, in view of that fact, I want to ask the attention of the Senate for a few minutes to who and what the protestant in this particular instance is. If an honest business concern, honestly capitalized, honestly observing the law and having fair purposes, protests against a course of legislation, it may be well for Congress to hearken; but if the protest comes from the pen or the lips of a violator of the law, of a criminal who hates the law as it exists and yet fears that the law may be made even stronger, then we perhaps ought to regard the warning as an indication that Congress is proceeding in the right direction.

Now, what is the Cadillac Motor Car Co. that has the temerity to come here to the Senate with a statement such as is contained in this letter? What is it that it should undertake to lecture the President, to lecture Congress, to lecture the men who here under their sworn duty are doing the best they can as God gives them the light?

Mr. President, I have here Poor's Manual of Industrials for the year 1913. I looked for the "Cadillac Motor Car Co." in the index. The index referred me for information about the Cadillac Co. to the topic "The General Motors Co." It appears that the Cadillac Motor Car Co. no longer has an existence as an independent company. It has been absorbed by the General Motors Co. Turning to the General Motors Co., this is what Poor's Manual states:

It was incorporated September 16, 1908, in New Jersey, "as a holding company."

In other words, it is the latest and last word in the formation of a criminal trust. I read further:

Has acquired practically all of the capital stocks of the following companies engaged in the manufacture and sale of motor cars and parts.

Here follows a list of 26 companies, including the Cadillac. The list will appear later.

I observe also that the combination has already established branches in Europe. Evidently it is ambitious to become an international trust.

Now, this criminal trust, organized in defiance of the Sherman antitrust law, and which is out of place every day it is out of jail, has the temerity to lecture Congress, lecture the President, and lecture every man who seeks in any way to enact legislation that may interfere with its criminal career. When the organized gamblers, crooks, and blacklegs of the town denounce the prosecuting attorney for the enforcement of the law their denunciation is, in fact, a compliment; so also when a trust existing in violation of law denounces the administration and Congress for attempting to strengthen the trust statutes its denunciation is likewise a compliment. "No rogue e'er felt the halter draw with good opinion of the law."

I am willing for Congress to adjourn at an early date, but I am not willing that it should adjourn at the demand of corrupt business. I am willing to listen to the advice of all honest business, but I am not prepared to vote to adjourn Congress at the dictation of a hired man of the trusts. I am willing to adjourn and go home at an early date, but Congress will hardly consent to being kicked home by concerns that ought to be practicing "the lockstep."

The Cadillac Motor Co. is simply an integral part of the trust combination known as the General Motors Co.

This is the institution the Senator from Michigan brings here and tells us—

There is nothing in our country to warrant the present distress but a nation-wide distrust of Washington.

I think the thing "that warrants the present distress" is that criminals have seized great business institutions and, in violation of the law of the land, have proceeded to pile combination upon combination until they have become so powerful they can meet every attempt to arrest their aggressions with a total or partial paralysis of the general business of the country.

There may be something the matter with some of the business of the country, but the affliction does not appear to have reached this particular institution.

I read:

The net profits for 1912 of all the constituent companies, after deducting expenses of manufacture, including maintenance and depreciation, selling, and administration, as well as taxes, insurance, and interest on temporary loans, was \$4,838,448.

So complete was the ownership of the subsidiary companies by the General Motors Co. that its proportion of the above profits was \$4,746,756. The profits going to outside stockholders only amounted to \$91,688. The fact that the General Motors Co. is a trust and combination in the form of a holding company is thoroughly demonstrated by the statement found at page 636, Poor's Manual of Industrials for 1913, which is as follows:

General Motors Co.—Incorporated September 16, 1908, in New Jersey as a holding company. Has acquired practically all of the capital stocks of the following companies in the manufacture and sale of motor cars and parts:

Buick Motor Co., Flint, Mich.; Cadillac Motor Car Co., Detroit, Mich.; Cartercar Co., Pontiac, Mich.; Champion Ignition Co., Flint, Mich.; Elmore Manufacturing Co., Clyde, Ohio; General Motors Co. of Michigan, Detroit, Mich.; General Motors (Europe) (Ltd.), London, England; General Motors Truck Co., Pontiac, Mich.; General Motors Export Co., New York, N. Y.; Jackson-Church-Wilcox Co., Saginaw, Mich.; McLaughlin Motor Car Co. (Ltd.), Oshawa, Ontario; Michigan Auto-Parts Co., Detroit, Mich.; Michigan Motor Castings Co., Flint, Mich.; Northway Motor & Manufacturing Co., Detroit, Mich.; Oakland Motor Car Co., Pontiac, Mich.; Oak Park Power Co., Flint, Mich.; Olds Motor Works, Lansing, Mich.; Peninsular Motor Co., Saginaw, Mich.; Randolph Motor Car Co., Flint, Mich.; Rapid Motor Vehicle Co., Pontiac, Mich.; Reliance Motor Truck Co., Owosso, Mich.; Welch Co. of Detroit (The), Detroit, Mich.; Welch Motor Car Co., Pontiac, Mich.; Weston-Mott Co., Flint, Mich.

Income account, year ended July 31, 1912.—Net profits for year, after deducting expenses of manufacture (including maintenance and depreciation), selling, and administration, as well as taxes, insurance, and interest on temporary loans, \$4,838,448. General Motors Co. proportion thereof \$4,746,756. Deductions: Accrued interest on 6 per cent first-lien notes, \$850,463; preferred dividends (7 per cent), \$1,040,211; total, \$1,890,674. Surplus for year, \$2,856,083.

The following table shows amounts of capital stock of subsidiary companies owned by General Motors Co., the operations and accounts of which are included in the following income and profit and loss accounts and general balance sheet (see below):

Mortgage obligations.	Total outstanding.	Owned and pledged. ¹
General Motors Co. of Michigan 6 per cent gold notes.....	\$13,300,000	\$13,000,000
CAPITAL STOCKS.		
Buick Motor Co., preferred.....	500,000	500,000
Buick Motor Co., common.....	2,000,000	2,000,000
Cadillac Motor Co.....	1,500,000	1,500,000
Olds Motor Works.....	3,132,390	1,132,390
Oakland Motor Car Co.....	800,000	800,000
Elmore Manufacturing Co.....	600,000	600,000
Carter Car Co., common.....	557,720	557,720
Carter Car Co., preferred.....	50,000	50,000
Northway Motor & Manufacturing Co.....	725,000	725,000
Peninsular Motor Co.....	800,000	800,000
Randolph Motor Car Co.....	399,400	399,400
Rapid Motor Vehicle Co.....	500,000	500,000
Reliance Motor Car Co.....	481,493	481,493
The Welch Co. of Detroit.....	275,000	275,000
Welch Motor Car Co.....	250,000	250,000
General Motors Co. of Michigan.....	100,000	100,000
Champion Ignition Co.....	100,000	75,000
Jackson-Church-Wilcox Co.....	240,000	240,000
Michigan Auto-Parts Co.....	300,000	300,000
Michigan Motor Casting Co.....	100,000	100,000
Oak Park Motor Co.....	200,000	200,000
McLaughlin Motor Car Co. (Ltd.).....	1,000,000	500,000
Weston-Mott Co.....	1,500,000	1,500,000
General Motors Export Co.....	100,000	100,000
General Motors Truck Co.....	250,000	250,000
General Motors (Europe) (Ltd.), preferred.....	96,000	96,000
General Motors (Europe) (Ltd.), common.....	12,000	12,000

¹ Owned by General Motors Co. and pledged as security for that company's 6 per cent notes.

Profit and loss account, year ended July 31, 1912: Surplus July 31, 1911, \$1,240,175; surplus for year (as above), \$2,856,083; total, \$4,096,258.

Contra: Reduction of inventory and assets as carried on books October 1, 1910, and liquidation losses, \$2,833,663; surplus, as per balance sheet, \$1,262,595; total, \$4,096,258.

Comparative condensed consolidated balance sheet of General Motors Co. and subsidiary companies directly connected with the manufacture of motor cars and parts, July 31.

	1911	1912
ASSETS.		
Real estate, plants, and equipment.....	\$17,622,683	\$19,280,889
Patents, agreements, etc.....	2,049,832	1,871,436
Miscellaneous investments.....	854,803	560,500
Cash.....	4,054,844	3,080,921
Notes receivable.....	220,650	262,273
Accounts receivable.....	4,416,426	3,966,839
Inventories.....	17,303,716	17,578,366
Unpaid expenses.....	191,173	422,736
Good will.....	7,663,938	7,934,198
Total.....	\$4,388,072	\$4,958,158

General Motors Co.—Continued.

	1911	1912
LIABILITIES.		
Preferred stock.....	14,393,500	14,936,800
Common stock.....	15,822,330	16,371,183
6 per cent first-lien gold notes.....	14,002,000	12,452,000
Capital stock, subsidiary companies.....	1,436,000	578,000
Surplus, subsidiary companies.....	1,169,528	413,838
Accounts payable.....	2,143,847	2,853,022
Notes payable (Weston-Mott Co.).....		600,000
Liabilities accrued not due.....	641,768	929,855
Reserve for dividends.....	335,848	261,394
Reserves for special purposes.....	3,263,076	4,299,471
Surplus.....	1,240,175	1,262,595
Total.....	54,388,072	54,958,158

Capital stock: Authorized 7 per cent cumulative preferred, \$20,000,000; common, \$40,000,000; total, \$60,000,000. Issued July 31, 1912: Preferred (outstanding, \$14,936,800; in treasury of company, \$1,322,000; in treasury of subsidiary companies, \$1,779,600), \$18,038,400; common (outstanding, \$16,371,183; in treasury of company, \$3,173,147; in treasury of subsidiary companies, \$329,700), \$19,874,030; total (preferred, \$18,038,400; common, \$19,874,030), \$37,912,430; shares, \$100.

Transfer agent, etc.: Transfer agent, Corporation Trust Co., Jersey City, N. J.; registrar of stock, Equitable Trust Co., New York, N. Y.; stock dealt in on the New York curb market.

Dividends: Semiannual dividends of 3½ per cent each on the preferred stock were paid from April 1, 1909, to May 1, 1913, inclusive. A stock dividend of 150 per cent on the common stock was paid in common stock on November 15, 1909. Owing to change in dates of dividend payments from April 1 and October 1 to May 1 and November 1, a dividend of 4½ per cent (at rate of 7 per cent per annum) for the seven months to May 1, 1912, was paid May 1, 1912, to holders of record April 15, 1912.

Voting trust: A majority of the company's outstanding preferred and common stock has been deposited under a voting-trust agreement with James N. Wallace, Frederick Strauss, James J. Storrow, William C. Durant, and Anthony N. Brady, voting trustees. The voting trust is dated October 1, 1910, and runs to October 1, 1915, and until all of the 6 per cent notes described below at any time issued shall have been paid in full. The voting trustees may make earlier delivery at any time in their discretion. Transfer agent for voting-trust certificates, Central Trust Co., New York, N. Y.; registrar, Columbia-Kuiekerbocker Trust Co., New York, N. Y.; voting-trust certificates for both classes of stock listed on New York Stock Exchange.

NOTES OUTSTANDING MAY 1, 1913.

Thirteen million three hundred thousand dollars General Motors Co. of Michigan 6 per cent, first-mortgage, five-year gold notes, dated October 1, 1910; secured by a first mortgage upon all lands, plants and equipment, patents, etc., which the company then owned or shall hereafter acquire; trustee, Central Trust Co., New York, N. Y. Prior to the execution of this mortgage all real estate, plants, other fixed assets, and patents of the Buick, Cadillac, Olds, Oakland, Elmore, Northway, Peninsular, Rapid Motor, Reliance, Welch of Detroit, Welch Motor, Champion Ignition, Jackson-Church-Wilcox, Michigan Motor Castings, and Oak Park Power Cos. had been conveyed to the General Motors Co. of Michigan, so that through the pledge of these \$13,300,000 first-mortgage notes with the trustee the 6 per cent first-lien notes are secured by a first lien upon all of those properties as well as by a first lien upon the capital stocks named.

Eleven million nine hundred and twenty-one thousand dollars 6 per cent first lien sinking fund gold notes, dated October 1, 1910, due October 1, 1915, interest April 1 and October 1 at the company's agency in New York, N. Y. Coupon bonds, \$1,000; registerable as to principal. Subject to call as a whole or in part through sinking fund on any interest date at 102½ per cent and accrued interest. An annual cash sinking fund is provided, payable on or before October 1 in each year—\$1,500,000 in 1911; \$1,500,000 in 1912; \$2,000,000 in 1913; and \$2,000,000 in 1914—to be used to retire these notes through purchase at not exceeding 102½ per cent and interest or by drawing at that price. These sinking fund payments may be increased at the option of the company. Trustee, Central Trust Co., New York, N. Y. Secured by a first lien upon securities pledged with trustee, including the securities which constitute the entire interest of the General Motors Co. in subsidiary companies engaged in or directly connected with the motor car manufacturing industry. For statement of securities pledged see table preceding.

Authorized \$20,000,000, of which \$11,921,000 were outstanding May 1, 1913, after sinking fund payments of \$3,079,000 had been applied, the remaining \$8,000,000 can be issued from time to time only when approved by the board of directors and by finance committee.

While any of these notes are outstanding it is provided that none of said subsidiary companies, a majority of whose capital stocks is pledged thereunder, shall mortgage its properties or market or dispose of any bonds, notes, or other evidences of indebtedness maturing three months or more from date unless all such mortgage or other indebtedness is simultaneously acquired by the General Motors Co. and pledged with the trustee as further security for these notes; that if any such company shall incur any indebtedness other than for current operating expenses, or shall fail to pay indebtedness incurred for current operating expenses, then General Motors Co. will pay or acquire the same; also that none of such subsidiary companies shall issue any stock having preference or priority over the stock now pledged; also that if any company stock of which is pledged increases the present amount of its stock, the General Motors Co. must acquire and pledge, as further security for these notes, a proportionate amount of such increased stock as shall be required to preserve the percentage of the whole now held; also that while any of these notes are outstanding the company will not distribute in cash dividends on its common stock more than one-half of the net profits subsequent to October 1, 1910, applicable to such dividends, and that the net quick assets of the companies, as carefully defined, must always equal at least 133½ per cent of the amount of these notes outstanding plus an amount equal to the total cash divi-

dends, if any, paid on the common stock. Listed on New York Stock Exchange.

Directors: Anthony N. Brady, J. H. McClement, Albert Strauss, Jacob Wertheim, New York, N. Y.; Edwin D. Metcalf, Auburn, N. Y.; Emory W. Clark, Andrew H. Green, Jr., C. W. Nash, M. J. Murphy, Thomas Neal, Joseph Boyer, Detroit, Mich.; W. C. Durant, Flint, Mich.; James J. Storrow, Boston, Mass.; N. L. Tilney, Orange, N. J. Officers: Thomas Neal, chairman of board; C. W. Nash, president; Emory W. Clark, vice president; Standish Backus, secretary; James T. Shaw, treasurer; Thomas S. Merrill, assistant secretary and assistant treasurer; W. H. Alford, comptroller, Detroit, Mich. Office, Detroit, Mich.

An examination of the foregoing figures shows that this holding company owns substantially every dollar of the stock of all the companies. Referring especially to the Cadillac Motor Co., we find that it has \$1,500,000 of stock, every dollar of which is owned by the General Motors Co.

So that it will be seen that the gentleman who wrote this letter denouncing Congress and ordering it home is simply a hired man of the trust. He does not even enjoy that doubtful dignity which attaches to the boss or even a director of a trust. He is an underling, a serving man, who serves a trust for a salary. I have no doubt he would not venture upon the subject of legislation without consulting his bosses; indeed, I apprehend in this instance he has merely carried out the demands of the trust magnates for whom he works. I suspect that every hired man who draws his weekly stipend from this trust has been ordered to write an epistle, expressing his independent righteous indignation at the wickedness of Congress in daring even to dream of passing statutes aimed at combinations in restraint of honest trade.

I challenge attention to the fact that this is not only a trust but it is an up-to-date concern, for you will observe in the statement in Poor's Manual, above quoted, that a majority of the trust's outstanding preferred and common stock is tied up in a voting-trust agreement, so that we have here a trust so airtight that even its stockholders are deprived of all control, the trust being in turn controlled by a voting trust.

Mr. President, this cold statement contained in Poor's Manual demonstrates beyond a peradventure to my mind that the Cadillac Motor Car Co. and all of the other subsidiary companies named in this table, a list of which I read, are simply parts of a trust organized in open defiance of the Sherman Antitrust Act. I am calling public attention to that fact. I am publicly directing the attention of the Attorney General of the United States to the fact, and am publicly asking him to investigate this concern and take the necessary steps to bring about its dissolution and punishment.

Here is an institution that comes in crying about poor business, and yet year before last its net profits were \$4,447,146.58. Last year—

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. REED. Just as soon as I finish the sentence. Last year its net profits were \$4,438,448. This criminal trust that is making over \$4,000,000 a year comes here and undertakes to lecture Congress and the President and demands that Congress shall adjourn. Instinctively one recalls the ludicrous scene in the comic opera where outlaws demand, with great indignation, that the posse comitatus shall not be assembled, and resolve with much earnestness that the sheriff should go home and attend to his own business and let honest buccaneers proceed with theirs.

I now yield to the Senator from Nebraska.

Mr. NORRIS. Before I ask the Senator my question, I want to commend him for what he has just said in stating publicly that he calls the attention of the Attorney General to this trust. However, I want to suggest to the Senator that the other day when I undertook publicly to call attention to what I believe to be a violation of the Sherman antitrust law, and called the attention of the Attorney General to it by way of a resolution regarding a combination of railroads, the Senator himself was very strenuous in his objection and found fault with it, and he intimated that it was a reflection on the Attorney General to do it this way and that I ought to have done it by a private letter.

Mr. REED. Mr. President, the Senator entirely misapprehends the position I took. I do not intend to object, and I think nothing in my remarks as printed will show that I objected to directing the attention of the Attorney General to any matter. What I objected to was the method employed.

Mr. NORRIS. Now, I should like—

Mr. REED. Let me finish, and I will explain the difference to the Senator. The Senator brought in what purported to be a recitation of facts, and asked the Senate to adopt it as a true statement. Without being able himself to vouch for its correctness, he asked the Senate to solemnly make it of record that the facts were as set forth, and requested that the Senate demand from the Attorney General—

Mr. NORRIS. Why, Mr. President—

Mr. REED. Wait a moment—his opinion as to whether these alleged facts, which, if they were true, plainly showed a violation of law, were a violation of law. I said then, if the Senator was willing to assume responsibility for the facts, he should do so, and not ask the Senate to commit itself.

Mr. NORRIS. I was willing to assume that responsibility, and I called attention at the time—

The PRESIDING OFFICER. One moment. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. REED. I always yield.

Mr. NORRIS. I called attention to the fact then that the evidence upon which I based my statement was Poor's Manual, the very document the Senator from Missouri has offered here today in defense of his position; and I want the Senator from Missouri to understand, as I said in the beginning, that I am not criticizing the Senator for the position he takes; but I replied upon inquiry, either of the Senator from Missouri or some other Senator, in regard to what those facts were, that I had gathered at least a portion of them from Poor's Manual, and that another portion of them had been taken from an opinion rendered by the Interstate Commerce Commission. Although I was willing, when the Senator said there might be a doubt about these whereases, to amend the resolution even as he suggested, he said this could be nothing but notice to the Attorney General, and since he had had one notice, there would not be any use in giving him another, and it could be nothing but a reflection upon the Attorney General. The Senator, I think, used those very words. Now, because I was courteous enough to the Attorney General to first ask his opinion, it seems to me that I was more courteous than the Senator now is to take from Poor's Manual a statement of the facts and make the assertion, without any qualification, that this affair is a criminal trust.

Mr. REED. Mr. President, the Senator from Nebraska may entertain that opinion if he desires, but I say that the distinction between the Senator and myself is this: The Senator undertook to commit the Senate of the United States to a certain statement of facts, and then demanded from the Attorney General, by the United States Senate, an opinion upon those facts. I did not question the right of the Senator to rise in his seat and denounce in any way anything he saw fit as a criminal conspiracy. In that event he would be taking the responsibility himself and would be within his rights. I am doing that now; I am taking the full responsibility of calling the attention of the Attorney General to the situation as it is laid out in this book.

Mr. SMITH of Michigan rose.

Mr. REED. Just one moment. I do not question, and I never have questioned, the Senator's right to do that. The Senator, however, sought to do something more; he sought to commit the Senate to a statement of fact and to commit the Senate to a demand for a legal opinion, which is a very different thing from what I am now doing.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri further yield to the Senator from Nebraska?

Mr. REED. Yes.

Mr. NORRIS. Is not the Senator from Missouri seeking now to commit the Attorney General?

Mr. REED. I am not seeking to commit him. I am committing myself to a statement; I am making it publicly; and the Attorney General must take notice of it or not, as he sees fit.

Mr. SMITH of Michigan. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Michigan?

Mr. REED. I do.

Mr. SMITH of Michigan. I hope when the Senator from Missouri calls the attention of the Attorney General and of the President to this conspiracy, this combination in restraint of trade—the General Motors Co.—that he will also call their attention to the fact that that company was organized under the laws of New Jersey, when Woodrow Wilson was governor, or it continued to maintain its organization after he became governor, and not a step has been taken to repeal the law under which they are organized. Perhaps that will help in some way to clarify the situation.

Mr. REED. Mr. President, that is about as logical as it would be if a man indicted for stealing horses were to plead that the indictment ought to be quashed because on the date of the larceny Woodrow Wilson was governor of New Jersey.

Mr. SMITH of Michigan. Well, Mr. President, we will dismiss the question that he was governor of New Jersey. This

institution was legalized under the laws of New Jersey, and not under the laws of Michigan.

Mr. REED. Mr. President, the laws of New Jersey were passed in the good old Republican days—

Mr. SMITH of Michigan. And retained.

Mr. REED. When a Democrat scarcely dare show his head above the surface; passed in the good old days when the Republican Party of New Jersey held to the doctrine that the more trusts we had and the bigger they were the better it was for New Jersey and all the rest of the world. In those good old days before the Progressive had lifted his voice to disturb the equanimity and sanctity of the old Republican household, before the Democrats had become powerful enough to in any way disturb the vested interests; in those good old days when your Hannas and Rockefellers and Morgans and Perkinses and Guggenheims and other high priests of the trusts were bossing the Republican Party, when you were passing laws that were made by "the interests" in the interest of "the interests," you put upon the statute books of New Jersey a great many wicked laws, and among others this law. The particular trust I am discussing was incorporated in 1908. Was Woodrow Wilson the governor of New Jersey at that time? Surely not.

Mr. SMITH of Michigan. He has been since then, and had a legislature of his own political party. He could have repealed any law in the State of New Jersey.

Mr. REED. But he could not have repealed the charters that had been granted by a previous legislature.

Mr. SMITH of Michigan. The Senator from Missouri is not speaking with his usual accuracy when he charges that these laws were passed by a Republican legislature. That is not the case. The Senator from Missouri will be unable to verify his statement. The laws could have been changed; you had plenty of Democratic authority to change them; and organizations are being made from day to day in New Jersey, and were all during the times that Democrats were dominant in the affairs of that State.

Mr. REED. The most you can say for the Senator's argument is that I ought not to have denounced this concern as a criminal conspiracy and a trust because Woodrow Wilson, as governor of New Jersey, did not choke it to death.

Mr. SMITH of Michigan. No, Mr. President; but the Senator from Missouri and his party have been in control of Congress for some time; they have had the Attorney General's department; and they have not seen fit to level any of their guns against this company as yet. This company has been in existence, its status has been known, and it needs no defense at my hands. It is one of the most honorable and upright in its management of any of the institutions of our State. Its products and the products of its labor and its genius are the pride of our Commonwealth; and it little becomes the Senator from Missouri to charge this concern with being a conspiracy, and a criminal conspiracy, when for over a year the Attorney General has rested securely in the impression that it was a lawful and legitimate business in the country.

Mr. REED. Ah, Mr. President, the trouble has been this: There are too many men in high places like the Senator who has just spoken, who rise and proclaim the high and honorable mission of criminal trusts.

Mr. SMITH of Michigan. Oh, Mr. President, everybody proclaims the efficiency of the Cadillac motor car, and even the Senator from Missouri has made his campaigns in that State in that car.

Mr. REED. The Senator is mistaken—

Mr. SMITH of Michigan. The Senator has done it many times.

Mr. REED. The Senator from Michigan is mistaken about my making my campaigns in that car; but I will admit that the Cadillac motor car is probably a very good car.

Mr. SMITH of Michigan. Yes; but the Senator—

Mr. REED. But I am not aware of the fact that the question of whether the Cadillac motor car runs smoothly has anything to do with whether the Cadillac Motor Car Co. runs honestly and in accordance with law.

Mr. SMITH of Michigan. Or whether Mr. Henry M. Leland, who sent the communication presented to the Senate yesterday by my colleague [Mr. TOWNSEND], has a perfect right, as any other citizen has, to memorialize Congress.

Mr. REED. Mr. President, I am going to bring the Senator from Michigan back to just the point that he has been avoiding by this pleasantries about my riding in a Cadillac motor car.

Mr. SMITH of Michigan. I will withdraw that, if it is offensive to the Senator.

Mr. REED. It would be no discredit to ride in a Cadillac motor car. In truth, if this concern keeps on growing and ab-

sorbing, in a little while we will all be riding in some of its cars, if we ride at all.

Mr. SMITH of Michigan. You will be sure of getting to your destination if you do that. [Laughter.]

Mr. REED. Possibly; and if the proprietors of that concern, of that trust, are allowed to act as the chauffeurs of the Republican Party, they will land the Republican Party inside their works, and they will also be sure to land all of their friends back here in the Senate.

Mr. SMITH of Michigan. Mr. President, if there are any of those who make Cadillac motor cars out of employment now, I think we may safely look to them to defend our party principles in the next campaign. They are high-grade, high-class men.

Mr. REED. Ah—

Mr. SMITH of Michigan. The Senator from Missouri knows that their car is efficient.

Mr. REED. Why, certainly.

Mr. SMITH of Michigan. And their management is efficient; and if they are organized in defiance of law, let the Department of Justice call attention to it.

Mr. REED. The Senator says the car is efficient, and therefore these men are good men. He reminds me of a gentleman keeping a faro bank who insisted that his bank—

Mr. SMITH of Michigan. I protest, Mr. President—

The PRESIDING OFFICER. One at a time, Senators.

Mr. SMITH of Michigan. I protest against this comparison.

Mr. REED. Was mechanically accurate, and that therefore he was violating no law.

Mr. SMITH of Michigan. I protest. That may be proper in debate in Missouri, but it ought not to be indulged in in the Senate. I protest against any comparison of that kind.

Mr. REED. I would not offend my friend for anything in the world, but the comparison exactly illustrates the lack of logic in what he says.

Mr. SMITH of Michigan. Let us let the logic go.

Mr. REED. I was discussing, Mr. President, the question of whether this organization was a trust, running in violation of the law, and the Senator seeks to divert the question to one as to whether the Cadillac car runs well or does not run well; and I say it reminds me exactly of a man who would insist that his roulette game ought not to be interfered with because the balls roll smoothly and the bearings are well greased and the wheel does its business effectively. [Laughter.]

Mr. President, the Senator says that this concern has not been prosecuted; that it has existed for many years and has not been prosecuted. I grant that. It has existed now for some 14 or 15 or 16 months under the present Attorney General without being prosecuted; but prior to that time, from 1908 until Woodrow Wilson was inaugurated, it existed under Republican Attorneys General and was not prosecuted. The fact that it has or has not been prosecuted does not settle the question that it is a combination in restraint of trade, a combination organized in the teeth of the statute.

I want to read a telegram that has been sent to me:

FLINT, MICH., June 5, 1914.

HON. JAMES A. REED,
United States Senate, Washington, D. C., U. S. A.:

I notice in the morning press dispatches that there was read in the Senate yesterday a letter from Mr. Henry M. Leland, of the Cadillac Motor Co., Detroit, Mich., in which the writer indicates that there is business depression existing, and painting a mournful tale as to conditions generally and charging such an alleged situation to Congress. Mr. Leland is a man of high character, and his business and personal honor is unquestioned. It is, however, interesting to note that this is the same Mr. Leland whose name appeared in connection with protected manufacturers upon a full-page advertisement which was run quite generally in Michigan newspapers in October, 1912, about 10 days before election. These signed advertisements were scare proclamations, intended to inflame, intimidate, and frighten the voters, and especially the laboring men, by the prediction that unless Mr. Taft were elected President ruin would result. That such roorback methods have no influence is clearly shown by the fact that Mr. Taft carried only two small States, Utah and Vermont. An important feature, however, bearing upon Mr. Leland's endeavor to get nation-wide publicity to his assertions as to business depression is the fact that the corporation with which he is connected, the General Motors Co., a holding company, of which the Cadillac and Buick are the two leading subsidiary companies, shows an advance in the market price on its stock of nearly 300 per cent during the past year and an advance of 100 per cent within the past six months. To make this clear, let it be understood that General Motors preferred advanced from 55 to 95, and this is based upon actual earnings and profits. The Buick Co. have manufactured and actually sold and received the cash therefor an output for 1914 models of 32,000 pleasure cars and 1,500 commercial cars, being the largest year in its history, and the outlook for 1915 is so promising that plans have been made and some contracts for material let upon a basis of 40,000 cars. Detroit, Mr. Leland's home city, is one of the most prosperous cities in the world—more building, increased bank deposits, everything flourishing, notwithstanding the thousands of dollars paid out during the 1912 campaign for the full-page advertisements bearing Mr. Leland's name predicting dire disaster. Does Mr. Leland claim that the business depression in Canada and some other nations is due to the United States Congress? That President Wilson's

program may be carried out and constructive legislation enacted along the lines of his recommendation is the earnest hope of a great majority of the American people.

EDWIN O. WOOD.

Edwin O. Wood is a Democrat; he is the Democratic national committeeman from that State. And the Senator from Michigan will, I think, say that Edwin O. Wood is a man of the highest character.

Mr. SMITH of Michigan. Mr. President, lest my silence might be construed as disagreement with the statement of the Senator from Missouri, I want to say, without any qualification whatever, that Mr. Wood is a man of the highest character, a man of fine attainments, one of my warm personal friends, and I commend the statement which he has made to the Senator from Missouri. It indicates at least that there is one branch of industry in that State that has not yet suffered the blight of Democracy.

Mr. REED. Yes, Mr. President; there is one branch of industry that has not suffered the blight. This great concern, making last year nearly \$5,000,000 net, this concern, the stock of which has advanced 300 per cent within the last 18 months, this concern, which is a criminal combination organized in defiance of law, which is extending its business and multiplying its profits, comes here to the Senate of the United States and says to it, "Lift your hand if you dare; enact any legislation that will stop us in our marauding expeditions at your peril. We proclaim that you are destroying the country."

Mr. President, we are going "to have it out" with concerns of this ilk pretty soon—if I may be pardoned a common slang expression. We are going to determine in the near future whether or not the criminal trusts have become so potential that their mere threats can compel Congress to adjourn and their wrath can arrest the powers of the Federal Government.

It has been said often here that some of these concerns were organized in the State of New Jersey. How does that fact answer the charge that they are engaged in criminal practices? It is a sad truth that the wise laws of many States of the Union have been practically nullified by the fact that under the interstate-commerce provision of the Constitution a corporation organized in one State can do business in another, and, consequently, that while many of the States have passed statutes limiting the capital of corporations and making other wise provisions, all these safeguards enacted by various States have been rendered nugatory by the conduct of certain other States in granting corporations franchises without limit as to capital and without any other proper limitation.

My own State for many years had upon its statutes a provision that a corporation could not be organized with a greater amount of capital than \$15,000,000, unless it were a corporation engaged in operating a railroad. That statute was rendered null and void, so far as its effectiveness was concerned, by the existence of other States where there was no such limitation, and by the fact that being there organized corporations could enter my State where the limitation existed and do business, although they could not have received a Missouri charter.

The fact that the General Motors Co. was organized under the laws of New Jersey does not change the situation. If it was wrong to organize it in New Jersey, the fact that Woodrow Wilson in his short term as governor was not able to wipe out all of the wrongs and iniquities existing does not give the trust a clean bill of health. We must none the less meet the question and settle it upon its merits.

What I am at this time particularly calling attention to is the startling fact that a criminal trust, its pockets bulging with profits, gained in violation of law, coolly comes to the Congress of the United States and, in effect, orders Congress to adjourn, attaching to the demand the implied threat that big business will injure the country if Congress does not obey its commands.

The demand we have of this automobile trust is couched in language calculated to impress one with the fact that impudence frequently characterizes criminality.

Mr. President, while I am on my feet, and since the Senator has said "here is one concern that has not yet been wrecked," I call attention to one other matter. We have been repeatedly told here from the other side of the Chamber that nearly every business house in the United States is being closed up; that ruin and desolation are stalking across the earth; that the bats are now roosting in all of the workshops where once the music of labor delighted the ear; and we are told at the same time that prices have not been reduced a penny. It was stated here only the other day that there never has been any reduction in prices. Of course, it is a little difficult for a man to understand why a factory that can get the same prices now that it got three years ago should shut down; why it would not keep on running if its prices were just as high.

It is a little hard to understand how a man who is selling an article at a given price and making money, and his entire plant is buzzing and humming and whirling with industry, should shut that plant down as long as the prices stay just where they were. So, it is a little hard to understand, if prices have stayed up, why all the great factories of the country should be closing down. The truth is prices have been lowered and the factories have not shut down.

I want to put into the RECORD part of a letter from the National Cloak & Suit Co., of New York. I do not see on the floor the Senator from Utah [Mr. SMOOR] or the Senator from Rhode Island [Mr. LIPPITT]. They could tell us all about the various samples of cloth which are attached to this letter; but here they are [exhibiting]. I will ask to print the letter without reading it, except an excerpt or two, which I will take the liberty of reading:

Answering the above, we would say that the tariff has been the cause of reducing prices on woollens by the yard, and this will in turn enable the manufacturer of garments to give a better piece of material in a garment at fixed retail price than he did a year ago, or to sell the same garment he made a year ago at a lower price.

The letter then goes on to take up the question of woollens, which is the business in which this concern is engaged.

Here are these samples. I can not tell you what kind of goods they are, but they look like pretty good woolen goods. Here is a sample that was sold last year at \$1.32½ a yard, which is now being sold at \$1.02½. Another sample which was sold last year at \$1.37 a yard is now being sold at 87½ cents. Another sample which was sold last year at \$1.30 is now being sold at 97½ cents. Another sample which was sold last year at \$1.45 is now being sold at \$1.02½, and another sample which was sold last year at \$1.37 is now being sold at 98½ cents. All of these samples are attached to the letter of this large concern. While I can not give the technical names, the various samples are all of various worsteds.

I call attention now to the Journal of Commerce and Commercial Bulletin, under date of January 13. That is a good way back. I am introducing this to show that at that early period there was a reduction in prices, that it was general, and that all this talk to the effect that there has been no reduction of prices has been in the face of the published price lists since January, 1914.

The anxiously awaited prices on staple men's wear serges for fall 1914 delivery were made yesterday by the American Woolen Co.—

Certainly a very large concern—

The prices named showed sharp concessions from the figures made a year ago, but the downward revisions announced by the leading factor were by no means so great as to disturb the market unduly. The figures decided upon for the next heavy-weight season were about what buyers generally anticipated. The reductions ranged from 10 cents to 37½ cents a yard compared with the opening quotations for the fall 1913 season.

The greatest cut was made on the Wood serge style No. 9118-010. This cloth, which was \$2.10 a year ago, was dropped to \$1.72½. On cloths that were priced last July for spring 1914 only slight changes were made.

I shall not read all of the article, but I shall ask to insert it.

The PRESIDING OFFICER. Without objection, that may be done.

The balance of the article referred to is as follows:

Serge No. 3194, one of the leading fabrics made in the Fulton Mill, was reduced from \$1.37½, the price named last July for spring 1914, to \$1.35. That the price of this cloth would be \$1.35 was foreshadowed in these columns a couple of weeks ago.

Serge No. 3844, which was reduced from \$1.82½ to \$1.62½ last July, was lowered 7½ cents, making the total reduction on this number 27½ cents a yard during the past year. Two of the unfinished worsteds made in the Washington Mill were reduced 30 cents and 35 cents a yard. Ayer serge No. 1814-44 was reduced from \$1.55 for fall 1913 to \$1.25.

The reductions made by H. W. T. Mall & Co., which ranged from 27½ cents to 45 cents a yard, compared with the fall 1913 prices, were the talk of the market. Patterson & Greenough reduced Waterloo serges and unfinished worsteds about 12½ per cent. Metcalf Bros. & Co. made no prices on Wanskuck serges, and it was announced that quotations would not be ready for a week or 10 days. S. Slater & Sons (Inc.) will make serge prices later in the week. At the office of the George H. Gilbert Manufacturing Co. it was stated that prices would not be named yesterday. The Coronet Worsteds Co. expected to be ready about the end of the current week. The United States Worsteds Co. serges will be opened to-day.

According to reports current in the market, the advance business booked on staple worsteds is substantial, and the indications point to a very satisfactory application during the season, in spite of the foreign lines that are being offered. It is apparent that domestic factors are determined to keep the staple worsteds business in this country, but it is stated that this was possible only because of the low prices named, which, it is contended, are the closest ever made.

The advance orders placed late last week, coupled with the contracts accepted yesterday by the largest worsteds corporation, were reported to be up to all reasonable expectations.

Fancy worsteds were also opened by the American Woolen Co. The lines shown by department 2 comprised fancy piece dyes with silk decorations, silk mixtures, skein dyes, vigoureux mixtures, and compound mixtures.

Those in charge of the selling end of the company declined to give out any information as to prices for the next heavy-weight season on goods of this description, but it was learned from other sources that the quotations were relatively as low as those made on staples.

Style number.	Fall, 1914.	Fall, 1913.
WASHINGTON STANDARD CLAYS.		
317, 12-ounce.....	\$1.17½	\$1.37½
338, 14-ounce.....	1.25	1.50
614-5.....	1.10	.....
615-5, 15-ounce.....	1.15	1.40
815-4.....	1.32½	.....
200, 16-ounce.....	1.37½	1.62½
WASHINGTON SERGES.		
2091-1.....	.65	.....
315-16.....	1.00	1.25
815-13.....	1.37½	.....
UNFINISHED WORSTEDS.		
113-5.....	1.30	1.52½
115-5, 15-ounce.....	1.40	1.67½
815-6.....	1.30	1.55
8154-2.....	1.70	1.82½
9613-1.....	1.02½	1.12½
9614-1.....	1.07½	1.20
9615-1, 15-ounce.....	1.12½	1.25
9115-75.....	1.50	1.80
9116-037.....	1.52½	1.87½
FRENCH BACKS.		
716-12.....	1.50	1.75
WOOD SERGES.		
9714-8.....	1.25	1.47½
9715-8.....	1.35	1.57½
9815-29.....	1.40	1.62½
9816-29.....	1.45	1.67½
9116-9.....	1.57½	1.90
9118-010.....	1.72½	2.10
FULTON SERGES.		
3194.....	1.35	1.60
4077, 16-ounce.....	1.47½	1.72½
3844.....	1.55	1.82½
5048, 15-ounce.....	1.40	1.65
6048.....	1.15	1.40
FULTON UNFINISHED WORSTEDS.		
3850.....	1.60	1.85
AYER SERGES.		
1614-3.....	1.07½	1.30
1814-44.....	1.25	1.55
1114-41.....	1.42½	.....
1115-29.....	1.55	.....

Mr. SUTHERLAND. Mr. President—
The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED. I do.

Mr. SUTHERLAND. Are these wholesale prices that the Senator is quoting?

Mr. REED. They are prices that are made by the American Woolen Co. in this particular instance; yes.

Mr. SUTHERLAND. They are wholesale prices?

Mr. REED. Oh, yes.

Mr. SUTHERLAND. Can the Senator tell us whether or not there has been any decrease in the price of clothing? That is, can a man go to a clothing store here and buy clothing cheaper than he could a year ago?

Mr. REED. Undoubtedly. I have just introduced a letter from a manufacturer on that subject. I think the Senator was not here at the time.

Mr. SUTHERLAND. I am speaking of the retail price of a single suit of clothes.

Mr. REED. Yes.

Mr. LANE. Mr. President, if the Senator goes to a tailor for a suit I think he will find that the tailors are selling the same quality of suits for less than they did last year.

Mr. SUTHERLAND. I shall have to call that to the attention of the tailor I patronize, then, because I have not been able to get a lower price.

Mr. LANE. I think it would be a wise thing for the Senator to do.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me, the Senator from Utah is too high-toned and aristocratic.

Mr. SUTHERLAND. Oh, no.

Mr. WILLIAMS. Probably his tailor will not make a reduction; but if he belonged to the ordinary Democrats of the country and bought his clothes from the shelf in a ready-made clothing store, he could go down in Washington to-day and dis-

cover that there had been a reduction, especially in blue serges and summer light woolen underwear.

Mr. SUTHERLAND. I will say to the Senator that I patronize a very good tailor, but—

Mr. WILLIAMS. While I am on my feet I want to say something further on this point. My boy came to me lately and said: "Papa, I want \$4. I want to buy a straw hat. I want a hat just like I had last summer, and that is what it cost." I gave him the \$4, and he came back to me later and gave me back 75 cents, and said: "The man is selling them cheaper this year, and he told me it was on account of the tariff." [Laughter.] Now, I do not know whether the man meant that or not, but he was selling the hat 75 cents cheaper just the same.

Mr. SMITH of Michigan. It was due to a shortage of customers.

Mr. SUTHERLAND. I will say to the Senator from Mississippi that that has not been my experience. While I patronize a very good tailor, if the Senator from Missouri will yield to me just a moment—

Mr. REED. Yes.

Mr. SUTHERLAND. I am rather modest in my tastes. I have not been in the habit of buying high-priced clothing or high-priced anything else, but I have been unable to get better prices for the things that I bought than I did a year ago.

Mr. WILLIAMS. The Senator never will get better prices from an exclusive tailor.

Mr. SUTHERLAND. I paid the same price for a straw hat that I did a year ago. I paid a little more for shoes. I find, on the whole, that the things I buy at retail are about the same.

Mr. WILLIAMS. If the Senator will just join the holy army of men that God created with such perfection of physical form that they can be fitted at a ready-made clothing store, the Senator will find out that the goods are cheaper. [Laughter.]

Mr. SMOOT. Mr. President—

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

Mr. REED. Oh, yes.

Mr. SMOOT. If the goods are sold by the manufacturer to the clothing man 10 cents a yard cheaper than they were last year, inasmuch as it takes $3\frac{1}{4}$ yards to make a suit of clothes, that would be $32\frac{1}{2}$ cents on the suit of clothes; and I do not think the Senator himself will claim that the retailer is going to sell a \$15 suit of clothes for \$14.67 $\frac{1}{2}$. Those are the absolute facts, Mr. President, and that is where you have to come in order to arrive at whether or not the ultimate consumer buys a suit of clothes cheaper.

I wish to say another thing to the Senator right in that connection. If the cloth of which he speaks costs \$1.10, even if it took $3\frac{1}{4}$ yards to make a suit of clothes, all the cloth in the suit of clothes would cost would be \$3.85. Now, it is not in the price of the cloth. The cloth that the Senator's suit is made of, for which they charge him \$55 here in Washington, will not cost more than \$4.85 to \$5. It is not in the price of cloth. There is hardly any cloth that ever costs more than 97 $\frac{1}{2}$ cents a yard. Years ago it did not cost any more than that, and the Senator has quoted the prices of it to-day. There are only $3\frac{1}{4}$ yards in a suit; and I want to say to the Senator that a difference in price of 10 cents a yard to the retailer makes no difference in the retailer's price.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Utah a question.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Mississippi?

Mr. REED. Oh, yes.

Mr. WILLIAMS. Has the Senator from Utah definitely surrendered his old war cry that the country was to be immediately ruined by ruinously low prices?

Mr. SMOOT. Why, I do not know what the Senator refers to, I am sure. I have not had any such war cry, nor uttered it upon this floor.

Mr. WILLIAMS. But I remember, Mr. President, when we had the tariff bill under discussion, that the Senator from Utah said that we were to be flooded by goods of foreign production at such ruinously low prices that American industry would have to come to a stock-still status. Now, I want to know, merely for my own information, whether or not the Senator from Utah has surrendered that contention, because he seems to me to be making an entirely different contention now.

Mr. SMOOT. Oh, no, Mr. President; the Senator from Mississippi does not understand, or will not understand, what the Senator from Utah has said in the past, or his position.

Mr. WILLIAMS. Oh, I beg the Senator's pardon; it is not a matter of will at all. If I do not comprehend it is out of inability, not out of unwillingness at all.

Mr. SMOOT. Let the figures speak as to whether there is not a great increase of importations.

Mr. REED. Mr. President, I am not going to yield for any such discussion as this.

The PRESIDING OFFICER. The Senator from Missouri declines to yield.

Mr. REED. It has not anything more to do with the question we are discussing at this moment than the story of the fall of Sodom and Gomorrah has to do with the Constitution of the United States. I yielded to the Senator and gave him full time to talk about the matter I am talking about. The question of how many goods are being imported or exported has not anything to do with the question of prices, not the least.

Mr. SMOOT. Mr. President, I did not ask the Senator to yield, nor do I ask him now to yield. The Senator from Mississippi asked me a question, and I proceeded to answer it, but out of the wonderful and unbounded courtesy of the Senator I shall not do so.

Mr. REED. Mr. President, let me not be put in that sort of light.

Mr. SMOOT. I was not asking the Senator to yield to me.

Mr. REED. I gave the Senator full opportunity to ask me any question he wanted to ask. He got into a controversy with the Senator from Mississippi.

Mr. SMOOT. No; I did not get into any controversy at all.

Mr. REED. As long as they were talking about something that bore a faint, infinitesimal resemblance to the question I was talking about, I was willing to follow them, but I am not willing to go at this moment into the question of what the exports and imports of the country are. I am willing to take that up and discuss it as a separate proposition.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. LIPPITT. Mr. President—

Mr. REED. I want for a moment now to reply to the Senator from Utah on a suggestion he made. When I am through with that I shall gladly yield to my friend from Rhode Island.

I have heard the threadbare argument that if you reduce the factory price of the goods the reduction never reaches the ultimate consumer until I think it will at least relieve me to say what I think about it. The argument is bottomed upon the idea that the cost of the raw material entering into a suit of clothes or into a dress has nothing to do with the cost of the garment. I utterly deny that. I deny that it is based upon fact or that it can be sustained by common sense. I deny that if the cloth going into a suit of clothes costs \$2 per yard, and it is reduced to \$1 per yard, some of that benefit does not in the long run reach the ultimate consumer.

Of course the Senator loves to take the cloth and say there are so many yards of cloth, and if you reduce it 25 cents a yard that ruins the manufacturer, does not enrich the middleman, and leaves the ultimate consumer just where he was before, and anyway that it is so small a sum that it amounts to nothing; but the Senator can not maintain the position that the cost of the raw material entering into a suit of clothes does not have something to do with the price of the suit of clothes.

In addition to the cloth, of which the Senator speaks, buttons, thread, lining, and a dozen or twenty other things enter into a suit of clothes. If you reduce that cost by 25 per cent it amounts, on a first-class suit of clothes, to several dollars. On a very cheap suit of clothes it amounts to a few dollars. It is utterly ridiculous to say that some benefit does not flow on down to the ultimate consumer. If that be not true, if the Senator's logic were carried to its ultimate conclusion, it would amount to this—that if you doubled the price of all the raw materials entering into a garment the price of the garment would still stay the same; if you made it four times as great, the price of the garment would still stay the same to the ultimate consumer; or if you divided it by four, the price would remain the same. I deny the soundness of that proposition. That argument is devoid of sense.

I desire now to call attention, at the point where I was interrupted, to the fact that not only the American Woolen Co. but other companies have marked down their prices.

Mr. LIPPITT rose.

Mr. REED. I promised to yield to the Senator from Rhode Island, and I gladly do so.

Mr. LIPPITT. Mr. President, before the Senator from Missouri leaves the case of the American Woolen Co., which he has been describing, I should like to know whether he has there any figures which show the result of the reductions he has been talking about upon the American Woolen Co. itself. I think those figures are quite instructive. They were published in the paper a short time ago. I have not a copy of the article, but I have a very distinct recollection of the statement in its broad lines.

Of course the Senator understands that the American Woolen Co. is a very large corporation, employing a very large amount of capital and a very large number of operatives. The result of this statement was that for the last year, as the result of these tariff changes, where the American Woolen Co. had been averaging a profit of about \$3,000,000 a year, it showed for that year a loss of \$800,000.

Mr. REED. For what year?

Mr. LIPPITT. I think it was the year ending last January.

Mr. REED. But, Mr. President, the Senator must know that these prices, made only last January, could not have caused a loss the year before.

Mr. LIPPITT. If the Senator will pardon me just one moment, in addition to showing this enormous loss, they were only enabled to employ from 50 to 60 per cent of the number of operatives they had been in the habit of employing.

We have heard a great deal from the Senator's party about what was going to be done to gentlemen who said they were injured by the tariff. Here is a report in cold figures of a corporation which for years under a Republican tariff had been averaging a little profit on the capital it had invested, and as the result of putting into operation this Democratic tariff it has been obliged to throw a very large number of its employees entirely out of employment and shows a very large loss on the capital that is invested in its business.

There is no mystery about the cause of the present business conditions in this country. The case of the American Woolen Co. is fairly representative. I think that if, as a result of that, there is some fraction of a cent saved on a suit of clothes, and it is done at a cost to the business of results that will make it impossible to continue the business if the results continue, there is something that the Senator ought to consider on that side of the question.

Mr. REED. Mr. President, I am glad the Senator has interrupted me to make this statement, because it throws a flood of light upon all of the criticisms that are now being put forward by those who are willing to wreck the finances of the United States if they can gain a little political advantage out of it; who would bring on a panic to-morrow, and do it gladly, if by that panic they could return themselves to power.

The Senator has told us that last year the American Woolen Co. was obliged to cut down its dividends; that it not only failed to make a profit last year, but that it suffered a loss last year; and yet all of that occurred the year before the tariff bill was passed by Congress, and it is charged up here now to the tariff.

Mr. LIPPITT. What was the date when the tariff bill was passed by Congress?

Mr. REED. The woolen schedule went into effect on the 1st of last January.

Mr. LIPPITT. Does the Senator suppose for a minute that business is conducted on the basis of not taking account of the results that are going to occur and the laws that are going to be put in force? The facts of the case are that for years under a Republican tariff that business was conducted at a reasonable profit; and the facts of the case are that the instant the Senator's ideas of tariff legislation are put into effect the operatives are thrown out of employment, and the legitimate profit on the capital disappears.

Mr. REED. In other words, they charged up a loss a year in advance. The law did not go into effect until last January, but they anticipated the loss and charged it up, and charged it to the woolen schedule which had not yet gone into effect. That is the logic of the Senator.

Mr. LIPPITT. The Senator talks about anticipating a loss, but this loss actually occurred.

Mr. REED. And they also discharged the employees a year before they even knew what the woolen tariff would be. Now, then, I think that points a moral and adorns a tale. I have not the slightest doubt that some of these protected industries would gladly close their mills for a year if they could force the American people to bow down once more and worship them and the theory out of which they enriched themselves.

The Senator makes the astonishing statement that a year before the tariff law was enacted this company suffered a loss, and that the loss is chargeable to the fact that a year afterwards a tariff bill was enacted. And yet, Mr. President, that is exactly the sort of evidence being manufactured and studiously urged against the tariff. If at the time the tariff bill was enacted there was anywhere an institution on its last legs; if it was doomed to certain death by its own diseased condition; if gangrene, beginning at the toes, had eaten clear up to the heart; if its arteries were drained dry by the rascality of its officers; if the coffin was, in fact, ordered when the tariff bill was passed, nevertheless the death is blamed on the tariff. But this is the

first time I have known a Senator to assert that we ought to blame on the tariff a loss that occurred a year before the tariff bill was enacted.

The American Woolen Co. was not alone in publishing a reduction in prices. In the same paper—the Journal of Commerce of date January 13, 1914—I find the advertisements of other great houses. I present a few:

METCALF BROS. & CO. PRICES—FINE GRADES DOWN FROM 17½ CENTS TO 25 CENTS A YARD FOR FALL 1914.

Metcalf Bros. & Co. opened their finer grades of wool goods at prices that showed reductions of from 15 cents to 25 cents a yard compared with the quotations for fall 1913.

On the cheaper grades of men's-wear woollens the reductions averaged 7½ cent's a yard.

It was stated that serge prices would not be made for the fall 1914 season for a week or 10 days.

Here is another:

PRICES ON WATERLOO SERGES—PATTERSON & GREENOUGH REDUCE HEAVY-WEIGHTS ABOUT 12 PER CENT.

Patterson & Greenough, selling agents for the Waterloo Woolen Manufacturing Co., opened the Waterloo serges and unfinished worsteds at the following prices:

Ontario grade serge.	
Style:	
5114, 14 ozs.....	\$1.20
5116, 16 ozs.....	1.30
5118, 18 ozs.....	1.42½
Seneca.	
5214, 14 ozs.....	1.30
5216, 16 ozs.....	1.45
5218, 18 ozs.....	1.60
Unfinished worsted.	
51014, 14 ozs.....	1.25
51016, 16 ozs.....	1.35
52014, 14 ozs.....	1.35
52016, 16 ozs.....	1.50

These prices show a reduction of about 12 per cent compared with last year.

Here is the statement of our old friend:

ARLINGTON SERGES SELL WELL—MANY NEW NUMBERS OFFERED AT ATTRACTIVE PRICES.

William Whitman & Co. have made prices on Arlington Mill serges that are from 25 cents to 35 cents a yard lower than a year ago. These goods, it was stated yesterday, have been open for a week. In addition to the regular standard numbers many new staple fabrics are being offered by this corporation.

One of the best sellers is 2226, which cost \$1.32½. An 11-ounce cloth, style No. 2228, is being offered at 80 cents. This cloth is causing a good deal of comment. Another new fabric is No. 2233, at \$1.25.

The serge No. 2004, which was opened last August at 75 cents and subsequently advanced to 82½ cents, is being offered for the next fall season at 72½ cents. Serge No. 2034, which a year ago was opened at \$1.84½ and lowered last August to \$1.62½, is \$1.55 for fall 1914 delivery.

The advance business placed on Arlington serges is reported to be substantial.

Mr. President, in the same paper which published the statements showing a reduction in woolen goods I find some evidence that those who spent all last summer prophesying the ruin of the sheep men and wailing over the decimation of their flocks and herds were somewhat in error.

Why, when the tariff bill was up for discussion a distinguished Senator, whose magnificent physique suggests the broad plains of the West and the manly virility of its sturdy population, stood up in the Senate daily looking like a monument of unshed tears; he could vocalize only in notes that were so pathetic that they would melt the stony heart of even a free-trade Democrat as he told us that the price of wool would all go to smash; that the disconsolate little lambs, refusing longer to gambol on the green, would pine away and die; that the wise old wethers, heartbroken at the thought of lower prices, would droop their sad heads, seek the underbrush, shrivel up, and blow away; that the cactus once more would embrace the surface of the earth in its thorny arms and the prairie dog build his lair in the streets of Cheyenne; that ruin and desolation would settle down upon our beloved country and the howl of the coyote would again be heard in the land. [Laughter.] But wool did not go down much; cows still have calves, and hens lay eggs, and chickens hatch, and pigs multiply, and the goat still distills his odoriferous sweets upon the plains of the great West.

For, after all these wailings, I read in a trade paper of January 13, 1914, this:

BOSTON WOOLS STRONG, HIGHER PRICES LOOKED FOR—TRANSACTIONS PRINCIPALLY IN FINE AND FINE MEDIUM TERRITORY—FOREIGN MARKETS FIRMER.

BOSTON, January 12.

There is no mistaking the very patent fact that raw wool the world over is master of the wool textile situation. The disinterested attitude which buyers adopted only a short time ago when examining wool, has disappeared and buyers are free to confess that wool prices are against them on Summer Street. The market is in a healthy condition and the prospects indicate higher prices rather than lower.

Probably the best feature of the whole trade, however, is the fact that manufacturers appear more cheerful over the outlook on goods. Some factors are understood to have done fairly well on their heavyweight openings and this is of no little significance this season. Certain show-

ings of woolen overcoatings, especially chinchillas, are reported to have sold well. Moreover, it is asserted by some mill men that certain staple worsteds, which have been kept up to a fixed standard hitherto are obtaining decided recognition from the clothing trade. One well-known manufacturer of medium-priced staple worsteds is reported to have recently sent abroad certain samples to see at what price they could be duplicated, and it is further reported that the results showed a price only 15 cents a yard in favor of the foreign goods, not taking into account the difference in freight nor the 35 per cent duty.

THE WEEK'S SALES IN DETAIL.

Transactions in the local market have been principally of the fine and fine medium grade territory wools of the clothing order, on the basis of 46 to 47 cents for the fine medium and about 50 cents for clean for the best fine wools, possibly 51 cents for choice. Best Montanas, which are now scarce, are quoted at 17 cents in the grease and good fine and fine medium Utahs, shrinking around 65 to 66 per cent, are quoted firm at 16 cents. A sale of over a half million pounds of graded Montana wools is reported, including fine, half-blood and three-eighths blood staple, as well as half-blood clothing wools. For fine staple, 18 to 18½ cents in the grease is reported and for half-blood 19 to 19½ cents is said to have been taken, while 19½ cents is reported on three-eighths blood. About a quarter million pounds of low wools, including common and braid, quarter and low quarter, have also been cleaned up at around 19 cents.

Several lots of original wools are also reported, including some Montana, Idaho, Wyoming, New Mexican, and Colorado at prices ranging from 43 to 44 cents for the poorer wools up to 49 to 50 cents for the best lots. Altogether close to 3,000,000 pounds of territory wools are reported as sold this week.

Manufacturers are carefully going over the stocks of foreign wool in the market and are sampling these wools very extensively as well as the domestic fleece. The usual call for fine Australian clothing wools has been in evidence again at former rates, namely, 56 to 63 cents for 64s-70s wools according to condition.

Included in the week's transactions were several hundred bales of New Zealand and Australian crossbreds.

Mr. President, if there has been one institution in the United States that has told us that the tariff would close down the factories, produce starvation, send the pale-faced laborer out to tramp upon the highways, do no good, and give us no reduction in prices, it was the Pittsburgh Plate Glass Co. It was always here when a tariff bill was up. Like the poor, it was eternally with us. Here is a letter from the Pittsburgh Plate Glass people. I read a part of it. It is dated back in March, when I intended to use some of this material.

MARCH 4, 1914.

We are in receipt of your communication of the 16th ultimo, which has been carefully noted.

It is not a simple matter to answer your question directly, because of the many conditions bearing upon the matter of price, and for the further reason that the effect of the present tariff has not been fully determined. To comply as accurately and concisely as circumstances will permit, the prices of plate glass may be considered in three general classifications, with the following comparisons:

Selected quality, used almost entirely for high-grade mirrors:

1912 prices—	Per square foot.
2 feet 8 inches by 5 feet.....	\$0.37
5 by 10 feet.....	.51
Present prices—	
2 feet 8 inches by 5 feet.....	.32½
5 by 10 feet.....	.40½

Second quality, used principally for cheaper grade mirrors and automobiles:

1912 prices—	Per square foot.
2 feet 8 inches by 5 feet.....	\$0.32
5 by 10 feet.....	.42
Present prices—	
2 feet 8 inches by 5 feet.....	.29
5 by 10 feet.....	.37

Glazing quality, used principally for exterior of buildings, show cases, table tops, etc.:

1912 price—	Per square foot.
Average assortment, 1 by 120 feet.....	\$0.30
Present price—	
Average assortment, 1 by 120 feet.....	.28

The prices in first and second classification are shown in two brackets only, because grades of glass involved are used almost entirely in sizes under 10 square feet. Price in the third classification is based upon average assortment, accepted by wholesale trade buying glazing quality.

I wish the Senator from Utah [Mr. SMOOT] was here.

The above are wholesale prices, but retail prices for the same period would compare relatively.

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

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). The Secretary will call the roll.

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

Asberst	Johnson	Page	Sutherland
Borah	Jones	Perkins	Swanson
Brady	Kenyon	Pomerene	Thomas
Bristow	Kern	Reed	Thompson
Burton	Lane	Saulsbury	Townsend
Chamberlain	Lee, Tenn.	Sheppard	Vardaman
Chilton	Lee, Md.	Sherman	Warren
Clark, Wyo.	Lewis	Shively	Weeks
Coit	Martin, Va.	Simmons	West
Cummins	Martine, N. J.	Smith, Ariz.	White
Gallinger	Nelson	Smith, Md.	Williams
Gronna	Norris	Smith, Mich.	Works
Hitchcock	O'Gorman	Smoot	
Hughes	Oliver	Sterling	
James	Overman	Stone	

Mr. CHILTON. I wish to state that the Senator from New Mexico [Mr. FALL] is necessarily absent from the Senate.

The VICE PRESIDENT. Fifty-seven Senators have answered to the roll call. There is a quorum present. The Senator from Missouri will proceed.

Mr. WILLIAMS. Mr. President—

Mr. REED. I yield to the Senator from Mississippi.

Mr. WILLIAMS. I wish to report, under the instructions of the Committee to Audit and Control the Contingent Expenses of the Senate, the resolutions which I send to the desk. If there should be any discussion in connection with any of them, I will withdraw them at once. I ask unanimous consent for their consideration. One of them is to pay the funeral expenses of the late Senator Bradley, and others are routine matters connected with the death of employees and the usual six months' allowance. Two of them propose to continue certain employees a month or two longer.

FUNERAL EXPENSES OF THE LATE SENATOR BRADLEY.

Mr. WILLIAMS, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 381, submitted by Mr. JAMES on the 28th ultimo, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay, from the miscellaneous items of the contingent fund of the Senate, the actual and necessary expenses incurred by the committee appointed by the President of the Senate in arranging for and attending the funeral of the late Senator William O. Bradley, from the State of Kentucky, vouchers for the same to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

EMELIE SMITH.

Mr. WILLIAMS. I am directed by the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 378, submitted by Mr. NELSON on the 27th ultimo, to report it favorably with amendments. I ask for its present consideration.

The Senate, by unanimous consent, proceeded to consider the resolution. The amendments were, in line 6, to strike out the word "he" and insert "she," and in the same line, before the word "death," to strike out "his" and insert "her," so as to make the resolution read:

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay, out of the contingent fund of the Senate, to Emelie Smith, mother of Eli Smith, late a messenger to the Committee on the Five Civilized Tribes of Indians, a sum equal to six months' salary at the rate she was receiving by law at the time of her death, said sum to be considered as including funeral expenses and all other allowances.

The amendments were agreed to.

The resolution as amended was agreed to.

ASSISTANT CLERK TO COMMITTEE ON NAVAL AFFAIRS.

Mr. WILLIAMS, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 377, submitted by Mr. TILLMAN on the 26th ultimo, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Naval Affairs be, and it is hereby, authorized to continue the employment of an assistant clerk, at \$1,440 per annum, to be paid from "miscellaneous items" of the contingent fund of the Senate, until July 1, 1914.

Mr. SMITH of Michigan. Mr. President, a parliamentary inquiry. The unfinished business being before the Senate, can the Senate pass these resolutions?

Mr. WILLIAMS. These are routine matters.

The VICE PRESIDENT. It can only be done by unanimous consent, and it is in direct violation of the rules.

MONUMENT TO PRESIDENT JOHN TYLER.

Mr. WILLIAMS. I am directed by the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate concurrent resolution 22, authorizing the appointment of a committee of Congress to attend the unveiling of a monument to President John Tyler at Richmond, Va., to report it without amendment. I ask that that resolution may go to the calendar.

Mr. SWANSON. I should like to have the resolution passed at once. The exercises will be held very soon. I ask unanimous consent that the resolution be adopted.

The resolution was considered by unanimous consent and agreed to, as follows:

Whereas the Government of the United States has erected a monument in Hollywood Cemetery at Richmond, Va., over the grave of President John Tyler; and Whereas exercises will be held very soon to unveil the said monument and it being considered very appropriate that the Senate and House of Representatives should be properly represented on this occasion: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That a committee of 10 members be appointed, 5 by the President of the Senate and 5 by the Speaker of the House of Representatives, to represent the Congress of the United States to attend said ceremonies, and authority is hereby given to expend \$250 from the contingent fund of the Senate and \$250 from the contingent fund of the House of Representatives to defray the expenses of said committee, upon vouchers to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate and the Committee on Accounts of the House of Representatives, respectively.

SENATOR FROM MARYLAND.

Mr. WILLIAMS. I am directed by the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 379, to pay BLAIR LEE expenses incurred in proceedings involving his right to a seat in the Senate, submitted by Mr. KEEN on the 28th ultimo, to report it without amendment.

Mr. KERN. Mr. President—

Mr. WILLIAMS. I ask that the resolution may go to the calendar unless the Senator from Indiana desires its present consideration.

Mr. KERN. I rose to ask unanimous consent for its immediate consideration.

Mr. GALLINGER. I will ask that the resolution be read once more.

The Secretary again read the resolution.

Mr. GALLINGER. I have nothing to say about it, Mr. President.

Mr. OVERMAN. That is a new precedent in the Senate.

Mr. GALLINGER. I wondered about the payment from the contingent fund.

Mr. OVERMAN. I think the resolution had better go over. We have had such resolutions before and declined to take action in this way.

Mr. WILLIAMS. I am perfectly willing to let the resolution go to the calendar.

Mr. WARREN. Such resolutions have always gone to the Committee on Appropriations and the appropriation has been made in the regular way.

Mr. OVERMAN. The resolution ought to go to the Committee on Appropriations.

Mr. GALLINGER. What attracted my attention was that it proposes to make the payment from the contingent fund of the Senate. It strikes me that there ought to be an appropriation made for the purpose.

Mr. WARREN. It should be regularly appropriated for.

Mr. WILLIAMS. That may be so. I ask that the resolution go to the calendar.

Mr. OVERMAN. Let it go to the Committee on Appropriations. I ask that it be referred to the Committee on Appropriations. That is the place where it belongs.

Mr. WILLIAMS. I agree to that.

The VICE PRESIDENT. The resolution will be referred to the Committee on Appropriations.

HON. FRANK P. GLASS.

Mr. WILLIAMS. I am directed by the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 380, to pay Frank P. Glass expenses incurred in proceedings to establish his right to a seat in the Senate by appointment of the governor of Alabama, submitted by the Senator from Indiana [Mr. KEEN] on the 28th ultimo, to report it without amendment. I ask that the resolution take the same course.

The VICE PRESIDENT. The resolution will be referred to the Committee on Appropriations.

THE COMMITTEE ON INTEROCEANIC CANALS.

Mr. WILLIAMS, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 385, submitted by the Senator from New York [Mr. O'GORMAN] on June 3, reported it without amendment, and it was considered by unanimous consent and agreed to as follows:

Resolved, That the provisions of resolution of April 6, 1914, authorizing the Committee on Interoceanic Canals to employ temporarily a stenographer be extended for 30 days from the adoption of this resolution.

PANAMA CANAL TOLLS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. REED. Mr. President, when I yielded to the interruption I was reading a letter from the Pittsburgh Plate Glass Co.,

showing the schedule of prices, with reductions, and I had called attention to this sentence:

The above are wholesale prices, but retail prices for the same period would compare relatively.

At the close of the letter this statement is made:

Indications now point to materially lower prices in the near future, particularly for the third classification.

In connection with the reduction in the price of woollens I have here a letter from S. Slater & Sons, of Webster, Mass., which reads as follows:

WEBSTER, MASS., February 25, 1914.

Mr. JAMES H. REED,
Chairman United States Senate Committee on Manufactures,
Washington, D. C.

DEAR SIR: Receipt is acknowledged of your inquiry of February 17, and in reply I am sending you herewith a memorandum showing the prices made on 10 of our staple styles for the fall of 1912 and also for the fall of 1914. The largest reductions are on styles which contain a percentage of foreign wools; the others are all domestic.

Yours, truly,

S. SLATER & SON (INC.),
By F. BARLETT, Treasurer.

Here is the memorandum referred to in the letter:

Staple woollens.

Style.	Fall, 1912.	Fall, 1914.
382.....	\$2.50	\$2.40
618.....	2.15	2.05
1004.....	1.90	1.80
L. B.....	1.40	1.30
L. C. X.....	1.75	1.55
1300.....	2.35	2.15
1600.....	2.47	2.25
1516.....	1.60	1.45
Saxony.....	2.60	2.40
Sil. twill.....	2.75	2.55

Mr. GALLINGER. Mr. President—

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

Mr. REED. I do.

Mr. GALLINGER. In a large manufacturing establishment in my own State the superintendent informed me that the product was being sold for a little less than a year ago; but, he added, that he had made an investigation and found that the ultimate consumer did not get any benefit from it.

Mr. REED. Oh, yes. I discussed that. Of course, if they made these goods for nothing and gave them away, the ultimate consumer would not get any benefit; if they made them for half the price now charged, the ultimate consumer would not get any benefit; if there was a reduction of 25 per cent, the ultimate consumer would not get any benefit; we all understand that; yet, singularly enough, we all know as an invariable rule of trade that when wholesale prices decline permanently in the end the reduction must reach clear down the line unless there is a combination that can absolutely control the market and fix prices.

Mr. GALLINGER. Well, of course, if the Senator is looking to the future for a reduction to the consumers, that may come some time, but they certainly have been waiting patiently now for a good many months, and it has not reached them as yet.

Mr. REED. Oh, Mr. President, that is all well enough to assert, but I have read a letter from the great Pittsburgh Plate Glass Co., the largest concern in the world, I suppose, in that line, saying that these prices have reached the ultimate consumer. I read a letter a few moments ago from a very large manufacturer, asserting that the reduction in the prices of woollens had reached and gone to the benefit of the consumer. I also put alongside those letters the very common sense of the situation, which is that, in the absence of monopoly or combinations, reduction at the wholesale establishment must finally reach the ultimate consumer.

I call attention now to a letter from Jeremiah Williams & Co., of Boston, Mass., dated February 19, 1914. This letter is written from the standpoint of those who believe in a very high tariff, but it contains this statement:

Our customers tell us that manufacturers' prices on samples of woolen and worsted goods shown in New York last month for delivery next summer, to be made up into clothing and sold next fall by the retailer, are lower than they have been for years, no sibly lower than at any time since the previous low tariff under the Wilson-Gorman bill; in other words, in order to meet threatened foreign competition on their product, we believe manufacturers have in many instances put prices on their fabrics below the actual cost of production. There is no question in our mind but that those well posted in this line of manufacturing could demonstrate to you that woolen and worsted goods have been offered and sold for next fall's heavy-weight season at lower prices than for many years.

It is too soon—

Says this gentleman—

however, to tell you whether this reduction in the price of cloth will be passed on to the consuming public in materially lower prices on garments made up ready to wear.

A little later on in the letter is the statement, frankly made, that this concern is one believing in protection and making the argument that the prices in the end will not be of very great benefit. I think I will read that part of the letter, for I want to be fair to the writer of the letter. I think he is a very sincere man.

We are not trying to make a protectionist argument to you, although we ourselves are of that school. We accept the new tariff in the spirit that we are going to make the best of it, but we do not believe that you or your colleagues passed this bill with any intentions other than to benefit the consuming masses, and we feel that when they go to buy their clothes next fall they will pay \$10 or \$20 or \$30 for the same clothes that they bought a year ago at those prices, and that they will not be able to buy at \$9.20 or \$19.20 or \$29.20 and save the 80 cents per garment for themselves, the consumers.

That is his opinion, although he previously said it was too early to tell. Then he adds:

To sum up, answering your questions:

First. There has been a decided reduction in the price of cloth at the mills.

Second. We fear very much that this reduction will never reach the consumer. We hope for the best, however.

I read a portion of a letter written by Passavant & Co., of 440 Fourth Avenue, New York City:

The plain serges, one of the largely used fabrics, are being quoted at from 10 to 20 per cent below last year's prices. It is extremely difficult to give any positive opinion, because things have not settled down to a steady gait yet.

The rest of the letter is of the same tenor, but that is the only part bearing directly upon the reduction in prices. I have the letter here, of course, for any Senator to see it if he so desires.

Mr. President, in this connection I call attention merely to the headlines in a number of papers, running from the 19th to the 22d day of December, 1913:

Prices rise briskly.—Market makes quick response to Washington news.—Dealings on a large scale.—Felt that American Telephone dissolution agreement will lessen talk of Government ownership.—Statement by President Wilson of administration's hope as to business a favorable factor.

The beginning of the article is:

Emphatic response was made by the stock market to-day to the news from Washington of the American Telephone dissolution agreement and the passage by the Senate of the currency bill. Dealings were on a much larger scale and prices moved up vigorously.

The Democratic Party seems to be at present in this peculiar position: If the Democrats pass a bill which strengthens the financial situation of the country and the stock market responds and shows improvement, immediately Senators upon the other side rise and, with eyes rolling in a fine fury and with froth dropping from the corners of their mouths, declare that the Democratic Party has surrendered itself to the great financial interests; but if there is a trust or a combination on earth that sets up a wall we are immediately denounced as the enemies of honest business.

Mr. CLARK of Wyoming. Will the Senator give the date of the last headline which he read?

Mr. REED. New York, December 30, 1913. I call attention to another headline:

Market again strong. Further response is made to news from Washington. Early losses are made up. Substantial gains are recorded in many cases at close of business. Weakness during fore part of day due to foreign influences. Berlin unloads Canadian Pacific.

Another article, under date of December 19, is headed:

Retailing holds up. Christmas sales compare well with those of 1912. Railroad orders broaden. Large buying of pig iron encourages producers. Vast amount of new wealth created by the soil. Some lines quite optimistic. Preparations for inventory.

Under date of December 19, another headline reads:

Broad rise in prices. Stock market gives evidence of inherent strength. Investment buying large. Traders regard passage of currency bill as a favorable factor.

And because the traders did so regard the currency bill, at least one Senator arose on the other side to-day and declared the new currency law was a bankers' law for the benefit of bankers, and left the impression that it necessarily plucked everybody else. If prices rise, the Democratic Party is to be damned; if prices drop, the Democratic Party is to blame; but in any event let it be understood that the ultimate consumer gets no benefit of lower prices; it is always an understood thing, according to the logic of our Republican brethren, that the ultimate consumer never gets anything but "the worst of it."

I read another. This is dated January 12, 1914:

Boston wools strong. Higher prices looked for. Market is in healthy condition. Prospects indicate higher prices rather than lower.

Now, Mr. President, just to ascertain whether the country is actually going to perdition, and whether the chasm of universal bankruptcy is opening before us, I call attention to the stock-market reports in the American of yesterday. I read:

Range of the market: Daily average price of 32 stocks, 20 railway and 12 industrials: Average yesterday, 91½; average Wednesday, 91½; average week ago, 92½; average a month ago, 91½; average a year ago, 89½.

So that upon these 32 great stocks, selected by this paper as typical of the conditions of the market, the average of the last four days being given in comparison with the average of a year ago, there is shown a distinct advance in the value of these stocks. Nevertheless Senators who prefer political success to that confidence which is essential to all business rise on the floor of the Senate every day to declare that stringency is upon us and the precipice of disaster immediately before us.

Mr. President, here is a comparison of bond sales in the New York World of Friday, June 5:

Total sales, June 4, 1914, \$2,058,000; same day of week last year, \$1,901,000.

From January 1 to date, \$327,182,000; same period a year ago, \$253,082,000.

Mr. President, those figures do not indicate that business has been entirely arrested; they do not point the road to ruin. With prices better upon stocks and a greater sale of stocks than there was for the corresponding period last year, it does not seem that we are about to be plunged into the gulf of universal bankruptcy.

Of course every time a trust can induce a Senator to read one of its letters proclaiming that woe is ahead of us some people will be frightened, the business of the country to some extent retarded; those who are timorous will experience a financial chill and begin to hoard their dollars. This propaganda of the trusts is carried on in the hope that the people can be deceived into believing that Democratic policies are ruining the country, and thus to induce them to return to power the Republican Party. The trusts know on which side their bread is buttered. Accordingly, they are willing to write letters as long as they can get Republican Senators to give them a place in the CONGRESSIONAL RECORD. There has been a persistent effort to convince the country that it is ruined.

I took part in a special congressional election in the State of Iowa last winter. I found circulated with every farmer in that district an excerpt from the speech of a Republican Senator, telling them that hundreds of millions of bushels of Argentine corn had already been imported. According to that statement more corn had already been imported into the United States from Argentina than Argentina's entire production. The farmers were told that in the very near future Argentina would drive the American farmer from the American market; whereas the truth is that Argentine corn can not sell in competition with the corn of the United States for feeding purposes. Argentine corn is fit only for certain manufacturing purposes. Besides, the entire amount shipped to the United States did not equal the production of one good corn county. Argentine corn was a bogey joyfully introduced and proudly paraded by Republican statesmen, who place party supremacy above national prosperity.

Mr. POMERENE. Mr. President—

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

Mr. REED. No.

Mr. POMERENE. Mr. President, I remember very distinctly during the tariff discussion the representatives of the pottery industries of Ohio and elsewhere were here protesting against any reduction of the duties on pottery, and insisting that, if there were any substantial reduction, it was going to seriously hamper the business. I have before me extracts from different papers in the vicinity of the pottery industries of Ohio, and I want to take the liberty of reading into the RECORD just three or four of them.

One is from the Sebring Times. Sebring is a town of eight or ten thousand people, about 60 miles west of Pittsburgh. In its issue of Tuesday, March 24, 1914, it says:

The past two weeks hold the record for the biggest output of pottery in the history of Sebring. Fifty-four glost kilns were made during that time, and the most gratifying feature is that the ware is not going into stock, but is being used to fill orders and is being shipped as soon as made.

China, Glass, and Lamps, the trade journal of the pottery trade, published in Pittsburgh, in its issue of Tuesday, April 14, said:

Never before in the history of the American potting industry have there been so many kilns in use or so many potteries in active operation. All the general ware plants are being rushed to the limit to fill orders on hand and take care of new business being booked. Large forces of operatives are working as well as the well-paid operatives of the American potteries usually work, and shipments are greater than ever before in the history of the trade.

The East Liverpool Review, which is a Republican paper printed in East Liverpool, Ohio, the center of the pottery industries, in its issue of May 1, said:

Business in the domestic potteries continues even better than was expected the first of the year, and there is not a general ware plant in the country without orders on its books and in sight to keep it in steady operation until the summer shutdown. But, as usual, there is a fly in the ointment. It is the lack of competent workmen.

In the issue of May 14 the East Liverpool News-Review, a Republican paper, says:

A seven-kiln pottery plant, modern in every respect, will be erected at Clarksburg, W. Va., during the next few months by the McNichol China Co., of this city, to be operated entirely separate from the local plant. The structure will represent an investment of nearly \$125,000. A railroad siding for the new pottery is being laid.

The East Liverpool News-Review of May 14 says, with reference to local real estate conditions there—and there are quite a number of pottery plants there, as every Senator knows—as follows:

We have it from the lips of a local real estate man that East Liverpool needs 500 new houses to meet the present demand. There is absolutely not a house vacant that is fit for occupancy, and the only source of relief for the newcomers is to buy homes outright. The large influx of newcomers must be provided with shelter, and the only way out of the dilemma is for those who own vacant lots to improve them at once.

Mr. President, I felt that in view of the statements that have been made by the Senator from Missouri these quotations from these papers would be quite apropos.

Mr. REED. I am obliged to the Senator from Ohio for his contribution. I ought to say that while I was on the floor speaking the Senator from Mississippi [Mr. WILLIAMS] handed me a number of papers, the headlines of which I read. The evidence comes from every side. The Senator from New Jersey [Mr. MARTINE], who lives in that State characterized this morning by the Senator from Michigan as so wicked, has just handed me the New York Tribune of June 5, containing this interesting little item:

The New York Central has placed an order for 4,300 cars with the American Car Foundry Co., and for 3,000 cars with the Standard Steel Car Co.

An order for 7,300 cars in one day by one railroad from one factory is indicative of good railroad business. I presume the reduction in the tariff made it possible for the manufacturer to make a lower price. I wonder if my Republican brethren will claim that the ultimate consumer—to wit, the railroad—did not receive any benefit from the reduced price.

It is interesting, in connection with some of the walls we have heard, to call attention to a little evidence from the homes of some of the Job's comforters who have been performing here in the Senate.

I hold in my hand a copy of the New York Herald of February 18, in which I find the following:

SALT LAKE CITY, UTAH (Tuesday).

"Calamity howling," which was heard immediately after the last presidential election, has died out. Following the passage of the currency bill there was a quick change for better feeling, especially among the bankers. Business men have returned to Salt Lake with praise for the stability of this community.

Senator SMOOT's insistent statements that hard times are ahead are repudiated by stanch Republicans here, as the following statements will show:

Lester D. Freed, president of the Freed Furniture Co. and a Republican said: "I feel that we are going to have a big wave of prosperity. The feeling not only exists here but is strong everywhere. On the strength of the feeling my company is arranging to do heavier advertising than has ever been done before in its history."

Col. Maurice M. Kaighn, receiver of the United States land office, having been appointed by Mr. Roosevelt and reappointed by Mr. Taft, in a speech before the Mining Exchange last Saturday night, declared that the policy pursued by the United States Interior Department toward the mining men of the West for several years has been all wrong, and he congratulated the present administration on the reversal of this policy.

I shall not take more time to read that particular statement, but I ask leave to insert it in the RECORD.

The VICE PRESIDENT. Without objection, that may be done.

The matter referred to is as follows:

The policy of the Government in requiring prospectors to prove that their property was a paying mine before granting them a patent was just the same as requiring a homesteader to prove that his land was capable of producing crops before permitting him to settle on the land. "Such a policy," he said, "was the result of ignorance and antagonism toward the mining industry."

Mayor Samuel C. Park, a Republican, who operates a retail and wholesale jewelry house and who is well posted on business conditions, said to-night: "Salt Lake enjoyed prosperity during 1913. The coming year promises to exceed last year. Business men are confident that when the business world accommodates itself to the general readjustment, we will have a period of prosperity which will make us all forget predictions of disaster."

Mr. REED. I read now, because it comes distinctly, I think, from the other side of this controversy and not because it is Democratic at all, this statement:

Guy E. Tripp, chairman of the board of directors of the Westinghouse Electric & Manufacturing Co., whose offices are in No. 165 Broadway, was enthusiastic regarding the outlook for business and the articles calling attention to the improvement. As directing head of the Westinghouse company, which not only has extensive plants at Pittsburgh, Cleveland, and Newark, but also has large subsidiaries in Canada, Great Britain, and France, Mr. Tripp is constantly in touch with the situation in many important lines of business.

"I must certainly approve the Herald's efforts to bring to public attention the facts," said Mr. Tripp, "and I strongly disapprove manufactured pessimism, although I recognize there is some pessimism that is not manufactured."

"The Westinghouse company had better orders in January than in December, and so far in February the orders are larger in proportion than those received in January. The new business is well distributed in all departments of the corporation. The indications are that the improvement in business should not be regarded as temporary. In fact, this improvement gives every reason for the belief that the upward movement will be continued. The betterment may not be rapid, but it will be steady and permanent."

That was said after this wicked Democratic Congress had been ruining the country for 14 months.

Joseph W. Harriman—

I quote him again, because I think words coming from gentlemen engaged in these large adventures will appeal to my friends on the other side—

Joseph W. Harriman, president of the Harriman National Bank, a director of the Merchants' National Bank, and head of the New York Stock Exchange firm of Harriman & Co., said:

"The attitude of the Herald is splendid. It has restored confidence to those who were becoming apprehensive under the continued walls of the calamity howlers. If persons will only read the facts as presented by the Herald instead of heeding the lamentations of the quacks, political and legal, who when brought to book are unable to place a finger on any really sore spot, they would be much better off mentally and financially. It is a pity that the mumps, which I notice has broken out in the United States Senate, did not attack some of these gentry long ago, that whatever 'holler' they might have been compelled to make would have been of a different character and not so likely to injure innocent and hard-working persons."

"So far as the banking business is concerned, there is improvement all along the line. Our correspondents speak most optimistically. The outlook for the crops is excellent. Nature has done her part to put everything in splendid shape, and it is up to us to do the rest."

Hugh Franey, of the American Federation of Labor, says:

In some branches of work it is practically impossible at present to obtain efficient men. On the other hand, there are hundreds of men idle in New York who are affiliated with the building trades, because of a halt in operations in this line.

Mr. Franey said that the big steel mills at South Chicago, Gary, Bethlehem, Pittsburgh, Wheeling, Martins Ferry, Canton, East St. Louis, Bessemer, and other points are practically working full time, and that orders have been booked which will mean a continuance of these conditions until late in the spring, at least.

A statement from Connecticut is interesting:

It may safely be said that "prosperity is here" in this center of one of the most extensive cotton manufacturing districts of New England. A careful canvass of the mill towns and villages within a radius of 25 miles around Putnam not only shows not a single skilled hand out of employment if able and willing to work, but a great scarcity of help.

With seven cotton mills and a dozen woolen and worsted mills around here running day and night, or part of the night, all are employed. And the 7,000 hands employed in this district have, with very few exceptions, had their wages increased in the last month. At Wauregan, some of the Killingly villages, Jewett City, Taftville, and Willimantic at least 1,000 more hands could find employment to-day.

These articles in the Herald, which come from all parts of the United States, were printed last February. They had the effect at the time of quieting the howling; but a little time has elapsed, and again the wall goes up, if not from Jericho, at least from the other side of this Chamber.

I might read here until nightfall statements from the Herald. I want to put in one which I have only partially glanced at:

Those Jeremiahs in Washington who have been busy prophesying the opening of soup houses and the closing of factories because they were not running the Government have been pretty busy with their lamentations.

It occurred to the Herald that they might have been so busy that some of them had not had time to find out what the folk at home thought of them. So for their information in part, but principally for the benefit of the general public, this newspaper inquired the views of Republicans among the constituents of the chief mourners over the "national peril."

With a unanimity that may pain the soup house prophets these same constituents proceed to prove with facts and figures that their conduct is prejudicial to the prosperity that is with the Nation.

JAMES R. MANN'S FEARS ARE NOT SHARED BY REPUBLICAN CONSTITUENTS IN CHICAGO.

Then is quoted a statement from Mr. MANN, together with this reply from the people of his home city:

Republican business men of Chicago take exception to the "hard-times" speeches made by Representative JAMES R. MANN, saying that his ideas and statements were not borne out by conditions in Chicago.

"Representative MANN has got the wrong idea, for business has been excellent," said Charles A. Stevens, president of Charles A. Stevens Bros., dealers in women's wear. "This store and most of the other

stores along State Street have had good sales in the last two months, and the prospects of the spring trade are better than they have been for several years.

"I can not reconcile Mr. MAXX's statement to the trade conditions. But there may be certain circles of business which have suffered a depression, but it does not seem to me that the condition can be general throughout all lines of industry and in all parts of the country. If such conditions are general, Chicago should be grateful that such is not the case in this city. Representative MAXX's statements do not fit in with the reports of the stores of Chicago, but I can not speak in regard to other lines of industry."

Then follows a statement by Mr. Spiegel, treasurer of Spiegel, May, Stern & Co., and one by Mr. Hulbert, treasurer of the Merchants' Loan & Trust Co., both of them repudiating the claim that is being set forth here.

These articles come from all parts of the United States, and the statements which were true then are true to-day.

Mr. President, instead of sitting here in the Senate of the United States and proclaiming disaster, we ought to stand here endeavoring to produce a feeling of just confidence, and that confidence can be bottomed upon circumstances which are world-wide and which have to-day their happiest culmination in the United States.

Everybody who is candid admits that there was a great financial stringency in all of Europe which began something like two and a half or three years ago. The Balkan War increased that stringency, not so much because of the money actually consumed in the war as because it was feared that all of Europe might be plunged into that war. In consequence the European rate of exchange and discount mounted to almost unprecedented figures. The banks of Germany charged at one time 9 per cent. The Bank of England raised its discount rate almost to the top notch. The Bank of France had done the same thing. The result, of course, was that as European money would bring a higher rate of interest in Europe than in the United States, the payment of European loans was demanded. At the same time and for the same reason it became almost impossible to sell American securities in European financial markets. That meant, of course, that many great enterprises that could only be floated or would only be floated when money conditions were easy hesitated and awaited the day when there would be a better tone and a lower interest rate.

The rates in Europe are inevitably reflected in this country; but the rates in Europe have dropped, and the rates in this country are correspondingly dropping. Accordingly enterprises which would not begin their operation under conditions as they existed 12 months ago are to-day beginning to prepare to exploit their various adventures.

I know of one proposition, involving the expenditure of \$30,000,000, that absolutely stopped because it was found that the interest rates would amount to probably 6 per cent, whereas it had been expected the money could be obtained at 4 or 5 per cent, as it could have been had it not been for the European disturbances. Now that a better condition exists, enterprise is reaching to grasp opportunity, the while Senators sit here crying, "Woe, woe, woe; bankruptcy is upon us!"

Mr. SHAFROTH. Mr. President, if the Senator will yield for an observation, I will say that out of a list of stocks that was furnished by the New York Stock Exchange about 10 days ago of 63 companies the stocks of which were quoted, all but 10 showed a substantial increase in price over the corresponding low price of 1913, and that is caused unquestionably by the lower rates of interest.

Mr. REED. Mr. President, coincident with a better condition in Europe—indeed, I might almost say in anticipation of it—we passed our banking bill, a bill which was denounced the other day by a Republican Senator as a bankers' bill and as having been enacted in the interest of bankers. Thus we are by one branch of the Republican Party verbally crucified upon a very clumsy cross because we are doing something to prevent financial panics. At the same time the stand-pat remnant is with an exceedingly dull ax sharpening a stick upon which they hope to impale us as the enemies of property and business. Whatever we do, we are sure to displease one or the other branch of the other side.

But what is the fact with reference to this banking system? Let us be fair about it. The solitary effect it has had up to this date is a steady one, growing out of the fact that financiers looking ahead understand that the day is coming when financial panics will probably be a thing of history. But, of course, the system has not yet been inaugurated. The banks have not yet been opened. The good that is to come from them, the large measure of good, all except its anticipatory effect, has not yet been realized. But we are working along toward the establishment of the banks, and it is a singular and a very propitious fact that it is admitted now by financiers all over the world that when the system is in full operation we shall have immensely added to the general stability of the financial

system of the United States. No man can well doubt this who looks candidly at the circumstance that practically every national bank in the United States came into the system, a thing which would not have occurred had the system not been sound.

It was said here by the Senator from Kansas [Mr. BRISTOW] the other day that this was all for the benefit of bankers. I admit frankly that its primary benefits go to the bankers. But what are the character of the benefits going to the bankers? They are not benefits which increase their ability to charge interest or to make exactions or to impose hard conditions upon their customers. The benefits are simply those which make for the solidity of the banking system. It takes out of the banking system or away from the banking system the great danger of panics, and therefore enables the banks of the country to proceed with their business without fear of destruction, for which they are in no way responsible, coming out of the night.

How, then, does that affect the customer of the bank? Certainly not to his evil. The bank that knows that a panic may come at any minute must husband its resources to meet the panic or the possibility of a panic. Hence, it must circumscribe the loans to its customers and to a certain extent it must charge the customer a heavier rate of interest to compensate it for the risk. But just in proportion as you remove that risk, just in proportion as you make bank business secure, you make it possible for the banker to extend greater accommodations to his customers. If we could make every bank in the United States so secure that it could never fail and never have a loss, inevitably the customer of the bank would get the larger portion of the benefit, because of there being an active competition between the banks, and as you improve the conditions of the banks you improve the opportunity of the customer.

Mr. President, at the same time that the calamity howl is being raised and they tell us that everything is closed up and nobody has any money, the effort is being made to tell the farmers that they are being ruined. Tons of literature is being sent out, telling the farmers how the wicked Democrats have exposed them to competition with foreign countries and destroyed their opportunity to make a living; and yet I read in the paper of to-day that Kansas City prices are as follows:

Steers, \$8.80 to \$9.25 per hundredweight.
Hogs, \$8.15 to \$8.25 per hundredweight.
Lamb, \$9.15 per hundredweight.
Wethers, \$5.85 per hundredweight.
Corn, No. 2, 71 cents to 72 cents per bushel.
Wheat, No. 2, red, 94½ cents per bushel.

Mr. President, with good prices to the farmer, with lower prices for money, with better conditions in Europe, we ought to feel encouraged.

But there is an additional circumstance which, of course, is not due to the Democratic Party, although if there were a Republican administration it would be immediately appropriated by that modest organization. I refer to the fact that crop prospects are excellent.

For the last 50 years the Republican politician has declared himself to be the fountain spring of all prosperity. When the farmer in earliest spring wades knee deep in mud in preparation for planting; when from break of dawn to fall of night he trudges behind the plow; when with tireless sinews and generous hand he scatters seed upon the fruitful soil; when a kindly God, reproducing the miracle of creation, washes the land with silvery rain, warms it in the fiery mantle of the sun, fans it with the four winds of heaven, carpets it with green, and decks it with the harvest's shimmering gold; when, with sweat oozing from every pore, the farmer, tugging, straining, and enduring the very agony of toil garners in the precious sheaves—when all this, through the providence of God and the labor of man, has been achieved, the Republican politician blandly tells the farmer that he should repudiate the beneficence of God, forget his own industry and husbandry, and humbly thank the Republican Party for prosperity.

The Democratic Party advances no such at surd or insolent pretense; but we may be permitted to say it is a happy thing that from the Atlantic to the Pacific, wherever the eye is cast it embraces vast landscapes divided into splendid checkerboards of varying green, rich valleys covered thick with grasses, hill-sides resplendent in the lighter emerald of growing wheat and oats, long, straight rows of corn, where every hill stands rank with vigor. Everywhere the farmers are cultivating the soil. On all hands are the evidences of a prosperous year.

Mr. President, if the weather only stays good and the howlings from the Senate at Washington do not too much disturb atmospheric conditions, we may hope that in due course of time there will be a great crop harvested. If the farmers of the country market that crop and their fat cattle and swine at the prices now being paid there will be in this country so much money that all the jeremiads of disgruntled politicians will be for-

gotten, and sad hearts will be found only in the bosoms of Republican politicians, who prefer political supremacy to national happiness.

Mr. TOWNSEND. Mr. President, this discussion has grown out of the letter introduced by me into the Senate yesterday written by Mr. Leland, of the Cadillac Motor Car Co. It has been charged by the Senator from Missouri that the company with which the writer is connected is in a criminal trust. I know nothing about that, but I do not believe it is true. I do not believe it exists and operates in violation of law. If it does I shall not defend it. I am confident that it needs no defense. I feel sure that if this company was subject to the penalties of the Sherman antitrust law that fact would have been discovered long before this.

I can not at this moment recall the history of the organization of the General Motors Co. My memory is, however, that it grew out of a patent known as the Selden patent, which is a device absolutely necessary to the mechanism of all gasoline motor cars. Some gentlemen, or a company, claimed to own this patent and served notice upon the manufacturers of cars that they could not proceed with their manufacture unless a royalty was paid to the owner of the patent. A number of automobile companies, as I remember, proceeded to make terms with this patent holder, and were permitted to manufacture under a royalty. These, I believe, constitute the General Motors Co. I am not sure, however, that this is true. Other automobile companies in the United States resisted this patent, although a decision had been rendered in an eastern Federal court confirming title to the patent in the alleged owners of it. The case was taken to the Supreme Court of the United States, where it was reversed. If my memory is correct, no manufacturing company has joined the General Motors Co. since then, and but very few concerns joined originally. I am not clear that my understanding is correct, and so far as my position is concerned it makes no difference as to how the organization was effected.

The General Motors Co. is not a very large factor in the manufacture of automobiles; it is certainly not sufficiently important to offer any restraint upon trade. I think that that company a few years ago, by common report, was in financial difficulties; I am sure that some of the companies connected with that organization are now not strong. I do not, however, care to discuss that matter further. If the General Motors Co., of which the Cadillac Motor Car Co. is a constituent part, is operating in violation of law the Attorney General should be able to determine the fact and prosecution should be instituted against it. I will join the Senator from Missouri [Mr. REED] in invoking action by the Department of Justice if such is the case.

I think, however, it ill becomes Senators to take advantage of their constitutional privilege on such information as has been presented here to attack by the use of violent and harsh language, by the charge of criminality, an organization which has at least the reputation of being an institution of good character and high standing and against which nobody, to my knowledge, except the Senator from Missouri, has ever lodged any complaint. The legal status of the Cadillac Motor Car Co., however, is not the real issue here; it is the false issue raised to divert attention from the true one. It does not answer the arguments presented by Mr. Leland to bring in some outside matter and charge the organization with which he is connected as being engaged in an unlawful business. The question raised by that gentleman in his letter to me and now a part of the record is whether the country is suffering from the acts of this administration or not. He has improved his opportunity to petition Congress through his Representative and has stated his views on the conditions of the country. The Senator from Missouri has charged this man with being connected with a trust, and has made the argument that the trusts of the country are opposing legislation which has been enacted. I do not believe that the record will disclose that that is true. If there are any concerns which are going to survive, even temporarily, the ill-advised experimental legislation of this Congress, it will be the large, strong concerns, not the small ones. I think that it is true that probably every Senator in the Senate has received letters similar to the one that I read yesterday. It must be true, because those with whom I have talked have told me that they have received letters asking that this session of Congress dissolve as soon as possible.

The senior Senator from Massachusetts [Mr. LODGE], who was called from the Chamber a moment ago, handed me a letter from a concern for which he vouches as being not only not in a trust but as being a concern of the highest character and stand-

ing. The treasurer and general manager of that company wrote him this letter—

Mr. REED. Will the Senator kindly give us the name of the writer?

Mr. TOWNSEND. If the Senator will be patient, I will read the communication. This is a letter on the stationery of the American Steam Gauge & Valve Manufacturing Co. It is as follows:

AMERICAN STEAM GAUGE & VALVE MANUFACTURING CO.,
Boston, Mass., May 29, 1914.

The Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

DEAR SIR: We wish to bring the fact before your mind just as clearly as possible that business in this country is being terribly hurt through too much legislation.

The great, big units at whom the larger part of this legislation is pointed are backed up with such tremendous resources and surplus that they can stand a long siege of legislation without being in any serious danger. The smaller concerns who are only doing a moderate-size business are not situated in this way, and many of them will have to stand the brunt of the present legislative program.

In other words, the people at whom the legislation is aimed are not going to suffer through it, but, rather, be the gainers, as every time a small company is put out of business—unable to hold up its head under such disastrous conditions as are now existing—it makes things just so much safer and better for the big fellow.

By this we mean that the present legislation, rather than accomplishing what it aims to, will have, to a considerable extent, the contrary effect.

Take, for instance, this company, if you care for an example. Last year we did the biggest business in our history, amounting to \$540,000, which shows that under reasonably normal conditions we forge ahead. The sales for the first three months of this year were exactly 20 per cent below last year's average. Our pay roll is \$1,400 per week less than last year's average, showing that we had to let a lot of men go, and they are consequently out of positions and suffering through lack of work. This is to say nothing of what may have happened to their families through this same cause.

Orders taken during the present month, with only to-day to go, are over 33 per cent less than they were last year, and over 15 per cent less than they were last month, showing that things are getting much worse instead of better.

In addition to this, we are keeping employed on full time at present a great many more men than we actually require, simply because they are good, faithful, capable men; and we feel it a necessity to keep such men as these employed through the need of them in better times, and also the fact that they need the work. This company has always gone the limit in keeping just as big a force going as possible. By so doing now we are accumulating stock which, although it can probably be sold at some future time, is not really good business policy, through the fact that it ties up too much money in merchandise for a small-size concern.

At the same time we are obliged to maintain in its entirety our expensive sales force, as it is impossible during a dull business period to do away with salesmen, as this is the time when they are urged harder than ever to obtain business. In this way the expenses for keeping the salesmen out on the road hustling for orders, when there are very few to be had—but through the necessity of getting every possible order we are obliged to make the effort just the same—practically absorbs all of the profit. In fact, under the present circumstances, very probably more than the profit, so that there is nothing left for the stockholders.

For all the reasons heretofore stated we urge most sincerely on you the necessity of an early adjournment of Congress and for an end to further legislation, especially that connected with business and the railroads. We ask you to do everything in your power to bring about the earliest possible adjournment, in order that this country may have at least a brief period in which to convalesce.

Business in this country is sick, terribly sick, and any more medicine of the sort that we have been having will prove more than disastrous. Instead of recovering and getting into a convalescent state, business in many cases will die outright, and through just one thing—too much medicine and too little rest.

It doesn't seem possible for me to put on paper how deeply I feel on this subject, but I can assure you that there are thousands and thousands of honest, straightforward, hard-working business men in this country who are bound to suffer, in most cases due to wrongs of others and an effort to right these wrongs.

We realize as deeply as anyone else the necessity of good laws and their enforcement, but there is always a time when wisdom calls for a cessation of activity in the legislative program, and if that time has ever come, it is here now.

We don't say that further legislation is not necessary, and we do not pretend to pass on this part of the proposition. The only point that we wish to make clear is that any further legislation now is not only dangerous but criminal. For the sake of the hard-working business men and the hard-working laboring men, please bring about an early adjournment of Congress if you can.

Yours, very truly,

RALPH B. PHILLIPS,
Treasurer and General Manager.

Mr. President, I introduced yesterday a letter and resolutions adopted by a strong and reputable business association of the city of Grand Rapids, Mich. It was along the general line of the Leland letter. I have heretofore filed communications from various business organizations to the same effect. Those gentlemen—business men, not politicians—not caring very much about what party controls this Government so long as it is controlled properly, state that business is depressed; that the country is not prospering as it ought to prosper; that enterprise is halting and prosperity waning.

I am glad that the Senator from Missouri has made his argument. He has presented the Democratic defense. I suppose it was made for the purpose of being circulated, and that it will go out to the business men of the country. It would be

interesting to note the effect upon these men when they read the Senator's arguments showing that times are good and that business is booming. I can imagine what they will think of those arguments, for they know that times are not good and that business is not booming with them. Senators may declare prosperity from this floor, but such declarations will not dispel adversity in the country.

The Senator dislikes to hear Members of Congress complain of the business depression of the country. Ah, if the Senator and his party had possessed that feeling in the years gone by, we would not be in the condition we are in to-day. It was through a misrepresentation of business conditions, through persistent and willful misrepresentations, that the Republican Party was retired from power in 1910 and 1912. Calamity has been Democracy's campaign material for years. Most of the arguments and statements which the Senator has presented have been to show that business is improving. Improving over what? Not over the conditions that maintained prior to two years ago, but over the conditions that existed six months ago or perhaps three months ago—improvement in Democratic conditions.

Mr. REED. Oh, Mr. President, the Senator ought not to make that statement, when every figure I gave went back to 1912.

Mr. TOWNSEND. I repeat the statement that there is nothing that has been presented—at least if there has been, I did not so understand it—that shows that conditions are better than they were under the Republican administration of this country prior to the agitation and the election of 1912.

Mr. REED. I will have to ask the Senator, then, to read the articles which I have had incorporated into the Record, because they go back to that very time.

Mr. TOWNSEND. Mr. President, my attention has been called to several letters similar to the one from Mr. Leland, but I do not care to take up the time of the Senate in repeating what is known to every Senator, namely, that there is business unrest; that there is business disturbance and retrogression all over our country.

I have just returned, after a week spent in Michigan. While in a certain large shoe store in my home city, the proprietor presented to me what is known in the shoe business as a trade journal. In that journal appeared what had never been seen before, viz. several advertisements by English shoe makers and dealers. The English manufacturer was advertising his wares as of superior worth and less cost than those of his American competitor. They would not advertise if they did not expect to sell. If they sold, they would supplant the American product, and thereby injure the American producer and the American laborer. The domestic shoe business can not be prosperous if the foreigner gets its markets. Of course, the Democratic Party wants foreign goods sold in our markets; that is what they passed the Underwood tariff bill for. That measure was enacted for the purpose of promoting the importation of goods made abroad.

A late report from the Democratic Secretary of Commerce shows, if I recall the figures correctly, that we sold abroad about \$37,000,000 less in value of goods during the month of April of this year than we did a year ago last April, and that we purchased of foreign countries \$27,000,000 more than we did in April, 1913. You may say that that is a good thing for the consumers of the country, but the business man, the laboring man, the man of common sense in the United States knows that when our country sells less abroad and buys more from other nations the result is detrimental to the laboring and manufacturing interests of the United States. The policy of opening our markets free to the agricultural interests of the world without opening the markets of other countries to the products of our farms may be popular in this Senate, but it is not popular with the American farmer.

I will agree with the Senator from Missouri that the prices of things will eventually go down. The prices of things measured in dollars and cents will undoubtedly be less just as, according to the Senator's statement, they were less during the period of the former Wilson tariff law; but the cost of goods measured by the ability to buy will be materially increased. The gauge of prosperity in this country is a man's ability to buy.

Of what advantage to a man is a cheap price if he has not that price? Workmen who are out of employment do not have the ability to purchase. The man with failing business must economize even to the extent of privation many times. That is what has happened in this country. Savings accumulated in the past are being dissipated, new enterprises are not to any considerable extent being launched, and the march of progress is being halted. All the arguments that Senators may make

will fall on deaf ears when they reach the men who are suffering from the conditions which prevail now. The people want a cessation of hostile legislation, not theoretical arguments which do not square with experience.

All of this discussion grew out of the letter from the gentleman from Detroit who called upon Congress to finish its work and go home. I repeat he was but uttering the sentiment of hundreds of thousands of business men in this country; and it does no credit to the Senator from Missouri to charge this man with being engaged in a criminal business. I do not believe he is; I do not believe that the company with which he is connected has ever been operating in restraint of trade; I do not believe there is an organization of higher standing than that particular company; but I repeat, if it is true that it is in violation of law, it should be the business of the Department of Justice to investigate it; and if it is found to be so operating, to prosecute it and all similar concerns.

But we come back to the fact that the statement which the gentleman makes, and which is corroborated by thousands of similar statements all over the country, is that industry is suffering from too much ill-digested, speculative legislation. That is the trouble with the country; and you can not cry it down by eloquent denunciation in the Senate. The people are affected by legislation. They will decide whether it is beneficial or otherwise. They have already spoken at the election recently held in New Jersey, and they are waiting now for an opportunity to express themselves on the wisdom or unwisdom of the legislative policy that has so far been carried out.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska to the amendment proposed by the committee.

Mr. REED. Mr. President, just a word. Again we are told that the country is being flooded with foreign-made goods, and in the same breath that prices have gone up.

Mr. TOWNSEND. If the Senator will allow me, he does not charge me with saying that? I have stated distinctly that prices would go down eventually if the tariff works as its advocates claim it will, because I can not conceive how foreign goods made at a cheaper cost will not finally supplant the American product.

Mr. REED. Then the Senator does not agree with the philosophy of the Senator from Utah, who holds that reduced prices never reach the ultimate consumer.

Mr. SMOOT. Mr. President—

Mr. REED. Just a moment, and I will yield.

Mr. SMOOT. I do not want the Senator to yield.

Mr. REED. If the price of boots and shoes has not gone down, then the foreign competition has not injured anybody. If it has gone down the consumer has received the benefit. It may be of some interest to say that two years before the present tariff law became effective, I know that a large shipment of foreign goods was brought in under peculiar circumstances, but it never had any effect.

Did the Senator desire to ask me something?

Mr. SMOOT. No.

Mr. REED. Very well. I have one further observation to make, and then I am through.

The Senator from Michigan told us that only a few years ago this Automobile Trust was in financial difficulties. He did not exactly specify the time. I showed in my remarks from Poor's Manual that last year its net profits were over \$4,000,000. I also called attention to the fact that the year before its net profits were over \$4,000,000. I know of no failure since that time. If there was any failure before that, or any financial trouble before that, it is a little peculiar that in 1912 this institution declared a stock dividend of 150 per cent on the common stock. It could not have failed before that, or it would not have had any assets on which to issue a 150 per cent stock dividend. That year it made over \$4,000,000 net, and last year it made over \$4,000,000 net. I am a little curious to know when it was in financial difficulties.

Mr. TOWNSEND. The Senator from Michigan nowhere stated that the Cadillac Motor Co. had ever been in financial straits. I was talking about the General Motors Co.

Mr. REED. That is exactly what I am talking about, if the Senator please. The Cadillac Motor Co.'s profits do not appear in this book, because the Cadillac Motor Co. exists to-day as a paper organization, every share of its stock and every one of its bonds being in the control of the General Motors Co.

Mr. TOWNSEND. I desire further to remind the Senator that I attempted to make no defense of any condition that is wrong there, and I know of none; and in referring to the conditions which had obtained I was simply calling to memory things that had appeared in the newspapers several years ago.

I have not given the matter any attention, and the statements I made as to those difficulties may be entirely unreliable.

Mr. OWEN. Mr. President, is it not a fact that the General Motors Co. also holds the stock and bonds of 15 or 20 of these so-called independent concerns or companies?

Mr. REED. I put a complete list of them in the RECORD, as far as I had them. There may be others.

PRODUCTION OF OIL IN OKLAHOMA.

Mr. OWEN. Mr. President, some days ago I introduced a bill, Senate bill 5550, with regard to public ownership of pipe lines, desiring that the matter might be considered. The State of Oklahoma now has an output of about 75,000,000 barrels of oil. Recently there have been the most drastic cuts in the price of the oil in Oklahoma, in the Healdton field it being cut down to 50 cents a barrel.

I desire to place in the RECORD a declaration in regard to this matter by the independent oil refiners, favoring this bill, through their counsel. I do not wish to take the time of the Senate to read it, but I should like to have it appear in the RECORD, if there be no objection.

The VICE PRESIDENT. Is there any objection?

Mr. SMOOT. I will ask the Senator whether it is very long?

Mr. OWEN. Yes; it is quite long.

Mr. SMOOT. Would the Senator be just as well satisfied with making it a public document?

Mr. OWEN. No; I would not.

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

The matter referred to is as follows:

DECLARATION ON BEHALF OF INDEPENDENT OIL MEN ADVOCATING THE GOVERNMENT OWNERSHIP AND OPERATION OF PIPE LINES FOR THE TRANSPORTATION OF PETROLEUM IN INTERSTATE COMMERCE.

(By C. D. Chamberlin, general counsel the National Petroleum Association, Cleveland, Ohio.)

[Senate bill 5550.]

DECLARATION.

This declaration on behalf of the independent portion of the petroleum industry in support of the Government ownership and operation of pipe lines for the transportation of oil in interstate commerce involves two essentials—the desirability and the validity of such action on the part of Congress.

Petroleum is among the most wonderful of nature's products, and perhaps exceeds any other in the number of differing forms and uses when finally manufactured. More than 2,000 principal and by-products are said to be found in the list of commercial articles produced in whole or in part from petroleum. In one form or another it enters every home and industry—a necessity to the poor, a luxury to the rich.

While the substance has been known for centuries, the petroleum industry is but a half century old, and during that comparatively short period by its monopolization has made one man the richest in history. During four-fifths of the time since the birth of the industry the most implacable commercial contest has waged between monopoly and its competitors ever recorded in industrial annals. The struggle has been more than commercial; it has been physical, political, social, and legal, and finally has engaged even the power of the sovereignty of the Nation and the end is not yet.

The natural divisions of the petroleum industry under normal conditions are four: (1) production, (2) transportation, (3) manufacture, and (4) merchandising.

PRODUCTION.

3. Discovery in commercial quantities.

While it is true that petroleum as a substance has been known for hundreds of years, its discovery in commercial quantities was made about the year 1840 in connection with the production of salt in the salt wells or salt springs in northwestern Pennsylvania by Samuel Kier, who bottled and sold it for medicinal purposes under the name of "Kier's Petroleum or Rock Oil," and was used chiefly as a liniment.

In 1854 George H. Bissel, a graduate of Dartmouth College and by profession a journalist and teacher, saw a sample of this bottled "rock oil" in the laboratory of his old college and was impressed with the commercial possibilities of the product, and at once organized the Pennsylvania Rock Oil Co., the first oil company in the United States. Mr. Bissel sent a sample of the oil to Prof. Silliman, who made an analysis which predicated its commercial value. The company employed Edwin L. Drake to locate and drill a well near Titusville, Pa., which he completed in 1859. The well was only 70 feet deep, and was drilled through the rock by means of a spring pole. It took three months' time to complete it, and cost \$3,000. The well came in at 25 barrels a day, and the oil sold at 18 a barrel.

The second well was drilled by William Barnsdall, a Titusville tanner. This was completed on February 1, 1860, and was also a 25-barrel well. In five months he had sold over \$16,000 worth of the oil.

Production progressed rapidly from that time on, so that by the end of 1860 the total production of petroleum in the State of Pennsylvania amounted to 500,000 barrels. The average price for which the oil sold was \$20 a barrel. (See pp. 12-38, Production of Petroleum in 1912, by Dr. David T. Day, Director of the Petroleum Division of the United States Geological Survey.)

2. The fields of production in the United States.

The field of production known as the Pennsylvania or Appalachian field, in which petroleum was first produced in commercial quantities by Col. Drake in 1859, extended rapidly over the entire western portion of Pennsylvania into New York and in a southwesterly direction, following the mountain trend, through West Virginia, southern Ohio, Kentucky, and Tennessee, and with the close of the year 1912, had produced nearly 2,000,000,000 barrels of crude oil.

In the year 1876 the production of California was 12,000 barrels of petroleum; in the year 1887 Colorado produced 76,000 barrels; in the year 1889 Indiana produced 33,000 barrels; in the same year Illinois

produced 1,460 barrels and Kansas 500 barrels; in 1896 Texas produced 1,450 barrels; in 1894 Wyoming produced 2,000 barrels; in 1900 Oklahoma produced 6,000 barrels; and in 1902 Louisiana produced 548,000 barrels. The above dates mark the discovery of substantial fields of oil in these several States.

The total amount of oil produced in California ending with the year 1912 was 542,000,000 barrels; in Colorado, over 10,000,000 barrels; in Indiana, over 100,000,000 barrels; in Illinois, nearly 200,000,000 barrels; in Kansas 49,000,000 barrels; in Texas, 168,000,000 barrels; in Oklahoma, 300,000,000 barrels; in Wyoming, nearly 2,000,000 barrels; and in Louisiana, over 63,000,000 barrels; the total production of the United States ending the year 1912 being 2,820,426,549 barrels, having a total value of \$2,338,032,130.

In area the Pennsylvania or Appalachian field is greatest in extent and its production has been greatest, but for some years past has been gradually decreasing, its highest point having been reached in the year 1891, when it produced over 54,000,000 barrels of petroleum. The area of the Indiana field is limited and has probably been defined, since its production has been gradually decreasing during the last five years. The Illinois field is also a field of limited production and has likewise been decreasing during the last five years. The midcontinent field, including Kansas, Oklahoma, northern Texas, and Louisiana, rivals the Appalachian field in the extent of its territory and is not wholly defined, its production having rapidly increased during the last five years. The Texas field proper is essentially that portion of Texas bordering upon the Gulf, and has likewise been decreasing, so that in all probability its extent is defined. The California field, at present producing the largest amount of any field of production in the United States, extends over the entire southern half of the State and has shown the most rapid increase in production during the last five years of any field within the United States.

3. The amount of production.

The rapidity with which this wonderful industry has developed is perhaps most graphically shown by stating the total production by decades. In 1860 there were produced in the United States 500,000 barrels of petroleum; in 1870, 5,260,000; in 1880, 26,286,000; in 1890, 45,823,000; in 1900, 63,660,000; in 1910, 209,557,000. In 1913 the estimated amount by Dr. David T. Day on the data that he has already compiled shows the total production to be 242,000,000 barrels, which has added over \$250,000,000 to the Nation's wealth.

4. The world's production.

The United States, the first country to produce oil in commercial quantities, has during the entire period maintained its place as first in the rank of producing countries. In the year 1912, as shown in Dr. Day's report above referred to, at page 137, the other countries, in order of their rank, were Russia, Mexico, Roumania, Dutch East Indies, Galicia, India, Japan, Peru, Germany, Canada, and Italy, the total production for the year being 351,178,236 barrels, of which amount the United States produced 222,113,218 barrels, or 63.25 per cent. No other single country produced more than 5 per cent except Russia, which produced less than 20 per cent. From these figures it is plain how important this industry is to the United States and to the world.

5. Value.

The total value in dollars of the production of petroleum in the United States for the year ending 1912 is reported by Dr. Day in his report for that year as \$2,338,000,000. Adding the value of the production for the year 1913 would bring the total up to the enormous figure of \$2,600,000,000; and it must be remembered that this is merely the value of the oil at the mouth of the well. The amount of property invested in production, refining, transportation, and marketing of this product in the United States has never been estimated, but must run into the hundreds of millions of dollars, and the increased value of the various products obtained by the process of manufacture renders the total value produced by the industry almost incalculable. Its value in money, however, tells but a small part of the worth of the petroleum industry to the human family. No other product is so rich in its various uses, and no other product has become so essential to the material, social, and political progress of the country.

TRANSPORTATION.

1. The vehicles of transportation.

When oil was first produced the only method of transportation known from the well to the refinery was by means of the ordinary wooden barrel, which was loaded upon a wagon and drawn to the nearest refinery or the nearest railroad station, and in the latter case loaded upon a car and transported to a refining point or to seaboard for export.

Much of the oil produced in the early development of the Pennsylvania field was barreled and loaded upon barges and floated down the streams to refineries located at Pittsburgh, Pa. The loss by reason of defective cooerage suggested the building of a tank upon the barge and carrying the oil in bulk. This in turn suggested the building of a tank upon a car, the first tank cars being merely cars mounted with wooden tanks, which were rapidly succeeded by the cylindrical iron tank cars. The tank barge, floated upon the streams, developed into the tank vessel that is now in use upon the ocean, the Great Lakes, and the navigable rivers for the transportation of oil in bulk.

With the advent of the tank containers in transportation the pipe line suggested itself as a convenient and less expensive method of transporting the oil from the well to the refinery or to the railroad station. Gen. S. D. Karns, of Parkersburg, W. Va., in 1860, was the first to use the pipe line for the transportation of oil. This pipe line was laid from Burning Springs to Parkersburg, W. Va., the oil flowing by gravity a distance of 36 miles. A few years later J. S. Hutchison, the inventor of the rotary pump, conceived the idea of forcing the oil through pipes by means of his pump. The first pipe line through which oil was forced in this manner was laid from the Sherman well, near Titusville, Pa., to the terminus of the railroad at the Miller farm, a distance of about 3 miles, the pipes being made of cast iron.

In 1862 a bill was introduced in the Pennsylvania Legislature to authorize the construction of a pipe line from Oil Creek to Kittanning, but this bill was defeated by those interested in teaming oil.

Samuel Van Syckle, of Titusville, Pa., was the first to put down a working pipe line. It was only 3 miles long, extending from Pithole to Miller's farm, and carried but eight barrels of oil per day. By the end of the year 1871 more than 20 pipe lines had been constructed in northwestern Pennsylvania. In the year 1872 the free pipe line bill was passed by both houses of the Pennsylvania Legislature, being the first pipe line legislation. In the same year the American Transfer Co. began to build and acquire by purchase pipe lines in the vicinity of Oil Creek and in the lower oil fields. This was the first Standard Oil Co. pipe line.

In the year 1874 the Pennsylvania Legislature passed a bill regulating pipe-line companies, requiring them to make monthly statements of runs, stocks, and receipts. In the same year a large number of independent pipe lines were consolidated under the name of the United Pipe Lines, and this association or merger was the first step taken in the direction of settling the question of transportation of oil by pipe lines for all time. It erected hundreds of 35,000-barrel oil tanks to store the oversupply of oil, made pipe-line connections to all of the tanks at the wells, and built pumping stations where they were needed to handle the oil.

In 1880 the business of the American Transfer Co. was transferred to the United Pipe Lines, and in 1884 the United Pipe Lines were transferred to the National Transit Co., all of which were Standard Oil properties, and the National Transit Co. became the Standard Oil Co.'s agency for acquiring, operating, and promoting transportation of petroleum by pipe line throughout all of the fields of the United States, except in the State of California.

2. Control of transportation.

At page 33 of the "Report on the transportation of petroleum," May 2, 1906, by the Commissioner of Corporations, it is said:

"The petroleum industry affords a striking example of the importance of the transportation problem. The cost of transportation is an exceedingly large factor in the cost of oil to the consumer. Consequently, any difference in transportation costs, as between different producers and refiners of oil, has a powerful influence upon their respective positions in competition.

"The importance of transportation, with respect to petroleum, grows chiefly out of the fact that petroleum and most of its products are low-priced commodities. They are heavy in proportion to their value. Moreover, the value of the raw material, crude petroleum, is a large proportion of the total cost of the finished product, while the cost of refining is comparatively small, and a reasonable profit to the refiner is also a comparatively small factor per unit of product. Even an apparently slight difference in transportation rates may, therefore, enable one refiner to sell at a profit while his competitor is losing money."

And, at page 29 of the same report, it is stated:

"Chief among the advantages which, aside from present railroad discriminations the Standard possesses, are the immense pipe-line systems of the company, which enable it at low cost to collect crude oil at highly favorable locations for refining. The great majority of the competitors of the Standard are located in, or very near to, oil-producing territories, and are thus dependent upon railroads for the transportation of oil almost the entire distance from the wells to the final consumer. The Standard Oil Co., on the other hand, often transports its crude oil hundreds of miles in pipe lines in order to refine it at points much nearer to great consuming markets."

The Interstate Commerce Commission, in its report on "Railroad discriminations and monopolies in coal and oil," in obedience to public resolution No. 8, approved March 7, 1906, entitled "Joint resolution instructing the Interstate Commerce Commission to make examinations into the subject of railroad discriminations and monopolies in coal and oil, and report on the same from time to time," which report was made to the Senate and House of Representatives under date of January 28, 1907, at page 5, said:

"The main purpose of this report is to point out in a general way the methods by which the Standard Oil Co. has built up and perpetuated this monopoly, and the relation of the agencies of transportation to that monopoly. At the basis of the monopoly of the Standard Oil Co. in the production and distribution of petroleum products rests the pipe line."

"The advantages which the possession of these pipe lines give to the Standard are apparent upon the surface. The refiner of the independent producer who, as a rule, has no pipe line of any considerable extent, and who generally depends upon that of the Standard for his supply of crude material, are located for the most part near the source of the crude supply."

"The possession of these pipe lines enables the Standard to absolutely control the price of crude petroleum and to determine, therefore, the price which its competitor in a given locality shall pay. * * * In any industry whoever controls the avenues of transportation of either the raw material or the finished product can speedily drive all competitors out of existence. The production and distribution of petroleum is no exception to this rule. While there may be a feeble competition in limited areas, even that must rest largely upon the sufferance of the Standard Oil Co. so long as it has practically the exclusive use of its present system of pipe lines."

"We have in this record a vivid account of several attempts of this character—the construction and operation of pipe lines by independent concerns—and whoever has listened to this testimony will readily appreciate why success was difficult of attainment in these cases and why capital might well hesitate before embarking in such an enterprise. In the past every obstacle has been thrown in the way of such undertakings, and especially have they been opposed by the railroads of the country, whose right of way has generally stood as a Chinese wall against all attempts to extend pipe lines. This can be understood from a railway standpoint, for the pipe line takes the traffic which the railway otherwise obtains. What is difficult of comprehension is that the railway has in the cases brought to our attention extended to the Standard every facility for the construction of pipe lines, while doing all in its power to prevent their construction by the competitors of the Standard."

3. Cost of transportation.

In the report of the Commissioner of Corporations on the "Transportation of petroleum," May 2, 1906, at page 60, it is stated:

"The advantage of the location of the seaboard refineries and of the Whiting refinery grows out of the fact that the cost of pipe-line transportation to them from the oil fields is much less than the cost of rail transportation which the competitors have for the most part to pay in order to reach the same points. The Bureau of Corporations has not secured exact information as to the cost to the Standard Oil Co. of transporting oil through its great trunk pipe lines. The reports of the Prairie Oil & Gas Co., which is controlled by the Standard, show, however, that the operating expense of transporting crude oil through the trunk pipe line from Humboldt, Kans., to Sugar Creek, Mo., a distance of about 117 miles, is less than 1 cent per barrel of 42 gallons, and it is highly probable that the operating expense does not increase proportionately with an increase of distance. Even supposing expense to increase proportionately with distance, the operating cost of transporting oil from the Appalachian oil fields to New York Harbor, an average distance of about 300 miles, would still be less than 3 cents per barrel, if the figures of the Prairie Oil & Gas Co. may be taken as typical."

"An allowance of 5 per cent for depreciation and 5 per cent for interest upon the actual investment of the Prairie Oil & Gas Co. in its pipe line from Humboldt to Sugar Creek is equal to about 3½ cents per barrel of crude oil (42 gallons) transported during the first five months of 1905. But the pipe line does not seem to have been used during this period to more than half its full capacity, and its capacity has since been increased more than one-half at a much less than proportional increase of investment. Even if the line is operated at considerably less than its full capacity, therefore 2 cents per barrel is a sufficient allowance for interest and depreciation, provided, of course, that the oil fields continue to produce largely for a long period. * * *

"A liberal allowance for the entire cost of transporting crude oil by trunk pipe line from the Appalachian field to the Atlantic seaboard would not exceed 10 cents per barrel of 42 gallons, or about one-fourth or a cent per gallon. It is quite likely that the cost is less than 8 cents per barrel, or about one-fifth of a cent per gallon. * * *

"This estimated cost of transportation by pipe line is only about one-fourth the cost of rail transportation from the refineries of the independent concerns in these oil fields to the seaboard and to Chicago, respectively. The freight rate from western Pennsylvania refineries to New York Harbor is almost exactly 1 cent per gallon, and to Chicago about 1½ cents."

4. Monopoly of control and use of pipe lines.

The report of the Commissioner of Corporations, heretofore referred to, at page 37 says:

"The Standard Oil Co. has all but a monopoly of the pipe lines in the United States. Its control of them is one of the chief sources of its power. While in the older oil fields pipe lines are by the State laws common carriers, there has been little attempt by the States to regulate their charges. The Federal Government has not as yet exercised any control over pipe lines engaged in interstate commerce. The result is that the charges made by the Standard for transporting oil through its pipe lines for outside concerns are altogether excessive, and in practice are largely prohibitive. Since the charges far exceed the cost of the service, the Standard has a great advantage over such of its competitors as are forced to use its pipe lines to secure their crude oil."

MANUFACTURE.

1. Ownership and location of refineries.

The refineries owned and operated by the Standard Oil companies may be roughly divided according to location as follows: Seaboard, Eastern Interior, Lima-Indiana, Mississippi Valley, Texas, California, and Rocky Mountain territory refineries. The Standard Oil Co. of New Jersey owns the Bayonne works, at Bayonne, N. J.; the Eagle works, at Constable Hook, N. J.; the Bayway works, at Bayway, N. Y.; the Baltimore works, at Baltimore, Md.; the Baton Rouge works, at Baton Rouge, La.; and the Parkersburg works, at Parkersburg, W. Va. The Standard Oil Co. of New York owns the Pratt works, at Brooklyn, N. Y.; Long Island works, at Long Island City; Sone & Fleming works, at New York, N. Y.; and the Buffalo works, at Buffalo, N. Y. The Atlantic Refining Co. owns the Philadelphia works, at Point Breeze, near Philadelphia, Pa.; the Eclipse works, at Franklin, Pa.; and the Pittsburgh works, at Pittsburgh, Pa. The Vacuum Oil Co. owns the Olean works, at Olean, N. Y. The Solar Refining Co. owns the works at Lima, Ohio. The Standard Oil Co. of Ohio owns the works at Cleveland, Ohio. The Standard Oil Co. of Indiana owns the works at Whiting, Ind., the works at Sugar Creek, Mo., and the works at Wood River, Ill. The Standard Oil Co. of Kansas owns the works at Neodesha, Kans. The Standard Oil Co. of California owns the works at Point Richmond and also the works at El Segundo, Cal. The Magnolia Refining Co. owns the works at Beaumont and also the works at Corsicana, Tex. The United Oil Co. owns the works at Florence, Colo. These are the plants owned and operated by the various Standard Oil Co. interests, all of which were controlled by the holding company, the Standard Oil Co. of New Jersey, prior to May, 1911, when the holding company was required by court decree to return its stock to the stockholders of the various subsidiary companies.

Of the refineries independent of the Standard interests, there are at present 38 located in the State of Pennsylvania—2 at Markus Hook, near Philadelphia; the remainder at Bradford, Warren, Titusville, Oil City, and Pittsburgh, Pa., or in the immediate vicinity of those points. In Kansas there are 16 independent refineries located in the Kansas producing district: in Ohio 6—1 at Marietta, 2 at Cleveland, 1 at Findlay, and 3 at Toledo; in Oklahoma there are 27 located in the field of production; 4 in Illinois; 7 in Texas; 3 in New York; 1 in New Jersey; 4 in Louisiana; 2 in Wyoming; 1 in Missouri; 1 in Arkansas; and 44 in California.

2. Products and processes.

The products of petroleum are so numerous and varied that any specific description of them would be beyond the necessities of this declaration; and the same is true concerning the processes of manufacture. The Commissioner of Corporations, in his Report on the Petroleum Industry, part 1, published May 20, 1907, at page 254, states:

"Petroleum is a mixture of numerous hydrocarbons. The process of refining consists of the separation, through distillation, of the crude oil into certain fractions and the purification and standardization of these so that they meet commercial needs. The chief characteristics of the several divisions which indicate their serviceability for commercial uses are gravity, inflammability, color, and viscosity. * * * As the vapor comes from the still there is no immediate break in its character, but instead a gradual change, so that any fraction has the average quality of the vapors coming over between the limits set for it. If these limits be not too widely separated, the fraction is comparatively homogeneous. By changing the limits, both the quantity and quality of the fraction is affected. * * * Much skill may be exercised, not only in making the original separations, but also in manipulating the products so as to obtain the highest quality and the largest yield of the more valuable products. The number of possible products is so large and each is subject to so wide a range in quality that the refining business is more intricate than is perhaps ordinarily supposed."

At page 258 of the same report the Pennsylvania crude by two processes, the first known as the "far process," now practically abandoned, and the second known as the "cylinder stock process." By the first process the products obtained are:

1. Cymogene and rhizolene—usually not condensed.
2. Crude naphtha, redistilled, giving:
 - a. Gasoline (chiefly 86° to 90° Baume).
 - b. Gasoline or naphtha (chiefly 68° to 76° Baume).
 - c. Benzine.
 - d. Gas naphtha.

- 3. Illuminating oil distillates, treated, giving—
 - Water white.
 - Prime white.
 - Standard white or export.
 - 4. Tar or residuum, redistilled, giving—
 - a. Gas oil.
 - b. Fuel oil.
 - c. Paraffin distillate, pressed, giving—
 - (1) Paraffin wax.
 - (2) Paraffin lubricating oils
 - d. Greases, pitch, roofers' wax, coke.
- By the cylinder process:
- 1, 2, and 3 are obtained and handled as in the tar process.
 - 4. Wax distillate, redistilled, giving—
 - a. Gas oil, heavy illuminating oil.
 - b. Wax distillate, pressed, giving—
 - (1) Pressed oils, reduced, giving—
 - (a) 300 illuminating oil.
 - (b) Neutral oils, filtered, etc., giving spindle oils, wool oils, engine oils, etc.
 - (2) Paraffin wax.
 - 5. Cylinder stock (residue), i. e., unfiltered cylinder oil.
 - a. Filtered cylinder oils.

The percentages of each product obtained by the above processes have varied materially in the different qualities of crude, the different methods of operating the refineries, and to accommodate the changes in market requirements. At page 261 of the same report this latter phase is graphically shown by a comparison of the percentages of the various products for the years 1880, 1889, 1899, and 1904, or practically a period of 25 years. In 1880 the percentage of illuminating oil derived from crude was 75.2 per cent; in 1904, 48.2 per cent; fuel oil and residuum, 1.6 per cent and 18.5 per cent, respectively; lubricating oils, 2.1 per cent and 11.6 per cent; naphtha and gasoline, 10.3 per cent and 10.3 per cent; paraffin wax, 0.1 per cent and 1.4 per cent. At the present time the average percentages of each of the above products might be stated as follows: Illuminating oil, 45 per cent; fuel oil and residuum, 5 per cent; lubricating oils, 23 per cent; naphtha and gasoline, 20 per cent; and paraffin wax, 2 per cent. But even these averages are subject to very wide differences according to the different processes used in refining. For instance, in the mid-continent field and in the fields producing asphaltum oil many refiners merely distill off the gasoline and illuminating oil, selling the entire residual as fuel oil, thereby incurring an economic waste. The better equipped and more scientifically operated refineries in any field produce the largest possible quantities of those products having ready sale at highest margin of profit. At the present time gasoline and motor spirits are being produced in quantities averaging 30 per cent of the entire crude product.

3. Capacities for refining.

Referring to Dr. Day's "Report on the production of petroleum" for the year 1912, at page 15, it will be noted that there was delivered for refining during that year 177,916,475 barrels of crude oil, for fuel purposes during the same period 58,560,039 barrels, making a total delivery of 236,476,514 barrels, or a decline during the year in total stocks of over 14,000,000 barrels. The total stocks of crude on hand on December 31, 1912, was 122,869,702 barrels, nearly half of which was held in the mid-continent field.

While it is difficult to state the exact amount of crude consumed by each individual refinery on account of there being no statistics published showing such amounts, for obvious reasons, yet from the best obtainable information the annual refining capacities of the various refineries are stated in the following table as approximately but not entirely correct. From the total amount of the refining capacities of all refineries therein shown, being 198,310,000 barrels, it will be seen that this amount is approximately 112 per cent of the total amount of crude delivered for refining during the year 1912. Inasmuch as refineries can only be operated to the greatest advantage by being continually operated at their maximum capacities, and that their operation requires very little idle time and are usually run during all days of the year and all hours of the day, the excess would indicate the nearest to accuracy in the figures submitted in the table:

STILL CAPACITIES FOR REFINING CRUDE PETROLEUM.

Standard Oil refineries.

[Annual capacities in barrels (42 gals.)]

Refineries owned by—	Capacity
Standard Oil Co. of New Jersey	36,500,000
Standard Oil Co. of New York	7,300,000
Standard Oil Co. of California	23,725,000
Standard Oil Co. of Indiana	21,170,000
Standard Oil Co. of Ohio	2,000,000
Standard Oil Co. of Kansas	4,000,000
Atlantic Refining Co.	18,250,000
Solar Refining Co.	8,650,000
Vacuum Oil Co.	1,300,000
Total	107,895,000

Independent refineries.

Refineries located in—	Number.	Annual capacities in barrels (42 gallons).
Pennsylvania	38	11,855,900
Kansas	16	8,213,500
Ohio	7	1,992,000
Oklahoma	27	15,081,000
Illinois	4	4,160,000
Texas	7	22,408,000
New York	3	790,000
New Jersey	1	3,500,000
Louisiana	4	516,000
Wyoming	2	2,263,000
Missouri	1	72,000
Arkansas	1	60,000
California	44	19,504,350
Total	155	90,415,750

Total capacities of all refineries, 198,310,750 barrels.

MERCHANDISING.

1. Jobbers, dealers, and distributing stations.

In the sale and distribution of the manufactured products of petroleum generally, the manufacturer sells to the jobber or distributor, he to the dealer, and the dealer to the consumer. This normal condition formerly prevailed in the marketing and distribution of petroleum and its products. At the present time it is estimated that the number of independent jobbers in petroleum and its products in the United States is about 1,500, whose business is largely that of buying from the refiners in carload lots and making distribution in smaller quantities to dealers in the territory surrounding the location of such jobber. There are dealers in these products in every city and town in the United States, usually the grocer or hardware dealer, or both.

For the purpose of securing as large a profit in the petroleum business as possible, the Standard Oil Co. at an early date adopted the practice of putting in distributing stations, ignoring the jobber and dealer in many instances. These distributing stations are now located in nearly every important town in the United States, and consist of tanks for receiving the oil in bulk shipments by tank cars and distributing it throughout the town in which such tank station is located, and also in the outlying district by tank wagon so far as gasoline and illuminating oil are concerned. It is fair to say that, in a rough way, there are more than 5,000 such stations belonging to the Standard Oil interests throughout the United States, and many of the larger independent refineries have felt it necessary to adopt the same method of distribution as a settled commercial condition. This method undoubtedly eliminates a great deal of waste and unnecessary cost to the final consumer, but can only be maintained by the provision of enormous capital.

Commenting upon the relation of marketing methods the Commissioner of Corporations in his "Report on the petroleum industry," part 1, May 20, 1907, at page 20, says:

"The relatively greater use of the bulk system of delivery by the Standard than by independent concerns has an important bearing on the degree of monopoly power enjoyed by the Standard Oil Co. In the first place, the shipper of oil in barrels or other small packages pays freight on the weight of the container as well as on the contents, whereas a tank-car shipper pays only on the weight of the oil. As a barrel when empty weighs one-fifth as much as when full of oil, this means in the case of barrel shippers an increase of about 25 per cent in freight charges alone. Again, freight must be paid on the empty barrel when returned or if sold without returning there is often some loss. Furthermore, the cost of teaming oil in barrels or other packages after it has been delivered at railroad stations is often greater than the corresponding cost of local delivery in bulk. This is particularly true where the volume of business is large. Finally and most important, the bulk system is greatly preferred by retail dealers as cleaner and safer. All of this means that shippers of oil in barrels or other small packages are at a disadvantage in competition. The Standard can maintain excessive prices in towns where competitors use only barrel delivery without much danger of losing control of the greater part of the trade.

"In the second place, the Standard's system of direct sale to retail dealers, in conjunction with the advantage of bulk delivery, favors the practice of price discrimination so destructive of competition. If the Standard Oil Co. sold its oil through jobbers, it would have to charge substantially the same net price for all parts of its product, as the logical result of a large wholesale business is always to equalize prices after allowing for cost of delivery. With the jobber eliminated, it is possible to maintain differences in prices between different towns and sections of the country all out of proportion to differences in cost. This method of predatory competition keeps independent concerns small and weak and often destroys their business entirely. Only a competitor with enormous resources can afford so to extend his marketing business as to fight the Standard on equal terms."

2. Domestic and export markets.

The Commissioner of Corporations in his "Report on the petroleum industry," part 2, published August 5, 1907, at page 316, says:

"The export of illuminating oil in 1904, according to the estimate of the Standard Oil Co., was 58.9 per cent of the production of such oil, and according to the census figures and export statistics 56.1 per cent. The naphtha exported, on the other hand, according to the census and export statistics, was only about 8.6 per cent of the total production of naphtha. The lubricating oil exports were about 27.6 per cent of that product. Of paraffin wax—a product small in quantity, but high in value—the exports are proportionately large, about 58 per cent of the production in 1904."

Dr. Day, in his report on the "Production of petroleum" in 1912, at page 106, gives the total amount of exports of mineral oils from the United States for that year, in comparison with the total production of oil in the United States for that year, the total production in gallons being 9,328,755,156, the total exports in gallons 1,883,479,897, or roughly 20 per cent of the total amount produced was exported. Of the total amount exported 1,026,138,000 gallons were illuminating oil or the lighter products, 216,393,000 gallons were lubricating oils, and 266,236,000 gallons residuum, the total value of which was \$124,210,382. From the above figures it will appear that the consumption of petroleum in the United States is enormous as compared with that of any other country.

3. Prices and profits.

It is a well-known fact that the petroleum prices, both crude and refined, are fixed by the Standard Oil Co. or companies in affiliation known as Standard interests. The prices of crude oil in the various fields bear no relation to each other based upon refining values. While oil produced in the mid-continent field is transported to all refineries located east thereof belonging to the Standard interests through pipe lines owned by the Standard interests, the prices in such fields bear slight relation to the average prices fixed in the various domestic or foreign markets. Prices in the different localities for the finished products in the United States bear little relation to the cost of crude, the cost of refining, or the cost of transportation, but depend more upon the amount of competition against the Standard in any particular market.

In competitive areas prices are held low. In noncompetitive areas prices are held, relatively, exorbitantly high. In the foreign markets, if it suits the Standard to attempt to drive out competition, prices in that particular foreign market will be low as compared with the average export prices, while in such foreign markets without competition prices are held higher than the prices in the domestic markets.

The Commissioner of Corporations, in his report above referred to, at page 425, says:

"While the prices of illuminating oil in the principal foreign markets have for years been relatively lower than the prices in the United States, this disparity became especially conspicuous during the years 1903, 1904, and 1905. During those years the domestic prices stood at a much higher level than for many years before, while prices in the principal foreign markets, particularly in 1904 and 1905, were sharply reduced, with the result that the average price in leading foreign markets, like the United Kingdom, Germany, and the Orient, stood at times from 2 to 3 cents below the average price in the United States, transportation costs, difference in quality of oil, etc., being taken into account."

And on page 427 of the same report:

"The policy of the Standard Oil Co. in charging much higher prices in the domestic than in the foreign trade is an injustice and injury to the American consumer which is not compensated for by any material advantage to American producers of crude oil or to American labor." (See Report of the Industrial Commission, vol. 1, p. 570.)

The Interstate Commerce Commission, in its report to Congress in obedience to public resolution No. 8, approved March 7, 1906, made January 28, 1907, at page 13, says:

"The only knowledge this commission has of the competitive methods of the Standard Oil Co. is derived from the evidence taken in this investigation. We have already said that this testimony was under oath; that the witnesses were subject to cross-examination by the attorneys of the Standard Oil Co.; that that company was given permission to explain or rebut the facts shown. This evidence, if true, demonstrates that in the past the competitive methods of that company have been unfair and often disreputable; that its motto has been the destruction of competition at any cost, and that this policy has been pursued without much reference to decency or conscience. It is significant that the larger independent refiners sell the greater part of their product in foreign countries. One of these testified that 75 per cent of his product went abroad, and that he could compete with the Standard Oil Co. in Germany, where its methods in this country would not be tolerated, but that he could not compete with it here."

And at page 4 of the same report the commission said:

"Refined oil is sent from the Standard Co.'s refinery at Whiting, Ind., which is practically the same as Chicago, to both New Orleans and Denver, the distance being almost exactly the same, and the actual cost to the railway of transporting petroleum to these two points is not much different. The rates upon which it moves, however, is about 2 cents per gallon higher in case of Denver than in case of New Orleans, and the cost to the Standard Co. at these two cities differs to that extent. The price paid by the consumer in New Orleans was said to be 8½ cents a gallon; in Denver, 20 cents a gallon. Our impression from this whole record before us is that the chief effort of the Standard Oil Co. in the past has been to destroy competition, and that its principal profit has come from eliminating, in one way or another, its competitor."

TRANSPORTATION BY PIPE LINES.

As this declaration deals with the question of transportation by pipe lines, and advocates the ownership by the Government of such pipe lines engaged in the transportation of petroleum in interstate commerce, this question will be discussed under the following heads: I. The monopolistic nature of pipe lines; II. The desirability of Government ownership and operation of interstate pipe lines; III. The practicability of Government ownership and operation of interstate pipe lines; and IV. The validity of Government ownership and operation of interstate pipe lines.

I. THE MONOPOLISTIC NATURE OF PIPE LINES.

1. The cost of transportation of petroleum by pipe line is so low as to preclude other means of transportation in any large volume.

In the report of the Commissioner of Corporations on the "Transportation of petroleum," published May 2, 1906, at page 60, it is stated:

"The reports of the Prairie Oil & Gas Co., which is controlled by the Standard, show, however, that the operating expense of transportation of crude oil through the trunk line from Humboldt, Kans., to Sugar Creek, Mo., a distance of 117 miles, is less than 1 cent per barrel of 42 gallons. An allowance of 5 per cent for depreciation and 5 per cent for interest upon the actual investment of the Prairie Oil & Gas Co. in its pipe line from Humboldt to Sugar Creek is equal to about 2½ cents per barrel of one (42 gallons) transported during the first five months of 1905. But the pipe line does not seem to have been used during this period to more than about half its full capacity; and its capacity has since been increased more than one-half at a much less than proportional increase of investment. Even if the line is operated at considerably less than its full capacity, therefore, 2 cents per barrel is sufficient allowance for interest and depreciation."

The Commissioner of Corporations in his "Report on the petroleum industry," part 1, published May 20, 1907, at page 231, gives the estimated cost of transporting oil through the trunk pipe lines of the Standard and Tide Water Cos. The cost per barrel for operating expense is stated to be 3.32 cents; depreciation (5 per cent on investment of \$15,543,000), 2.51 cents; interest on investment, at 10 per cent, 5.01 cents; total, 10.84 cents. With interest on investment at 5 per cent the cost, including interest and depreciation, would be 8.34 cents per barrel.

The cost is also given, at page 233 of the same report, for transporting oil by pipe line from Lima, Ohio, to Bear Creek, Pa., as follows: Operating cost, 1.98 cents per barrel; depreciation (5 per cent on investment of \$3,500,000), 2.28 cents; 5 per cent on investment, 2.28 cents; making a total cost of 6.54 cents per barrel.

On page 234, same report, the cost is also estimated for transporting oil from Lima, Ohio, to seaboard, as follows: Operating expense, 5.30 cents per barrel; depreciation, 4.79 cents; interest, at 5 per cent, 4.79 cents; total cost, 14.88 cents. Also, on page 237, the cost from Lima, Ohio, to Whiting, Ind., including interest and depreciation, is given at 5.02 cents per barrel; and, at page 238, from the midcontinent field to Griffith, Ind., the cost is given as being about 9 cents per barrel, making the through charge, equivalent to the sum of the local charges, 28 cents per barrel from the midcontinent field to seaboard, including 5 per cent depreciation and 5 per cent interest on investment.

The rail rate on petroleum in carload lots from western Pennsylvania to New York Harbor is 16½ cents per 100 pounds, which is equivalent to 45 cents a barrel. To Philadelphia the rail rate is 14½ cents per 100 pounds, which is equivalent to 39 cents a barrel, which is the pipe-line charge. And without further comparisons it may be said, generally, that the pipe-line tariffs published by such pipe-line companies as

are professedly common carriers are practically the same as the rail rates, although no tariffs are published by the Prairie Oil & Gas Co. for transportation from the midcontinent field to Griffith, Ind., or by the Ohio Oil Co. or Tide Water Pipe Co. from the Illinois field to seaboard.

The conclusion of the Commissioner of Corporations, at page 239, same report, referring to the rate to New York, says:

"It is obvious, therefore, that the rate of 45 cents was altogether extortionate, and it is no wonder that no use whatever was made of it by independent shippers."

At page 240 the following table is given, showing a comparison of selected rates by the Standard's pipe lines, with estimated cost of transportation:

[Cents per barrel of 42 gallons.]

From—	To—	Distance by pipe line.	Published rate.	Operating cost and depreciation.	Operating cost, depreciation and interest at 11 per cent.	Difference between published rate and—	
						Operating cost and depreciation.	Operating cost, depreciation, and interest.
Preble, Ind.....	Lima, Ohio.....	49	15.0	0.8	1.6	14.2	13.4
Do.....	Cleveland, Ohio.....	252	28.0	4.3	8.3	23.7	19.7
Downs, W. Va.....	Franklin, Pa.....	129	25.0	2.2	4.3	22.8	20.7
Sci., Ohio.....	do.....	140	25.0	2.4	4.6	22.6	20.4
Margantown, W. Va.....	Philadelphia, Pa.....	274	39.0	4.7	9.0	34.3	30.0
Corning, Ohio.....	do.....	402	39.0	6.8	13.3	34.2	25.7
Cygnut, Ohio.....	do.....	530	53.5	9.0	17.5	44.5	36.0
Do.....	Unionville, N. Y.....	546	52.0	9.3	18.0	42.7	34.0
Lima, Ohio.....	Philadelphia, Pa.....	577	53.5	9.8	19.0	43.7	34.5
Do.....	Unionville, N. Y.....	593	52.0	10.1	19.6	41.9	32.4
Griffith, Ind.....	Buffalo, N. Y.....	604	52.5	10.3	19.9	42.2	32.6
Do.....	Philadelphia, Pa.....	766	68.5	13.0	25.3	55.5	43.2
Do.....	Unionville, N. Y.....	782	67.0	13.3	25.8	53.7	41.2

† Part of distance is estimated.

The Interstate Commerce Commission, in their report under public resolution No. 8, approved March 7, 1906, under date of January 28, 1907, at page 5, said:

"The expense of pumping oil is very much less than the cost of transporting it by rail. It was said that the actual cost of pumping a barrel of oil 100 miles was about 2 cents; and while this must vary with different conditions, the estimate seems to be sufficiently high on the average. The cost to the Standard of transporting a barrel of oil from the Kansas field to the Atlantic seaboard would not be much, if any, above 30 cents."

2. The right of way must be secured by grant of sovereign power.

At page 11 of the brief for the United States, in the Supreme Court of the United States, in United States et al. v. The Ohio Oil Co. et al., Nos. 481, 482, 483, 506, 507, and 508, appeals from the United States Commerce Court, which cases are commonly known as the "Pipe Line cases," the following statement is made:

"It may be further stated that the pipe lines in question were located in part upon or across the rights of way of various railroad companies, upon or across public highways, and that said pipe lines are and always have been located, maintained, and operated over public highways or on the rights of way of railroad companies, and that petitioner's predecessors in title did at certain points lay the pipe lines in question along or across public highways and streets in said State, and that at various points petitioner's pipe lines are laid and are being operated upon, along, or across the rights of way of railroad companies engaged in interstate commerce." (No. 482; R. 86-88.) In its answer the United States alleges that the predecessor in title of petitioner did for long distances lay said pipe line, along, and across certain of the navigable rivers of the United States, including the Hudson River, any private use whereof is contrary to the public policy of the United States. (No. 482; R. 35.) Petitioner does not deny that its pipe was so laid, though it does deny that what it did in that behalf is contrary to the public policy of the United States."

And at page 14 of the same brief:

"Its line to Griffith, Ind., is the only pipe line extending from the mid-continent field eastward. This is laid in part over the right of way of the Atchison, Topeka & Santa Fe Railway Co. from Sibley, Mo., to Joliet, Ill., a distance of about 500 miles (No. 506; R. 32-33), and portions of the company's lines are laid over the public domain in the Indian Territory and Oklahoma." (No. 506; R. 41 to 61, inclusive.)

The above instances of the use of railroad companies' rights of way, navigable rivers, public territory, and highways might be repeated with respect to the lines of all trunk pipe lines. In addition to which it appears in the record of the "Pipe Line cases," above referred to, that in the States of New York, Pennsylvania, West Virginia, Ohio, Indiana, Oklahoma, and Texas pipe-line companies are organized as common carriers, having the right of eminent domain and the power to condemn private property. It is true that the grant of the right of eminent domain comes from the State instead of national sovereignty, but if these rights are used to provide instrumentalities of interstate commerce, such interstate commerce and such instrumentalities, by reason thereof, fall under the control of the Federal Government to the same degree as though the Government itself had exercised its power of eminent domain for the establishment of a post road or a Government railroad.

3. The cost of construction of interstate pipe lines is beyond the range of ordinary business investment.

In part 1 of the "Report on the petroleum industry," by the Commissioner of Corporations, published May 20, 1907, at page 217, the cost per mile of the pipe line laid from Humboldt, Kans., to Kansas City, Kans., and from Chanute, Kans., to Humboldt, and from Caney, Kans., to Neodesha, Kans., is given. For the 8-inch lines from Humboldt to Kansas City, 117½ miles long, the cost per mile was as follows: For pipe, \$4,381.07; for fittings, \$7.63; for right of way, \$78.47; for construction, \$1,030.38; making a total cost per mile of \$5,497.55.

The 6-inch line, from Chanute to Humboldt, 8½ miles: For pipe, \$2,799.94; fittings, \$0.10; right of way, \$8.03; construction, \$573.78; total, \$3,381.85.

The 6-inch line, from Caney to Neodesha, 33 miles: For pipe, \$2,531.99; fittings, \$0.31; right of way, \$40.03; construction, \$606.26; total, \$3,178.59.

From the record of testimony, volume 7, on pages shown in the following table, in the case of the United States of America v. The Standard Oil Co. of New Jersey et al., in the District Court of the United States for the Eastern Judicial District of Missouri, the following is a summary of the investments and net profits of the various pipe line companies as of December 31, 1906:

Name of company.	Plant investment.	Net profit per year.	Page.
Buckeye Pipe Line Co.....	\$15,326,661.49	\$7,028,568.40	164
Southern Pipe Line Co.....	4,326,822.17	4,649,306.28	172
Indiana Pipe Line Co.....	4,652,099.75	2,513,553.69	180
Crescent Pipe Line Co.....	973,600.86	490,357.74	181
Eureka Pipe Line Co.....	7,155,544.59	2,435,105.83	189
Northern Pipe Line Co.....	2,796,474.57	1,591,614.22	197
South West Penn Pipe Line Co.....	3,122,591.59	373,383.67	198
New York Transit Co.....	5,824,466.13	2,343,282.59	206
National Transit Co.....			
East Ohio Gas Co.....			
New Dominion Oil & Gas Co.....	11,801,636.00	10,689,349.20	233
Cumberland Pipe Line Co.....			
Connecting Gas Co.....			

In the same record of testimony, volume 8, page 619, the plant investment of the Prairie Oil & Gas Co. is stated as \$19,008,445.27; but as this company has no pipe-line charges, its profits in transportation are not shown; and since the same is true concerning the Ohio Oil Co. and the Tidewater Pipe Co., a statement concerning these companies need not be made.

It is very evident, therefore, that the construction of interstate pipe lines is of such magnitude as to be beyond the resources of ordinary capital.

4. Duplication of plants an economic waste.

At page 649 of Volume II of the "Report on the petroleum industry," by the Commissioner of Corporations, published August 5, 1907, the following is stated:

"The advantage of the possession of a number of plants is intimately connected with the existence of the pipe-line system of transporting crude oil. In the absence of such a system there would, of course, be refineries in different parts of the country, because there are crude-oil fields in different parts of the country, but most of the refineries would be found in or very near to the oil fields, and there would be no advantage in locating refineries, as the Standard has done, at a number of points distant from the oil fields but convenient to centers of consumption and distribution. The transportation of refined petroleum products by rail costs no more than that of crude oil by rail. Consequently, if the Standard did not possess a great pipe-line system the advantage which it could derive from the ownership of a number of refineries would be quite limited. It is true, even under these conditions, if the Standard had refineries at each of the great oil fields it would have an advantage in the cost of transportation to certain markets, but such a situation would not be likely to arise. On the contrary, it would naturally be expected that in each of the important oil fields there would be competing refineries. To a large extent, therefore, the advantage of the Standard connected with the possession of numerous refineries resolves itself into its advantage through the control of the pipe-line system."

In Senate Document No. 399, Sixty-third Congress, second session, entitled "Government Ownership of Electrical Means of Communication," at page 10, it is stated:

"It is needless here to enter into the manifold advantages and benefits that would accrue to the people from a uniform telephone service. The telephone has now become an indispensable aid to business and a means of social intercourse to which all classes properly aspire. As it has done with the mails, it is the duty of the Government to make this facility available to all of its citizens without discrimination."

"There is only one other alternative, the enforcement in accordance with law of a condition of competition in the telephone and telegraph business. Without considering whether this could be done effectually in the case of an enterprise inherently so monopolistic, it is sufficient to note that while the execution of such a plan would be fraught with difficulty, its effect would not be to improve service and reduce rates, but the reverse. Competition applied to this public utility has clearly been shown to result in waste and inefficiency due to duplication. Not artificial restraint but natural development under Government control is the true policy for the public interest."

The similarity of the monopoly of communication by electrical means and the monopoly of transportation by pipe lines is striking. There is no room for a second system of pipe lines. A duplicated plant would not only add to the cost of the entire plant investment, but would likewise increase the cost of operating and expense. The production of crude oil is located. There are defined fields. The points to which crude oil is desired to be transported is also fixed. Transportation by pipe line is entirely unlike transportation by rail, where all kinds of commodities from all places of production are transported to all points of consumption. A single commodity is transported through the pipe line from the point of production to the point of manufacture. The plant can be used for no other purpose and in no other place. Any duplication of the present properties would be an economic waste; any increase in the quantity of transportation can be most economically done by adding to the existing plants.

5. Transportation by pipe lines susceptible to restriction in service by owner.

The characteristics of transportation of petroleum or other substance by pipe line tend always to a restricted use. From the point of production to the point of delivery there is but one line. Lateral branches for service to others do not mark pipe-line transportation. Pipe lines are generally built to a required capacity, and unless the transportation increases additions are not made. The quantity and capacity are generally balanced one with the other as nearly as possible. The owner,

for various reasons, can require a certain character of petroleum to be presented in certain quantities to avoid mixture during the process of passing through the line.

As illustrative of the restrictive regulations, reference may be made to the joint tariff of the National Transit Co. in connection with the New York Transit Co., I. C. C. No. 1, effective August 28, 1906, as follows:

"REGULATIONS.

"This company will receive crude petroleum for interstate transportation only to established delivery stations on its own lines and lines of connecting pipe line companies on the following conditions:

"First. It will receive crude petroleum for interstate transportation when the shipper has provided the necessary facilities for receiving said petroleum as it arrives at destination.

"Second. It will forward such crude petroleum when there has been tendered to it by the shipper, individually, or by him and others, a quantity of the same kind and quality of crude petroleum amounting in the aggregate to not less than 75,000 barrels, all of which shall be consigned for delivery to the same delivery point.

"Third. All such crude petroleum will be accepted for transportation only on condition that it shall be subject to such changes in quality while in transit as may result from the mixture of said petroleum with other petroleum in the pipe lines or tanks of this or the connecting company or companies.

"Fourth. Orders for the shipment of any specified kind of such crude petroleum shall only become effective when orders from the shipper, in connection with orders from others shippers, for the same kind and quality of petroleum shall amount in the aggregate to 75,000 barrels or more, consigned to the same point of delivery; and, subject to this requirement, orders for shipment shall become operative in the order in which they shall have been received.

"Fifth. Crude petroleum will only be accepted for transportation when free from all liens and charges.

"Sixth. This company is not engaged in the transportation of refined oil, and will not therefore accept the same for transportation."

Referring to joint tariff of the Indiana Pipe Line Co., in connection with the Buckeye Pipe Line Co., Northern Pipe Line Co., National Transit Co., and New York Transit Co. (I. C. C. No. 1, effective Aug. 28, 1906), the same regulations are incorporated, with the exception that the quantity is increased from 75,000 to 300,000 barrels of crude petroleum as the minimum shipment.

The above regulations characterize all of the tariffs filed by the various pipe-line companies, acknowledging their obligations as common carriers to the public.

II. THE DESIRABILITY OF GOVERNMENT OWNERSHIP AND OPERATION OF INTERSTATE PIPE LINES.

1. Monopolies should be owned and operated by the Government.

It is a well-settled principle that the grant of a monopoly can be acquired only from sovereign power, and the sovereign power granting such monopoly may operate it for the benefit of all.

Whenever a monopoly is granted to private individuals or enterprises it should be properly guarded and regulated so that the interest of the public shall not be exploited or individual rights invaded.

In the report of the Industrial Commission, volume 1, page 797, in 1899, Mr. John D. Rockefeller stated:

"To perfect the pipe-line system of transportation required in the neighborhood of fifty millions of capital. This could not be obtained or maintained without industrial combination. The entire oil business is dependent upon this pipe-line system. Without it, every well would shut down and every foreign market would be closed to us.

A power so vast in its consequences can not safely repose in unregulated private interests. The temptation to its abuse is unavoidable. The public is helpless against it except through the intervention of the Government. Complete safety to the public is only attainable by Government ownership and operation.

If the distribution of the mail were in the hands of a private monopoly instead of in the hands of the Government, what opportunities for exploitation would exist if the institution controlling it were endowed with vast capital and vast power similar to that which controls the pipe-line system? Or supposing that the great systems of railways were to combine and refuse to carry for the public generally, except under prohibitive restrictions, and were to force every producer and manufacturer to sell his commodities to the railways at the railway company's prices and force the consuming public to buy such commodities from the transportation company at prices fixed by the transportation company to the consumer; and yet this condition is exactly similar to that which exists at present, as a practical matter, through the private ownership of the pipe-line systems.

2. The Government would operate interstate pipe lines to public advantage instead of private gain.

Taking the Postal Department of this Government as best illustrating the public advantages resulting from Government operation of a monopoly, it is plain that the greatest benefits to the public have thereby been accomplished. It is in accord with the fundamental declaration of "public welfare," for which the Government was formed.

Referring to Senate Document No. 399, of the Sixty-third Congress, entitled "Governmental ownership of electrical means of communication," at page 8, it is stated:

"The telegraph and telephone systems have long been recognized as necessary adjuncts to a complete postal service. As with all other privately-controlled public utilities, these facilities have been extended in our country only in proportion as the service to be performed has insured substantial dividends for the stockholders. Under private ownership, therefore, the telegraph and telephone are for the masses. Under Government ownership, through the postal machinery, which is conducted in the interest of the whole people and already reaches every man's door, the benefits of these facilities could be extended to the masses.

"It is obvious that the longer the acquisition by the Government of these facilities is deferred, the greater will be the cost. Moreover, it is economic waste to permit private enterprise to build up vast properties that must eventually be taken over by the Government in resuming its constitutional monopoly at a cost out of all proportion to the value of the parts of such properties that may be utilized to advantage in the postal system."

The pipe-line system in the hands of the Government would be made to reach out its lines to all fields of production and to each producer having a reasonable quantity to offer for transportation. It would afford the opportunity of such transportation and delivery

to all buyers of such crude petroleum indifferently and without unreasonable restriction.

3. Government ownership and operation of interstate pipe lines would encourage development and conservation.

Prospecting for the discovery of oil would be encouraged by the knowledge that wherever found the producer would have the certainty of being able to transport his oil to an available market to the best advantage. Whenever oil was discovered in large quantities the ability of the Government to furnish facilities for its transportation would be undoubted, and the enormous waste to sudden and flush production which has characterized the history of this industry would thereafter be avoided. The refiner would have the certainty of being able to acquire his crude supplies delivered at his plant at a minimum and reasonable transportation charge.

4. Discrimination would be prevented through Government ownership and operation of interstate pipe lines.

While the regulatory power of the Government over interstate commerce has constantly in view the prevention of undue discrimination, it is obvious that under Government ownership instead of regulation of interstate pipe lines there would exist no discriminations such as unavoidably creep in with respect to private operation of all instrumentalities of interstate commerce.

5. Governmental ownership and operation of interstate pipe lines would result in the standardization of the different crudes in the different fields.

The history of the petroleum industry shows that the prices of the different crudes produced in the different fields of production have heretofore been fixed in an arbitrary way. As the Interstate Commerce Commission observed, such control of transportation enabled the owners of the instrumentalities of transportation to arbitrarily fix the price to be paid to the producer and also the price to be paid by the consumer for the finished commodity. While some relation to value would necessarily be observed, no equivalence would be maintained based upon the inherent refining values of the different kinds of crude oil produced. The operation of the pipe-line systems would enable all refiners to obtain their crude from whatever field of production was most advantageous for their purposes, and would necessarily fix the standard of value to each class of crude oil.

6. Governmental ownership of pipe lines would prevent the abandonment of production before exhausted.

The history of the production of petroleum has shown that the opening of large pools of flush production has been followed by a marked reduction in the price paid for the crude oil. The result has always been to make unprofitable the production of oil in the older and partially exhausted fields and the abandonment of such fields by reason of the low prices of crude, thereby losing enormous quantities of oil that would otherwise have been produced. The question of the conservation of the production of petroleum and the prevention of premature abandonment of fields before exhausted is an important one, and is entirely in line with the policy of conservation wisely adopted by this Government in all matters under its control. Frequently several strata of underlying sands are saturated with oil, which if production had been continued in a partially developed field would have been found to be more prolific than the first stratum. Undoubtedly many millions of dollars worth of oil lies in such deeper strata of sands in abandoned territory.

An interesting paper has recently been issued by the Bureau of Mines in its Bulletin No. 51, by L. G. Huntley, treating of the causes of declining yield, all of which might be controlled by proper regulations if the Government owned and operated the instrumentalities of oil transportation. The waxy sediment that obstructs the passage of the oil into the well is a prolific cause of waste. The decline of gas pressure in the oil districts decreases the production. Decrease of oil supply within the drainage area of a well on account of near-by development decreases production. Also flooding by salt water, flooding by fresh water; also by the use of improper casing, unwise rate and time of pumping, and failure to clean, due to poor management—all are sources of waste which might, by proper surveillance, be eliminated.

7. Government ownership of pipe lines would aid the Navy Department in securing supplies of fuel oil.

It is perhaps unnecessary to point out the advantages of the use of oil as a fuel in the Navy Department, since that has been demonstrated by the department itself. It is a well-known fact that the requirements of the Navy Department this year of fuel oil will be nearly three times the quantity used last year. In the Associated Press, on December 30, 1913, the following item appeared:

"The new twin-screw oil-burning torpedo boat destroyer *Parker*, largest of its class and called the 'destroyer of destroyers,' has been turned over to the Government by the builders here. The *Parker* will be equipped with four 4-inch rapid-firing guns and four twin 8-inch torpedo tubes. One hundred men, including four officers, will be assigned to the ship. With its tanks loaded to their capacity of 300 tons of oil, the *Parker* is capable of 7,000 miles at cruising speed, or 800 miles at its highest velocity."

The American Review in a recent issue published a very interesting article, from which we quote:

"In a great war, such as all the European nations are preparing for, there will be no such thing as the respecting of the rights of the non-belligerents who are not powerful enough to protect themselves. In the same way the oil fields of the lesser powers would undoubtedly be seized by the first nation, or coalition, that felt it could further its own ends by their possession. Of such are the great fields of Roumania and the Dutch Indies, Sumatra and Borneo. The oil fields of Mexico would also be included in this list but for the fact that the protecting wing of the Monroe doctrine renders them fairly safe from European aggression. If the United States, however, became hard pressed for oil, as might happen in a war, this 'law of might and expediency' would undoubtedly be invoked to justify our seizure of the Mexican fields."

At the present time the Government is investigating the desirability of building and operating a pipe line of its own for the primary purpose of protecting the Navy in securing its supplies of fuel oil. Its investment in such a proposition would necessarily be considerable. Fuel oil, however, is manufactured and not produced, and this would require the investment by the Government in a refinery. A Government refinery, if built, would necessarily be operated in competition against privately owned refineries, and would not and could not be extended to the monopoly of the refining business in the hands of the Government, because by its nature the refining business is not such a natural

monopoly as the transportation of oil by means of pipe lines. It would thereby invade the realm of private enterprise, which is undesirable.

By means of the acquisition and operation of existing interstate pipe-line systems, however, the Navy would be fully protected, not only by having deliveries made to it at Gulf points already reached by existing pipe lines and refineries located at such points, but also at all seaboard points where refineries are already established from which the Navy could secure its supplies of fuel oil in competitive markets. It would also be able to select the best quality of fuel oil under standard specifications which could be manufactured at interior points and transported through the pipe lines for delivery in large quantities to seaboard points.

Since the ownership and operation by the Government of pipe lines would prevent the arbitrary fixing of prices in any field of production, the Navy Department would be protected from an arbitrary advance in the price in any one particular field while the price in other fields was arbitrarily reduced. At the present time the price of Pennsylvania crude is \$2.50 per barrel. Crude which is of nearly equal value is sold in the midcontinent field at 90 cents a barrel. The power that can make this artificial difference in prices can exactly reverse those prices, if to its advantage to do so.

8. Revenue would be produced to the Government through its ownership and operation of pipe lines.

From the information that the Government has already acquired through its investigation of the oil industry, it is obvious that the pipe lines have been the chief source of profit to the monopoly existing in the petroleum industry since the abolition of the railroad rebate. From the table shown on page 32 of this declaration, stating the plant investments and yearly profits for the year 1906 of the various pipe-line companies filing reports with the Interstate Commerce Commission, as required by the act to regulate commerce, it may be seen that there would be a sufficient guaranty of revenue to the Government accruing from its operation of pipe lines, even at a reasonable rate; and, as a transportation tax is one most easily collected and of little hardship upon the consuming public—an indirect tax—its burden would rest very lightly upon those who paid such revenue.

The cost of transportation by means of pipe lines, as compared with the value of the service, is inconsiderable, and as there is nothing intricate in pipe-line operation inasmuch as it requires but a small number of employees, the Government would be able to keep the expense of operation at a minimum. Plant cost and maintenance, as compared with the value of the service, is lower with respect to pipe lines than any other means of transportation. Depreciation of plant, or obsolescence, is an almost negligible factor. From the nature of the commodity transported frictional wear is almost entirely eliminated. Iron pipes are invariably laid underneath the surface of the ground, and consequently are not affected by atmospheric changes nor by contact with other activities. There is no deterioration of the metal itself from the oil transported, which is in itself a preservative, and the pipe when laid is covered with an adequate preservative coating. Terminal and station facilities are not costly and are easily and quickly provided. The volume of transportation, the plant considered, is enormous. So that every opportunity exists to provide a permanent revenue to the Government, at small cost of operation and without burden upon the public, through governmental operation of pipe lines.

III. PRACTICABILITY OF GOVERNMENT OWNERSHIP AND OPERATION OF INTERSTATE PIPE LINES.

1. Such Government ownership and operation in harmony with other governmental enterprises.

The acquisition and operation of interstate pipe lines is entirely in harmony with what the Government has undertaken of an industrial nature, such as the Postal System, including the Parcel Post System, the Forestry Department, the Alaskan railroad, Panama Canal, irrigation dams, and many other activities undertaken by the several executive departments of the Government.

2. Valuation of interstate pipe lines within the scope of the Interstate Commerce Commission.

In connection with its work of valuation of railroads the valuation of the properties of the interstate pipe lines would be an easy matter for the Interstate Commerce Commission, with all of its equipment for arriving at valuations, so that said commission could accurately and quickly return an estimate of what the Government should pay for such properties.

3. Pipe lines could be readily operated by the Department of the Interior.

On account of the vast properties of the Government which are placed under the jurisdiction of the Department of the Interior, the operation of interstate pipe lines could be readily undertaken by that department without great expense and with best results, since the necessary administrative control of other governmental properties has already established the machinery for the general superintendence of a proposition of this kind.

4. The cost of acquisition of interstate pipe lines by the Government not prohibitive.

While the cost of the properties to be acquired by the Government for the operation of a system of interstate pipe lines is not accurately available, reference to the capitalization of the various pipe-line companies, or to the plant investments of such companies, as shown by their balance sheets, will be of assistance in determining this cost. Taking the figures as shown in such balance sheets and making due allowance for the investments of such pipe-line companies in producing properties, large storage farms where oil is accumulated and stored for future shipment, refinery investments, etc., it will be found that the amount necessary to compensate the owners of such pipe-line properties would be much less than the sums expended on many of the projects already undertaken by the Government.

The total cost can be roughly estimated by taking the total mileage of the trunk pipe lines and multiplying that by a careful estimate of the average cost per mile, based upon the investigation of costs shown in the extensive report of the Commissioner of Corporations.

However, the cost could not reasonably be urged against the practicability of Government ownership, since, whatever that might be, the Government would have it within its power to recoup such cost by the imposition of transportation charges, and that without burdening the industry. In fact, the present pipe-line transportation charges are such that any reasonable rates which the Government might fix would at once work a reduction in the cost of petroleum and its products to the ultimate consumer.

From every standpoint of view, therefore, it is entirely practicable for the Government to acquire and operate interstate pipe lines.

IV. THE VALIDITY OF GOVERNMENT OWNERSHIP AND OPERATION OF INTER-STATE PIPE LINES.

1. *Fundamentally such ownership and operation would be in harmony with the purposes of government as expressed in the preamble of the Constitution—the "general welfare" of the people.*

In the Commentaries on the Constitution of the United States, by Joseph Story (vol. 1, p. 338), it is stated:

"The importance of examining the preamble for the purpose of expounding the language of the statute has been long felt and universally conceded in all juridical discussions. It is an admitted maxim in the ordinary course of the administration of justice that the preamble is a key to open the mind of the makers as to the mischiefs which are to be remedied and the objects which are to be accomplished by the provisions of the statute."

Having in mind, then, the purposes of the Constitution, any of its specific provisions or the powers delegated to Congress thereunder would be interpreted in relation to such declarations found in the preamble.

And at page 362, in discussing the "general-welfare" clause, the same author says:

"We pass in the next place to the clause to 'promote the general welfare.' And it may be asked, as the State governments are formed for the same purpose by the people, why should this be set forth as a peculiar or prominent object of the Constitution of the United States? To such an inquiry, two general answers may be given: The States separately would not possess the means; if they did possess the means, they would not possess the power to carry the appropriate measures into operation."

First, with respect to the means, the great enterprises entered upon by the Federal Government have, in the extent of their expenditures, been beyond the revenues of many of the States. And even if such projects could be contributed to by the revenues of the States as a whole, by their unanimous consent, a just distribution of the whole burden would be extremely difficult and an almost insurmountable problem.

And, second, with respect to the powers of the State, the powers of a State can not extend beyond the territory of its sovereignty, and, consequently, are confined to all of those matters which are internal; can not attempt to regulate affairs extending beyond its own territory. Commerce among the States must be controlled by the Federal Government, because its powers alone are commensurate with such commerce.

At page 364 the same author says:

"If a system of regulations, on the other hand, is prepared by a general government, the inequalities of one part may, and ordinarily will, under the guise of wise councils, correct and ameliorate those of another. * * * The navigation and commerce, the agriculture and manufactures, of all the States have received an advancement in every direction by the Union which has far exceeded the most sanguine expectations of its warmest friends."

"But the fact alone of an unlimited intercourse, without duty or restriction, between all the States is of itself a blessing of almost inconceivable value. It makes it an object with each permanently to look to the interests of all, and to withdraw its operations from the narrow sphere of its own exclusive territory. Without entering here into the inquiry how far the General Government possesses the power to make or aid the making of roads, canals, and other general improvements which will properly arise in our future discussions, it is clear that if there were no General Government, the interest of each State to undertake or to promote in its own legislation on any project would be far less strong than it now is, since there would be no certainty as to the value or duration of such improvements, looking beyond the boundaries of a State. * * *

"Independent of the exercise of any authority by the General Government for this purpose, it was justly foreseen that roads would be everywhere shortened and kept in better order; accommodations for travelers would be multiplied and meliorated; an interior navigation on our eastern side would be opened throughout the whole extent of our coast; and, by canals and improvements in river navigation, a boundless field opened to enterprise and immigration, to commerce and products, through the interior States, to the farthest limits of our western territories."

It is true that the above-quoted language refers to things as they were 80 years ago, before the advent of railroads, telegraphs, telephones, and pipe lines, but the fact that the great commentator saw that the powers of the Government could be exercised, unless forbidden by the Constitution, along these avenues, shows that the same principles when applied to this question will be seen to be in entire harmony therewith.

2. *It is an exercise of the Government's constitutional grant of power to regulate commerce among the States.* (Federal Constitution, Art. I, sec. 8, par. 3.)

In volume 2, page 2, Story on the Constitution, it is stated:

"The want of this power (as has been already seen) was one of the leading defects of the Confederation, and probably, as much as any one cause, conduced to the establishment of the Constitution. It is a power vital to the prosperity of the Union, and without it the Government would scarcely deserve the name of a national government and would soon sink into discredit and imbecility. It would stand as a mere shadow of sovereignty, to mock our hopes and involve us in a common ruin."

If from the facts heretofore stated relating to the use made by the private pipe-line companies to control commerce among the States the conclusion is inevitable that these instrumentalities are not now regulated by this power of the Government, it stands as a "mere shadow of sovereignty" with relation to these instrumentalities, unless by the exercise of that power it can and does effectually regulate the commerce which flows through them. That it is commerce over which the power of the Government extends and that the Government has the power to regulate such commerce was well established in the early case of *Gibbons v. Ogden* (9 Wheat., 1), in which Chief Justice Marshall, at page 196, said:

"It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its fullest extent, and acknowledges no limitations other than are prescribed in the Constitution."

As to the means by which this commerce can be regulate, this is amply set forth in the celebrated case of *McCulloch v. Maryland* (4 Wheat., 167), the syllabus of which is:

"The Government of the Union is a Government of the people; it emanates from them; its powers are granted by them, and are to be exercised directly on them and for their benefit."

"The Government of the Union, though limited in its powers, is supreme within its sphere of action, and its laws, when made in pursuance of the Constitution, form the supreme law of the land."

"There is nothing in the Constitution of the United States similar to the Articles of Confederation, which exclude incidental or implied powers."

"If the end be legitimate and within the scope of the Constitution, all means which are appropriate, which are plainly adapted to that end, and which are not prohibited, may constitutionally be employed to carry it into effect."

As said by the Supreme Court in *re Debs* (158 U. S. Rep., 564):

"Constitutional provisions will not change, but their operation extends to new matters as the mode of business and habits of life of the people vary with each succeeding generation. The law of the common carrier is the same to-day as when transportation on land was by coach and wagon, and on water by canal boat and sailing vessel, yet in its actual operation it touches and regulates transportation by modes then unknown—the railroad trains and steamships. Just so it is with the grant of power to the National Government over interstate commerce. The Constitution has not changed; the power is the same, but it operates to-day upon modes of interstate commerce unknown to the fathers, and it will operate with equal force upon any new modes of such commerce which the future may develop."

And, again, in *Pensacola Telegraph Co. v. Western Union Telegraph Co.* (196 U. S. Rep., 1, 24 L. ed., 708):

"They extend from the horse and wagon to the stage coach, from the sailing vessel to the steamboat, from the coach and steamboat to the railroad, from the railroad to the telegraph, as these new modes are successively brought into use to meet the demands of increasing population and wealth. They were intended for the government of the business to which they relate at all times and under all circumstances."

In *Interstate Commerce Commission v. Brimson* (154 U. S. Rep., 456), it is said:

"Congress has plenary power, subject to the limitations imposed by the Constitution, to prescribe the rule by which commerce among the several States is to be governed. Congress may, in its discretion, employ any appropriate means not forbidden by the Constitution to carry into effect and accomplish the objects of power given to it by the Constitution."

Cases might be multiplied upon this question of power and what it includes and the means that the Government may make use of in putting such power into effect, as the "commerce clause" has been considered by the court of last resort more frequently in the last half of the Nation's existence than any other clause in the Constitution. But this is not necessary, either to substantiate the power or the means of exercising such power so long as the power and means are exercised with respect to the regulation of commerce among the States.

3. *Interstate transportation of oil by pipe lines is a monopoly of such nature as to properly reside in the Federal Government.*

In *United States v. Knight* (156 U. S. Rep., 1) Mr. Chief Justice Fuller, at page 12, made use of the following language:

"The power to regulate commerce is the power to prescribe the rule by which commerce shall be governed, and is a power independent of the power to suppress monopoly. But it may operate in repression of monopoly whenever that comes within the rules by which commerce is governed or whenever the transaction is itself a monopoly of commerce."

Again, in *Pearsoll v. Great Northern Railway Co.* (161 U. S., 646), the Supreme Court said:

"There is, and has been, for the past 300 years, both in England and in this country, a popular prejudice against monopolies in general which has found expression in innumerable acts of legislation. We can not say that such prejudice is not well founded. It is a matter upon which the legislature is entitled to pass judgment. At least there is sufficient doubt of the propriety of such monopolies to authorize the legislature, which may be presumed to represent the views of the public, to say that it will not tolerate them unless the power to establish them be conferred by clear and explicit language."

In *Texas & Pacific Ry. Co. v. Interstate Commerce Commission* (162 U. S., 197) it is stated:

"Before we consider the phraseology of the statute it may be well to advert to the causes which induced its enactment. They chiefly grew out of the use of railroads as the principal modern instrumentality of commerce. While shippers of merchandise are under no legal necessity to use railroads, they are so practically. The demand for speedy and prompt movement virtually forbids the employment of slow and old-fashioned methods of transportation, at least in the case of the more valuable articles of traffic. At the same time the immense outlay of money required to build and maintain railroads, and the necessity of resorting, in securing rights of way, to the power of eminent domain, in effect disable individual merchants and shippers from themselves providing such means of carriage. From the very nature of the case, therefore, railroads are monopolies, and the evils that usually accompany monopolies soon began to show themselves and were the cause of loud complaints."

Again, in *Swift v. United States* (196 U. S., 375), Mr. Justice said: "No more powerful instrumentality of monopoly could be used than an advantage in the cost of transportation."

4. *Privately owned pipe lines from their very nature trespass upon public rights.*

In the investigation by the Interstate Commerce Commission, "In the matter of pipe lines," Docket No. 4199 (I. and S.), after taking a large amount of testimony, the commission formulated seven questions of law upon which it requested counsel for the proponents and respondents to argue before the commission. The fourth question propounded by the commission was:

"Does the utilization by a pipe line of the right of way of a common carrier railroad impress upon that pipe line the obligations of a common carrier?"

The question arose by reason of the fact that the testimony before the Interstate Commerce Commission showed that in a great many instances the rights of way acquired by railroad companies had been utilized by pipe-line companies by arrangement with the railroad companies and without the consent of the abutting property owners. For instance, along the line of the Santa Fe, for more than 300 miles, the private pipe line of the Prairie Oil & Gas Co. extended. Other instances are referred to of other pipe lines occupying the rights of way of railroad companies, and in every instance, where necessary, such pipe lines crossed the rights of way belonging to the railroad companies.

The fifth question propounded by the Interstate Commerce Commission was:

"Does the utilization by a pipe line of a highway acquired for or dedicated to the public use impress upon that pipe line the obligations of a common carrier?"

This question arose from the facts shown in the record that in many instances private pipe lines, so called, extended along public highways, and in all instances, where necessary, crossed such highways, consent usually having been obtained from county commissioners or road commissioners in districts through which such pipe lines passed.

It will thus be seen that in the rights of way enjoyed by pipe-line companies, obtained by private arrangement and not by the exercise of eminent domain, that such pipe lines are necessarily trespassers upon public rights.

Very nearly all pipe-line companies, especially those that are so-called private pipe lines, are purchasers as well as transporters of crude oil. In coupling together the control of purchase and transportation, it necessarily follows that the sellers are at the mercy of the buyers, because the product must be transported in order to be available for use, and hence, have a market value. Since the pipe lines furnish the only means of reaching a final market, this leaves the seller of crude oil entirely at the mercy of the buyer and transporter, and consequently deprives the seller of the right to freely enter the market to dispose of his products, differing in that respect from other sellers of other products. The means of transportation as well as the product transported being owned by the pipe-line companies, the product is then directed to such receivers of the transportation as the pipe-line companies shall elect, and again they interpose their power to prevent buyers generally from securing this commodity. From the fact that the stockholders of the large Standard refineries and the stockholders of these pipe-line companies are practically the same, it is obvious that this situation will continue as long as the present status of the pipe-line companies exist.

While it may be true that the evils above described might be overcome in a measure by proper procedure under the existing laws, the fact remains that they have not been, and probably will not be without further remedial legislation, although these questions have been before our Federal tribunal.

5. For proper Government purposes private property may be taken.

The fifth amendment of the Federal Constitution provides that private property shall not be taken for public use without due compensation. This provision does not prevent the United States Government from taking property by the right of eminent domain, subject to reimbursement to the owner of the property. In *United States v. Jones* (109 U. S., 513) it was said:

"The power to take private property for public uses, generally termed the right of eminent domain, belongs to every independent government. It is an incident of sovereignty, and, as said in *Boon v. Patterson* (98 U. S., 106), requires no constitutional recognition. The provision found in the fifth amendment of the Federal Constitution and in the constitutions of the several States, for just compensation for property taken, is merely a limitation upon the use of the power. It is no part of the power itself, but a condition upon which the power may be exercised.

The proceeding for the ascertainment of the value of the property and consequent compensation to be made is merely an inquisition to establish a particular fact as a preliminary to the actual taking, and it may be prosecuted before commissioners or special boards or the courts, with or without the intervention of a jury, as the legislative power may designate. All that is required is that it shall be conducted in some fair and just manner, with opportunity to the owners of the property to present evidence as to its value and to be heard thereon.

In *Kohl v. United States* (31 U. S., 367) it was held that no State can interfere with the United States' right of eminent domain.

6. Such ownership will protect producers and refiners from commercial duress.

In *re Debs* (158 U. S., 582), the court said:
"The strong arm of the National Government may be put forth to brush away all obstructions to the freedom of interstate commerce or the transportation of the mails. If the emergency arises, the Army of the Nation and all its militia are at the service of the Nation to compel obedience to its laws."

In the "Pipe Line cases," before the Supreme Court of the United States, Nos. 481, 482, 483, 506, 507, and 508, considered together, the Solicitor General, in his brief before that court, at page 56, said:

"In practical result—and that is the thing courts and legislatures are concerned with—the small well owner is in a position closely resembling that of the mine owner in *Strickley v. Highland Boy Gold Mining Co.* (200 U. S., 527), who had no right of way out of his mines, or the owner of the arid land in *Clark v. Nash* (198 U. S., 361), who had no means of bringing water in, and was allowed to use his neighbor's irrigation ditch. The shipment of oil except by pipe line is a practical impossibility. No other means of transportation can possibly compete with it. Without a pipe line the oil producer is, as it were, shut in by an impassable barrier.

"But even these analogies do not adequately express the difficulties of the small producer. The possibilities of duress are even greater in the case of oil wells than in the case of mines and arid lands. The mine owner can shut up his mine and hold it, but the wells once opened can not be closed to await a more convenient season. And if they could be, or if they were not opened in the first place, the owner of the oil land would only lose instead of gain by waiting, because oil lies in great subterranean reservoirs, and the pumping of the wells upon adjacent lands would drain the common source. (*Ohio Oil Co. v. Indiana*, 177 U. S., 190.) Therefore the small producer is compelled either to sell his oil or to sell the wells themselves to the owner of the pipe lines at whatever terms the latter may choose to offer. He is caught beneath the sheer weight of capital and has no alternative except to yield.

"The court below says that there is no connection between monopoly and a situation where 'the greater number of oil producers are virtually compelled to sell their output to the owners of private pipe lines'; but Mr. Justice Holmes said, in *Swift v. United States* (196 U. S., 375, 402):

"No more powerful instrument of monopoly could be used than an advantage in the cost of transportation."

"It is largely the use of this potent instrument that has built up these enormous capitalizations, that has paid these enormous dividends, that once, at least, has thrown the oil industry of the whole United States into the hands of a single group of capitalists. The evidence in the *Standard Oil* case proves this; the statistics in the Government reports prove it; the facts were in the mind of Congress when it passed this legislation. Congress has declared the possibility of its

recurrence a menace to the public welfare. Congress has struck down monopoly full grown. It now seeks to destroy the source from which it sprang.

"But the court below says that Congress is quite mistaken; that pipe lines have no relation to monopoly; that the right to injure the public in general and one's neighbors in particular is merely one of the legitimate and inviolable advantages arising from the acquisition of substantial amounts of property."

7. Such ownership would prevent the evils sought to be remedied by the principle embodied in the "commodities clause" of the act to regulate commerce.

At page 70, in the Solicitor General's brief in the "Pipe Line cases" above referred to, the following language is used:

"The commodities case, *United States v. Delaware & Hudson Co.* (213 U. S., 366), is directly in point. It was there held that Congress could prohibit common carriers from carrying their own coal, despite the fact that many of the companies affected had invested enormous sums of money in the business of mining prior to the passage of the law. There is no substantial distinction between that case and the present. In both the motive of Congress was the same—to prevent an unconscionable use of an advantage in the means of transportation. In the one case the owner of a railroad is forbidden to carry his own coal, unless he first parts with ownership; in the other the owner of a pipe line is forbidden to carry his own oil, unless he transports also the oil of others for reasonable compensation. The same reasoning which supported the one supports the other."

The Solicitor General might have noted further the difficulties attending even the application of the principle of the "commodities clause" to pipe lines if the "commodities clause" were to be extended in the control of pipe lines by regulation. In the instances of the *Prairie Oil & Gas Co.* and the *Ohio Oil Co.* the evidence in the "Pipe Line cases" shows that these companies are engaged in producing as well as purchasing and transporting oil. As producers and purchasers they claim the right to use the pipe lines which they have built and own to carry their own commodities. Unless such pipe lines are held to be common carriers by the Supreme Court, their status will remain the same as it is at present. If they are held to be common carriers, in order to make them effectively such, further legislation extending the application of the "commodities clause" to pipe lines will be necessary. The organization of a producing company to purchase and take over the producing properties will be a fiction supported by a mere matter of bookkeeping to avoid the effectiveness of the provisions of the "commodities clause" principle. The stockholders, who are the real parties at interest, will continue to be the same as now. The great bulk of transportation offered to the pipe lines will be by the owners of the producing and purchasing companies, whose stockholders are the same as those of the pipe-line companies. If such pipe lines are owned and operated by the Government, no such embarrassment and complications can arise.

8. Government ownership and operation of transportation in interstate commerce not forbidden by any provisions of the Federal Constitution.

In the broad declaration of Federal powers in *McCulloch v. Maryland*, supra, it was said:

"If the end be legitimate and within the scope of the Constitution, all means which are appropriate, which are plainly adapted to that end, and which are not prohibited, may constitutionally be employed to carry it into effect."

During the early period in the history of this Government, when constitutional construction was less liberal than it afterwards became, unless there was a specific grant of power, the Federal Government was slow to act. There is no such specific grant of power as to permit the Government to appropriate money for internal improvements. On March 3, 1817, President Madison vetoed a bill to set apart the bonus and Government dividends of the national bank as a fund for constructing roads and canals and improving navigable rivers, on the ground that the Constitution did not provide for the expenditure of money for internal improvements. On March 14, 1818, the House of Representatives passed a resolution declaring the Congress had the power to appropriate money for such improvements, and on March 3, 1823, the first bill was passed for the construction of internal improvements, since which time, without specific authority, but on the ground that the end was legitimate and not forbidden by the Constitution, huge enterprises have been undertaken by the Government, such as the construction of the Panama Canal, the Alaskan Railroad, great irrigation projects, the improvement of rivers and harbors, all of which are of undoubted advantage and promote the general welfare. While the doctrine of the conservation of natural resources is fully accepted as a Federal policy, it is equally important that the Government should guard all of its natural resources from the encroachments of private monopoly, that the entire welfare of the people may thereby be promoted.

Since, therefore, there is no prohibition in the Constitution, and since the Government has already entered the field of ownership and transportation, there can be no question on this ground but what the Government would be justified in such ownership and operation of interstate pipe lines.

9. State laws recognize the public interest in pipe lines by requiring them to become common carriers.

In very nearly all of the States in which oil is produced in quantities, and through which pipe lines pass, are to be found statutes providing that pipe lines shall be common carriers, thereby indicating the public interest residing in such means of transportation.

ARKANSAS.

The Statutes of Arkansas of 1911 (*Kirby's Digest*, pp. 253, 254; title "Eminent domain—oil and gas companies") provide:

"SEC. 2991a. Any corporation organized by virtue of the laws of this State for the purpose of developing and producing mineral oil or petroleum or natural gas in this State, and marketing the same, or transporting or conveying the same by means of pipes from the point of production to any other point or points, either to refine or market such oil or conduct such gas to any point to be used for heat or light, may construct, operate, and maintain a line or lines of pipes for that purpose along and under the public highways and the streets of cities and towns with the consent of the authorities thereof, or across and under the waters and over any lands of the State, and on the lands of individuals, and along, under, or parallel with the rights of way of railroads and the turnpikes of this State: *Provided*, That the ordinary use of such highways, turnpikes, and railroad rights of way be not obstructed thereby or the navigation of any waters impeded, and that just compensation be paid to the owners of such lands, railroad rights

of way, or turnpikes by reason of the occupation of such lands, railroad rights of way, or turnpikes by said pipe line or lines."

CALIFORNIA.

Pomeroy's Code of Civil Procedure of California, 1901, title 7, page 692, provides:

"SEC. 1237. Eminent domain is the right of the people or Government to take private property for public use. This right may be exercised in the manner provided in this title.

"SEC. 1238. Subject to the provisions of this title, the right of eminent domain may be exercised in behalf of the following public uses: * * *

10. Oil pipe lines.

COLORADO.

The Revised Statutes of Colorado, 1908, chapter 45, 689, provide:

"SEC. 2436, subsection 22: Any foreign or domestic corporation organized or chartered for the purpose, among other things, of conducting or maintaining a pipe line for the transmission of power, water, air, or gas for hire to any mine or mining claim or manufacturing, milling, mining, or public purpose, shall have the right of way for the construction, operation, and maintenance of such pipe line or pipe lines, for such purposes, through any lands, without the consent of the owner thereof, where such right of way is necessary for the purpose for which said pipe line shall be used."

"SEC. 2439, subsection 25: Any such corporation or corporations organized or chartered for any or all of the purposes hereinbefore mentioned shall be deemed a common carrier or common carriers and shall fix and charge only a reasonable and uniform rate to all persons who desire the use of any such tunnel, pipe line, electric power transmission line, or aerial railway."

ILLINOIS.

The Legislature of Illinois in 1913 passed an act entitled "An act to provide for the regulation of public utilities," which provides in part as follows:

"SEC. 10, subparagraph (a): May own, control, operate, or manage, within the State, directly or indirectly for public use, any plant, equipment, or property used or to be used for or in connection with the transportation of persons or property or the transmission of telegraph or telephone messages between points within this State; or for the production, storage, transmission, sale, delivery, or furnishing of heat, cold, light, power, electricity, or water; or for the conveyance of oil or gas by pipe line," etc.

INDIANA.

Burns's Annotated Indiana Statutes, Volume II, chapter 40, provide:

"SEC. 5148. Whenever three or more persons desire to form a company to lay on, over, or underneath the ground iron pipes or tubes, to erect pumps and pump stations and tanks for storing oil, and also to erect telegraph lines along said line or lines of pipe, and to carry on by means thereof the business of transporting and storing petroleum, they shall make, sign, and acknowledge before some officer capable to take acknowledgments of deeds, a certificate in writing which shall state the corporate name adopted by the company, the object of its formation, the amount of capital stock, the term of its existence (not, however, to exceed 50 years), the number of directors and their names, who shall manage the affairs of such company for the first year, and the names of the counties in which its operations are to be carried on, and the county where its principal office shall be located, and file the same in the office of the recorder of such county, which shall be placed upon the record, and a duplicate thereof in the office of the secretary of state."

KANSAS.

Dassler's General Statutes of Kansas, 1909, chapter 48, article 4, title "Transportation of oil," provide:

"SECTION 1. All pipe lines laid, built, or maintained for the conveyance of crude oil within the State of Kansas are hereby declared to be common carriers and said conveyance of oil shall be in the manner and under the restrictions of this act provided."

KENTUCKY.

Carroll's Kentucky Statutes, 1909, chapter 93a, title "Oil and gas—condemnation of land for," provide:

"SEC. 3766b. All corporations or companies organized for the purpose of constructing, maintaining, or operating oil or gas well or wells or pipe lines for conveying, transporting, or delivering oil or gas, or both oil and gas, are hereby vested with the right and power to condemn lands and material in this Commonwealth, or the use and occupation of so much thereof as may be necessary for constructing, maintaining, and operating such pipe line or lines, and all necessary machinery, pumping stations, appliances, and fixtures, including tanks, telegraph and telegraph lines, for use in connection therewith, together with rights of ingress and egress to examine, alter, repair, maintain, and operate or remove such pipe line or lines, all such being hereby declared to be a public use."

LOUISIANA.

The Acts of the State of Louisiana, 1906, page 54, Act No. 39, approved June 29, 1906, provide:

"SECTION 1. That corporations, whether domestic or foreign, organized with the power of constructing and operating pipe lines for the transportation of oil or gas, or either, shall have the right to appropriate rights of way for such pipe lines and for telegraph and telephone lines incident to the operation of such pipe lines, and lands for pumping and tank stations, making part of such lines, or of storage stations connected therewith and necessary to the purpose thereof."

And Act No. 36, declaring pipe lines common carriers, provides:

"SEC. 1. That all pipe lines through which gases, oil, or other liquids are conveyed from one point in the State to another point in the State, for a consideration, are hereby declared to be common carriers, and are placed under the control and subject to regulation by the Railroad Commission of Louisiana."

NEBRASKA.

Sections 4575 and 4581, chapter 64, Compiled Statutes of Nebraska, 1911, provides—

"That any company, corporation, or association formed or created for the purpose of transporting, transmitting, or conveying petroleum or other like oil, and desiring or requiring a right of way for the laying and maintaining of any pipe line for such purpose within the State of Nebraska, and being unable to agree with the owner or lessee of any land, lot, or right of way on the amount of compensation for the

use and occupancy of so much of any lot, land, real estate, or right of way as may reasonably be necessary for the laying, relaying, and maintenance of any such pipe line, shall have the right to acquire the same for such purpose, as hereinafter provided * * *"

NEW YORK.

Birdseye, Cumming & Gilbert's Consolidated Laws of New York, 1909, volume 5, page 6311, article 6, title "Pipe lines corporations," provide:

"SEC. 50. The pipe lines of every such corporation shall be open for transportation to the public use, and all persons desiring to transport products through such pipe line shall have the absolute right upon equal terms to such transportation in the order of application therefor on complying with the general requirements of such corporation, as to delivery for and payment of such transportation; but no application for such transportation shall be valid beyond or for a greater quantity of products than the applicant shall then own and have ready for delivery for transportation to such corporation, and every such corporation shall provide suitable and necessary receptacles for receiving all such products for transportation, and for storage at the place of delivery until the same can reasonably be moved by the consignee, and shall be liable as common carriers therefor from the time the same has been transported to the place of consignment and ready for delivery to the consignee, which time shall be fixed by general regulation by the corporation, and shall not be less than two days from and after the same shall be ready for delivery and notice thereof given to such consignee; and all rates and charges of every description, for or on account of or in any manner connected with the transportation of any products, shall be fixed by such corporation by general rules and regulations which shall be applicable to all parties who shall transport any products through such pipe line, or deliver or contract to deliver products for transportation, and shall be written or printed and exposed to public view and at all times open to public examination."

OHIO.

Page and Adams Annotated Ohio General Code, Volume IV, pages 1002, 1003, provides:

"SEC. 10132. Such company or companies, for the purpose of transporting natural gas, oils, water, and electricity, shall be a common carrier and subject to all the duties and liabilities of such carriers under the laws of this State."

OKLAHOMA.

Snyder's Constitution of Oklahoma, 1908, page 226, article 9, provides:

"SEC. 4. All oil pipe-line companies shall be subject to the reasonable control and regulation of the corporation commission, and shall receive and transport each other's tonnage or oils, or commodities, under such rules and regulations as shall be prescribed by law or such commission."

Section 786, chapter 11, article 1, provides:

"Every one who offers to the public to carry persons, property, or messages is a common carrier of what he thus offers to carry."

PENNSYLVANIA.

Pepper and Lewis Digest, 1910, volume 1, page 1903, title "Pipe line companies," provides:

"SEC. 458. * * * That any company organized for such purposes, under the provisions of said act, shall have the right to transport, store, insure, and ship petroleum, and for that purpose to lay down, construct, and maintain pipes, tubing, tanks, offices, and such other machinery devices, or arrangements as may be necessary, and to enter upon, use, and occupy such lands as may be requisite for the purposes of the company; and for rights of entry upon lands, rights of way, and the use of materials necessary for the construction, maintenance, and operation of said lines of pipes and fixtures as aforesaid they shall be entitled to all the rights and privileges, and be subject to all the limitations and restrictions, of railroad companies as contained in the act relating to railroad companies approved February 19, 1849, and the supplements thereto: *Provided, however,* That nothing herein contained shall be construed to authorize the construction of any railroad."

TEXAS.

Herron's Supplement to Sayles's Texas Civil Statutes, 1897-1906, chapter 15a, page 104, title "Oil, gas, salt, etc., corporations," provides:

"SECTION 1. Any number of persons, not less than three, may organize themselves into a corporation for the purpose of storing, transporting, buying, and selling oil and gas, salt, brine, and other mineral solutions in this State.

"SEC. 3. Such corporation shall have power to store and transport oil and gas, brine, and other mineral solutions, and to make reasonable charges therefor. * * *

"SEC. 6. It shall be unlawful for any corporation organized under this act to discriminate against any person, corporation, firm, association, or place in the charge for such storage or transportation, or in the service rendered; but shall receive, store, or transfer oil or gas for any person, corporation, firm, or association upon equal terms, charges, and conditions with all other persons, corporations, firms, or associations for like service."

WEST VIRGINIA.

West Virginia Code, 1906, chapter 62C, title "Transportation of petroleum or other oils or liquids," provides:

"SEC. 2830. Any company heretofore or hereafter organized for the purpose of transporting petroleum or other oils or liquids by means of pipe line or lines shall be required to accept all petroleum offered to it in merchantable order, in quantities of not less than 2,000 gallons, at the wells where the same is produced, making at its own expense all necessary connections with the tanks or receptacles containing such petroleum, and to transport and deliver the same at any delivery station, within or without the State, on the route of its line of pipes which may be designated by the owners of the petroleum so offered."

WYOMING.

The constitution of Wyoming, section 7, article 10, title "Corporations," provides:

"All corporations engaged in the transportation of persons, property, mineral oils and mineral products, news or intelligence, including railroads, telegraphs, express companies, pipe lines, and telephones, are declared to be common carriers."

Congress itself has recognized the public interest in interstate transportation by pipe lines in its amendment to the act to regulate commerce of 1906. It was undoubtedly the intention of Congress to include all pipe lines, whether common carriers or private (so called), engaged in the transportation of petroleum in interstate commerce.

The Interstate Commerce Commission, upon its own motion, after investigation, decided that such was the intention of Congress, and ordered such "private pipe lines," so called, to file tariffs and charges and rules and regulations with said commission. Those pipe lines, however, which did not profess to be common carriers secured an injunction against said order of the commission by application to the Commerce Court, which said court sustained, and the question has been appealed to and now is under consideration by the Supreme Court of the United States.

While there can be no question of the general recognition of the public interest in all State and interstate transportation of petroleum or gases by pipe lines, yet from all the facts heretofore set out it must be obvious that such control and regulation will always be attended with its embarrassing features, and that the entire interest of the public in such utilities can never be adequately accomplished or perfected until Congress shall exercise its sovereign power in the acquisition and operation of all interstate pipe lines.

PANAMA CANAL TOLLS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 14385) to amend section 5 of an act to provide for the opening, maintenance, protection, and operation of the Panama Canal and the sanitation of the Canal Zone, approved August 24, 1912.

Mr. TOWNSEND. Mr. President, I ask permission to print as a part of my remarks a letter written on March 27, 1914, to J. P. Tumulty, Esq., Washington, D. C., by J. H. O'Neil. I do not agree with the writer that the railroads are entitled to the higher rates they ask. I do not agree that the depressed conditions mentioned by him are due to too low rail rates. I insert this letter from a Democrat to the President's secretary because the facts mentioned have a bearing on the prosperity issue which has been raised this afternoon.

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

The matter referred to is as follows:

FEDERAL TRUST CO.,
Boston, Mass., March 27, 1914.

J. P. TUMULTY, Esq.,
Washington, D. C.

MY DEAR MR. TUMULTY: Pardon me for bothering such a very busy man as you, but I know you are interested in the success of the party, and I want you to believe that I have no other object in writing. I have writter Judge Clements and Secretary McAdoo, urging them to do something to hasten the case of railroad rates. In my opinion, anything would be better than nothing.

It is impossible to blink at the fact that slowly but surely business is getting to a standstill. For the first six months of the administration business was first class; for the second six months it was fair, but to-day it is dragging. One of the oldest machine shops in New England, down in Biddeford, Me., laid off 250 men; the New Haven shops at Readville have shut down, throwing 1,500 men out, and the Boston & Maine shops at Billerica, in this State, which have a capacity of employing 6,000 men, will not open. Now, these two latter may, of course, be blamed to local railroad conditions, but that is not true in the case of the Biddeford shop, nor in the case of the Pennsylvania Railroad Co., which has recently thrown out 15,000 men, 8,000 of them east of Pittsburgh. The Sturtevant Blower Works here has just let 250 men go. My information is that this is true pretty generally throughout the country.

For the past 30 years I have believed that the nub of any question in this country was the railroad situation; that when the railroads were prosperous the country was prosperous. While I admit that the railroads have done many, many things for which somebody should go to jail, I do not see why the present generation should be punished for the faults of those who have gone before. A 10 per cent increase in freight rates, as I pointed out to Judge Clements, on a case of shoes shipped from Boston to San Francisco would mean an additional cost of 1 cent per pair, but this 10 per cent increase in freight rates would mean \$3 a week in the pockets of hundreds of thousands of men who would have to buy shoes, because it would give them work.

As I wrote Mr. McAdoo, I think in regard to many corporations, they ought to adopt the old Chinese custom, and when crimes are committed by corporations some heads should be lopped off and dropped into the basket—be cut close off to the shoulders. But we are facing a condition to-day, not a theory. Now, mind me, I do not own a share of railroad stock, and do not know that I ever shall, but I am writing you as one who can put in a word at the right place close up, and as you are a practical man, like myself, and know conditions as I think I know them, from practical experience, I hope that you will do your best to see that something is done, and done at once.

Should the roads not be allowed to increase their rates, then they must face bankruptcy or make a reduction in wages. I am opposed to a reduction in wages—radically and unalterably. Wages are none too good now. If it may be claimed that the railroad capitalization is excessive, I will admit it, but I do not think that the workman, working for his day's wage, should be the one to be punished; rather give them a fair wage, a chance to live, and punish the fellows who have put the water into the road and arranged to squeeze it out. This is not a difficult thing to do, although it may take some time.

Now, I take the liberty of writing you on account of the friendly spirit you showed when I met you with Congressman MURRAY, and also because I believe you to be a practical man, who realizes, as I do, what these facts mean. Do this thing, and, in my opinion, the Republican Party need not nominate a candidate against us in 1916; do not do it, and I do not think there is the least necessity of our nominating one.

I may be in Washington some time next month, and, if so, I shall take the liberty of calling on you to say "How are you?"

With kindest regards, I am,

Yours, very truly,

J. H. O'NEIL.

The VICE PRESIDENT. The pending amendment is the amendment offered by the Senator from Nebraska [Mr. NORRIS] in lieu of the amendment proposed by the committee.

Mr. O'GORMAN. May I ask what is the amendment to which the Chair refers?

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In lieu of the amendment at the end of the bill offered by the committee, the Senator from Nebraska offers the following—

Mr. O'GORMAN. The Chair was speaking, then, of the amendment of the Inter-oceanic Canals Committee.

Mr. President, the tolls bill has been nominally before the Senate all day; but owing to the peculiar rules of this body everything else has been discussed, and no opportunity has been given to the Senators who desired to be heard on this question to present their views.

I would ask at this time unanimous consent to make the tolls bill the business of the Senate to the exclusion of all other business until a vote can be reached, but I understand that making that request at this hour would involve calling the roll. I shall, however, make that request to-morrow morning; and I hope nothing will be presented to the Senate in the way of a discussion that will interfere with the tolls bill, and an opportunity to take a vote upon it at the earliest practicable moment.

Mr. SMITH of Georgia. Mr. President, I had thought of suggesting that instead of adjourning to-day we take a recess until 10 o'clock to-morrow morning.

Mr. SMOOT. I hope the Senator will not do that.

Mr. SMITH of Georgia. Or a recess until 8 o'clock to-night.

Mr. SMOOT. Oh, no; not to-night. If the Senator will leave that matter until to-morrow and see if a unanimous-consent agreement can be reached, such as the Senator from New York gave notice he would ask, I think more than likely it will be granted, and then we can go right along and get through with the bill in the early part of the week.

Mr. CUMMINS. Mr. President—

Mr. O'GORMAN. Unless the Senator from Iowa wishes to proceed—

Mr. CUMMINS. Will the Senator from New York yield for a moment?

Mr. O'GORMAN. Yes.

Mr. CUMMINS. I desire only to suggest that the unanimous-consent agreement which he has proposed, which he says he will bring before the Senate to-morrow, ought to contain a provision that will give the President of the Senate power to confine the discussion taking place here to the bill before the Senate. Otherwise it will accomplish nothing, inasmuch as we have had the canal bill before us all day long and not a word has been said with regard to it.

Mr. O'GORMAN. Mr. President, I agree with the suggestion of the Senator from Iowa. The unanimous-consent agreement would amount to nothing unless Members should respect the spirit of it, refrain from injecting other matters into the discussion until such a time as a vote is had upon the unfinished business.

Mr. CUMMINS. Of course I do not suggest that for the purpose of having it written into the agreement, but I do suggest it in order to create a proper spirit in the Senate if the agreement shall be made. I suspended a speech upon this question yesterday in order to permit the Members of the Senate to attend a very notable and worthy ceremony which was about to take place. I have been waiting all day long for an opportunity to resume the observations I was then making upon the canal bill. While I suppose I have no technical right to the floor, I hope that before many volumes shall have been filled with extraneous discussion I may be permitted to finish the argument I began.

Mr. OWEN. Mr. President, on Thursday, April 16, 1789, this was the rule of the Senate:

VIII. While a question is before the Senate no motion shall be received, unless for an amendment, for the previous question, or for postponing the main question, or to commit it, or to adjourn.

IX. The previous question being moved and seconded, the question from the Chair shall be: "Shall the main question be now put?"

I think the time has come to restore this venerable rule of the United States Senate, and to have a cloture in the Senate; to have the previous question.

The Senate of the United States has lost in large measure the respect of the people of the United States and of Senators on this floor by the abuse of the privilege of free speech in this body. I wish to enter my protest against the continuance of the custom which permits unending debate upon any question. I wish to enter my emphatic dissent from the practice of the Senate.

Last summer I called attention to this matter and introduced a proposed modification of the rule, establishing the previous question in the Senate, or at least permitting the Senate, by a vote of the majority of its Members, to terminate at some time any question before the Senate. The matter of unanimous

consent which is in vogue in this body has the effect of denying to the majority of the Senate the right to conduct the affairs of the Senate. It permits any bill or any number of bills to be used for the purpose, or at least with the effect, of killing time ad libitum; and in that way the majority is excluded from discharging its obligations to the people of the United States.

The Democratic Party, although in nominal control of this body, is absolutely unable to carry out its pledges to the people of the United States because of the obstruction of the business of this body by unlimited debate, a debate to which nobody listens. Senators rise on this floor and talk for hours—

Mr. SMITH of Georgia. Mr. President, I wish to ask the Senator if a cloture rule requiring him to address himself to the subject before the Senate would not preclude him from making his present speech?

Mr. OWEN. It would; and it would preclude the Senator from Georgia from making many speeches he has delivered on this floor.

Mr. SMITH of Georgia. I should like to have the Senator call attention to them.

Mr. OWEN. I will hunt through the RECORD and try to do so. If not, he is the only exception.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from New Hampshire?

Mr. OWEN. I had concluded what I wished to say.

Mr. GALLINGER. It would also have prevented the Senator from Oklahoma from filibustering for six or eight hours a little while ago to defeat a bill which the Senator did defeat.

Mr. OWEN. If the Senator is referring to the occasion when I objected to Arizona being kept out of the Union, I plead guilty. I will say to the Senator, moreover, that so long as our rules permit that kind of thing any Senator with sufficient resolution can do as he pleases on the floor of this body. I do not think it ought to be permitted. I am opposed to it for myself, and I am opposed to it for the Senator from New Hampshire.

Mr. GALLINGER. It is a matter of regret to some of us that the Senate has lost the reputation it formerly enjoyed in the estimation of the Senator from Oklahoma; and yet I apprehend the Senate will go along and transact its business exactly as it would have done if the Senator from Oklahoma had not read his lecture to the Senate to-day. There is no trouble about it. The Senator has offered his amendment to the rules, and I apprehend that the Senator will live to be as old as I am, at least, before it shall be adopted.

Mr. OWEN. Mr. President, I thank the Senator from New Hampshire for his lecture read to the Senator from Oklahoma; but I advise him that no amount of lecturing or hectoring on his part will abate one iota the opinion of the Senator from Oklahoma on this question.

I serve notice on the Senator, and on the Senate, too, that at some convenient time the unanimous consent in this body will be discontinued.

Mr. KENYON. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Iowa?

Mr. OWEN. I have yielded the floor.

Mr. KENYON. I wish to ask the Senator a question, if he pleases.

Mr. OWEN. I shall be glad to answer any question I can.

Mr. KENYON. Where is the Senator's amendment now? What is the status of it?

Mr. OWEN. It is lying, as all matters of this kind lie, in the bosom of the committee.

Mr. KENYON. What does the Senator propose to do about it? I am very much in sympathy with his amendment, and I wish to support it. I wish to have an opportunity to vote on it. Why does not the Senator press it?

Mr. OWEN. Because of the hope that the matters which have so urgently pressed upon the attention of the Senate might be disposed of, and because that matter itself, under the rules of the Senate, would be made a subject of unlimited debate and would preclude the consideration of anything else at this time.

Mr. KENYON. I wish the Senator could get it in the program of work for the summer.

Mr. OWEN. If I were making the program, it would be the first on the list.

Mr. SMOOT. Mr. President, the Senator referred to the fact that the majority in this body could not control legislation, and complained that the time was wasted by unnecessary talk.

Mr. OWEN. Yes; there is no question whatever about it.

Mr. SMOOT. Mr. President, to be perfectly honest in this matter, as far as the discussion of to-day is concerned, if the

Senator had been in the Chamber he would have known that the great majority of the time of this body has been taken by members of the majority party.

Mr. OWEN. Oh, well, this is the practice of the Senate, and Senators avail themselves of it; but it is a bad practice, and against the practice I enter my emphatic protest. There are many other Senators here who are silent now who realize as well as the Senator from Oklahoma the unwisdom of this rule, and the fact that it is impairing the standing of the Senate, and is degrading the Senate in the respect of the people of the United States.

Mr. GALLINGER. Mr. President, I have been a Member of this body for 23 years, and I do not recall a single important measure that has ever been before the Senate that has not been voted on, with one exception, and that was defeated by a Democratic filibuster.

I think we have attended to the business of the country diligently. We have debated questions of importance at great length, it is true; they needed such debate; but they have always been voted on, and a majority of the Senate has determined whether or not they should become laws.

I do not think the evil is so great as the Senator from Oklahoma imagines it to be. I feel quite sure that if we should adopt the rule that prevails in another body, where debate on these great questions is almost absolutely forbidden, we would live to rue the time when we made the change.

Mr. SMITH of Georgia. Mr. President, I rose to ask the Senator from Iowa at what hour it would suit him to-morrow morning to speak.

Mr. CUMMINS. Personally, one hour would suit me as well as another, but I see no reason for convening earlier than the usual time. There is no difficulty about this matter, Mr. President. If we will adhere to the subject before the Senate, we will finish the debate very soon.

Mr. SMITH of Georgia. What I wished to say was that if it would suit the Senator from Iowa, promptly after 11, I hope, although we can not make a unanimous-consent agreement this afternoon, the Senator from New York will move to take up the bill immediately after the approval of the Journal to-morrow, and that without taking any time for morning business to-morrow we may proceed with the unfinished business.

Mr. CUMMINS. I have no objection to convening at 11 o'clock and going forward immediately with what I have to say. We have a very important meeting of the Committee on Interstate Commerce at 10 o'clock to-morrow, which I feel I must attend. I hope there will be no effort made to convene the Senate before the usual time.

Mr. SMOOT. I wish to say to the Senator from Georgia that we have the matter in our own hands. We can object to anything outside of the routine morning business, and that will not take over 10 minutes in the morning. We can object to any consideration of outside matters.

Mr. SMITH of Georgia. Of course, one certain way to avoid it would be to take a recess until 11 o'clock to-morrow morning, and then have no morning hour.

Mr. BRISTOW. Mr. President, I desire to express my opinion, and I think it is the opinion of a great many Senators on this side of the Chamber. I do not speak for them except that I have heard expressions in conversation in the cloakroom. There is no desire on the part of anyone on this side, so far as I have had any conversation with Members, to delay a vote upon the tolls bill. The time that has been taken to-day has been taken by the majority. There has nothing been injected in this debate and no bill has been used upon the part of anyone on this side of the Chamber to delay the discussion. It seems to me if the majority want to keep the tolls bill before the Senate, so that we may consider it hour after hour, we will get to a vote, and those of us who attempt to attend to business faithfully will not be required to be here at unusual hours, either morning or evening.

So far as I am concerned, I do not want to put any obstacle in the way of a prompt disposition of this measure. I do not intend, if I can help it, to spend another summer in working day and night continuously with a program before us that will keep us here at least until October. I am willing to stay until October, if it is so decreed by those who are in control of the legislation of the country, but I am not willing to spend unusual hours so as to impair my health and the health of other Members of this body.

Mr. SIMMONS. Mr. President, I wish to say in reply to the Senator from Kansas [Mr. Burrow] that I think I know the feeling of Members on this side and on the other side, too. There seems to be a feeling on both sides of the Chamber unusually strong that we should get to a vote upon this question as speedily as possible. I do not believe there is any disposition

on either side to filibuster. For what has happened to-day the gentlemen who have participated are solely responsible, and I do not think it has been done by them with any view to postponing the vote upon the tolls bill, although it has had that effect.

I wish to give notice that if some other Senator does not do so, immediately after the reading of the Journal to-morrow I shall object to the consideration of any measure except the tolls bill.

Mr. O'GORMAN. In order to insure expedition in the consideration of the tolls bill to-morrow, I move that the Senate take a recess until 11 o'clock to-morrow, at which time the Senator from Iowa will be permitted to proceed with his discussion.

Mr. OLIVER. Will the Senator from New York withhold that motion for a moment?

Mr. O'GORMAN. Yes.

Mr. OLIVER. Inasmuch as evidently no business will be transacted to-morrow except in connection with the tolls bill, I wish to say that after to-morrow I shall be compelled to be away for at least 10 days, and I wish to ask unanimous consent for the present consideration of House bill 14242. It is a bill to increase the cost of the public building at Harrisburg, and one in which our people are greatly interested. It is a House bill and has been favorably reported from the Committee on Public Buildings and Grounds of the Senate.

Mr. O'GORMAN. I yield for that purpose.

PUBLIC BUILDING AT HARRISBURG, PA.

Mr. OLIVER. I ask the Senate to proceed to the consideration of the bill (H. R. 14242) to increase the limit of cost for the erection and completion of the United States Federal building at Harrisburg, Pa.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It proposes to so amend the provision in section 2 of the public-building act of June 25, 1910, for the enlargement, extension, remodeling, or improvement of the post office and courthouse at Harrisburg, Pa., as to increase by \$75,000 the limit of cost fixed by that act for the work; and the Secretary of the Treasury is authorized to enter into contracts for the completion of the enlargement, extension, remodeling, and improvement of the building within the limit of cost as hereby extended.

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

RECESS.

Mr. O'GORMAN. I move that the Senate take a recess until 11 o'clock a. m. to-morrow.

Mr. BRISTOW. Let me suggest to the Senator from New York that a single objection will prevent any delay at all by reason of the morning business. A Senator can not make a speech or do anything else that will consume time except by unanimous consent, and it is in the power of the Senator from New York to object.

Mr. SMITH of Georgia. There are resolutions coming over upon which Senators will have a right to speak.

Mr. O'GORMAN. Unless the Senator from Kansas has some business that he thinks ought to be presented to-morrow morning, I believe the wiser course is simply to take a recess, so that as soon as we convene the consideration of the tolls bill may be resumed.

Mr. BRISTOW. I have no desire to open up any debate upon resolutions that are pending. There is routine business that comes in which sometimes ought to be attended to at once. I will make no objection to the motion of the Senator.

Mr. O'GORMAN. Very well. I move that the Senate take a recess until 11 o'clock a. m. to-morrow.

The motion was agreed to; and (at 6 o'clock and 6 minutes p. m.) the Senate took a recess until to-morrow, Saturday, June 6, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

FRIDAY, June 5, 1914.

The House met at 11 o'clock a. m.

Rev. Ulysses G. B. Pierce, D. D., of All Souls Church, Washington, D. C., offered the following prayer:

Our Father who art in heaven, ere we turn to the labors to which Thou hast called us, we pause to acknowledge Thy goodness and to implore Thy guidance. Grant, we humbly pray Thee, that this day we may so labor as to receive the benediction of Thy favor. And as we ask Thy grace so do we render to Thee all glory now and forevermore. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

The Clerk read as follows:

CAMDEN, N. J., June 4, 1914.

HON. CHAMP CLARK,
Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I met with an accident last week; I had a fall and broke two bones in my hand, and I am practically helpless. I would respectfully request that I be granted leave of absence indefinitely, or until I recover the use of my hand.

Yours, very truly,

WM. J. BROWNING.

The SPEAKER. Without objection, the request is granted.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 3334. An act authorizing the quitclaiming of the interest of the United States in certain land situated in Hampden County, Mass.

The message also announced that the Senate had passed joint resolution and bill of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 155. Joint resolution to remit, under certain conditions and for the year 1914, the penalties provided by the act approved October 3, 1913, for failure to properly return the income tax provided for in said act in cases where said returns are completed by June 1, 1914; and

S. 4522. An act to amend an act entitled "An act to amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, and all acts amendatory thereof, and to enlarge the powers of the Interstate Commerce Commission," approved June 29, 1906.

The message also announced that the Vice President had appointed Mr. PAGE and Mr. LANE members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the War Department.

NATIONAL STAR-SPANGLED BANNER CENTENNIAL CELEBRATION.

Mr. LINTHICUM. Mr. Speaker, I ask to take from the Speaker's table Senate joint resolution 148.

The SPEAKER. The gentleman from Maryland asks to take from the Speaker's table Senate joint resolution 148, there being one of similar tenor on the House Calendar. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (S. J. Res. 148) authorizing the President to extend invitations to foreign Governments to participate, through their accredited diplomatic agents to the United States, in the National Star-Spangled Banner Centennial Celebration.

Resolved, etc., That the President be, and he is hereby, authorized to extend invitations to foreign Governments to be represented by their accredited diplomatic agents to the United States at the National Star-Spangled Banner Centennial Celebration to be held at the city of Baltimore, Md., in September of the year 1914: *Provided*, That no appropriation shall be granted by the United States for expenses of delegates or for other expenses incurred in connection with said invitation.

The joint resolution was ordered to be read a third time, was read the third time, and passed; and House joint resolution 200 of similar tenor was laid on the table.

SPEECH OF HON. PATRICK H. KELLEY, OF MICHIGAN.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting an address by my colleague, Hon. PATRICK H. KELLEY, of Michigan.

The SPEAKER. The gentleman from Michigan [Mr. CRAMTON] asks unanimous consent to extend his remarks in the Record by printing a speech by his colleague, Gov. KELLEY. Is there objection? [After a pause.] The Chair hears none.

EXTENSION OF REMARKS IN THE RECORD.

Mr. FESS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by printing a dispatch that was carried in the papers yesterday relative to whether the Monroe doctrine is in danger of being superseded by some other doctrine by the mediators at Niagara Falls.

The SPEAKER. The gentleman from Ohio [Mr. FESS] asks unanimous consent to extend his remarks in the Record by printing a dispatch that was in the papers yesterday to ascertain whether the Monroe doctrine is still extant or whether we are going to have a new doctrine. [Laughter.] Is there objection?

Mr. BARNHART. Mr. Speaker, being a newspaper man and believing everybody in the United States reads the newspapers I that they have read this article, I shall object.

The SPEAKER. The gentleman from Indiana objects.