

Also, a bill (H. R. 17726) granting an increase of pension to Horace S. Calkins; to the Committee on Invalid Pensions.

By Mr. COADY: A bill (H. R. 17727) granting an increase of pension to Charles H. Rarick; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 17728) granting a pension to Axel O. Olson; to the Committee on Pensions.

Also, a bill (H. R. 17729) granting a pension to Titus Z. Andrews; to the Committee on Invalid Pensions.

By Mr. KEY of Ohio: A bill (H. R. 17730) granting an increase of pension to Jacob Erow; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17731) granting an increase of pension to Isaac T. McLain; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17732) granting a pension to Miss Margaret E. Lape, helpless and dependent child of William Lape; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17733) to remove the charge of desertion and grant an honorable discharge to Isaac Messick or Merrick; to the Committee on Military Affairs.

By Mr. OAKLEY: A bill (H. R. 17734) granting an increase of pension to Martha Barry; to the Committee on Invalid Pensions.

By Mr. OVERMYER: A bill (H. R. 17735) granting an increase of pension to Thomas Starchman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17736) granting an increase of pension to David Allcut; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17737) granting an increase of pension to Robert Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17738) granting an increase of pension to Rufus H. Slaymaker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17739) granting an increase of pension to Jeremiah Daniels; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17740) granting a pension to Frank A. Pfefferle; to the Committee on Pensions.

Also, a bill (H. R. 17741) granting a pension to Rebecca Guilliat-Smith; to the Committee on Pensions.

Also, a bill (H. R. 17742) granting a pension to Albert M. Kinsey; to the Committee on Pensions.

By Mr. SMITH of Texas: A bill (H. R. 17743) authorizing Anton Hiersche to select other land in lieu of land now owned by him, required for reclamation purposes; to the Committee on Irrigation of Arid Lands.

By Mr. WILSON of Florida: A bill (H. R. 17744) granting a pension to Chesterfield Basford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 17745) correcting the military record of Wesley Mathis; to the Committee on Military Affairs.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BACHARACH: Memorial of Philadelphia Bourse, in re railroad strike; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: Memorial of National Aerial Coast Patrol Commission, in favor of aerial coast patrol bill; to the Committee on Naval Affairs.

Also petition of B. T. Fairchild, of New York, in re Chamberlain-Hayden bill; to the Committee on Agriculture.

Also, memorial of National Founders' Association of Chicago, in re eight-hour law; to the Committee on Interstate and Foreign Commerce.

Also, petition of Otto Hausehman, jr., of Bronx, N. Y., in re foreign affairs; to the Committee on Foreign Affairs.

Also, petitions of Job Ysheford and Charles Fox, of New York, in re Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Herman Schmidt, of New York, in re Stevens bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of Otto Sieber, of New York, indorsing House bill 6915; to the Committee on the Post Office and Post Roads.

Also, petition of Frank W. Schiffer, of New York, in re House bill 6915; to the Committee on the Post Office and Post Roads.

Also, memorial of Board of Directors of the Schuivier Club of Morrisania, in re House bill 6915; to the Committee on the Post Office and Post Roads.

Also, memorial of delegates to the Swedish Evangelical Free Church of North America, favoring an embargo on arms and ammunition; to the Committee on Foreign Affairs.

Also, petition of Louis Solomon, of New York, in favor of House bill 11876; to the Committee on Labor.

By Mr. CHURCH: Petitions of sundry citizens and organizations of the State of California, relative to threatened railroad strike; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLINGSWORTH: Papers to accompany House bill 17539, granting pension to William Reed; to the Committee on Pensions.

By Mr. SLOAN: Petition of W. M. Jenkins and 20 others, for Government ownership of railways; to the Committee on Interstate and Foreign Commerce.

Also, protest of H. F. Buls, of Seward, Nebr., against British blacklist of American business concerns; to the Committee on Foreign Affairs.

By Mr. SMITH of Michigan: Petition of Homer L. Boyle, of Lansing, Mich., favoring passage of an act authorizing the President of the United States to call an international peace and arbitrational congress; to the Committee on the Judiciary.

Also, petition of Michigan State Pharmaceutical Association, favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

By Mr. WILLIAMS of Ohio: Protest of Elyria Iron & Steel Co., of Elyria, Ohio, against passage of proposed eight-hour work-day measure; to the Committee on Interstate and Foreign Commerce.

Also, petition of Cleveland, Southwestern & Columbus Railway Co., Cleveland, Ohio, requesting exemptions for electric street and interurban railways from operation under the eight-hour-day bill; to the Committee on Interstate and Foreign Commerce.

Also, petition of International Association of Machinists, Local No. 203, Akron, Ohio, in support of eight-hour workday for railroad employees; to the Committee on Interstate and Foreign Commerce.

#### SENATE.

MONDAY, September 4, 1916.

(Legislative day of Friday, September 1, 1916.)

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

#### THE REVENUE.

The Senate, as in Committee of the Whole, resumed consideration of the bill (H. R. 18763) to increase the revenue, and for other purposes.

Mr. LEWIS obtained the floor.

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

The PRESIDENT pro tempore. The Senator from Utah suggests the absence of a quorum. Let the Secretary call the roll.

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

Ashurst	Gallinger	Norris	Smith, Ariz.
Beckham	Gronna	Oliver	Smith, Ga.
Brady	Hughes	Overman	Smith, Mich.
Brandegge	Husting	Penrose	Smith, S. C.
Bryan	Johnson, S. Dak.	Pittman	Smoot
Chamberlain	Jones	Pomerene	Sterling
Chilton	Kenyon	Reed	Swanson
Clarke, Ark.	La Follette	Robinson	Tager
Culberson	Lane	Saulsbury	Thomas
Cummins	Lewis	Shaforth	Thompson
Curtis	Martin, Va.	Sheppard	Underwood
Dillingham	Myers	Sherman	Vardaman
Fletcher	Nelson	Simmons	Weeks

Mr. TAGGART. My colleague [Mr. KERN] is absent on important business. I make this announcement for the day.

Mr. POMERENE. I was requested to announce the unavoidable absence of the senior Senator from Mississippi [Mr. WILLIAMS].

Mr. SMITH of Michigan. I desire to announce that my colleague [Mr. TOWNSEND] is absent on account of illness in his family.

The PRESIDENT pro tempore. Fifty-two Senators have answered to their names. There is a quorum of the Senate present.

Mr. SIMMONS. Has the unfinished business been laid before the Senate?

The PRESIDENT pro tempore. It is, in fact, before the Senate, and the Senator from Illinois [Mr. LEWIS] has been recognized.

Mr. SIMMONS. I yield to the Senator from Illinois.

The PRESIDENT pro tempore. The Chair does not understand that it is necessary to formally lay the unfinished business before the Senate, but that it comes up automatically. If the Senator from North Carolina insists on it, it will be done.

## INTERSTATE COMMERCE COMMISSION INVESTIGATION.

Mr. REED. I ask unanimous consent to submit a resolution at this time and let it lie over until to-morrow.

The PRESIDENT pro tempore. The Senator from Illinois has the floor. Does the Senator yield?

Mr. LEWIS. I yield for that purpose.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the resolution will be read.

The resolution (S. Res. 263) was read, as follows:

*Resolved*, That the Interstate Commerce Commission is hereby requested to at once investigate and, as nearly as possible, ascertain what, if any increase in the cost of the operation of trains will result from the compliance by the railway companies with the act approved September 3, 1916, entitled "An act to establish an eight-hour day for employees of carriers engaged in interstate and foreign commerce, and for other purposes" and to report its findings to Congress on the first day of the December, 1916, session: *Provided*, That if the said commission can not conclude its investigation of all railways affected by said law in time to report on the date aforesaid it shall then report on such railway or railways the investigation of which it has been able to complete.

The PRESIDENT pro tempore. The resolution will lie over until to-morrow under the rule.

## EQUAL SUFFRAGE.

Mr. PITTMAN. I have a telegram and letter here with regard to equal suffrage which I ask may be printed in the RECORD.

The PRESIDENT pro tempore. Such will be the order, unless there is objection.

The telegram and letter are as follows:

CHICAGO, ILL., August 31, 1916.

Senator KEY PITTMAN,  
United States Senate, Washington, D. C.:

As chairman of the National Woman's Party and legislative chairman of the Congressional Union, I earnestly ask you and all other Democratic Senators to urge President Wilson, as leader of the Democratic Party, responsible for legislation in Congress, to secure a favorable vote on the Susan B. Anthony amendment, as he did on the child-labor bill, and ask you to have this telegram read into the CONGRESSIONAL RECORD, as you know we have long been ready for a vote at any time, provided the President and the Democratic majority in Congress will support the amendment, as they are the only power in the country which can secure its submission. A premature vote without this support would only mean defeat, which is, as you know, why we urged delay in the Senate in June. The adjournment of Congress without passing the amendment will constitute a record of hostility to the political freedom of American women on the part of the party in power.

ANNE MARTIN,

Chairman National Woman's Party.

RENO, NEV., August 25, 1916.

Miss MINNIE FLANIGAN,  
Acting President Nevada Women's Civic League,  
Reno, Nev.

DEAR MISS FLANIGAN: We herewith tender our resignations as members of the Nevada Women's Civic League and also as members of its executive board.

The affiliation of the league with the woman's party is, to our minds, a subversion of the purposes for which the league was organized and it is directly in conflict with the plain provisions of the league's constitution.

Section 2 of the constitution provides: "The organization shall be nonpartisan in its relation to all political parties."

Section 10 provides that amendments to the constitution may only be made by a two-thirds vote, after a notice of the proposed change shall have been sent to every club in the league for at least a month prior to any action upon the proposed amendment.

In spite of the provisions of section 10, and without any notice whatever to any club in the league, the executive board has undertaken to make the league a branch of a partisan movement, having for its object the defeat of the Democratic candidates and the success of the Republican ticket at the coming election. If this is not a partisan movement, it is difficult to imagine one that would be more partisan, and the injustice of it is easily discernible by a moment's reflection.

The Republican and Democratic platforms declared for equal suffrage in almost identical terms, but neither party declared in favor of the Federal amendment. Notwithstanding this, the woman's party is making every effort within its power to help one party at the expense of the other.

The indorsement of the amendment by Mr. Hughes can not, and does not, bind his party in any way, nor does it alter or modify his party platform. Mr. Hughes himself frankly concedes this. In his speech to the woman's party at Reno on the occasion of his visit here he said:

"The Republican platform did not refer to the Federal amendment, and in my address in response to the notification of my nomination I did not refer to it. I could not add it to the platform of my party; that I had no right to do; that I had no right to attempt."

So that, regardless of Mr. Hughes's personal views, his party platform remains unaltered and he can neither change it nor attempt to change it.

If Mr. Hughes is to receive the support of the woman's party because of his personal views, then Mr. Wilson's personal views should also be considered.

Mr. Hughes never supported equal suffrage until he became a candidate for President. He has never voted for it, although he had the opportunity to do so. He has said that he can neither change nor attempt to change, the position of his party platform as to the Federal amendment.

Mr. Wilson not only favors equal suffrage, but he voted for it when he had the opportunity to do so. Yet Mr. Wilson is to be opposed because he does not do the very thing which Mr. Hughes admits he himself can not do.

In New York Mr. Hughes did not vote for suffrage.  
In New Jersey Mr. Wilson did vote for suffrage.

Opposition to Mr. Wilson will not be viewed with favor by those who place the suffrage cause itself above the employment of militant methods to obtain it.

If we correctly understand the purpose of the woman's party in Nevada, its position is even more vulnerable. It would oppose Mr. PITTMAN and Mr. Caine and favor Mr. Platt and Mr. ROBERTS.

Mr. PITTMAN has always favored equal suffrage. In 1910 he put in the platform of his party a declaration in its favor and he spoke in its favor throughout the State. During the suffrage campaign in Nevada Senator PITTMAN not only spoke for the suffrage amendment, but he voted for it. As a delegate to the St. Louis convention he again voted and spoke in favor of suffrage. In the Senate of the United States, on the 5th of August of this year, he announced his purpose to vote for the Federal amendment. Yet the woman's party announces its purpose to oppose Mr. PITTMAN's reelection.

What is the record of Mr. Platt on the suffrage question? He had every opportunity to support suffrage, but during the time when it needed help in the campaign of 1914 he either opposed it or remained silent. He was a delegate to the Chicago convention, but its records show no effort by Mr. Platt to foster or support the Federal amendment. Upon what plea of justice can the women of Nevada oppose Senator PITTMAN and support Mr. Platt?

There are three senatorial candidates before the people of Nevada—Senator PITTMAN, Mr. Miller, and Mr. Platt. Senator PITTMAN and Mr. Miller have always been active and open in their support of suffrage, while Mr. Platt has neither been active nor open in its support. Nevertheless, the Woman's Party would support one who never helped us as against the two who always helped us.

Mr. Caine has always favored the cause of suffrage; Mr. ROBERTS, so far as his record is known, has never supported it; but the Woman's Party asks the defeat of Mr. Caine and the election of Mr. ROBERTS. Is this justice or fair dealing?

The women of Nevada were most intensely interested in suffrage during our campaign of 1914. In that campaign the suffrage cause was supported by Senator PITTMAN and Mr. Caine. It was not publicly supported by Mr. Platt or Mr. ROBERTS. The bitterest opponent of the suffrage cause was the Reno Evening Gazette, the leading Republican paper of the State. The most active supporter of suffrage was the Nevada State Journal, the leading Democratic paper of the State.

In the recent Democratic primaries Senator PITTMAN, actively for suffrage, was renominated. In the Republican primaries, Judge Norcross, one of the truest friends of suffrage, was defeated.

President Wilson, whom the Woman's Party would defeat, has accomplished two of the really great things for which all women stand. He has maintained peace in the midst of a world's conflagration and he has thrown the protection of legislation around the toiling children of the land. What mother can fail to call him blessed!

The present activities of the Woman's Party can never, under these conditions, receive our support, nor do we believe the cause of equal suffrage will ever be advanced by striking down its friends.

HELEN T. BELFORD,  
ANNIE S. CHEATHAM,  
CHRISTINA W. CLARK,

Members of the State Executive Board of the  
Nevada Women's Civic League.

## THE THREATENED RAILROAD STRIKE.

Mr. THOMPSON. I have an editorial which was printed in the Washington Post Saturday morning, entitled "Stopping the Strike." I ask that it may be printed in the RECORD.

Mr. SMOOT. I object.

Mr. THOMPSON. I send the article to the desk and ask that the Secretary may read it under Rule XI of the Senate. I do not understand that a single objection is good when it is moved under this rule that it be read. It is for the Senate to determine by a vote.

The PRESIDENT pro tempore. The paper does not properly come in the sense of that rule. The rule evidently has reference to petitions and memorials. The Senator will have an opportunity later to present it.

Mr. THOMPSON. Very well; but if it can not be printed without reading, I will offer some remarks on the subject and read it myself. In order to save time and to insure the early passage of the eight-hour law, I refrained from speaking on the question Saturday, and with the desire to save time I was in hopes that the article might be printed without reading, as it fairly expresses my views on the subject. I believe in the eight-hour workday. The good old rule of human conduct prescribing eight hours for work, eight hours for recreation, and eight hours for sleep has never been improved upon.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Chair suggests that it would result in economizing time to afford a reasonable opportunity to Senators to present formal routine matters which will not lead to debate. If the Senator from Illinois will yield, such matters can be disposed of.

Mr. LEWIS. Very well.

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the following bills:

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station; and

H. R. 17350. An act to promote export trade, and for other purposes.

The message also announced that the House insists upon its amendment to the bill (S. 4268) to satisfy certain claims against the Government arising under the Navy Department, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. POU, Mr. DIES, and Mr. EDMOND managers at the conference on the part of the House.

The message further announced that the House insists upon its amendment to the bill (S. 3646) to amend the act of February 11, 1915 (38 Stat. L., p. 807), providing for the opening of the Fort Assiniboine Military Reservation, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. TAYLOR of Colorado, Mr. RAKER, and Mr. LENROOT managers at the conference on the part of the House.

## HOUSE BILLS REFERRED.

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station was read twice by its title and referred to the Committee on Appropriations.

H. R. 17350. An act to promote export trade, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

## PETITIONS AND MEMORIALS.

Mr. SMITH of Michigan. I wish to present a protest against a provision in the revenue bill placing printing paper on the free list, signed by Phil G. Baltz, manager of the Rex Paper Co., of Kalamazoo, Mich.

The PRESIDENT pro tempore. The protest will be received and filed.

Mr. SMITH of Michigan. I should like to have it printed in the RECORD.

The PRESIDENT pro tempore. Such will be the order unless there is objection.

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

KALAMAZOO, MICH., August 24, 1916.

SENATOR WILLIAM ALDEN SMITH,  
United States Senate, Washington, D. C.

DEAR SENATOR: We want to enter a vigorous protest against the action of the Senate Finance Committee in placing printing paper on the free list. So long as the war lasts this action will not affect us in the least, but with the termination of the war it will place us at the mercy of Europe and Canada. We, with our high wages and three tours, can not compete against the longer hours and cheap labor of Europe. Nor can we compete with the cheaper labor of Canada, together with her almost limitless supply of pulp wood and her vast amount of water power.

This action of the Senate will mean the beginning of the end of the paper-making industry in the United States. It will build up mills in Canada and ours will rot with the lack of profit. Why build up Canada to the detriment of the United States? Why make a target of the paper mills? We need protection and should not be discriminated against. We respectfully request your influence in defeating this measure and sincerely hope you will interest yourself in behalf of ourselves and the paper makers of your great State.

Yours, truly,

REX PAPER CO.,  
PHIL G. BALTZ, Manager.

Mr. SMITH of Michigan. I also present a communication signed by a committee of gentlemen of the State of Michigan, calling attention to the situation in the State of Michigan in connection with the introduction of military instruction and recommending the military department of the State Agricultural School at Lansing as a suitable place for such instruction. They also recommended an appropriation of \$5,000 in aid of a military school or camp of instruction at the Michigan State Agricultural College during the summer months. I ask that the communication be received and printed in the RECORD.

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

To the honorable the United States Senators and Members of the United States House of Representatives from Michigan, Washington, D. C.

MARCH 30, 1916.

GENTLEMEN: There has been brought to the attention of the undersigned a situation in the State of Michigan, in connection with the demand for military instruction, that in our judgment requires action by the Federal authorities.

There are in this State several thousand young men, many of them students or graduates of high schools and colleges, who are very anxious to avail themselves of attendance at a summer military school or instruction camp if such an institution could be provided within the State.

It has naturally been suggested that the military department of our State agricultural college at Lansing should inaugurate and conduct such a summer school or camp, with a suitable course of instruction in military science, sanitation, tactics, maneuver, and drill as would meet this laudable demand.

That institution has an ideal plant, with most of the necessary facilities for such an undertaking, and could carry on, at small expense,

a summer school or camp for military instruction, which would accommodate one, or perhaps two thousand students, who at the end of a two or three months' course would be turned out fairly well grounded in the rudiments of military defense.

Moreover, it is believed that a sufficient number of senior students at the college, who will graduate in June and who will have had four years of military instruction, will be willing to remain during the summer as instructors and drill masters, and who, in connection with one or two extra officers detailed from the Regular Army in addition to the regular instructors of the college military department, will make up an adequate teaching force for such a summer school.

We are advised that the college and its authorities have contemplated and would gladly inaugurate and carry on such a summer military school during the coming summer months, except for the fact that the college has not the present means at its immediate disposal for this purpose.

The recent destruction by fire of one of the large department buildings at the college, which building must of necessity be immediately restored, an undertaking which will require all available current funds, deprives the governing board of the means for carrying on a military instruction camp during the coming summer and as the State legislature does not meet till next year the advantages now of such a school, when the demand and sentiment in favor of it are so strong and active, can not be secured unless the Federal authorities will extend moderate temporary assistance.

It has therefore been thought wise to lay the matter before our Representatives at Washington and to earnestly request their consideration of the propriety of an appeal to Congress for an immediate appropriation of, say, \$5,000 in aid of a military school or camp, with suitable course of instruction, at the Michigan Agricultural College during the coming summer months.

It is believed that even the small assistance suggested will, with the facilities already at hand, be sufficient to secure this very desirable object.

The purpose being so patriotic and timely, we lay this matter before you in the hope and belief that you will give it the attention that its importance deserves.

Very respectfully,

A. J. DOHERTY,  
W. H. WALLACE,  
R. S. GRAHAM,  
JASON WARDMAN,  
I. RAY WATERBURY,  
HENRY A. HAIGH.

Mr. SMITH of Michigan. I present resolutions adopted by the Press Assistants' Union No. 40, of Detroit, Mich., which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

PRESS ASSISTANTS' UNION No. 40,  
Detroit, Mich.

Whereas there is at present pending before the United States Senate the immigration bill (H. R. 10384); and

Whereas we have been informed, through the columns of the daily newspapers and in various other ways, that this bill passed the House of Representatives by a vote of 307 ayes to 87 nays; and

Whereas the vote of these various Representatives voting in the affirmative undoubtedly reflects the sentiment of their constituents; and

Whereas by the vote of their Representatives an overwhelming majority of the people of these United States have expressed their approval of the bill; and

Whereas by their approval of this bill the people have declared themselves most emphatically opposed to the admission to our country of the ignorant, illiterate foreign laborer; and

Whereas in our own city of Detroit we have, it is estimated, more than 40,000 of these illiterate foreign laborers; and

Whereas it is a proven fact that a large number of these foreigners have no intention of becoming citizens; and

Whereas a condition of this kind can not be other than detrimental to the best interests of the community: Therefore be it

Resolved, That the membership of Press Assistants' Union No. 40, a subordinate local union of the International Printing Pressmen and Assistants' Union of North America, in regular meeting assembled, does hereby express its approval of the bill known as H. R. 10384; and be it further

Resolved, That we do petition our representatives in the Senate to exert every effort for the passage of this bill at the present session of Congress; and be it further

Resolved, That a copy of these resolutions be forwarded to each of the two Senators from Michigan, Messrs. TOWNSEND and SMITH.

ELBERT K. ELLIS,  
GEO. H. DECKER,  
ALFRED M. JUDGE,  
Committee.

Mr. SMITH of Michigan. I also desire to present a communication from the Michigan State Medical Society, transmitting resolutions adopted at the fifty-first annual convention of that society, held at Houghton, Mich., which I ask may be printed in the RECORD.

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

MICHIGAN STATE MEDICAL SOCIETY,  
OFFICE OF THE SECRETARY EDITOR,  
Grand Rapids, Mich., August 24, 1916.

Senator WILLIAM ALDEN SMITH,  
Washington, D. C.

HONORED SIR: The Michigan State Medical Society, the official medical organization of the State of Michigan, assembled in its fifty-first annual convention, at Houghton, on August 15, 16, and 17, unanimously adopted the following resolution and instructed me to send copies of same to you for your information:

"Whereas military exercises in early life favor a high degree of mental and physical development, through quickening perception, improving organic functions, and developing muscular and bony structures; and

"Whereas marching under the flag of the country, the symbol of governmental authority, inculcates obedience, encourages loyalty, and furnishes discipline in self-control. Therefore be it

"Resolved, That the Michigan State Medical Society recommend universal military training, and requests the Michigan congressional delegation to exert itself to bring about effective legislation to this end.

"Resolved, That copies of these resolutions be furnished by the secretary to every Member of the House of Representatives and Senate of the United States and to the various leagues and organizations interested in the propaganda for national defense."

Yours, very truly,

F. C. WARNSHUIS, *Secretary Editor.*

Mr. POMERENE. I present a large number of petitions from citizens of my State and ask that the body of one of the petitions be incorporated in the RECORD.

The PRESIDENT pro tempore. Such will be the order, unless there is objection.

There being no objection, the petitions were referred to the Committee on Interstate Commerce, and the body of one was ordered to be printed in the RECORD, as follows:

AN APPEAL OF THE 80 PER CENT.

We, the undersigned citizens of the State of Ohio, and among those comprising the more than 80 per cent of the employees of the railways of our State and country, being confronted with the possibility of an entire paralyzation of the railways of the country by the proposed general strike of the four orders of trainmen, a group of less than 20 per cent of the entire number of railway employees, and the consequent curtailment of income to us, the more than 80 per cent, to whom such a curtailment would be ruinous, and fully realizing that under this great Government where the ruling doctrine is "the greatest good to the greatest number," we, the large majority, more than 80 per cent of the people to be directly injured by such a destructive method of the few who happen to be placed in a position where they can use them, have a clear and definite right to be protected (the general public and all other industries seriously endangered also having that right), do earnestly petition you, our Senators and Representatives, individually and as the Congress of the Nation, and pray that some definite legislative action be taken whereby the vast majority of the people of the country shall be protected from a destructive interruption of interstate commerce due to wholly selfish action of a small group of men, and that all differences which may arise between railway and employee shall be settled by proper arbitration. In this way you would recognize the fundamental principle of the Republic, that no small group of men ought to be permitted, directly or indirectly, to conspire to an end calculated to benefit them only, and directly or indirectly work wrong and loss upon the great majority.

Mr. PHELAN presented a petition of the Chamber of Commerce of Los Angeles, Cal., praying for the establishment of an aircraft base and training school at North Island, San Diego, Cal., which was referred to the Committee on Military Affairs.

Mr. MYERS presented a memorial of sundry citizens of Missoula, Mont., remonstrating against the enactment of legislation for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. OLIVER presented a petition of the Pennsylvania Pharmaceutical Association, praying for the adoption of certain amendments to the patent laws, which was referred to the Committee on Patents.

REPORTS OF COMMITTEES.

Mr. ROBINSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H. R. 8057. An act for the relief of the legal representatives of Napoleon B. Giddings (Rept. No. 860);

H. R. 3296. An act for the relief of Gertrude Becherer (Rept. No. 863);

H. R. 10173. An act for the relief of Anna C. Parrett (Rept. No. 862);

H. R. 11745. An act for the relief of S. E. Bennett (Rept. No. 861); and

H. R. 14978. An act for the relief of Ida Turner (Rept. No. 864).

Mr. THOMAS, from the Committee on Public Lands, to which was referred the bill (H. R. 11472) to reserve certain lands and make them a part of the Pike National Forest, reported it without amendment and submitted a report (No. 865) thereon.

FEDERAL FARM-LOAN ACT.

Mr. FLETCHER. I desire to submit a favorable report from the Committee on Printing.

The PRESIDENT pro tempore. We are under a unanimous-consent agreement for the reception of formal matters.

Mr. FLETCHER. It is a favorable report.

The PRESIDENT pro tempore. The report will be received and filed.

Mr. FLETCHER. I ask unanimous consent for its consideration.

The PRESIDENT pro tempore. The resolution will be read. The resolution (S. Res. 262) was read, as follows:

Resolved, That there be printed 65,000 copies of public act No. 158, Sixty-fourth Congress, first session, entitled "The Federal farm-loan act," for the use of the Senate document room.

The PRESIDENT pro tempore. Is there objection to the consideration of the resolution reported by the Senator from Florida?

Mr. SMOOT. I will ask the Senator what is the cost?

Mr. FLETCHER. The estimated cost is \$494.63.

The resolution was considered by unanimous consent and agreed to.

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. BRADY (for Mr. BORAH):

A bill (S. 6987) granting an increase of pension to Alvah H. Bowen (with accompanying papers); to the Committee on Pensions.

By Mr. THOMPSON:

A bill (S. 6988) for the relief of William Crawford (with accompanying papers); to the Committee on Military Affairs.

By Mr. ASHURST:

A bill (S. 6989) for the relief of Frank Pinkley; to the Committee on Claims.

By Mr. TAGGART:

A bill (S. 6990) granting a pension to Philip Scharf;

A bill (S. 6991) granting an increase of pension to Henry Gathman;

A bill (S. 6992) granting an increase of pension to Andrew J. Withrow;

A bill (S. 6993) granting an increase of pension to Philip Martin;

A bill (S. 6994) granting an increase of pension to Thomas Jeffries;

A bill (S. 6995) granting an increase of pension to Martin D. James; and

A bill (S. 6996) granting an increase of pension to Abraham G. Hendryx; to the Committee on Pensions.

By Mr. TAGGART (for Mr. JOHNSON of Maine):

A bill (S. 6997) granting an increase of pension to Paul Strauss (with accompanying papers);

A bill (S. 6998) granting an increase of pension to George H. Wilkins (with accompanying papers);

A bill (S. 6999) granting an increase of pension to George H. Fernald (with accompanying papers); and

A bill (S. 7000) granting a pension to Melville L. McCarrison (with accompanying papers); to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 7001) to correct the naval record of Fred C. Konrad; to the Committee on Naval Affairs.

By Mr. CHAMBERLAIN:

A joint resolution (S. J. Res. 172) authorizing the acceptance and free use of a free energy generator by the United States Government, and for the special protection of its discoverer; to the Committee on Patents.

WITHDRAWAL OF PAPERS—JOHN T. PEET.

On motion of Mr. CURTIS, it was

Ordered, That the papers accompanying the bill S. 2930, Sixty-fourth Congress, first session, and previous Congresses, granting a pension to John T. Peet, be withdrawn from the files of the Senate, no adverse report having been made thereon.

PUBLIC BUILDING AT AUGUSTA, GA.

Mr. HARDWICK. The House passed on Saturday the bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga., with an amendment. I should like to call it up for the purpose of agreeing to the House amendment.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 5407) authorizing and directing the Secretary of the Treasury to extend the time of payment of the amount due the Government by the city of Augusta, Ga., which was, on page 1, lines 10 and 11, to strike out "without interest" and insert "with interest from the date of the passage of this act at the rate of 4 per cent per annum."

Mr. HARDWICK. I move that the Senate concur in the amendment of the House.

Mr. SMOOT. From the reading of the amendment I could not discover whether it is a claim against the Government of the United States or whether it is a judgment.

Mr. HARDWICK. No; if the Senator wants me to explain it, the Government of the United States sold the old post-office building to the city of Augusta. This is a proposition to extend the time fixed for the payment of that public building by the city on account of the very disastrous flood which occurred in Augusta. We have already passed the bill through the

Senate extending the time for the payment of the money due the Government for the property sold to the municipality.

Mr. SMOOT. Will the Government of the United States be compelled to pay interest under this provision?

Mr. HARDWICK. No; the Government of the United States will get interest at the rate of 4 per cent from the city of Augusta.

The PRESIDENT pro tempore. The question is on concurring in the amendment of the House of Representatives.

The amendment was concurred in.

PRAYERS OF CHAPLAIN OF THE HOUSE.

The PRESIDENT pro tempore laid before the Senate the following concurrent resolution (No. 28) of the House of Representatives, which was referred to the Committee on Printing:

*Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document for the use of the House of Representatives, to be distributed through the folding room, 55,000 copies of the prayers offered at the opening of the morning sessions of the Sixty-third Congress of the United States by the Chaplain, Henry M. Couden, the same to be compiled by the Chaplain, who shall have 100 copies for his use.*

ORDER OF BUSINESS.

Mr. POMERENE. Without intending in any way to displace the unfinished business—

The PRESIDENT pro tempore. The Senator from Illinois [Mr. LEWIS] has the floor. It depends on the good nature which he has already shown, if the Senator from Ohio proposes to take up anything. The Chair simply calls attention to that fact.

Mr. POMERENE. Very well; I will not proffer the request now.

The PRESIDENT pro tempore. Are there other formal matters that Senators desire to dispose of?

LEVI COOKE—TAX ON WINES AND CORDIALS.

Mr. STONE. Mr. President, on August 30, 1916, the Senator from California [Mr. PHELAN], while the wine provisions of the pending revenue bill were under consideration, presented and had printed in the RECORD, at page 13377, an affidavit made by Mr. Hilliard E. Welch, of Lodi, Cal. At the time of presenting it the Senator from California commented upon the matter at some length. The affidavit related to an attorney here in Washington—Mr. Levi Cooke.

I have no interest in Mr. Welch or Mr. Cooke, but the affidavit was inserted at a rather early hour. I presume with the intention of influencing the judgment of Congress with respect to the matters covered by the affidavit. These same matters will be made the subject of conference.

Mr. President, I have received from Mr. Cooke an affidavit, quite specific in its terms, contradictory of the affidavit presented by the Senator from California. I ask that that also may be inserted in the RECORD, in order that both these statements, for whatever they may be worth, may be accessible to the Senate and to the committee of conference.

The PRESIDENT pro tempore. Such will be the order, unless there is objection. The Chair hears none.

The matter referred to is as follows:

Levi Cooke, being duly sworn, deposes and says as follows:

"That he has read the statements sworn to by Hilliard E. Welch and F. Albertz, read in the Senate of the United States on August 30, by Senator PHELAN, and reported at page 13377 of the RECORD;

"That the statement made by said Welch, and indorsed by said Albertz, is false and misleading, and that the following is a true statement of meetings held between said Welch and Albertz and affiant:

"The affiant, Levi Cooke, is general counsel for the National Wholesale Liquor Dealers Association, which is composed of about 800 members, said members being corporations, firms, and individuals engaged in distilling, manufacturing, and distributing distilled spirits and liquors. A number of members are engaged exclusively in the wine business, and a large number are engaged in manufacturing cordials and liquors.

"Affiant, in behalf of the cordial manufacturers, appeared before a subcommittee of the Senate Finance Committee on July 21, 1916, accompanied by the Secretary of the American Association of Cordial Manufacturers, and made an oral argument and filed briefs (see hearings, p. 63, et seq.), urging the following:

"1. That the cordial tax of 24 cents per gallon on cordials be eliminated so far as it covered cordials made with tax-paid distilled spirits, as the effect of such tax would be to make the ordinary gallon of distilled-spirit base cordial, 40 per cent proof, pay 68 cents per gallon tax money, whereas the same alcoholic strength cordial would be made from fortified wine, and pay tax of only 36 cents.

"2. That unless distilled-spirit base cordials were so treated, cheaply taxed fortified wine would displace tax-paid spirits in cordial manufacture to the injury of the revenue, and the injury of the cordial trade.

"3. That fortified wine had been excluded from cordial making by law for many years, in order that the distilled-spirit revenue be protected; and that if now such wines were to be admitted to cordial manufacture, an equalizing tax on them could well be charged, but no supertax should be levied on distilled-spirit base cordials, the effect of which would be to tax distilled-spirit cordials out of existence in favor of the more cheaply taxed wine base.

"Affiant states that on August 1 he was requested by the president of the National Wholesale Liquor Dealers' Association to comply with a request received by the latter from California to meet the said Hil-

liard E. Welch, that he telephoned said Welch, and the latter came to affiant's office. Said Welch stated that the brief filed by the cordial manufacturers had injured the prospects of the wine bill as he and Congressman KENT had advocated its form; that affiant was absolutely right in the position taken regarding the effect of the cordial tax in forcing the use of cheaply taxed fortified wine in place of tax-paid distilled spirits, and that he himself opposed the provision, but that interests in California demanded the same. Affiant suggested that said Welch state his views regarding the cordial tax to the Senators on the Finance Committee, but this said Welch declined to do.

"Affiant told said Welch that he, affiant, felt it his duty to argue at all times for the safeguarding of the full Government revenue at \$1.10 per proof gallon on distilled spirits; that he could not, aside from the interest of cordial manufacturers, accede to a form of tax which would substitute in any branch of the liquor business cheaply-taxed distilled spirits in place of the regularly taxed article; that the pending bill was a revenue bill and should not be made the vehicle of displacing full-taxed liquors with so-called fortified wines which were half the alcoholic strength of whisky, rum, and brandy, which could be turned into cordials and liqueurs.

"Said Welch asked affiant to withdraw his brief, not, he said, because it was unsound in fact, but because California interests would resent any interference with their bill; that there was a prohibition campaign in California, and if the interests there were dissatisfied it might have an injurious effect on the prohibition question. Affiant informed said Welch that he could not and would not withdraw said brief; that the cordial manufacturers were entitled to be heard and could not be deprived of rights or denied principles which said Welch himself conceded to exist, merely because California interests demanded their surrender in the interest of legislation intended solely for the tax benefit of said California interests; that affiant did not doubt that the cordial manufacturers in a perfectly proper way were interested in the California prohibition question, but under threats on that score could not be asked to abandon their own interest and join in a movement to deplete the Federal revenues.

"Said Welch returned the following day with said Albertz, and the entire subject was rediscussed.

"George R. Beneman, affiant's assistant, was present.

"Said Welch proposed that the bill should be amended to permit withdrawal of wines tax free to manufacture cordials, but affiant said this was impossible, as it meant only further depletion of the revenue by increasing the tax necessity of substituting wines for tax-paid distilled spirits in making alcoholic liquors of the cordial variety. Said Welch reiterated his demand that affiant withdraw his brief in behalf of the cordial manufacturers, declaring that it had endangered the wine schedule he and said Albertz were advocating, and stated that if the bill failed he himself would take the stump in California to advocate State-wide prohibition; and that unless affiant's clients liked that prospect, affiant should assist said Welch by withdrawing all objection to the cordial tax as drafted. Affiant stated that his clients of course did not wish to see the State of California vote for prohibition; that said clients were indifferent on the subject of taxes upon table wines for beverage use, as such, but that affiant himself, aside from the views of his clients, would oppose with all vigor any measure designed to substitute cheaply-taxed fortified wines, half the strength of whisky, rum, and brandy, for tax-paid distilled spirits in cordials and other liquors entirely distinct from table wines. Affiant clearly stated that no compulsion of any kind could force him to abandon fundamental principles of revenue underlying the Federal taxation of liquors. And thus the meeting ended.

"Said Welch's affidavit is entirely false in the last paragraph thereof. Affiant made no reference to Senator THOMAS or any other Senator except to suggest that said Welch stated to Senators, as he had to affiant, that affiant's argument on the cordial tax was sound in fact; and affiant made no reference to contributions in connection with any anti-prohibition propaganda except to say that doubtless the very cordial manufacturers whose interest was to be sacrificed in favor of the California interest in the latter's wine schedule were helping in a legitimate way to assist the very people said Welch was representing in their anti-prohibition propaganda in California. Affiant made no statement of alternative intentions to said Welch either on his own account or on that of his clients, and the statement of said Welch in the last paragraph of his affidavit has no basis whatever in fact. Affiant's sole suggestion to said Welch was that the latter, as matter of justice and fair dealing, tell the Senators what he had told affiant regarding the facts of the cordial tax.

"Said Welch and those whom he represented made further efforts to prevail on affiant to withdraw his brief on the cordial tax, but affiant has continued to refuse and has stood flatly against any supertax on distilled spirit cordials, with consequent tax advantage in favor of making cordials with more cheaply taxed wine bases and consequent reduction of revenue from the alcohol present in cordials, liqueurs, and similar compounds.

"LEVI COOKE."

Subscribed and sworn to before me this 31st day of August, A. D. 1916.

[SEAL.]

SOTERIOS NICHOLSON,  
Notary Public, District of Columbia.

George R. Beneman, being first duly sworn, deposes and says that he has read the affidavit sworn to and subscribed by Levi Cooke, hereto attached; that he was present at the meeting of August 2 therein referred to; and that the statements in the affidavit, of which he has knowledge, are true.

GEO. R. BENEMAN.

Subscribed and sworn to before me this 31st day of August, A. D. 1916.

[SEAL.]

SOTERIOS NICHOLSON,  
Notary Public, District of Columbia.

DIVISION OF CIVIC TRAINING.

Mr. WEEKS. Mr. President, I have a matter which I should like to bring up, which will take but a minute.

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. LEWIS. If the matter which the Senator from Massachusetts desires to present does not require observations, I will yield.

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Massachusetts?

Mr. LEWIS. Mr. President, I will yield to the Senator merely to present a document.

Mr. WEEKS. For my colleague, I desire to have printed as a public document a statement by Wilson L. Gill in favor of the establishment of a division of civic training in the Bureau of Education. It will be satisfactory to me to have the document referred to the Committee on Printing for action if so desired.

The PRESIDENT pro tempore. Such will be the order, unless there is objection. The Chair hears none.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 17235) granting the consent of Congress to W. H. Crosby; W. H. Andrews; E. G. Connette; Daniel Good; Henry May; Robert C. Gaupp; Edward Kener, jr.; William F. McGlashen; Eugene L. Falk; John W. Robinson; John M. Willys; Oliver Cabana, jr.; Conrad E. Wettlaufer; H. A. Hurt; George J. Meyer; Myron S. Hall; John Lord O'Brian; Frank S. McGraw; and William A. Morgan to construct a bridge across Niagara River within or near the city limits of Buffalo, and for other purposes, and it was thereupon signed by the President pro tempore.

COMPENSATION OF INJURED EMPLOYEES—CONFERENCE REPORT.

Mr. SMITH of Georgia submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, 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 one, to the amendment of the Senate, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

"Sec. 28a. Upon the organization of said commission and notification of the heads of all executive departments that the commission is ready to take up the work devolved upon it by this act, all commissions and independent bureaus, by or in which payments for compensation are now provided, together with the adjustment and settlement of such claims, shall cease and determine, and such executive departments, commissions, and independent bureaus, shall transfer all pending claims to said commission to be administered by it. The said commission may obtain, in all cases, in addition to the reports provided in section 24, such information and such reports from employees of the departments as may be agreed upon by the commission and the heads of the respective departments. All clerks and employees now exclusively engaged in carrying on said work in the various executive departments, commissions, and independent bureaus, shall be transferred to, and become employees of, the commission at their present grades and salaries."

And the House agree to the same.

HOKE SMITH,  
CLAUDE A. SWANSON,  
W. E. BORAH,  
*Managers on the part of the Senate.*  
E. Y. WEBB,  
WARREN GARD,  
A. J. VOLSTEAD,  
*Managers on the part of the House.*

The report was agreed to.

THE PRESIDENT AND STRIKE LEGISLATION.

Mr. LEWIS. Mr. President, I desire to address the Senate for a few moments upon a matter not relating to the revenue bill.

Mr. President, from the morning papers I read the report that at St. Louis, in the State of Missouri, the Hon. Charles Evans Hughes, the candidate of the Republican Party for the presidency, in a noonday address before what are termed "the business men"—the Senator from Missouri [Mr. STONE] designates

them as "the Business Men's League"—called specific attention to the fact that in affairs of government we should neither surrender principle to force nor adopt force to enforce a principle; that, wherever possible, conciliation and arbitration should be resorted to where the principle may be secured by that method. In this assertion of the eminent candidate of the Republican Party he was correct. These remarks of the eminent candidate were addressed at that time to that body of men who, it was understood, were of the number who were planning revenge upon President Wilson for having yielded to the force of circumstances and refused to arbitrate the principle of an eight-hour day.

Mr. President, I invite the attention of this Chamber to the fact that this is the distinguished gentleman who, obeying the directions of his master spirit, Theodore Roosevelt, denounced in the city of Chicago and in the city of Detroit Woodrow Wilson and the Democratic Party because of the adoption of the theory of arbitration and the principle of conciliation to bring about peace between ourselves and a foreign country and to cement anew the loyalty of our German-American citizens. I call your attention that where the hatreds of the Germans may be aroused and the old bitternesses revived, that might serve for party political uses; that then it is a crime on the part of Wilson and the Democracy to have adopted the method of conciliation and arbitration to bring about peace, and that, too, notwithstanding the bountiful blessings secured as a result; but where there is a possibility of awakening the enmity and the combined opposition of the financial masters and the railroad magnates by assailing the policy of arbitration and conciliation, then, sir, the method of force against force is denounced, and the theory of arbitration and conciliation is preached as the only doctrine applicable to a just and free republic!

Mr. President, I could not overlook this morning in the public press this peculiar inconsistency by which this eminent candidate presents himself as being for peace or force, depending on what he feels may be the desire or temper of the particular audience before which he stands. Indeed, sir, the Scripture is literally fulfilled in his declaration—"all things to all men"; and I may add, and anything to anybody for votes anywhere.

Mr. President, the strike which hung like an impending disaster over this Government is averted. There is no turbulence or bloodshed; there are no deaths in riots. The business of the country is not paralyzed; commerce is not stifled. The affairs of men have not been hindered; there has been no hunger of children; there are no famished women. There is no chaos in overturned and choked affairs of our Nation. Our people are, as they have been, enjoying still the inheritance of peace and prosperity through the sagacious statesmanship and diplomacy of Woodrow Wilson, the President of the United States.

Mr. President, I wish now to refer to the observations heralded in half a dozen eminent papers of our country this morning. These seek to make comparison between what they claim was the method of settling strikes of Theodore Roosevelt and that of Grover Cleveland with that of Woodrow Wilson. These exclaim, "Oh, that it were Grover Cleveland or Theodore Roosevelt in the White House." Senators, how easy it is for the mind to forget the events of the past. How inclined we are to praise that which has gone if we can find in it a thing with which we might conjure to the prejudice of the thing of the present. There are Senators who do me the compliment to sit here this morning who, on this floor, denounced both the method adopted by Grover Cleveland and that of Theodore Roosevelt, and, sirs, let us recall in what respect? We reply that it must now be recalled that President Roosevelt dallied for five months at the fiat of the coal barons of America, and refused and shrank, as I assert, from introducing the power of this Government in any form whatever into that then pending conflict. Five months elapsed; the arteries of trade were literally tied up. The furnaces of the mills and the foundries died out. Factories were hushed, foundries ceased, business was stilled, thousands of toilers stood upon the streets, hundreds were mobbed on the corners, women were murdered, children died in hunger, thousands froze for want of fuel, and millions shivered in chilling cold, and there stood before this country such an appalling disaster that great public opinion arose, as with a form impossible to oppose, and demanded intercession by the Federal Government. Then, and not until then, did President Roosevelt intercede by the arm and power of the Federal Government to avert the calamity which all suffered and which all mankind beheld with dismay, as it settled upon this Nation, with loss to men and danger to the Republic.

Then, sir, under Cleveland, Senators will recall how President Cleveland, for reasons of his own, hesitated, debated, and floundered as to whether he would go with his force or stay, whether he would advance or retreat, whether he would assume to exercise the power of the Federal Government or decline. Then, sir, the assumption of those who indulge in lawlessness to accomplish their purposes grew and multiplied. Throughout this country the railroads were stifled, freight cars blocked, roundhouses choked, the cities filled with distress, the product of the farms rotting in bins, warehouses, and in elevators. Then in the cities, particularly in the imperial city of my home, Chicago, riots broke forth, blood bespattered the sidewalk, anarchy red-handed struck civilization a blow, law and order were paralyzed in the Republic of America; and before the world we stood an object of pity upon the part of the friends and contempt on the part of the enemies of republican form of government. Sir, such a chasm widened out in the land where I lived and class hatred was so accentuated, as the result of this prolonged conflict and from the reign of lawlessness and disorder, that there was formed the now Socialist Party of America as a protest against any form of competition in the industrial affairs of mankind. To this hour we are suffering from the wounds inflicted at that time; and this very strike which was threatened upon this country, the disaster of which was so correctly depicted by eminent and eloquent Senators on this floor, was the child, the birth of that very hesitant policy and that long-delayed course on the part of those who should have acted with promptitude at a time when all these results I have described could have been averted.

Now, Mr. President, I ask my fellow countrymen, as I ask you, my distinguished colleagues, Where is that man who would choose the vacillating and hesitating policy of President Roosevelt or of President Cleveland, which brought upon the country the disasters to which I allude, with all the train of destruction, of riot, lawlessness, and bloodshed, to that of Woodrow Wilson, which, in its promptness and through the force of conciliation, by the agency of the lawmaking body, has produced the result which we now enjoy? Sir, in this Nation now nothing was stopped, nothing paralyzed, no crisis in the Republic, all peace, all prosperity, not even an infant, not a baby, inconvenienced by hunger. We realize that this has been the result of that great promptness of course, that sagacity and statesmanship on the part of the head of our Government, aided by the legislators who came to his support in the moment of his demand.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. LEWIS. Gladly, sir.

Mr. GALLINGER. I remember, Mr. President, that during the Civil War some distinguished gentlemen in the South said that all they wanted was to be let alone; and if they had been let alone a great deal of bloodshed and a great deal of suffering and sorrow and death would have been averted. But the Government did not think it was wise to let them alone.

Mr. LEWIS. Mr. President, I recognize that there were those who at that time said, "We need only be let alone," and there were those who felt it was wise to let them alone. I also note in the public press that the eminent leader of the Republican Party, who is now sponsoring its presidential candidate, the Hon. Theodore Roosevelt, is condemning the Democracy wherever he can for not making war on Germany; and, among other reasons he gives is that in the time of the Civil War Horace Greeley, the then eminent editor and voice of the Republican Party, referring to the situation to which the eminent Senator from New Hampshire now adverts, cried out, "Let the erring sisters go in peace." Col. Roosevelt says that there were those in the Government at that time with a disposition to obey the demand, and he likens our situation in not making war on Germany to that policy—that we are willing to let "erring Germany" go. My learned friend, the eminent Senator from New Hampshire, is right in his observations. The Government could not let some things alone then or now. The same stimulus that prevented disorder as best it could, or rather the policy and decision of staying rebellion, avoiding secession, and continuing the Union, is the same policy that is in the hearts of our brothers to-day by which we seek peace, hope to avoid conflict, and dream to perpetuate prosperity and happiness.

Therefore, Mr. President, I say gladly we are here to-day enjoying the ordination of the Holy Scriptures when we recall that the great Master proclaimed the truth that "By their fruits ye shall know them." To-day, this morning, Monday, upon the day when this holocaust and disaster was threatened to have fallen upon us, we point our countrymen to the fruits of our planting and cry unto them to behold them, they are peace, comfort, blessings, and happiness. Sirs, from this we feel in

our hearts that the Great Gleaner will say unto his faithful steward as was said in a past sacred day to another, "Ye have planted wisely, and unto my people ye have brought forth good fruit."

#### THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. OLIVER. Mr. President, the Senate now has under consideration a very important measure. It is the anxious desire of the vast majority of Senators on both sides of the Chamber to dispose of that measure as quickly as possible and bring about an adjournment within a few days. The only way in which that can be accomplished is by the Senate and Senators devoting their attention exclusively to the measure that is before the Senate.

I now wish to give notice that if any more of the time now remaining to us is going to be devoted to political speeches, or to anything else than the business in hand, I will call for a quorum every time it happens. I believe that the leaders on the other side of the Chamber are just as anxious to get away as the rank and file on this side, and we will cooperate with them in every effort to expedite action on the revenue bill; but if any attempt is made to interfere with it, they will have to produce a quorum every moment of the time.

Mr. SIMMONS. Mr. President, I am glad that the Senator from Pennsylvania [Mr. OLIVER] has called the attention of the Senate to the fact that there is pending a very important measure, in which the country is deeply interested, and which we are all anxious to dispose of as quickly as possible. I thought probably we would facilitate its consideration if we allowed some little opportunity this morning for Senators to present certain reports and things of that kind that they felt it was their duty to have go in the RECORD, and I did not raise the point of order against them; but I feel that it is necessary now to insist that nothing shall be injected which shall interfere with the consideration of this bill. I hope Senators on this side and Senators on the other side will refrain from making political speeches, or speeches not germane to the bill, until we have finished it. I heartily join the Senator from Pennsylvania in his suggestion, and I assure that side of the Chamber that so far as I am concerned I will cooperate to keep the Senate to the consideration of this bill to the exclusion of other matters.

I want it distinctly understood, of course, that I am not criticizing the Senator from Illinois [Mr. LEWIS]. I hope we will not have any further discussions of a political character or not germane to this bill.

#### LEGISLATIVE RECORD OF THE DEMOCRATIC PARTY.

Mr. NELSON. Mr. President, I intend to make some remarks reviewing the legislative record of the Democratic Party. Part of what I shall say relates directly to this legislation, and, inasmuch as I am anxious to get through as soon as possible, I shall not yield to any interruptions, for two reasons: First, I do not want the continuity of my remarks broken into; in the next place, my experience with interruptions is that it keeps a man on his feet a much longer time than he would otherwise have to stay.

Owing to dissensions in the ranks of the Republican Party and to the fact that it had two candidates in the field, Woodrow Wilson, in the fall of 1912, by a plurality, but a minority of the popular vote, secured a majority of the Electoral College, and was thus chosen President of the United States, and was duly inaugurated March 4, 1913. Within a few days thereafter he convened Congress in extra session. Congress met on the 7th of April, 1913. The President, in pursuance of a custom he adopted, and which had not prevailed since the days of Washington, delivered on the following day his message orally to the two Houses of Congress in joint session. In his message he said, among other things:

I have called the Congress together in extraordinary session because a duty was laid upon the party now in power at the recent elections which it ought to perform promptly. In order that the burden carried by the people under existing law may be lightened as soon as possible and in order also that the business interests of the country may not be kept too long in suspense as to what fiscal changes are to be, to which they will be required to adjust themselves, "It is clear to the whole country that the tariff duties must be altered.

\* \* \* \* \*  
The sooner that is done the sooner we shall escape from suffering from the facts and the sooner our men of business will be free to thrive by the law of nature (the nature of free business) instead of by the law of legislation and artificial arrangement.

\* \* \* \* \*  
We must abolish everything that bears even the semblance of privilege or of any kind of artificial advantage and put our business men and producers under the stimulation of a constant necessity to be efficient, economical, and enterprising, masters of competitive supremacy, better workers and merchants than any in the world. Aside from the duties laid upon articles which we do not and probably can not produce, there

fore, and the duties laid upon luxuries and merely for the sake of the revenues they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

In pursuance of this Executive mandate Congress, both Houses being in control of the Democratic Party, proceeded to formulate and enact a new tariff act, which finally became a law on the 3d of October, 1913, taking the place of the Republican tariff act of 1909. In making their first assault upon the tariff President Wilson and his party followed in the wake of President Cleveland and his administration in 1893-4. It is always the tariff that is an eyesore to the Democratic Party. The avowed purpose of the law was to destroy protection and to produce revenue. It was successful as a destroyer of protection, but an utter failure as a revenue provider, as the following statement, compiled from official records, of the imports and duties collected thereon for the fiscal years from 1910 to 1916, both years inclusive, shows:

Imports, duties collected, and average rate of duty on all imports, by fiscal years.

Fiscal year.	Value of imports.	Duties collected.	Rate.
1910 <sup>1</sup>	\$1,556,947,430	\$333,683,445	21.4
1911 <sup>2</sup>	1,527,226,105	314,498,071	20.6
1912 <sup>3</sup>	1,653,264,934	311,257,348	18.8
1913 <sup>4</sup>	1,813,008,234	318,142,344	17.6
1914 <sup>5</sup>	1,893,925,657	292,128,528	15.4
1915 <sup>6</sup>	1,674,169,740	209,268,107	12.5
1916 <sup>7</sup>	2,197,883,510	211,866,222	9.6

<sup>1</sup> Payne law took effect Aug. 6, 1903—eleven months.  
<sup>2</sup> First full year, Payne law.  
<sup>3</sup> Democrats took control of House. Tariff revision by schedules, vetoed by President Taft.  
<sup>4</sup> Democrats assume complete control; general revision under way.  
<sup>5</sup> Underwood law took effect Oct. 4, 1913—nine months.  
<sup>6</sup> Eleven months war period.  
<sup>7</sup> Full war period. High record on imports, low record average duty rate.

The flood of importations and the paucity of the duties collected during the fiscal year 1916 demonstrate how open the door of protection is and how scant the duties collected have become. While the imports for 1916 were \$544,000,000 in excess of the imports of 1912, yet the duties collected were nearly \$100,000,000 less. In the meantime, while there was such a great decline in the duties collected under the new tariff law, there was no decline in the internal-revenue taxes, including the corporation and income taxes, but rather an increase. The following table, taken from the Statistical Abstracts, shows this:

Year.	Internal revenue.	Excess of ordinary receipts (+) or ordinary disbursements (-).
1910 <sup>1</sup>	\$289,933,519	+\$15,806,324
1911 <sup>1</sup>	322,529,201	+ 47,234,377
1912 <sup>1</sup>	321,612,200	+ 37,224,502
1913 <sup>1</sup>	344,416,966	+ 41,340,524
1914 <sup>1</sup>	380,041,007	+ 34,418,677
1915 <sup>1</sup>	415,669,646	- 19,519,322
1916 <sup>1</sup>	512,723,287	- 23,819,839

<sup>1</sup> Includes corporation tax: 1910, \$20,951,781; 1911, \$33,516,977; 1912, \$28,583,304; 1913, \$35,006,300; 1914, corporation income tax \$32,456,663, corporation excise tax \$10,671,077, and individual income tax \$28,253,535; 1915, emergency revenue \$52,069,126, corporation income tax \$39,155,597, and individual income tax \$41,046,162; 1916, emergency revenue \$84,278,302.13, corporation income tax \$56,993,657.98; individual income tax \$67,943,594.63.

Like the Democratic tariff law of 1894, this Democratic tariff act of 1913 produced a deficiency of revenue for the wants of the Government, and it became necessary to resort to other further methods of taxation, and this led to the enactment of the law of October 22, 1914, entitled "An act to increase the internal revenue, and for other purposes." This act, by its terms, was to remain in force until December 31, 1915. It imposed additional taxes on beer, spirits, wine, and tobacco, and taxes on occupations, and stamp taxes. The life of this act was extended by H. J. Res. 59, December 17, 1915, until the 31st day of December, 1916. Under this law there has been collected, up to the end of the fiscal year 1916, upwards of \$136,347,428, and thus making up for the losses in duties to some extent. The Democrats ascribed the necessity for this legislation to the European war, but, as a matter of fact, the operation of their tariff law for the 10 months preceding the war clearly demonstrated that there would be such a falling off in duties that additional sources of revenue must be secured to meet the expenses of the Government regardless of the war.

I have not time to describe in detail the havoc wrought by the tariff act of 1913, in respect to the protection afforded by the act of 1909 to our various industries. I shall only refer to one matter, the raid made upon the farmers. Nearly all their products were either put upon the free list, or so greatly reduced as to be practically on the free list. Had it not been for the great European war our farmers would have sustained great losses from this change in our tariff. With a wheat crop of a billion bushels in the United States and over 300,000,000 bushels in Canada in 1915, our wheat farmers, but for the great war, would have had 60-cent wheat instead of a dollar a bushel and over. And the same pro rata difference would have occurred in respect to oats, barley, rye, and flax. The main crop of the South, cotton, has practically no competition, and hence is immune from tariff legislation. It is further to be noted in this connection, that that part of the tariff act of 1913, which provided for free sugar on and after the 1st of May, 1916, was repealed by the act of April 27, 1916, for by that time the Democratic Party had come to realize that a loss of \$50,000,000 in sugar duties, would make too large a breach in the already scant duties collected under their tariff law.

CURRENCY LEGISLATION.

In the fall of 1907 there was a so-called bankers' monetary panic in New York City, which not only seriously affected the banks in that city, but also to a considerable extent affected banks in other parts of the country. For a time the banks in New York suspended cash payments and this led to the suspension of cash payments in many of the banks of our large cities. The panic finally subsided and spent its force by the end of the year without leaving the havoc and destruction in its wake that the panic of 1873 did. This panic led to the passage of the so-called Aldrich-Vreeland Act of May 30, 1908, which provided for the issuance of emergency currency through voluntary currency associations of national banks and also permitted national banks in certain cases to obtain additional circulation on other security than United States bonds. The act also provided for the appointment of a National Monetary Commission, "to inquire into and report to Congress what changes are necessary or desirable in the monetary system of the United States," and so forth.

This commission consisted of the following persons: Nelson W. Aldrich, chairman; Edward B. Vreeland, vice chairman; Julius C. Burrows; Eugene Hale; H. M. Teller; H. D. Money; Theodore E. Burton; James P. Tafiaferro; BOIES PENROSE; JOHN W. WEEKS; Robert W. Bonyng; L. P. PADGETT; George F. Burgess; A. P. Pujo; George W. Prince; James McLachlan; A. Piatt Andrew, assistant to commission; and Arthur B. Shelton, secretary.

The commission made an exhaustive and thorough investigation, both at home and abroad, and gathered a large quantity of most valuable data and material, consisting of many volumes, and finally made its report to Congress on the 8th day of January, 1912, recommending, among other things, the establishment of a national reserve association, with a capital of \$200,000,000, and with subsidiary local, or branch, associations throughout the country. Stock subscriptions were to be limited to National and State banks and to trust companies, but was not compulsory. A bill to carry out the recommendations of the commission was introduced, but no action was taken on the same. I shall not at this time enter into further details in regard to the report of the commission. It is a part of the monetary history of this country, and much of the commission's work was utilized and made use of in formulating the Federal reserve act, to which I shall later on call your attention.

While emergency currency associations were formed under the Aldrich-Vreeland Act, no currency was taken out under it until the threatened panic of 1914, for the reason that after the subsidence of the panic of 1907 normal monetary and business conditions prevailed, business was good, and money abundant at reasonable rates. By its terms the Aldrich-Vreeland Act expired by limitation June 30, 1914. In the Federal reserve act the life of the Aldrich-Vreeland law was extended for another year and a reduction of the tax on the emergency currency was also made. The tax provision in the original act is as follows:

National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first month a tax at the rate of 5 per cent per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax of 1 per cent per annum for each month until a tax of 10 per cent per annum is reached, and thereafter such tax of 10 per cent per annum upon the average amount of such notes.

In the extension act it is as follows:

National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first three months a tax at the rate of 3 per cent per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax rate of one-



half of 1 per cent per annum for each month until a tax of 6 per cent per annum is reached, and thereafter such tax of 6 per cent per annum upon the average amount of such notes.

The act of August 4, 1914, made no change in the tax rate, but removed some other restrictions which were not germane after the passage of the Federal reserve law.

The war in Europe, which was impending in July and broke out in the early days of August, 1914, threatened our country with another monetary panic. The great, belligerent countries of Europe proceeded to dump upon our market, well-nigh by the wholesale, a large portion of the great mass of American securities held abroad, and this dumping led to the outflow of gold in great volume, and to a money stringency. Our great sheet anchor in this emergency, and which served to stay the panic, was not the Federal Reserve System, but the Aldrich-Vreeland law and the currency issued under it. Although the tax on this currency had been reduced and restrictions, rendered obsolete by the Federal reserve act, removed, yet fundamentally, and in its essence, it was the structure of the Aldrich-Vreeland Act that gave us the needed relief; under the circumstances the emergency currency would have been taken as readily under the original law, for the tax merely related to the period of circulation. The Secretary of the Treasury, in his report of December 7, 1914, after calling attention to what the Treasury Department had done to allay the panic and congratulating the country on its recovery, added:

There is every reason why the country should look to the future with confidence so far as its trade, commerce, and industry are concerned. This has been accomplished, notwithstanding the fact that the Federal Reserve System authorized by the act of December 23, 1913, was at that time only in process of formation and was therefore unable to render any service in the situation.

Further on in his report he states:

Fortunately, the Federal reserve act of December 23, 1913, materially modified in several important particulars and extended until June 30, 1915, the Aldrich-Vreeland Act, under and by virtue of which the Secretary of the Treasury is given discretion to issue emergency currency to national banks upon their application and upon their compliance with the provisions of the act. In anticipation of the necessity, large amounts of this emergency currency were sent beforehand to the subtreasuries in New York and to the other subtreasuries throughout the country, so that upon the opening of the banks for business on August 3, 1914, the department was able to issue to them sufficient currency to enable them to cope with the situation as it developed.

#### FEDERAL RESERVE ACT.

In his letter of January 16, 1911, addressed to his colleagues on the Monetary Commission, calling their attention to the outline of a tentative plan, and so forth, Senator Aldrich said, among other things:

If we can so amend the present national banking act as to permit the formation of an association of all the banks of the country to meet these needs, we shall have gone a long way toward solving the problem which is before us. If, then, in addition, we provide a more scientific basis for bank-note circulation, so that the volume of circulation will be responsive to the needs of business, we shall, I believe, have met the two main requirements of a satisfactory solution. In addition to that, if we can aid in creating a discount market in this country similar to the discount markets in Europe, so that the most liquid portion of our bank funds will not of necessity be forced to such a large degree as at present into the making of call loans upon stock-exchange collateral, but will, instead, be available for the needs of commercial business, we shall have so broadened our banking methods as to bring incalculable benefit to the commercial life of the country.

This statement contains the germ of all that is best in the Federal reserve act. And in the one particular, that of forming a single association of all the banks of the country, State and National, wherein the Federal reserve act departs from it, and in its place substitutes 12 associations, of national banks only, lies the weakness and expensiveness of the new system. The one system provided a common reservoir for all the banks, State and Federal. The other system provided 12 reservoirs for Federal banks only. It is true that State banks can join the new system, but its restrictions and disadvantages are such that very few State banks have joined or care to join it.

There were on June 30, last, 7,579 national banks, with a capital and surplus of \$1,797,438,000, which were members of the new system, and about 22,460 State banks, with a capital and surplus of \$2,530,700,000, which were not members of the system, besides a large number of trust companies. In all the commercial and industrial countries of the world, great and small, but ours a single great bank of issue stands at the head of their banks and monetary systems, while we have 12 heads for a part only of our banks. The reserve banks have added no new banking capital. Their capital and reserves have all come from the member banks. And so far, after being in operation since November 16, 1914—a period of one year and nine months—only 5 of the 12 banks have paid any dividends, and these 5 only a total dividend of 6 per cent. I add here a list of the 5 banks that have paid dividends and also a list of the

net earnings of all the banks for May and June, 1916, and for the six months ending June 30, 1916:

#### Reserve bank's earnings.

Percentages of net earnings of the 12 Federal reserve banks, to capital, for May and June, and for the six months ended June 30 last, are as follows:

Federal reserve bank of—	May, 1916.	June, 1916.	6 months to June 30, 1916.
Boston.....	5.9	5.1	4.1
New York.....	4.2	3.6	2.4
Philadelphia.....	4.5	4.2	2.9
Cleveland.....	3.4	3.8	2.1
Richmond.....	5.7	5.5	4.3
Atlanta.....	4.4	4.0	2.9
Chicago.....	5.2	2.4	3.5
St. Louis.....	.5	1.6	1.7
Minneapolis.....	3.1	3.3	2.0
Kansas City.....	7.3	7.1	5.1
Dallas.....	6.1	6.7	5.3
San Francisco.....	2.0	2.9	.7

<sup>1</sup> Deficit.

Five of the Federal reserve banks have so far declared dividends, as follows:

Federal reserve bank of—	Date declared.	Period covered Nov. 1915 to—	Rate.	Amount.
Richmond.....	Dec., 1915	Dec. 21, 1915	5	\$151,931
Do.....	Apr., 1916	do.....	1	30,387
Atlanta.....	June, 1916	ec. 21, 1916	1	128,193
Chicago.....	do.....	Mar. 31, 1916	1	76,151
Dallas.....	Jan., 1916	June 30, 1915	1	65,522
Kansas City.....	July, 1916	do.....	1	46,703

The new system had nothing to do with staying the threatened panic of 1914. That panic was stayed partly by closing the stock exchange, partly by clearing-house certificates, and largely by the currency taken out under the Aldrich-Vreeland law. So far the system has been mostly a burden to the member banks. Except in the five cases mentioned, they have received no dividends and have lost the 2 per cent interest on their reserves which they formerly secured. The system has added no new capital or new wealth to our country. Our prosperity and our abundance of money has come from our immense exports and the high prices resulting from the European war. Part of the proceeds of our exports have been invested in foreign bonds, but the great bulk of it has found its way into the coffers of the banks and the circulation of the country.

It reminded me of Don Quixote when I heard a Democratic Senator, the other day, speak of the great prosperity of the country and the abundance of money and ascribe it all to the virtue of the Federal reserve system.

#### COST AND EXPENSES OF THE SYSTEM.

Let me for a few moments call your attention to some of the costs and expenses of the new system. I get my data from the Second Annual Report of the Federal Reserve Board of December 31, 1915, for the fiscal year ending that date:

The salaries of the members of the board and of its officers and employees were, in the aggregate.....	\$175,650
Annual salaries paid by the several reserve banks:	
Boston bank.....	50,880
New York bank.....	155,978
Philadelphia bank.....	77,000
Cleveland bank.....	68,540
Richmond bank.....	55,980
Atlanta bank.....	47,304
Chicago bank.....	96,560
St. Louis bank.....	80,900
Minneapolis bank.....	45,920
Kansas City bank.....	55,640
Dallas bank.....	63,773
San Francisco bank.....	64,120
To this should be added counsel fees of three banks.....	3,300
Total of 12 banks.....	865,895
To the foregoing should be added the following items:	
For Federal advisory council.....	\$7,013
For governors' conferences.....	11,746
For directors' fees.....	44,096
For fees for legal services.....	21,960
For Federal reserve agents' conferences.....	4,299
For rent.....	160,152
For all other current expenses.....	274,871
For furniture and other equipment.....	284,620
Total expenses for fiscal year ending Dec. 31, 1914.....	186,910
Organization expenses.....	493,960
Salary of Federal Reserve Board, first fiscal year.....	26,055
Total.....	1,515,682

There are other minor items of expense which I have not gathered or noted that might be added, but these items I have given show that the new system up to December 31, 1915, cost in the aggregate the sum of \$2,557,227. If we pro rate the salaries and expenses for the eight months ending August 31 on the basis of the salaries and expenses of the fiscal year ending December 31, 1915, we have an additional cost of the system of \$974,684, which makes the aggregate cost up to August 31, 1916, about \$3,531,911. Deducting the organization expenses and the cost of furniture and equipment, amounting to \$778,580, from the aggregate of \$3,531,911 leaves \$2,753,331 as the overhead cost of the system for a period of one year and nine months, or a monthly average of \$131,111. This indicates what an expensive system the 12-bank scheme is. So far as the currency is concerned, it is an improvement on the former system in this, that it provides for greater elasticity. But the system is weak in keeping the reserves scattered in 12 reservoirs instead of one great central reservoir that could, in case of a great emergency, immediately reach out a strong helping hand to any threatened point and give instantaneous and effective relief. It will not be an easy or speedy matter to pipe the reserves of the 12 scattered banks to any threatened point in case of a great emergency. Each of the 12 banks may conceive itself to be the sole seat of danger, and may decline to reach out a helping hand to its brother banks. One large, strong, central reservoir could, in the case of a great emergency, render far more effective aid than 12 small scattered reservoirs. Another important defect of the system is that it is so constructed that it practically leaves our great body of State banks outside of the pale of the system. The plan of the Monetary Commission included all banks, State and Federal, as well as trust companies. On the whole, the new system may be regarded as a partial improvement, but far from affording that perfect remedy and system that a great country like ours is entitled to.

But what else could we expect? It was the product of a partisan spirit, rather than a broad national spirit, receiving its inspiration from a party platform and nourished by its hostility to New York as the commercial and financial center of the country and the Jacksonian hatred of a single central bank. Personal politics, too, had a hand in the work, as appears from the fact that the two great commercial cities of the South—Baltimore and New Orleans—were ignored, and their places given to far inferior cities, and two reserve banks were located in the same State. Moreover, how many important localities were wrenched from their natural and accustomed business connection in order to piece out the scheme for favored places?

The system has not so far been tested in a monetary panic or a threatened panic. It is, to say the least, doubtful, on account of its 12 scattered reservoirs, whether it will prove as swift and effective as the Aldrich-Vreeland Act proved to be in the panic of 1914. Then the relief came from a single central source supplying the currency. Under the new system it would have to come from 12 widely scattered sources, each nervous for its own well-being. The survival of the Subtreasury system leaves it discretionary with the Secretary of the Treasury where to deposit the Government funds. He has 12 reserve banks and the Subtreasury at his option and for his favor. The Democracy should not be too boastful of their currency and financial legislative record. When Jackson, in 1833, brought about the downfall of the last United States bank by removing the Federal deposits, our country was left without any Federal or quasi-Federal paper currency and was remitted to a vicious system of State banks and a so-called Subtreasury system. None but those whose memory and experience reaches back to the years before the Civil War can fully realize how embarrassing and how vicious that system was and how many losses it entailed upon the American people. This legacy of the Democracy we suffered from for nearly 30 years, until the Republican Party, in 1863-4, established our system of national banks. This system was instrumental in funding our great war debt and gave us for the first time a national paper currency of Treasury notes and national-bank notes, still in use, and perfectly safe and sound, and only deficient in elasticity. These national banks still survive and are the supporting pillars of the new system. The plan of building on them came from the Monetary Commission. The only survivor of Jacksonian Democracy is the Subtreasury system, and its survival is an incident, if not a necessity, of the 12-bank scheme. It is the only monument remaining of Democratic ante bellum financial legislation.

#### OTHER DEMOCRATIC LEGISLATION.

In the spring of 1914 the administration gave out, through the public press and otherwise, that a trilogy of bills would be introduced and passed to remedy most of the ills and wants of our industrial and economic system. The general purpose, it

was declared, was to repress, regulate, and control all trusts and monopolies and all the great business interests of the country. These promised bills were afterwards introduced, and turned out to be as follows:

First. A bill "to create an Interstate Trade Commission, to define its powers and duties, and for other purposes," introduced in the House April 13, 1914.

Second. A bill "to supplement existing laws against unlawful restraints and monopolies, and for other purposes," introduced in the House April 14, 1914. This bill was commonly called in its transit through the two Houses the Clayton anti-injunction bill.

Third. A bill "to amend section 20 of an act to regulate commerce, to prevent overissues of securities by carriers, and for other purposes," introduced in the House May 15, 1914. The purpose of this bill was to regulate the issuance of stock and securities by railroad corporations, and was really the most important and most valuable of the three bills. It passed the House, came to the Senate, and was referred to the Committee on Interstate Commerce. This committee on July 23, 1914, reported it back to the Senate favorably, with certain amendments. But by this time a change had come over the spirit of the dream of the Democracy, and this, the best of the three bills, was left to languish and finally die an ignominious death.

The Trade Commission bill became a law on September 26, 1914. It created a commission of five members, with a yearly salary of \$10,000 each, and with a secretary at a salary of \$5,000 a year. The jurisdiction and work of the commission is defined in the following paragraph of section 5 of the act:

That unfair methods of competition in commerce are hereby declared unlawful. The commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

Practically all the rest of the act, aside from this, relates to procedure and to the enforcement of the decrees of the commission.

For a number of years there had been under Republican administrations a pretty vigorous prosecution of various big trusts and monopolies. This was not relished by them, and a hue and cry went up from them and their friends throughout the country that it was difficult for business interests to know just what they could and could not do under the antitrust law of 1890, and they vigorously, through the public press and otherwise, clamored for relief. Attempts had been made during the last administration of President Roosevelt to pass a law to relieve them against what they conceived to be the harshness of the enforcement of the antitrust law. This attempt failed, but they renewed their efforts, and the general impression among the public is that the Trade Commission act was passed as a partial antidote against the harshness of the antitrust law. We know this, that since the Trade Commission act was passed there have been no new prosecutions under the antitrust law and the old cases which were pending have moved along at a gentle gait. Where a great corporation has, in one way or another, absorbed all its competitors so it has all the field to itself, it is difficult to see what the Trade Commission can do in such cases. It is true that the Trade Commission law does not repeal the antitrust law, but the effect of the commission law is that big interests expect to go through its hopper before they are pushed into the hopper of the antitrust law. The best definition I have heard of the Trade Commission law was that expressed to me by a representative of one of the great interests, who said "it could at least be regarded as a purgatory to the hell of the antitrust law."

I can not find that the Trade Commission has so far judicially passed upon any case involving unfair methods of competition in commerce, or that it has, by its action in any case, put a stop to unfair methods of competition or granted substantial relief. I can find no information bearing directly on this matter in the first annual report of the commission of June 30, 1915. On the 29th day of August last I addressed and mailed to the commission a letter, of which the following is a copy:

UNITED STATES SENATE,  
COMMITTEE ON COMMERCE,  
August 29, 1916.

SECRETARY FEDERAL TRADE COMMISSION, City.

DEAR SIR: I wish you would, at your earliest convenience, send me a list of the cases that your commission has investigated or had hearings in, either on your own motion or upon request, under the Federal Trade Commission law, a list of the cases finally disposed of, and a list of cases and investigations pending, and in general a brief statement of the work and operation of your commission since it was organized. I also want to get a list of the number of employees in your commission and the salaries paid to them.

Yours, truly,

KNUTE NELSON.

On August 31 I received the following reply:

FEDERAL TRADE COMMISSION,  
Washington, August 30, 1916.

Hon. KNUTE NELSON,  
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is simply to acknowledge receipt of your request of August 29 for a detailed statement in connection with cases investigated by the commission, list and salaries of employees, etc. Your letter has been referred to the proper divisions of our office for preparation of the data requested.

Very truly, yours,

L. L. BRACKEN, Secretary.

I take it that from the leisurely methods that prevail in many of the Government departments quite a while will elapse before I secure the desired information.

Referring to the second of said acts—in common parlance called the Clayton law—"To supplement existing laws against unlawful restraints and monopolies, and for other purposes," its provisions may be grouped under two heads:

First. It lays out some work for the Trade Commission. It forbids in general terms discrimination in prices and gives a remedy by judicial procedure for such discrimination. It contains the superfluous definition, "That the labor of a human being is not a commodity or article of commerce." It forbids one corporation from holding stock in another corporation if the effect of it is to substantially lessen competition or create a monopoly. It forbids interlocking directors among banks, which has already been modified by legislation this session. It prohibits interlocking directors in cases of corporations other than banks where such corporations are competitors. It prohibits railroad corporations from having any dealings in excess of \$50,000 with any corporation that has as its manager or on its board of directors any person who is a director, manager, or officer of a railroad company. A stay of proceedings, however, has been granted as to this paragraph by legislation passed at this session. The balance of this part of the act refers to the procedure involved in the enforcement of the provisions of the act and prescribes penalties, and so forth.

Second. This portion of the act was intended for the benefit of the labor organizations by modifying the law in relation to injunctions in labor disputes and to the enforcement and punishment of contempt in such cases. The purpose of this provision of the bill was to make it easier for labor organizations to inaugurate and maintain a strike. This part of the act, however, fails to give the labor organizations what they wanted and expected.

It prescribes that no injunction shall be granted in labor disputes except "to prevent irreparable injury to property or to a property right." It is the contention of labor organizations that the right to labor is not property that is entitled to relief by injunction, but in this they are entirely mistaken. The Supreme Court of Massachusetts has recently, in a well-considered case, unanimously decided that the right to labor is property and is as much entitled to protection under the Constitution of the United States as any other species of property. If the contention of the labor organization should prevail it would put a laboring man, who wanted to work and had nothing to sell but his work, outside of the pale of the protection of the law. While this particular act to some extent modified the law in reference to injunction procedure, it utterly failed to give the labor organizations the relief they looked for and wanted—that is, ample freedom to inaugurate and carry on strikes.

Another matter of legislation for which the Democracy will claim great credit is the so-called child-labor act. In reference to this, it can be said that there were only some three or four States in the Union that did not have on their statute books suitable and adequate child-labor laws, and in these few States, where the laws were imperfect and deficient, I have no doubt but what they would in due time have enacted the necessary laws. It is a very serious question, to my mind, whether this law is constitutional. I voted for it with the utmost reluctance, and to some extent because I was anxious to have the Supreme Court pass upon this important question, for if such legislation is valid, the limits to which the interstate-commerce clause of the Constitution can be applied are well nigh boundless.

The next piece of Democratic legislation upon which the party will plume itself, but which time will show will involve the squandering of \$50,000,000 without furnishing any relief or doing anything but harm, is the shipping act. I have already on a former occasion discussed this measure, and so will not take up the time of the Senate any further in reference to it.

I must not omit at this time to call attention to the so-called rural-credit act. This was designed to furnish loans to farmers on their improved real estate, which they occupy and farm. The tenants, who are most needy, can secure no loans under this act. The requirements of the act are of such a complicated

and involved character that, except in those localities of the country where money is scarce and interest high, few farmers will care to avail themselves of the law. And one feature of the act—that which provides for the creation of joint-stock banks—is liable in the hands of unscrupulous promoters to be made the instrument for defrauding the public by undue stock subscriptions. It is not likely at all that the law will be utilized in the New England States or in the States of the Central or Middle West. It may prove of some advantage to the planters of the Southern States, but their large body of tenant farmers will secure no relief under the law. It is a measure that carries a high-sounding title, but will prove of slight value to the farmers of the country.

Finally, Mr. President, I can not omit referring to the greatest legislative glory of the Democratic Party at this session—the passing of the law to increase by legislative fiat the wages of a certain class of railroad employees 25 per cent over what they are now receiving. This is the culmination of Democratic wisdom in the field of legislation. Time will tell whether this law will be of any permanent help or advantage to those who held us by the throat and threatened to strike, and whether it will help the Democracy to secure the reelection of President Wilson. One thing is certain, that if the increased wages are sustained and allowed, it will of necessity impose a great additional burden on the farmers and producers of the country. The ultimate burden will be cast upon them. This law is the apex of the scheme of so-called constructive legislation of the Democratic Party.

#### THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. OWEN obtained the floor.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. OWEN. Yes.

Mr. SIMMONS. I understand the Senator from Illinois [Mr. LEWIS] desires to offer an amendment to the pending bill.

Mr. LEWIS. Mr. President—

Mr. OWEN. I yield to the Senator.

Mr. LEWIS. If the Senator from Oklahoma will yield to me, I tender an amendment, which subsequently I will call up in connection with the present pending revenue bill. I thank the Senator from Oklahoma and also the Senator from North Carolina.

The PRESIDING OFFICER. The amendment will be printed, and lie on the table.

Mr. SIMMONS. Mr. President, if the Senator from Oklahoma will yield further, I desire to present two amendments.

Mr. OWEN. I yield to the Senator.

Mr. SIMMONS. On page 99, of the bill, in line 21, on behalf of the committee, I wish to suggest the addition of the word "stock," after the word "capital."

The PRESIDING OFFICER. That occurs in the body of a committee amendment which has already been agreed to, and it will be necessary to reconsider the vote whereby the amendment was adopted.

Mr. SIMMONS. I understand that, and for the purpose of moving the amendment I have suggested and one other amendment in that paragraph, I move that the vote whereby the amendment of the committee as amended was adopted be reconsidered.

The motion was agreed to.

Mr. SIMMONS. Now, on page 99, in the amendment of the committee, on line 21, after the words "\$1,000 of capital," I move to insert the word "stock," so that it will read "\$1,000 of capital stock."

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

The amendment to the amendment was agreed to.

Mr. SIMMONS. Now, Mr. President, there was an amendment adopted to the committee amendment, in line 23, on the same page, adding, after the word "sums," the words "of capital, surplus, and undivided profits." After the word "capital" I move to insert the word "stock."

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

The SECRETARY. On page 99, line 23, after the word "sums," the committee amendment was amended by adding the words "of capital, surplus, and undivided profits." It is now proposed to amend the amendment by adding after the word "capital" the word "stock."

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

The amendment to the amendment was agreed to.

Mr. SIMMONS. Now, I move the adoption of the amendment as amended.

Mr. PENROSE. I ask that the Secretary read the amendment as it will read as amended.

The PRESIDING OFFICER. The Secretary will read as requested.

The SECRETARY. If amended, the first portion of the paragraph will read:

First, Corporations, joint-stock companies, and associations shall pay 50 cents for each \$1,000 of capital stock, surplus, and undivided profits used in any of the activities or functions of their business, including such sums of capital stock, surplus, and undivided profits as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities.

The PRESIDING OFFICER. The question now is upon agreeing to the amendment as amended.

The amendment as amended was agreed to.

#### BANKING AND CURRENCY LEGISLATION.

Mr. OWEN. Mr. President, the Senator from Minnesota [Mr. NELSON] rather elaborately minimizes the value of the Federal reserve act and, incidentally, the acts of the present administration and the present majority in Congress in relation to the legislation passed for the protection of this country against panic. I had occasion to point out some days ago the relation of the present Democracy to the protection of this country against panic; but, in spite of the record laid before the Senate, we hear a general repetition of the charge that the protection of this country against panic was due to the Republican Party and the act of 1908.

The claim of the Republican Party as the protector of this country against panic is presumptuous beyond words. That party had control of the legislative power of this country for nearly a half century, and they permitted panic after panic to occur in this country without affording any legislative or executive relief whatever.

Why, Mr. President, it was not because the world did not know how to protect people against panics. Great Britain in 1866 provided an adequate means, consisting merely of permitting the Bank of England to issue legal-tender notes against commercial bills by ministerial permit when a panic occurred, thereby affording the people a convenient and safe form of money in all the abundance necessary to protect them against the hoarding of money when a panic occurs, and within 24 hours after that ministerial permit was given the Bank of England, in every instance the panic instantly abated. Three times they did that afterwards, in every instance abating the panic within 24 hours.

The Republican Party, charged with the protection of this country, knew perfectly well what that record was; or, if they did not know, they were guilty of a failure to inform themselves properly and to discharge the function imposed upon them by the trust of power given them by the people of this country. Why, it has been nearly half a century since the German Empire adopted a similar method, permitting the imperial Reichsbank to issue legal-tender notes against other securities than gold—and that meant merely commercial bills at last—under a penalty of a 5 per cent interest charge, a rate slightly higher than the normal rate, or estimated to be so; and a financial panic was impossible in Germany after they adopted that system. Even the European war created no currency or credit panic in either England or Germany or countries dependent on them. Yet with that knowledge before the Republican Party, they did not pass a proper bill to protect this country against panic, nor can they claim to be ignorant nor secure the immunity which ignorance justifies in claiming protection against the indignation of the people, because they were not ignorant; they were merely unintelligent and controlled by the Money Trust, whose control of our national credit system they were unwilling to break.

The Democracy, on the floor of the Senate in 1900, presented to the leaders of the Republican Party on this floor, through the chairman of the Democratic conference, James K. Jones, an adequate measure, that would have protected this country against the panic of 1907; and the Republican leaders on that side sat there like so many stoughten bottles or so many tennins, refusing legislative relief.

SEVERAL SENATORS. What is a stoughten bottle?

Mr. OWEN. A stoughten bottle is an inanimate body, comparable to an animate Cheshire cat, which grins in derision and offers no relief.

Mr. President, the Republican Party, having had this Democratic proposal providing a method of relief made to them in

1900, refused to accept it, and were responsible, therefore, for the results of their gross legislative incompetency; and when at last the panic of 1907 came, with the destruction of property in this country, estimated by Senator Aldrich himself on the floor of the Senate in his speech of 1908 at over two thousand millions—and, in fact, the loss was far greater—instead of then giving this country the relief which it ought to have had, the Republican Party appointed a so-called Monetary Commission to investigate this question.

They investigated and investigated and investigated, killing time, during the whole of the year 1908, during the whole of the year 1909, during the whole of the year 1910, during the whole of the year 1911, and during the whole of the year 1912. Why did they not act? No Senator on that side can offer any reason, because the only principle involved in this question was that power should be placed somewhere, as in Germany and England, to issue legal-tender currency or available money against commercial bills under an interest charge high enough to cause automatic contraction. That is all there was about it. That is the only principle involved in it that was necessary; and the Democracy had presented that principle in the proposed amendment to the Aldrich bill in 1900, which the Republicans would not accept, either because they did not want to protect this country against panic, and thereby deprive their New York auxiliaries of the opportunities which a panic affords them, or because they did not have intellectual competency to understand how to govern the country, which I believe is equally the fact.

Mr. WEEKS. Mr. President—

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

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

Mr. WEEKS. If the Democracy was in favor of that principle in 1900, will the Senator tell the Senate why it filibustered against putting it into effect in 1908?

Mr. OWEN. Mr. President, in 1908, instead of affording this country an adequate remedy, the Republicans turned this matter over to a monetary commission, providing for an indefinite delay; and I verily believe that if the Democratic Party had not come into power they would still be investigating it.

Mr. WEEKS. But, Mr. President, what I referred to was the filibuster against the passage of the Aldrich-Vreeland bill, which, as I recall, was led by the Senator from Oklahoma who is now speaking.

Mr. OWEN. The Senator is entirely mistaken about the filibuster being led by the Senator from Oklahoma. On the contrary, the Senator from Oklahoma on that occasion stated that, defective as that bill was, he would have voted for it rather than to have seen it fail, because it did at least, under great difficulty, under almost insurmountable and innumerable obstacles, afford some means by which an enlargement of currency could be brought about in case a panic had actually occurred. The Democrats did not filibuster against it. The filibuster, such as it was, was led by a Republican, Senator LA FOLLETTE, supported only by two Democrats.

Mr. WEEKS. Mr. President, did the Senator from Oklahoma vote for the bill?

Mr. OWEN. The Senator from Oklahoma did not vote for the bill, because his vote was not necessary to secure even that measure of relief, and because the bill was so greatly defective—as the Senator from Oklahoma pointed out at that time, February 25, 1908, in great detail and with great particularity—that he was justified in not voting for a bill that was so grossly defective.

Mr. WEEKS. Mr. President—

Mr. OWEN. I yield to the Senator.

Mr. WEEKS. I have in my hand letters from a large number of bankers who state that they would have taken out emergency currency in 1914 if there had been no amendment to the Aldrich-Vreeland Act. If it was so defective, why does the Senator suppose bankers were willing to act under the bill? The difference was that the banks had to pay a higher rate of interest, and you made it possible for the banks to make more money by taking out circulation under the amended bill. Moreover, it has been one of our policies to try to compel national banks to keep 40 per cent of their circulation in Government bonds; and you did away with the necessity of doing so, and enabled them to come in when they had not used Government bonds as a basis of circulation and get it in this way. In other words, you made it so easy for the banks to do these things, and so much more profitable, that of course they were glad to do it under the new conditions; but they could have done exactly the same thing under the old conditions when the emergency arose, and I have here a dozen or fifteen letters stating that that is true.

Mr. OWEN. Oh, Mr. President, it is perfectly easy to get a dozen or 15 letters from interested Republican bankers supporting any position asserted by the Republican Party leaders.

Mr. WEEKS. Mr. President—

Mr. OWEN. But the fact is that the Republicans passed a bill that was not used and never was used until the Democrats completely changed it, and practically suspended sections 1, 3, 5, 7, and 9, in order that the money might be obtained with some degree of facility and under conditions which the banks themselves could use. The lowering of the rate only permitted the country to get money at the lower rate and did not profit the banks, as the Senator himself must certainly know.

Mr. WEEKS. Mr. President, the bill was never put into operation, because the country was under a Republican administration, and times were so good that it was not necessary to utilize it.

Mr. OWEN. Mr. President, when the war was declared and this Republican measure was on the books, extended with very important modifications and amendments by the Democracy as of December 23, 1913, when the rate was reduced to 3 per cent, for example, the banks, instead of acting under that, came running to Washington or used the long-distance telephone urging an amendment that would permit them to act under that bill. Nobody knew better than the New York banks how defective that bill was; and I was called up as chairman of the Committee on Banking and Currency on the long-distance telephone by those banks in New York, the National City Bank included, by Mr. Vanderlip, urging amendments to that so-called Republican measure, in order that the banks might use it, and in order that they might find relief against a panic which was so urgently impending, and I myself was responsible for the immediate passage of those vital changes in the so-called Aldrich-Vreeland Act which made it workable and amended the very weaknesses which I had pointed out February 25, 1908, and not a Republican had the impudence to vote against this Democratic act of August 4, 1914, which protected the country from panic while the Federal Reserve Act was being put into executive action.

Mr. SMITH of Georgia. Mr. President—

Mr. OWEN. I yield to the Senator from Georgia.

Mr. SMITH of Georgia. I ask that the Senator from Oklahoma mention now the date when that took place. That was August 1, 1914, when the trouble was on in New York, when the additional currency was required; and they did not use it, even with the reduced interest, until the Democratic vital changes and amendments of August 4 were passed so as to make it possible to use it.

Mr. OWEN. Why, it was absolutely notorious, and here is the language of the law. Listen to this:

The Secretary of the Treasury is authorized to suspend the limitations imposed by section 1.

I protested on the floor of the Senate in 1908 against the limitations imposed by section 1 of that bill when it was passed, and I could not get any respectful recognition from that side of the Chamber.

The Secretary of the Treasury is authorized to suspend the limitations imposed by section 3 of the act referred to.

I opposed the limitations of section 3 on the floor of the Senate in 1908, and could not get any recognition from that side of the Chamber.

The Secretary of the Treasury is authorized to suspend the conditions and limitations of section 5 of said act.

Who was it that was praying for this relief? The banks of the country, who were face to face with a gigantic panic, with no immediate adequate protection except the grossly defective law passed by the Republican Party; and now the Republican leaders have the shameless assurance to come before the Senate and before the country and claim that they protected this country against panic!

Not only that, but section 9 of the act was modified so as to provide for 3 per cent. Under the provision of the original Aldrich Act the bank would have had to be almost in the throes of bankruptcy itself before it would have appealed to that act; but the conditions imposed were so serious that here the Democrats had to amend that act so as to suspend the provisions of sections 1, 3, 5, 7, and 9, practically rewriting it. More than that, the act had expired by its own limitation under the Republican legislative grant in June, 1914, and except for the Democracy, in the act of December 23, 1913, which was then writing the Federal reserve banking law as it ought to have been written by the Republican Party, there would not have been any provision whatever on the statute books except of the Federal reserve act itself, which was not completely in active operation.

The Federal reserve act was most potential, however, because the bill was written in the fall of 1913. The Federal Reserve Board had been appointed, these banks had been authorized, the agency was established, and that agency itself could have been put into operation in a comparatively few days; and the mere fact that there was in sight abundant relief was all that was absolutely essential to restore confidence.

I again call attention to this matter, because I think, as a matter of good conscience and of good faith to the country, statesmen representing the Republican side ought not to depart from the verity of history nor to make claims which are not justified by the plain truth.

The Senator wants to know why objection was made to the act of 1908. It took me three hours at that time to analyze the act of 1908, and I did on this floor analyze it most completely. I showed what the objections were, and I showed it in good faith, not as a partisan but as an American. I showed it, and I asked that the bill might be amended so as to meet the objections which were made. That prayer to the Republican side had no effect whatever; and afterwards we were compelled to amend it when the crisis came, in the very way which I had on this floor substantially advised at that time.

Mr. President, the Republican Party permitted five years of investigation by the Monetary Commission, in which they spent some two or three hundred thousand dollars in giving certain citizens large fees for writing brochures on the banking act, which was practically of no importance because at last there was only one question in it—the right to issue money against adequate security under a penalty high enough to cause automatic contraction and thus prevent inflation; and that principle had been laid down by the Democracy in 1900 in an amendment to the Aldrich bill of that date which I personally drew.

Mr. WEEKS. Mr. President—

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

Mr. WEEKS. When the Senator from Oklahoma criticizes the work of the Monetary Commission I hope he will remember that 7 of the 17 members of that commission were Democrats, and the report of the commission was unanimous.

Mr. OWEN. Oh, I understand that, Mr. President; and that is not particularly important. I could choose without much difficulty from among 6,000,000 Democrats some party Democrats who entertain a Republican point of view.

Mr. SMITH of Michigan. I never saw one.

Mr. OWEN. Oh, yes.

Mr. SMITH of Michigan. Not alive.

Mr. OWEN. Oh, yes; and you will find Republicans who entertain the Democratic point of view. There could be an advantageous "exchange of prisoners" without going very far from this Chamber.

Mr. SMITH of Michigan. They are away off the reservation, then.

Mr. OWEN. As far as the Monetary Commission was concerned, it finally brought in a bill that would have concentrated all the powers of the credit system into one small group, and would have put that group in charge of a small number of men in Wall Street, the so-called Money Trust, and would have put the credit system of this country absolutely under the domination of three or four men who are now so potential in the financial world, and always will be potential, because of the enormous amount of money and property which they control in that great city, the financial metropolis of the Western Hemisphere and, I hope, soon to be the financial center of the world.

Mr. President, I do not wish to take up any more time of the Senate on this matter.

I will ask that we may agree to proceed to the consideration of the corrupt-practices act immediately upon the conclusion of the revenue bill now pending. I ask unanimous consent that that may be done.

The PRESIDENT pro tempore. The Senator from Oklahoma asks unanimous consent that the Senate may proceed to the consideration of the corrupt-practices act immediately after the conclusion of the pending bill. Is there objection?

Mr. SMOOT. Mr. President, there is no need to call for a quorum at this time, because we can not tell when the pending bill is going to be voted upon. The Senator from Oklahoma can give notice, and at that time he can call it up and make the request. He can make the request then, but this is not the proper time to make it. I object.

Mr. OWEN. I give notice that I shall at that time bring the matter up.

Mr. SMOOT. That is all right.

Mr. OWEN. I hope Senators will not regard this matter lightly. The Senator from Utah, who is the chosen representa-

tive of the Republican side of the Chamber, who is always in his seat, who is perhaps the most industrious Senator in attendance upon this body, objects, and he evidently objects in their name.

Mr. SMOOT. No; I do not. I do not want the Senator to put any Republican Senator in that position.

Mr. OWEN. I am not putting any words in the Senator's mouth.

Mr. SMOOT. I do not want the Senator to put anyone else in that position. I am simply speaking for myself, and I speak for the orderly procedure of the legislation of this body.

Mr. OWEN. The Senator in reality can not speak for himself, occupying the position he does as the guard of honor on the other side. He is always on guard, and is relied upon by his side to be on guard. He discharges the duty and he takes upon himself the vicarious sacrifice of opposing the consideration of the corrupt-practices act. But the country can perfectly well understand it, and I want the country to understand it. I want the country to know that Republican Senators on the other side are not going to permit the consideration of the corrupt-practices act if they can help it.

Mr. KENYON. I simply wish to say to the Senator that that is not true as to all.

Mr. OWEN. No; I made an express exception in this matter of the Senator from Iowa [Mr. KENYON]. I put in the RECORD that the Senator from Iowa [Mr. KENYON], the Senator from Wisconsin [Mr. LA FOLLETTE], and other Senators whose names I mentioned—Senators NORRIS, BORAH, CLAPP, progressive Republicans—are in favor of passing the corrupt-practices act. I want it well understood that we are not going to adjourn this body without a resolute effort on my part to have that measure considered.

#### THREATENED RAILROAD STRIKE.

Mr. THOMPSON. Mr. President, I desire briefly to call attention to the ruling of the Chair this morning, not so much because of the importance of the matter I presented when I submitted an editorial and asked that it be printed as in order to preserve the rules of the Senate and orderly procedure in the future. I do not think the Chair understood exactly what the request was when the Senator from Utah [Mr. SMOOT] objected.

I asked that the editorial printed in the Post on "Stopping the strike" by the passage of the eight-hour law be printed in the RECORD, and the Senator from Utah, as usual, objected. I then, under the rule, sent the matter to the desk and asked to have it read by the Secretary, under Rule XI, which provides that—

When the reading of a paper is called for, and objected to, it shall be determined by a vote of the Senate, without debate. (Jefferson's Manual, sec. 32.)

I asked the Chair to put the question. I think the Chair misunderstood my request at the time, and I should like to ask again that the editorial be read.

The PRESIDENT pro tempore. The Chair will say that the condition in the Senate this morning was quite exceptional. The unfinished business was before the Senate and the Senator from Illinois [Mr. LEWIS] was on the floor for the purpose of addressing the Senate on that bill. The Chair took the liberty of saying he thought it would economize time to permit Senators to present uncontested matters that were not likely to lead to debate or delay. That was accepted by the Senate, and different Senators proceeded to present formal and uncontested matters.

When the request of the Senator from Kansas was presented the Senator from Utah objected, and it seemed perfectly plain to the Chair that it was likely to provoke debate, and he thought it was an implied violation of the terms on which the Chair had obtained consent from the Senate.

The Chair is quite aware of the rule to which his attention has been called by the Senator from Kansas, but it is not the universally accepted interpretation of it that at any time any Member at any stage of the proceedings may present a paper and ask that it be read. Within the sense of that rule there have been rulings which limit the right of presenting a paper at a particular time. The Chair regarded it as an implied violation of the unanimous consent under which we were at that time proceeding.

Mr. SMOOT. Mr. President, Rule XI reads as follows:

When the reading of a paper is called for, and objected to, it shall be determined by a vote of the Senate, without debate.

There is now before the Senate the unfinished business. In the morning hour I have no doubt the Senator from Kansas could make the request he did, and if there was an objection raised to it, then the Presiding Officer would have a vote of the Senate upon it. But the unfinished business is before the

Senate now and nothing can be done except by unanimous consent.

Further, I wish to say to the Senator from Kansas I care nothing about the article, but the reason why I objected was that we have undertaken to stop the printing of all editorials by unanimous consent in the CONGRESSIONAL RECORD. For the last month I think we have saved to the Government of the United States at least two thousand, yes, ten thousand dollars or more by such course. It is for that reason I objected. It was for that purpose that I gave notice over a month ago that I would object.

If the Senator from Kansas wants to have the editorial printed in the RECORD, he can read it as a part of his speech on this bill, but I can not say to the Senator from Kansas that he can have an editorial printed in the RECORD and to some other Senator he can not. Therefore, Mr. President, I shall object to the article being read by the Secretary. If the Senator wants to read it himself of course, he has that privilege.

The PRESIDENT pro tempore. It will require unanimous consent or a motion to displace the unfinished business.

Mr. OLIVER. Mr. President, I rise to a point of order.

The PRESIDENT pro tempore. The Senator from Pennsylvania will state it.

Mr. OLIVER. My point of order is that it is only in order to proceed with the unfinished business, and I hope the Senator in charge of the bill will insist on that course.

Mr. SIMMONS. I trust the Senator from Kansas will withhold this matter. He will have time to read the article if he wants it in the RECORD instead of taking up the time now. We are very anxious, if possible, to go ahead with the bill.

Mr. THOMPSON. I understand that I have a right to read the article at any time. It was with the idea of not taking up the time of the Senate by reading the article that I desired to have it printed in the RECORD.

Regarding the objection of the Senator from Utah, I observe that when editorials are produced on the Republican side of the Chamber that objection is not adhered to.

Mr. SMOOT. No; that is not the case.

Mr. THOMPSON. And it has not been adhered to this very day, for several Republican Senators have introduced and had printed in the RECORD similar matter.

Mr. SIMMONS. What I am suggesting to the Senator from Kansas is that under the objection of the Senator from Utah he would have to read the article, and that would take considerable time.

Mr. THOMPSON. That is why I wanted to have it printed in the RECORD now, without reading.

Mr. SIMMONS. I hope the Senator will keep the whole matter in abeyance until to-morrow or some other time when we are through with the pending bill, and then he can read it if the Senator from Utah insists on his objection.

The PRESIDENT pro tempore. For the information of the Senator from Kansas the Chair will state that at any time when the paper is presented as a matter of right and an objection to the reading is made the Chair will submit the matter to the Senate.

Mr. THOMPSON. At this time all I wanted was to have a ruling of the Chair on the question. I am glad the Chair has taken that view, for I am sure it is in accordance with the rights of a Senator under Rule XI, to which I called attention.

The PRESIDENT pro tempore. When it can be done without displacing the unfinished business by a proposition to take up some other matter.

Mr. SIMMONS. I hope the Senator from Kansas will let us go on with the pending bill. We have lost two hours this morning.

Mr. THOMPSON. It was to save time that I asked that the editorial be printed in the RECORD without reading, but on the request of the Senator from North Carolina [Mr. SIMMONS] I will defer the matter until a more opportune time.

The PRESIDENT pro tempore. The article presented by the Senator from Kansas is a very short one, and he can read it in a very few minutes if he desires to do it.

Mr. THOMPSON. I thank the Presiding Officer, but I will not take the time to do it now.

#### THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. OVERMAN. I submit an amendment to the pending bill, which I ask may be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be printed and lie on the table. The next amendment of the Committee on Finance will be stated.

The Secretary proceeded to read the amendment of the committee, beginning on page 111, line 1, and read as follows:

DOCUMENTARY STAMP TAXES.

SEC. 63. Bonds, debentures, or certificates of indebtedness issued on and after the time this takes effect by any association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents; and on each original issue, whether on organization or reorganization, of certificates of stock by any such association, company, or corporation, on each \$100 of face value or fraction thereof, 5 cents; and on all sales, or agreements to sell, or memoranda of sales or deliveries or transfers of shares or certificates of stock in any association, company, or corporation, whether made upon or shown by the books of the association, company, or corporation, or by any assignment in blank, or by any delivery, or by any paper or agreement or memorandum or other evidence of transfer or sale, whether entitling the holder in any manner to the benefit of such stock, or to secure the future payment of money or for the future transfer of any stock, on each \$100 of face value or fraction thereof, 2 cents; and on each original issue, whether on organization or reorganization, of certificates of stock having no face value in such association, company, or organization, 5 cents for each share or fraction thereof, unless the actual value of such share shall exceed \$100, in which case stamps shall be affixed at the rate of 5 cents for each \$100 or fraction thereof of the value on original issues, and 2 cents for each \$100 or fraction thereof of value on sales or transfers: *Provided*, That it is not intended by this act to impose a tax upon an agreement evidencing a deposit of stock certificates as collateral security for money loaned thereon, which stock certificates are not actually sold, nor upon such stock certificates so deposited: *Provided further*, That in case of sale where the evidence of transfer is shown only by the books of the company the stamp shall be placed upon such books; and where the change of ownership is by transfer certificate the stamp shall be placed upon the certificate; and in cases of an agreement to sell or where the transfer is by delivery of the certificate assigned in blank there shall be made and delivered by the seller to the buyer a bill or memorandum of such sale, to which the stamp shall be affixed; and every bill or memorandum of sale or agreement to sell before mentioned shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers. And any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons, who shall make any such sale, or who shall in pursuance of any such sale deliver any such stock, or evidence of the sale of any such stock or bill or memorandum thereof, as herein required, without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

Mr. SMITH of Georgia. I desire to have the paragraphs adopted as a part of the bill as we go along.

The PRESIDENT pro tempore. The title embraces a single topic, and the Chair is treating it as a single amendment.

Mr. SMITH of Georgia. All right, Mr. President.

The Secretary resumed the reading of the amendment and read as follows:

SEC. 64. Upon each sale, agreement of sale, or agreement to sell any products or merchandise at any exchange or board of trade or other similar place, for future delivery, for each \$100 in value of said sale or agreement of sale or agreement to sell, 1 cent, and for each additional \$100 or fractional part thereof in excess of \$100, 1 cent: *Provided*, That on every sale or agreement of sale or agreement to sell as aforesaid there shall be made and delivered by the seller to the buyer a bill, memorandum, agreement, or other evidence of such sale, agreement of sale, or agreement to sell to which there shall be affixed a lawful stamp or stamps in value equal to the amount of the tax on such sale. And every such bill, memorandum, or other evidence of sale or agreement to sell shall show the date thereof, the name of the seller, the amount of the sale, and the matter or thing to which it refers; and any person or persons liable to pay the tax as herein provided, or anyone who acts in the matter as agent or broker for such person or persons who shall make any such sale or agreement of sale or agreement to sell, or who shall, in pursuance of any such sale, agreement of sale, or agreement to sell, deliver any such products or merchandise without a bill, memorandum, or other evidence thereof as herein required, or who shall deliver such bill, memorandum, or other evidence of sale or agreement to sell without having the proper stamps affixed thereto with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$1,000, or be imprisoned not more than six months, or both, at the discretion of the court.

SEC. 65. That no bill, memorandum, agreement, or other evidence of such sale or agreement of sale or agreement to sell in case of products or merchandise actually delivered at the time of sale or while in vessel, boat, or car, and actually in course of transportation shall be subject to this tax, provided such bill, memorandum, agreement, or other evidence of such sale or agreement of sale or agreement to sell shall be accompanied by bills of lading or vouchers showing that the said products are actually in course of transportation as aforesaid.

SEC. 66. Conveyance: Deed, instrument, or writing, whereby any lands, tenements, or other realty sold shall be granted, assigned, transferred, or otherwise conveyed to, or vested in, the purchaser or purchasers, or any other person or persons, by his, her, or their direction, when the consideration or value of the interest or property conveyed, exclusive of the value of any lien or encumbrance thereon, exceeding \$500, 50 cents; and for each additional \$500 or fractional part thereof in excess of \$500, 50 cents: *Provided*, That nothing contained in this paragraph shall be so construed as to impose a tax upon any instrument or writing given to secure a debt.

SEC. 67. Entry of any goods, wares, or merchandise at any customhouse, either for consumption or warehousing, not exceeding \$100 in value, 25 cents; exceeding \$100 and not exceeding \$500 in value, 50 cents; exceeding \$500 in value, \$1.

SEC. 68. Entry for the withdrawal of any goods or merchandise from customs bonded warehouse, 50 cents.

SEC. 69. Insurance: Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association, or corpo-

ration, upon the amount of premium charged, one-half of 1 cent on each dollar or fractional part thereof: *Provided*, That purely cooperative or mutual insurance companies or associations carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided: *And provided further*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

SEC. 70. Each policy of insurance, or bond or obligation of the nature of indemnity for loss, damage, or liability issued, or executed, or renewed by any person, association, company, or corporation, transacting the business of fidelity, employer's liability, plate glass, steam boiler, burglary, elevator, automatic sprinkler, or other branch of insurance (except life, personal accident, and health insurance, and insurance described and taxed or exempted in the preceding paragraph and excepting also workmen's compensation insurance carried on by the members thereof solely for their own protection and not for profit), and each bond undertaking or recognizance, conditioned for the performance of the duties of any office or position, or for the doing or not doing of anything therein specified, or other obligation of the nature of indemnity, and each contract or obligation guaranteeing the validity or legality of bonds or other obligations issued by any State, county, municipal, or other public body or organization, or guaranteeing titles to real estate or mercantile credits executed or guaranteed by any liability, fidelity, guarantee, or surety company upon the amount of premium charged, one-half of 1 cent of each dollar or fractional part thereof: *Provided*, That policies of reinsurance shall be exempt from the tax herein imposed by this paragraph.

Mr. SMITH of Georgia. Sections 69 and 70 provide for stamps on fire-insurance policies. We desire to have those two sections disagreed to.

The PRESIDENT pro tempore. The part of the amendment embraced in sections 69 and 70 will be disagreed to unless there is objection. The Chair hears none, and such will be the order.

The Secretary resumed the reading of the amendment, as follows:

SEC. 71. Passage ticket, for each passenger, sold in the United States for passage by any vessel to a foreign port or place, if costing not exceeding \$30, \$1; costing more than \$30 and not exceeding \$60, \$3; costing more than \$60, \$5: *Provided*, That such passage tickets, costing \$10 or less, shall be exempt from taxation.

SEC. 72. Every seat sold in a palace or parlor car and every berth sold in a sleeping car, 1 cent, to be paid by the company selling the same.

SEC. 73. That all internal-revenue agents and inspectors be granted leave of absence with pay, which shall not be cumulative, not to exceed 30 days in any calendar year, under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe.

Mr. OLIVER. Mr. President, I inquire if this is subject to a point of order.

The PRESIDENT pro tempore. The Chair holds that it is not. This is not an appropriation bill, and under our rule there is no question of new legislation or relevancy involved in it.

Mr. SHIELDS. I did not understand the Senator from Pennsylvania.

The PRESIDENT pro tempore. The Senator from Pennsylvania made a parliamentary inquiry whether or not a point of order would lie to the particular provision, which changes existing legislation, such as is applicable to a general appropriation bill. The Chair held that there was no question of relevancy or germaneness involved in our work here.

Mr. SHIELDS. Did the Senator make a point of order?

The PRESIDENT pro tempore. The Senator did not.

The Secretary resumed the reading of the amendment, as follows:

SEC. 74. That after the time this title takes effect there shall be levied, collected, and paid, for and in respect of the several bonds, debentures, or certificates of stock and of indebtedness, and other documents, instruments, matters, and things mentioned and described in sections 63 to 73, inclusive, of this title, or for or in respect of the vellum, parchment, or paper upon which such instruments, matters, or things, or any of them, shall be written or printed by any person or persons, or party who shall make, sign, or issue the same, or for whose use or benefit the same shall be made, signed, or issued, the several taxes or sums of money set down in figures against the same, respectively, or otherwise specified or set forth herein.

Mr. SMITH of Georgia. On page 118, line 2, I offer an amendment to come in at the close of the section just read.

The PRESIDENT pro tempore. It will be stated.

The SECRETARY. Add at the end of the section the following proviso:

*Provided*, That none of the bonds, debentures, certificates of stock, conveyances, mortgages, or other documents, instruments, matters, and things provided for in the Federal farm-loan act of July 17, 1916, shall be subject to the provisions of this title.

The amendment to the amendment was agreed to.

The Secretary resumed the reading of the amendment, as follows:

SEC. 75. That if any person shall forge or counterfeit, or cause or procure to be forged or counterfeited, any stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, which shall have been provided, or may hereafter be provided, made or used in pursuance of this title, or shall forge, counterfeit, or resemble, or cause or procure to be forged, counterfeited, or resembled, the impression, or any part of the impression, of any such stamp, die, plate, or other instrument as aforesaid, upon any vellum, parchment, or paper, or shall stamp or mark, or cause or procure to be stamped or marked, any vellum, parchment, or paper with any such forged or defrauded the United States of any of the taxes hereby imposed, or any

stamp, die, plate, or other instrument, as aforesaid, with intent to defraud the United States of any of the taxes hereby imposed or any part thereof; or if any person shall utter, or sell, or expose for sale, any vellum, parchment, paper, article, or thing having thereupon the impression of any such counterfeited stamp, die, plate, or other instrument, or any part of any stamp, die, plate, or other instrument, or any such forged, counterfeited, or resembled impression, or part of impression, as aforesaid, knowing the same to be forged, counterfeited, or resembled; or if any person shall knowingly use or permit the use of any stamp, die, plate, or other instrument, which shall have been so provided, made, or used as aforesaid, with intent to defraud the United States; or if any person shall fraudulently cut, tear, or remove, or cause or procure to be cut, torn, or removed, the impression of any stamp, die, plate, or other instrument which shall have been provided, made, or used in pursuance of this act from any vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall fraudulently use, join, fix, or place, or cause to be used, joined, fixed, or placed to, with, or upon any vellum, parchment, paper, or any instrument or writing charged or chargeable with any of the taxes hereby imposed, any adhesive stamp, or the impression of any stamp, die, plate, or other instrument, which shall have been provided, made, or used in pursuance of law, and which shall have been cut, torn, or removed from any other vellum, parchment, or paper, or any instrument or writing charged or chargeable with any of the taxes imposed by law; or if any person shall willfully remove or cause to be removed, alter, or cause to be altered, the canceling or defacing marks of any adhesive stamp with intent to use the same, or to cause the use of the same, after it shall have been once used, or shall knowingly or willfully sell or buy such washed or restored stamp, or offer the same for sale, or give or expose the same to any person for use, or knowingly use the same, or prepare the same with intent for the further use thereof; or if any person shall knowingly and without lawful excuse (the proof whereof shall lie on the person accused) have in his possession any washed, restored, or altered stamp which has been removed from any vellum, parchment, paper, instrument, or writing, then, and in every such case, every person so offending, and every person knowingly and willfully aiding, abetting, or assisting in committing any such offenses as aforesaid, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall forfeit the said counterfeit stamps and the articles upon which they are placed, and shall be punished by fine not exceeding \$1,000, or by imprisonment and confinement at hard labor not exceeding five years, or both, at the discretion of the court.

Sec. 76. That in any and all cases where an adhesive stamp shall be used for denoting any tax imposed by this title, except as herein-after provided, the person using or affixing the same shall write or stamp thereupon the initials of his name and the date upon which the same shall be attached or used so that the same may not again be used. And if any person shall fraudulently make use of an adhesive stamp to denote any tax imposed by this title without so effectually canceling and obliterating such stamp, except as before mentioned, he, she, or they shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding \$500 or be imprisoned not more than six months, or both, at the discretion of the court.

Sec. 77. That the collectors of the several districts are hereby authorized and required to furnish to any assistant treasurer of the United States, or designated depository thereof, or any postmaster located in their collection districts, respectively, a suitable quantity of adhesive stamps, without prepayment therefor, and may in advance require of any designated depository, assistant treasurer of the United States, or postmaster, a bond, with sufficient sureties, to an amount equal to the value of the adhesive stamps which may be placed in his hands and remain unaccounted for, conditioned for the faithful return, whenever so required, of all quantities or amounts undisposed of, and for the payment monthly of all quantities or amounts sold or not remaining on hand. And it shall be the duty of such collectors to supply their deputies with, or sell to other parties within their respective districts who may make application therefor, adhesive stamps, upon the same terms allowed by law or under the regulations of the Commissioner of Internal Revenue, who is hereby authorized to make such other regulations not inconsistent herewith for the security of the United States and the better accommodation of the public, in relation to the matters hereinbefore mentioned, as he may judge necessary and expedient. And the Secretary of the Treasury may from time to time make such regulations as he may find necessary to insure the safe-keeping or prevent the illegal use of all such adhesive stamps.

Sec. 78. That any person or persons who shall make, sign, issue, sell, or transfer, or who shall cause to be made, signed, issued, registered, sold, or transferred any instrument, document, or paper of any kind or description whatsoever mentioned in sections 63 to 73, inclusive, of this title, without the same being duly stamped, or having thereupon an adhesive stamp for denoting the tax chargeable thereon, and canceled in the manner required by law, with intent to evade the provisions of this title, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$50, or by imprisonment not exceeding six months, or both, in the discretion of the court: *Provided*, That hereafter, in all cases where the party has not affixed to any instrument the stamp required by law thereon at the time of issuing, selling, or transferring the said bonds, debentures, or certificates of stock or of indebtedness, and he or she, or any party having an interest therein, shall be subsequently desirous of affixing such stamp to said instrument, or, if said instrument be lost, to copy thereof, he or they shall appear before the collector of internal revenue of the proper district, who shall, upon the payment of the price of the proper stamp required by law, and of a penalty of \$10, and, where the whole amount of the tax denoted by the stamp required shall exceed the sum of \$50, on payment also of interest, at the rate of 6 per cent, on said tax from the day on which such stamp ought to have been affixed, affix the proper stamp to such bond, debenture, certificate of stock or of indebtedness or copy, and note upon the margin thereof the date of his so doing, and the fact that such penalty has been paid; and the same shall thereupon be deemed and held to be as valid, to all intents and purposes, as if stamped when made or issued: *And provided further*, That where it shall appear to said collector, upon oath or otherwise, to his satisfaction, that any such instrument has not been duly stamped, at the time of making or issuing the same, by reason of accident, mistake, inadvertence, or urgent necessity, and without any willful design to defraud the United States of the stamp, or to evade or delay the payment thereof, then and in such case, if such instrument, or, if the original be lost, a copy thereof, duly certified by the officer having charge of any records in which such original is required to be recorded, or otherwise duly proven to the satisfaction of the collector, shall, within 12 calendar months after the making or

issuing thereof, be brought to the said collector of internal revenue to be stamped, and the stamp tax chargeable thereon shall be paid, it shall be lawful for the said collector to remit the penalty aforesaid and to cause such instrument to be duly stamped. And when the original instrument, or a certified or duly proven copy thereof, as aforesaid, duly stamped so as to entitle the same to be recorded, shall be presented to the clerk, register, recorder, or other officer having charge of the original record, it shall be lawful for such officer, upon the payment of the fee legally chargeable for the recording thereof, to make a new record thereof, or to note upon the original record the fact that the error or omission in the stamping of said original instrument has been corrected pursuant to law; and the original instrument or such certified copy, or the record thereof, may be used in all courts and places in the same manner and with like effect as if the instrument had been originally stamped: *And provided further*, That in all cases where the party has not affixed the stamp required by law upon any such instrument issued, registered, sold, or transferred at a time when and at a place where no collection district was established, it shall be lawful for him or them, or any party having an interest therein, to affix the proper stamp thereto, or, if the original be lost, to a copy thereof. But no right acquired in good faith before the stamping of such instrument, or copy thereof, as herein provided, if such record be required by law, shall in any manner be affected by such stamping as aforesaid.

Sec. 79. That hereafter no instrument, paper, or document required by law to be stamped, which has been signed or issued without being duly stamped, or with a deficient stamp, nor any copy thereof, shall be recorded until a legal stamp or stamps, denoting the amount of tax, shall have been affixed thereto, as prescribed by law: *Provided*, That any bond, debenture, certificate of stock, or certificate of indebtedness issued in any foreign country shall pay the same tax as is required by law on similar instruments when issued, sold, or transferred in the United States; and the party to whom the same is issued, or by whom it is sold or transferred, shall, before selling or transferring the same, affix thereon the stamp or stamps indicating the tax required.

Sec. 80. That no instrument, paper, or document required by law to be stamped shall be deemed or held invalid and of no effect for the want of a particular kind or description of stamp designated for and denoting the tax charged on any such instrument, paper, or document, provided a legal documentary stamp or stamps denoting a tax of equal amount shall have been duly affixed and used thereon.

Sec. 81. That all bonds, debentures, or certificates of indebtedness issued by the officers of the United States Government, or by the officers of any State, county, town, municipal corporation, or other corporation exercising the taxing power, shall be, and hereby are, exempt from the stamp taxes required by this title: *Provided*, That it is the intent hereby to exempt from the stamp taxes imposed by this title such State, county, town, or other municipal corporations in the exercise only of functions strictly belonging to them in their ordinary governmental, taxing, or municipal capacity: *Provided further*, That stock and bonds issued by cooperative building and loan associations, mutual ditch or irrigating companies, and building and loan associations or companies that make loans only to their shareholders shall be exempt from the tax herein provided.

Mr. SMITH of Georgia. In line 7, after the word "and" where it first occurs, to make the purpose entirely clear, I move to insert the words "all papers and instruments issued by or to."

Mr. SMITH of Michigan. Is that the proviso on page 126?

Mr. SMITH of Georgia. Yes.

Mr. SMITH of Michigan. How does the Senator propose to amend it?

The PRESIDENT pro tempore. The Secretary will first state the amendment to the amendment.

The SECRETARY. On page 126, line 7, after the word "and," insert the words "all papers and instruments issued by or to," so as to read:

And all papers and instruments issued by or to building and loan associations or companies, etc.

The amendment to the amendment was agreed to.

The Secretary resumed and concluded the reading of the amendments, as follows:

Sec. 82. That the Commissioner of Internal Revenue shall cause to be prepared and distributed for the payment of the taxes prescribed in this title suitable stamps denoting the tax on the document, article, or thing to which the same may be affixed, and he is authorized to prescribe such method for the cancellation of said stamps, as substitute for or in addition to the method provided in this title, as he may deem expedient. That the adhesive stamps used in the payment of the tax levied in sections 63 to 73, inclusive, of this title shall be furnished for sale by the several collectors of internal revenue, who shall sell and deliver them at their face value to all persons applying for the same, except officers or employees of the Internal Revenue Service: *Provided*, That such collectors may sell and deliver such stamps in quantities of not less than \$100 of face value, with a discount of 1 per cent, except as otherwise provided in this title.

Mr. SMITH of Georgia. That is a clause of the stamp-tax provision, Mr. President, and I move its adoption.

The PRESIDENT pro tempore. The formal matter may be attended to. The Secretary will be directed, unless there is objection, to make the necessary changes in sectionizing the bill. Unless there is objection the committee amendment as amended will be agreed to. The Chair hears none, and it is so ordered.

Mr. SMITH of Georgia. Now, I ask that the Senate turn back to page 102 of the bill in reference to the taxes on theaters and amusements. We heretofore passed that over, by request, until the next day.

Mr. PENROSE. To what page does the Senator from Georgia refer?

The PRESIDENT pro tempore. To page 102, beginning on line 22.



Mr. SMOOT. Mr. President, I heretofore asked that that paragraph go over until I could make a further examination into certain correspondence that I have received criticizing the paragraph; but, taking it as a whole, I do not know whether or not we could better the provision, unless we should disagree to the whole section and follow the provision of the House bill, with certain amendments. I think, from the correspondence which I have had, there is almost as much criticism of the provision of the House bill as there is of the Senate provision.

Mr. SMITH of Georgia. There is very much more.

Mr. SMOOT. Therefore, Mr. President, I shall not at this time object to an agreement to the provision, although I do think that the rates are exceedingly high upon the theaters and amusement halls in the smaller cities.

Mr. SMITH of Georgia. The Senator will observe the provision we have made with reference to the smaller towns.

Mr. SMOOT. I have noticed the provision beginning in line 9, on page 103, which reads:

That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated.

That helps considerably. But the smaller cities and the cities containing between 5,000 and 10,000 inhabitants are not taken care of; and I will say to the Senator that my correspondence shows that in cities having between 5,000 and 10,000 inhabitants, basing the number of amusement houses on the population, there are more of them than there are in the smaller cities of under 5,000 inhabitants; in other words, there is more competition as to theaters or amusement places in cities of that size than there is in the smaller cities.

Mr. SMITH of Georgia. While that may be true, they come very much nearer running all the time. We took up the House bill, and our subcommittee heard representatives of the amusement halls and of the theaters, and we found that they very much preferred the old law. The only complaint we had against the old law from them was that in the smaller towns, where the theaters run only a part of the time, they were overtaxed. Then I sought to find from them a measure of the size of the town which would run its theaters and amusement halls only about half the time; and from the information they gave us, we decided on 5,000 inhabitants as the size of what was the proper basis of distinction.

I wish to say, Mr. President, that since we adopted this modification I have had letters from amusement people, but not a single objection to the modified provision. Of course they, like everybody else, would rather not pay any tax at all; but they seem to think that we are now treating them very fairly.

The trouble about the House provision is that while it was based upon receipts, it was the gross receipts, and not the net receipts. We first tried to change it to net receipts, but there we found the trouble was that many of the smaller amusement houses kept no books, and that there was really no way to tell what the net receipts were. Finally the responsibility, after the Senator from Maine [Mr. JOHNSON] left, was largely devolved upon me to try to reach an equitable and fair mode if we were going to keep any of the tax at all. We then decided that this was the fairest way in which to proceed, unless we exempted them altogether. We needed the revenue, and, therefore, did not think we could exempt them.

Mr. SMOOT. As to the small amusement halls, if the proprietor takes anything for his compensation for the time he devotes to the business, there would be no net receipts.

Mr. SMITH of Georgia. In many of the very small amusement houses the net receipts afford a bare compensation to the people who are conducting them.

Mr. SMOOT. That is about all.

Mr. SMITH of Georgia. But as to those the tax is very small; it is almost nothing.

Mr. SMOOT. I was wondering whether or not the Senator from Georgia would raise the limit in the provision as to the population from 5,000 to 10,000 inhabitants. I think that in cities having above that number they could pretty well take care of themselves.

Mr. SMITH of Georgia. I hardly feel justified in doing so now; but if, on consultation with the House conferees, they should be satisfied to put it up to 10,000, I should not object.

Mr. SMOOT. What I suggest is, that if we make it 10,000 now, and it goes into conference, then it could be lowered; but, if we leave it at 5,000, the conferees can not very well increase the number. I believe that the Senator, if he will carefully consider the statement I have made—and I make it upon the correspondence which I have received—will agree to my suggestion.

Mr. SMITH of Georgia. Let it remain in this shape now, and before the bill comes into the Senate, if I find that that can be done, I will reserve the right to change it in the Senate.

Mr. GALLINGER. I desire to ask the Senator from Georgia if this phraseology would, beyond question, cover moving-picture establishments?

Mr. SMITH of Georgia. Oh, yes.

Mr. GALLINGER. There is nothing stated about them in the bill.

Mr. SMITH of Georgia. They are covered beyond any question.

Mr. GALLINGER. Do they come under the head of "theaters and concert halls"?

Mr. SMITH of Georgia. Under the head of "amusement hall." They are included.

The PRESIDENT pro tempore. Unless there is objection, the amendment is agreed to.

Mr. OLIVER. Mr. President, I should like the Record to show that the question was put; not that it was "agreed to without objection"; but that a vote was had upon the amendment.

The PRESIDENT pro tempore. The Chair will submit the question in that form. As many as are in favor of the adoption of the amendment will signify it by saying aye—

Mr. GALLINGER. I do not find the word "amusement" in the amendment, and the question is whether the terms "theaters" or "concert halls" would cover those places all over the country where moving pictures are exhibited. They ought to be taxed, of course, as well as other places. If the language read "or other places of amusement" there would be no question. If the Senator would insert the language "concert halls or other places of amusement," that would cover it.

The PRESIDENT pro tempore. Does the Senator from New Hampshire move to amend the amendment in that respect?

Mr. GALLINGER. I offer that amendment—that after the word "halls," on page 102, line 23, the words "or other places of amusement" be inserted.

The PRESIDENT pro tempore. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, under the head of "Title V—Dyestuffs," on page 127, line 2, to change the number of the section from "400" to "83"; and in the same line, after the word "That," to strike out "on and after the day following the passage of this act," so as to make the clause read:

Sec. 83. That, except as otherwise specially provided for in this title, there shall be levied, collected, and paid upon the articles named in this section when imported from any foreign country into the United States or into any of its possessions, except the Philippine Islands and the islands of Guam and Tutuila, the rates of duties which are prescribed in this title, namely:

The amendment was agreed to.

The next amendment was, under the subhead "Free list," on page 127, after line 10, to strike out:

Group I. Acenaphthene, anthracene, benzol, carbazol, cresol, cumol, fluorene, methylanthracene, methylnaphthalene, naphthalene, pyridin, quinolin, toluol, xylo, crude coal tar, pitch of coal tar, dead or creosote oil, anthracene oil, all other distillates which on being subjected to distillation yield less than 5 per cent of tar acids in the portion distilling below 200° C., and all other products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not otherwise specially provided for in this title, shall be exempt from duty.

And insert:

Group I. Acenaphthene, anthracene having a purity of less than 25 per cent, benzol, carbazol having a purity of less than 25 per cent, cresol, cumene, fluorene, metacresol having a purity of less than 90 per cent, methylanthracene, methylnaphthalene, naphthalene having a solidifying point less than 79° C., orthocresol having a purity of less than 90 per cent, paracresol having a purity of less than 90 per cent, pyridine, quinoline, toluene, xylene, crude coal tar, pitch of coal tar, dead or creosote oil, anthracene oil, all other distillates which on being subjected to distillation yield in the portion distilling below 200° C. a quantity of tar acids less than 5 per cent of the original distillate, and all other products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not otherwise specially provided for in this title, shall be exempt from duty.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from North Carolina if the treaty with Cuba providing for rates that are preferential will in any way be affected by this law?

Mr. SIMMONS. I do not know that I comprehend the Senator's question.

Mr. SMITH of Michigan. We have a treaty which gives Cuba certain advantages over other foreign countries in the matter of importations into this country, and I should like to know whether this provision with reference to dyestuffs repeals that preferential duty?

Mr. SIMMONS. Does the Senator mean whether the preferential allowed to Cuba upon her imports into this country from that country would be affected by this dyestuffs provision?

Mr. SMITH of Michigan. Yes; by the provision which has just been read.

Mr. SIMMONS. I think not.

Mr. SMITH of Michigan. I refer to section 83.

Mr. SIMMONS. If we imported any dyestuffs from Cuba probably it would; but I was not aware that we imported any dyestuffs from Cuba.

Mr. SMITH of Michigan. I do not know that we now import them, but I do know that there is a very strong movement on foot to manufacture dyestuffs in Cuba from Cuban wood; and they would be very important in this market, especially in the present condition of that industry.

Mr. SIMMONS. I think clearly if dyestuffs should be manufactured in Cuba and imported into this country, that, under the treaty, they would get the benefit of the 20 per cent differential; but, as I have said to the Senator, it has not come to my knowledge that in any way the question is now in issue.

Mr. SMITH of Michigan. I realize that a treaty is a very high law, but that a statute may nullify it nevertheless, and I am asking the Senator from North Carolina if he understands this statute would nullify that treaty?

Mr. SIMMONS. Of course not.

Mr. UNDERWOOD. Mr. President, if the Senator from Michigan will permit me, I will state that the paragraph immediately under consideration, placing certain crude raw materials and dyestuffs on the free list, of course, would not affect the Cuban treaty; but the two following paragraphs unquestionably would annul the Cuban treaty in so far as they relate to dyestuffs. The fact that it is not referred to in the later enactment would wipe out the treaty, but it would only wipe it out in relation to dyestuffs.

Mr. SMITH of Michigan. That is just the point I am making. I think this legislation would wipe out that treaty. I think this proposed law would supersede the treaty. If that is true, the loss of the advantages which we might otherwise derive from our proximity to Cuba in the manufacture of dyestuffs, which we particularly need, would be rather a serious matter.

Mr. UNDERWOOD. I do not think it is a serious matter, I will say to the Senator from Michigan; but I think he unquestionably is right, that the enactment of this law would nullify the Cuban treaty, so far as this law goes.

Mr. SMITH of Michigan. I do not think that is the intention of the committee.

Mr. SIMMONS. I will state to the Senator from Michigan very frankly that this question was not brought to the attention of the committee at all. Personally I had nothing more to do with it than any other member of the committee, but since the Senator has brought it directly to our attention, we will look into it.

Mr. SMITH of Michigan. I shall be glad if the Senator from North Carolina will do so, because I happen to know that plans have been made for the manufacture of dyestuffs from Cuban woods. It would be very important to the American people that the world's supply of dyestuffs should be increased.

The PRESIDENT pro tempore. The question is on the adoption of the committee amendment. It is agreed to, unless there is objection. The Chair hears none.

Mr. UNDERWOOD. Mr. President, if we are going on with the dyestuffs schedule, I desire to submit some observations, but I understand the Senator from New Jersey [Mr. HUGHES] has another matter which he wishes to bring to the attention of the Senate.

Mr. HUGHES. I ask unanimous consent to be permitted to revert to the wine schedule, and I ask that the Secretary read the amendment which I have sent to the desk.

The PRESIDENT pro tempore. Will the Senator indicate a little more particularly where the amendment is?

Mr. HUGHES. I will ask the Secretary if the amendment is not at the desk? It was sent there some time ago.

The PRESIDENT pro tempore. The Secretary will endeavor to locate the amendment to which the Senator refers.

Mr. HUGHES. The amendment relates to the wine title. I sent it to the desk some time ago, and understood the Secretary to say that it would be printed.

The PRESIDENT pro tempore. When did the Senator offer the amendment?

Mr. HUGHES. Mr. President, I withdraw my request for the present.

The PRESIDENT pro tempore. The Senator withdraws his request for the present.

Mr. UNDERWOOD. Mr. President, I think that this dyestuffs schedule is of so much importance that it should be con-

sidered by a quorum, and I call the attention of the Chair to the fact that there is no quorum present.

The PRESIDENT pro tempore. The Senator from Alabama suggests the absence of a quorum. Let the Secretary call the roll.

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

Ashurst	Husting	Phelan	Smoot
Bankhead	La Follette	Pittman	Sterling
Beckham	Lane	Pomerene	Stone
Bryan	Lewis	Ransdell	Swanson
Chilton	McCumber	Saulsbury	Taggart
Clarke, Ark.	Martin, Va.	Shafroth	Thomas
Cummins	Martine, N. J.	Sheppard	Thompson
Curtis	Myers	Sherman	Underwood
Dillingham	Nelson	Shields	Warren
Fall	Norris	Simmons	Weeks
Fletcher	Oliver	Smith, Ariz.	
Gallinger	Overman	Smith, Mich.	
Hughes	Penrose	Smith, S. C.	

Mr. MARTINE of New Jersey. I desire to announce that the Senator from Oregon [Mr. CHAMBERLAIN] is detained from the Senate on official business.

The PRESIDENT pro tempore. Forty-nine Senators having answered to their names, a quorum of the Senate is present. Does the Senator from Alabama desire to address the Senate at this time?

Mr. UNDERWOOD. After the Secretary has read the paragraph I desire to move to strike it out.

The PRESIDENT pro tempore. The Secretary will read.

The Secretary read the next amendment of the Committee on Finance, which was, under the subhead "Dutiable list," on page 128, after line 14, to strike out:

Group II. Amidonaphthol, amidophenol, amidosalicylic acid, aniline oil, aniline salt, anthraquinone, binitrobenzol, binitrotoluidol, binitronaphthalene, binitrochlorobenzol, benzaldehyde, benzylchloride, benzidine, chlorophthalic acid, cumidine, dianisidine, dimethylaniline, dioxynaphthalene, diphenylamine, methylanthraquinone, metanilic acid, nitrobenzol, nitrotoluidol, nitronaphthalene, nitraniline, nitrophenylenediamine, nitrotoluenediamine, naphthylamine, naphthol, naphthylenediamine, phenol, phthalic acid, phthalic anhydride, phenylenediamine, phenyl-naphthylamine, resorcin, salicylic acid, sulfanilic acid, toluidine, toluene, toluenediamine, xylydine, or any sulfoacid or sulfoacid salt of any of the foregoing, all distillates which on being subjected to distillation yield 5 per cent or more of tar acids in the portion distilling below 200° C., and all other products obtained, derived, or manufactured in whole or in part from the products provided for in Group I, all the foregoing not colors, dyes, or stains, photographic chemicals, or explosives, and not otherwise provided for in this title, and provided for in the paragraphs of the act of October 3, 1913, which are hereinafter specifically repealed by section 402, 15 per cent ad valorem.

And insert:

Group II. Amidonaphthol, amidophenol, amidosalicylic acid, aniline oil, aniline salt, anthracene having a purity of 25 per cent or more, anthraquinone, benzoic acid, benzaldehyde, benzylchloride, benzidine, carbazole having a purity of 25 per cent or more, chlorophthalic acid, cumidine, dimethylaniline, dianisidine, dinitrobenzene, dinitrochlorobenzene, dinitronaphthalene, dinitrotoluene, dioxynaphthalene, diphenylamine, metacresol having a purity of 90 per cent or more, methylanthraquinone, metanilic acid, naphthalene having a solidifying point of 79° C. or above, naphthylamine, naphthol, naphthylenediamine, nitrobenzene, nitrotoluene, nitronaphthalene, nitraniline, nitrophenylenediamine, nitrotoluidenediamine, orthocresol having a purity of 90 per cent or more, paracresol having a purity of 90 per cent or more, phenol, phthalic acid, phthalic anhydride, phenylenediamine, phenyl-naphthylamine, resorcin, salicylic acid, sulfanilic acid, toluidine, toluene, toluenediamine, xylydine, or any sulfoacid or sulfoacid salt of any of the foregoing, all similar products obtained, derived, or manufactured in whole or in part from the products provided for in Group I, and all distillates which on being subjected to distillation yield in the portion distilling below 200° C. a quantity of tar acids 5 per cent or more of the original distillate, all the foregoing not colors, dyes, or stains, photographic chemicals, medicinals, flavors, or explosives, and not otherwise provided for in this title, and provided for in the paragraphs of the act of October 3, 1913, which are hereinafter specifically repealed by section 402, 15 per cent ad valorem.

During the reading of the amendment,

Mr. HUGHES. I ask that the further reading of the paragraph be dispensed with.

The PRESIDENT pro tempore. The Chair thinks that the amendment ought to be read before it is submitted to the Senate.

Mr. GALLINGER. The Secretary is doing remarkably well, Mr. President. I think he ought to be allowed to conclude.

The PRESIDENT pro tempore. The Secretary will continue.

Mr. PENROSE. I object to the Secretary abbreviating the names. I think the paragraph ought to be read in full.

The PRESIDENT pro tempore. If the Senator will call attention to the names abbreviated, the Chair will be very glad to direct the Secretary to read them in full. Otherwise the Secretary will adopt his own style of reading.

After the reading of the amendment had been concluded,

The PRESIDENT pro tempore. The question is on the adoption of the amendment reported by the committee.

Mr. UNDERWOOD. Mr. President, this particular paragraph relates to the intermediates in the dye schedule. It is absolutely related to the next paragraph, embracing Group III. I desire to make a motion to strike out both of the Senate amend-

ments, and I think it will save time and save debate if we consider them both together. I ask unanimous consent that that may be done.

The PRESIDENT pro tempore. Under the parliamentary aspect of the situation the proposition is to strike out the House text confined to Group II and to insert certain matter which the Senate committee has proposed as a substitute for that. The proposition made by the Senator now would be to submit two amendments to one vote.

Mr. UNDERWOOD. I understand that; but I ask unanimous consent that the Secretary may state the amendment embracing Group III and that the amendments may be considered together.

The PRESIDENT pro tempore. That they may be submitted as a single question?

Mr. UNDERWOOD. Yes.

The PRESIDENT pro tempore. Unless there is objection, such will be the order. The Chair hears none. The Secretary will read.

The Secretary read the next amendment reported by the Committee on Finance, which was, on page 130, line 22, after the word "chemicals," to insert "medicinals, flavors, synthetic phenolic resin"; and, on page 131, line 1, after the word "indigo," to insert "and colors, dyes, or color lakes obtained, derived, or manufactured therefrom," so as to make the clause read:

Group III. All colors, dyes, or stains, whether soluble or not in water, color acids, color bases, color lakes, photographic chemicals, medicinals, flavors, synthetic phenolic resin, or explosives, not otherwise specially provided for in this title, when obtained, derived, or manufactured in whole or in part from any of the products provided for in Groups I and II, including natural alizarin and indigo, and colors, dyes, or color lakes obtained, derived, or manufactured therefrom, 30 per cent ad valorem.

The PRESIDENT pro tempore. The question is on the adoption of the group of amendments proposed by the Senate committee.

Mr. UNDERWOOD. Mr. President, I am opposed not only to the Senate committee amendment imposing a tax on the intermediates of dyestuffs, but I am opposed to the Senate committee amendment to Group III, fixing a tax on finished dyestuffs, and I am also opposed to the House provision. The first vote, of course, will come on the Senate committee amendment, which places the rate higher than the House provision. If that vote prevails, it will indicate that the Senate desires to keep these paragraphs in the bill, and it will be futile to go further; but if the Senate committee amendments are disagreed to, I will then move to strike out the House provision in reference to changing the present law relating to the tax on dyestuffs.

Mr. President, my objection to this provision is fundamental. It vastly increases the taxes on dyes and dyestuffs far beyond anything that has ever been written heretofore in the law. The House bill greatly increases the tax and the Senate committee amendment increases the amount of tax provided in the House bill. From my viewpoint the enactment of these schedules is a recognition of the principle that we should write a protective tariff to build up American industries. I am not in accord with that view at all. I do not believe that taxation should be used for the purpose of protection.

I have always maintained the doctrine that the only justification for a tax at the customhouse is to raise revenue for the Government. Prior to the European war, when there was an opportunity for dyestuffs to enter our ports there was a fair amount of revenue raised under existing law. If this schedule is not amended, when the war is over and normal conditions again prevail there will continue to be a fair amount of revenue raised; but if you adopt either the Senate amendment or the House bill, after the war in Europe is over the provisions of this bill will cut off importations from abroad and, in my judgment, will destroy all of the revenue that can be raised. In other words, these sections have been written on a basis where they will entirely prohibit importations. That being the case, I do not think those who believe in the fundamental principle of the Democratic Party that taxation should be levied for revenue and not for protection, can afford to vote for this schedule.

I desire the Record to show what is the present law and what were the taxes levied under the so-called Aldrich-Payne law of 1909. Some of the raw materials were taxed under the present law and under the Aldrich-Payne law. Under this schedule all of those items have been placed on the free list. I have no serious objection to that. It is true there is a small loss of revenue, but only a small loss of revenue, as the main revenues derived by the Government came from the tax on the finished product. As to the intermediates, there were more of the intermediates on the free list under the Aldrich-Payne law than there are under the present law. The present law put a small tax on the intermediates for the purpose of raising revenue, in no instance higher than 15 per cent. As to the finished product,

there was no change in the case of coal-tar dyes between the Aldrich-Payne law and the present law, and the Aldrich-Payne law reenacted the Dingley bill, so that so far as this schedule is concerned in reference to finished products, the present law has been on the statute books since the Dingley law was enacted in 1897, a period of nearly 20 years.

In order that the Record may show the existing facts I send to the desk a statement showing the tax under the Aldrich-Payne law on all these items and the tax under the present Democratic tariff law on all of these items, which I will not detain the Senate to read, but ask to have printed in the Record as a part of my remarks.

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Without objection, the request will be granted.

The matter referred to is as follows:

Comparative statement showing tax on chemicals and dyestuffs under Underwood-Simmons law and Payne-Aldrich law.

Items.	Underwood-Simmons law, tariff of 1913.		Payne-Aldrich law, tariff of 1901.	
	Paragraph.	Rate of duty.	Paragraph.	Rate of duty.
GROUP I.				
Acenaphthene.....	1 21	15 per cent....	115	20 per cent.
Anthracene having a purity less than 25 per cent.....	452	Free.....	115	Do.
Benzol.....	22	5 per cent....	536	Free.
Carbazole having a purity less than 25 per cent.....	1 21	15 per cent....	115	20 per cent.
Cresol.....	452	Free.....	536	Free.
Cumene.....	1 21	15 per cent....	115	20 per cent.
Fluorine.....	1 21	do.....	115	Do.
Metacresol having a purity less than 90 per cent.....	1 452	Free.....	536	Free.
Methylantracene.....	1 21	15 per cent....	115	20 per cent.
Methylnaphthalene.....	1 21	do.....	115	Do.
Naphthalene having a solidifying point below 79° C.....	452	Free.....	536	Free.
Orthocresol having a purity less than 90 per cent.....	1 452	do.....	536	Do.
Paracresol having a purity less than 90 per cent.....	1 452	do.....	536	Do.
Pyridine.....	1 21	15 per cent....	115	20 per cent.
Quinoline.....	1 21	do.....	115	Do.
Toluene.....	22	5 per cent....	536	Free.
Xylene.....	22	do.....	536	Do.
Crude coal tar.....	452	Free.....	536	Do.
Pitch of coal tar.....	452	do.....	536	Do.
Dead or creosote oil.....	452	do.....	536	Do.
Anthracene oil.....	452	do.....	115	20 per cent.
Distillates containing less than 5 per cent tar acids (as creosote or anthracene oil.....	452	do.....	536 115	Free. 20 per cent.
GROUP II.				
Amidnaphthol.....	1 21	15 per cent....	115	20 per cent.
Amidophenol.....	1 21	do.....	115	Do.
Amidosulicylic acid.....	23	10 per cent....	536	Free.
Aniline oil.....	23	do.....	639	Do.
Aniline salt.....	23	do.....	491	Do.
Anthracene having a purity of 25 per cent or more.....	452	Free.....	115	20 per cent.
Anthraquinone.....	1 21	15 per cent....	115	Do.
Benzaldehyde.....	23	10 per cent....	536	Free.
Benzalchloride.....	23	do.....	536	Do.
Benzidine.....	23	do.....	536	Do.
Benzoic acid.....	1 1	15 per cent....	482	Do.
Carbazole having a purity of 25 per cent or more.....	1 21	do.....	115	20 per cent.
Chlorophthalic acid.....	1 1	do.....	115	25 per cent.
Cumidine.....	23	10 per cent....	536	Free.
Dianisidine.....	23	do.....	536	Do.
Dimethylaniline.....	23	do.....	536	Do.
Dinitrobenzene.....	23	do.....	536	Do.
Dinitrotoluene.....	23	do.....	536	Do.
Dinitrochlorobenzene.....	23	do.....	536	Do.
Dinitronaphthalene.....	1 21	15 per cent....	115	20 per cent.
Dioxynaphthalene.....	1 21	do.....	115	Do.
Methylantraquinone.....	1 21	do.....	115	Do.
Metanilic acid.....	23	10 per cent....	536	Free.
Diphenylamine.....	23	do.....	536	Do.
Metacresol having a purity of 90 per cent or more.....	1 452	Free.....	536	Do.
Naphthalene having a solidifying point of 79° C. or above.....	452	do.....	536	Do.
Nitrobenzene.....	23	10 per cent....	536	Do.
Nitrotoluene.....	23	do.....	536	Do.
Nitronaphthalene.....	1 21	15 per cent....	115	20 per cent.
Nitraniline.....	23	10 per cent....	536	Free.
Nitrophenylene diamine.....	1 21	15 per cent....	115	20 per cent.
Nitrotoluylene diamine.....	1 21	do.....	115	Do.
Naphthylamine.....	23	10 per cent....	536	Free.
Naphthol.....	22	5 per cent....	536	Do.
Naphthylene diamine.....	1 21	15 per cent....	115	20 per cent.
Orthocresol having a purity of 90 per cent or more.....	1 452	Free.....	1 536	Free.
Paracresol having a purity of 90 per cent or more.....	1 452	do.....	1 536	Do.
Phenol.....	452	do.....	1 536	Do.
Phthalic acid.....	387	do.....	482	Do.
Phthalic anhydride.....	1 387	do.....	1 482	Do.

1 Not specially provided for. 2 As creosote oil. 3 As coal tar preparation.

Comparative statement showing tax on chemicals and dyestuffs under Underwood-Simmons law and Payne-Aldrich law.—Continued.

Items.	Underwood-Simmons law, tariff of 1913.		Payne-Aldrich law, tariff of 1909.	
	Para-graph.	Rate of duty.	Para-graph.	Rate of duty.
<b>GROUP II—continued.</b>				
Phenylene diamine.....	21	15 per cent....	115	20 per cent.
Phenyl-naphthylamine.....	21	do.....	115	Do.
Resorcin.....	22	5 per cent.....	536	Free.
Salicylic acid.....	1	2½ cents per pound.	1	5 cents per pound.
Sulphanilin acid.....	11	15 per cent....	1	25 per cent.
Toluidine.....	23	10 per cent....	536	Free.
Toluidine.....	23	do.....	536	Do.
Tolylene-diamine.....	21	15 per cent....	115	20 per cent.
Xylylene.....	23	10 per cent....	536	Free.
Distillates containing 5 per cent or more tar acid as carbofic acid	387	Free.....	482	Do.
Sulphoacid or sulphoacid salt.....	23	10 per cent....	536	Do.
	21	15 per cent....	115	20 per cent.
<b>GROUP III.</b>				
Colors and dyes.....	420	30 per cent....	115	30 per cent.
Colors and dyes obtained from alizarin and antarylene.	394	Free.....	487	Free.
Colors and dyes obtained from carbazol.	394	Free.....	115	30 per cent.
Colors and dyes obtained from indigo.	514	do.....	115	Do.
Stains.....	63	15 per cent....	56	Do.
Color acids.....	121	do.....	115	20 per cent.
Color bases.....	121	do.....	115	Do.
Color lakes.....	63	20 per cent....	56	30 per cent.
Explosives.....	501	Free.....	435	2 or 4 cents per pound.
Photographic chemicals.....	17	25 per cent....	115	20 per cent.
	23	10 per cent....		
	17	25 per cent....	65	25 per cent.
Medicinals.....	18	do.....		
Flavors.....	49	20 per cent....	115	20 per cent.
Styrenic phenolic resin.....	485	15 per cent....	480	Do.
Natural alizarin.....	394	Free.....	487	Free.
Natural indigo.....	514	do.....	592	Do.
			25	1 cent or 10 cents per pound.
Colors and dyes obtained from natural alizarin.	394	do.....	487	Free.
Colors and dyes obtained from natural indigo.	514	do.....	115	30 per cent.
Stains obtained from natural alizarin.	63	15 per cent....	56	Do.
Stains obtained from natural indigo.	63	do.....	56	Do.

\*Not specially provided for.

Mr. UNDERWOOD. Mr. President, this is no new problem that confronts the Congress of the United States. As far back as the tariff enactment of 1883 the question of putting a high protective duty on dyestuffs was considered. At one time a Republican Congress did enact a high tariff duty in reference to these matters, but it remained on the statute books only a comparatively short time, and a Republican Congress itself repealed the prohibitive tariff rates that it had enacted and wrote in their place tariff duties that produced a reasonable amount of revenue. When the Committee on Ways and Means met to consider the revision of the tariff in 1909, gentlemen interested in the manufacture of dyestuffs in this country came before the committee and asked for an increase of their rates, though not an increase that was comparable with the increases written in this bill. A comparatively small increase of rates was asked for at that time, and yet a Republican committee and a Republican administration refused to increase these rates on dyestuffs in a bill that was being enacted, and wrote the highest tariff schedules that have ever been written on the statute books in this country. Again, when it fell to the lot of the Democratic Party to administer the customs laws of this country, these same gentlemen interested in the manufacture of dyestuffs came before the Ways and Means Committee. Did they ask for a raise? No. They stated that if we left the rates of the Aldrich-Payne tariff bill unamended they would be satisfied, and we left them. This is one of the paragraphs in the tariff law where a Democratic Congress did not cut the rates. They left the Republican rates of duty, because they found on investigation that they were not prohibitive rates; they were reasonable rates, and they were producing a fair amount of revenue. If my recollection serves me right, the revenue produced from this schedule amounted to between two and three million dollars to the Government of the United States, and that revenue, it is proposed now by a Democratic Congress, to abandon and throw away.

It is true that at that time the manufacturers of dyestuffs stood alone; that the great textile industry of this country was before the Ways and Means Committee demanding and petition-

ing that the items embraced in this schedule should be put on the free list so that they could get their raw material cheaper. The Democratic committee, not legislating for special interests, but legislating for the interests of the whole Government, declined to accede to their demand to put these items in the dye schedule on the free list, but left on the statute books the rates of the Aldrich-Payne bill as far as the finished product was concerned, and allowed the Government of the United States to derive that additional revenue.

Mr. THOMAS. Mr. President—

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

Mr. UNDERWOOD. I do.

Mr. THOMAS. I should like to ask the Senator if it is not true that when the Payne committee was considering the bill which is known as the Payne-Aldrich law, a similar petition, protesting against the putting of duties upon dyestuffs, was made by the users of dyestuffs?

Mr. UNDERWOOD. My recollection is that that statement is correct, although I do not recall it as definitely as I do the other proposition; but I am satisfied that the Senator is correct in his statement. In fact, in looking at the face of the paper that I have in my hand I have convincing proof that the statement of the Senator from Colorado is absolutely true. I find in the hearings held before the Ways and Means Committee on January 14 and 15, 1916, on the subject of establishing the manufacture of dyestuffs in this country, that on page 67 the following petition was inserted at that time. It bears date of Washington, D. C., December 20, 1908, just prior to the enactment of the Aldrich-Payne bill, and reads as follows:

COMMITTEE ON WAYS AND MEANS,  
Washington, D. C.

GENTLEMEN: Your memorialists, cotton manufacturers, consumers of coal-tar dyes for the coloring of various cotton fabrics, the largest consuming industry of coal-tar dyes in this country, respectfully submit:

(1) We desire to protest against any advance in the rates of duty on coal-tar dyes or colors under section 15 of the present tariff on the ground that such advance would (a) increase the cost of manufacturing colored cotton goods in the United States, (b) increase the price to the consumer in the United States, (c) in the case of export trade, an advance in the cost of any of our raw materials adds to our burden and minimizes our opportunity to compete with foreign cotton manufacturers in foreign markets.

The list of signers of this petition is long. It is signed by the leading manufacturers of this country. I will ask leave that the names may be printed instead of my reading them.

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

The names are as follows:

Amoskeag Manufacturing Co., F. C. Dumaine, treasurer, Manchester, N. H.; Hamilton Manufacturing Co., Franklin D. Williams, assistant treasurer, Lowell, Mass.; Pacific Mills, Edwin F. Greene, treasurer, Lawrence, Mass.; Massachusetts Cotton Mills, Edward Lowering, treasurer, Lowell, Mass.; Merrimack Manufacturing Co., Herbert Lyman, treasurer, Lowell, Mass.; Cochecho Manufacturing Co., H. De F. Lockwood, treasurer, Dover, N. H.; American Printing Co., B. H. Borden, treasurer, Fall River, Mass.; the United States Finishing Co., J. H. Wright, president, New York; the Apponaug Co., J. H. Wright, president, Apponaug, R. I.; Garner & Co., Oscar Huxley, vice president, Pleasant Valley, N. Y.; Passaic Print Works, Edward E. Poor, treasurer, Passaic, N. J.; Arnold Print Works, W. A. Gallup, treasurer, North Adams, Mass.; Windsor Print Works, D. A. Russell, general manager, North Adams, Mass.; Renfrew Manufacturing Co., Ira S. Ball, assistant treasurer, Adams, Mass.; Queen Dyeing Co., B. J. Horton, treasurer, Providence, R. I.; S. H. Greene & Sons Corporation, Francis W. Greene, treasurer, Riverpoint, R. I.; the Aspinook Co., L. Johnson, treasurer, Jewett City, Conn.

Mr. UNDERWOOD. Here are the leading manufacturers of this country. The men that ought to know, the men whose business it is to know, came before the Payne committee of the House of Representatives and stated that if you should increase the tax on these dyestuffs the result would be as follows:

First. To increase the cost of manufacturing colored cotton goods in the United States. Does a Democratic Congress desire to increase the cost of manufacturing colored cotton goods in the United States? Not if it intends to live up to the principles of the Democratic Party.

Second. To increase the price to the consumer in the United States. That is what these great manufacturers told the Payne committee in 1908, that if you made an increase—not this enormous increase, but even a moderate increase—it would increase the price of cotton goods to the consumers of the United States. Do my colleagues on this side of the Chamber desire to take the position that it is the duty of the Democratic Party to increase the cost of cotton goods to the consumers of America?

Third. It is stated that "in the case of export trade an advance in cost of any of our raw materials adds to our burden and minimizes our opportunity to compete with foreign cotton manufacturers in foreign markets."

Necessarily so. The great cotton-producing countries of the world have had dyestuffs free. Germany manufactured them

in her own market, and necessarily did not pay a tariff duty to secure them. England, the great manufacturer of cotton goods of the world, admitted them free of duty and did not burden her industries with taxation. We are attempting to enact legislation to-day to extend our foreign trade and build up our foreign markets. These men who are in the business have told you that this enactment of increased duties would be a burden on the development of their markets. They have said that it would result in narrowing the opportunity of the American textile manufacturer to seek markets for his surplus production beyond the sea. Is it in accord with Democratic policies to enact a tariff duty that will tie the hands of our manufacturers and prevent our opportunity for increasing our export trade?

Of course, I recognize the fact that it is said that it is necessary to do this to meet an emergency. This war in Europe has been on for two years. The cotton mills of this country have not shut down. They have not ceased their work. The industry not only has not shut down, but it has developed. It has manufactured more goods during this war than it did before the war. It has found larger markets in which to dispose of its goods since the war than before the war. As a matter of fact, the bill itself recognizes that this enormous tax is not being put on dyestuffs to meet war conditions, because there is a provision in the bill which reads as follows:

SEC. 86. That until the termination of the present European war, or until the conditions of importations of the articles therein specified shall have been substantially restored, which shall be evidenced by the proclamation of the President of the United States to that effect, the provisions of Title V of this act shall not take effect or become operative.

Title V is the dyestuffs title.

So, under the very terms of the law that you are asked to enact it is not to take effect until after this war is over. Of course, I understand that the special interests that are seeking legislation at the hands of Congress know that during the existence of this war there will be comparatively a small amount of dyestuffs introduced into this country from abroad, and they only desire and wish the provisions of the bill in regard to this tax to take effect after the war is over. In other words, the war will protect them during its existence, and they are asking the Congress of the United States to write a tariff law that will protect them at the conclusion of the war.

At the conclusion of the war we can go back to our normal markets to get dyestuffs. We will receive our dyestuffs from our normal markets, and we will not need a protective tariff to build up the industry. During the war, when we can not get them, we are not going to be protected by a protective tariff. So the only conclusion you can reach in reference to this legislation is that it is intended to write on the statute books a law that will protect a special industry after the war in Europe is over; in other words, a direct surrender to the principle of a protective tariff.

I know it will be said that by writing the bill in this form you will encourage the building-up of this industry to-day, and get the benefit of it to-day as well as after the war is over. That is not necessary. The industry is building itself up without this legislation. It has been building itself up with enormous profits ever since this war began.

I want to call to your attention the statement of Mr. Schoellkopf, who is the president of the Schoellkopf Aniline and Chemical Works of New York State. You will find his testimony commencing on page 168 of the hearings before the Ways and Means Committee. You will find that he states that prior to the war in Europe his industry was manufacturing 3,000,000 pounds of dyestuffs in this country; that at the time he appeared before the committee, last January, he had increased his production of dyestuffs to 14,000,000 pounds, an increase from 3,000,000 pounds a year to 14,000,000 pounds in two years. The whole testimony as to the facts in reference to this case shows that large industries, with a great amount of capital, have gone into this business, and are already in operation and making dyestuffs for the American people to-day, and are probably making such profits that they will pay for their new plants before this war in Europe is over.

What are we asked to do now? It is not to relieve the market of to-day. That market is being relieved hourly. This enormous increase of production is relieving it. The submarine ships coming from Germany, in a partial way, are relieving it, all of which has happened since the discussion of this question was first taken up. It is not a question of building up an American industry for relief of conditions to-day. You are asked to enact this bill to protect the business of an industry after this war is over; to put enormous taxes on the American people after this war is over that no conditions of to-day or to-morrow or next year will justify. They do not justify it to the Republican Members of Congress.

How can you go to your constituencies and say that, although you denied a prohibitive tariff to this industry when you wrote the tariff act of 1897, and although you denied the same thing to them again when you wrote the tariff act of 1909, you will accept this bill to write a prohibitive tax for these industries for the future? Why, the industry itself does not need these taxes. On pages 192 and 193 you will find a statement by Mr. Schoellkopf, the largest manufacturer of coal-tar dyes at that time in the United States, as to the cost of carrying on this industry in the United States and in Germany, the principal competitor in the world's market.

He stated that the labor cost in the United States to produce 3,000,000 pounds of coal-tar dyes amounted to \$116,223 and in Germany to \$61,493. He gave the total cost of production in the United States at \$692,197 and in Germany at \$480,299. Comparing those figures, you will see that the labor cost in the United States, according to Mr. Schoellkopf, in his own factory amounted to 16½ per cent of the cost of production, and that in Germany the labor cost amounted to 12.7 per cent of the total cost of production. The total difference in the labor cost of producing 3,000,000 pounds of coal-tar dyes between this country and Germany was \$55,000, which is equalized by a 12 per cent tax on the German cost of production; not on our cost of production, but a 12 per cent tax on the German cost of production.

It is also shown by this testimony that the difference in labor cost—the actual labor wage—in Germany as compared with this country is about one-half—48 per cent—of the American cost.

It is said that you can not carry on this industry in America because of this difference in labor cost, which, according to the figures given by Mr. Schoellkopf himself, a 12 per cent tax on the German imports would equalize.

Under those circumstances let us see what is the amount of tax that these amendments place in the bill. Mark you, under the present law and under the Payne law on the finished product the tax was 30 per cent ad valorem on all importations. The committee has changed it as to the intermediates by changing the tax to 30 per cent and 2½ cents a pound and on the finished product the tax will be 30 per cent ad valorem and 5 cents a pound. You can readily see that on a dyestuff that is of great value a specific duty of 2½ cents a pound or 5 cents a pound will not largely increase the percentage of the tax. There are few dyestuffs, I understand, that will sell for as high as \$3 a pound. Add 5 cents to that and it is a very small increase, but that is the dyestuff of the very, very rich. When you come to the dyestuffs of the poor, the dyestuffs of the clothes that the plain people must wear, those dyestuffs sell from 4 cents a pound to 12 cents a pound, and when you put 5 cents a pound duty on a dyestuff that is selling for 4 cents a pound, that alone puts a tax of over 100 per cent. Then add 30 per cent ad valorem and you have it up to 140 per cent tax that you are going to put on the cost of making the clothing for the plain people of America.

I will insert this table in the RECORD, but I will not delay the Senate by reading it all at this time.

I just want to point out a few of the increases in the bill.

Synthetic indigo: The price per pound is 12.7 cents, and in the future if you levy this tax you levy a tax that will amount to 70 per cent ad valorem.

Alizarin: The price per pound is 12 cents, and under the terms of the bill you raise the tax to 70 per cent ad valorem.

Rhodamine B: The cost is 11.9 cents a pound, and under the bill you raise the tax to 72 per cent ad valorem.

Benzo-purpurin: The cost is 11 cents a pound, and you raise the tax to 78 per cent ad valorem.

Direct yellow: The cost is 9½ cents a pound, and you raise the tax to 83 per cent ad valorem.

Direct black: These are common colors. Price, 14.6 cents a pound, and you raise the tax to 64 per cent ad valorem.

Acid black: The cost is 10.8 cents a pound, and you raise the tax to 76 per cent ad valorem.

Malachite green: The cost is 9 cents a pound, and you raise the tax to 85 per cent ad valorem.

Ponceau: The cost is 9.9 cents per pound, and you raise the tax to 81 per cent ad valorem.

Here are some cheap colors in common use for common goods. But listen to this:

Victoria scarlet: The cost is 4.6 per pound, and you raise the tax to 138 per cent ad valorem.

Fast red: The cost is 4.3 per pound, and you raise the tax to 146 per cent ad valorem.

I might go on, but I will not take the time of the Senate further. I merely ask that these tables be printed in the RECORD.

THE PRESIDING OFFICER. Without objection, the request will be granted.

The tables referred to are as follows:

TABLE I.—Free list, coal-tar crudes.

Articles.	Imports, fiscal year 1913-14.		Current price per pound, 1913-14.
	Pounds.	Value.	
Benzene <sup>1</sup> (benzol).....	2 131,211	\$4,247	\$.0324
Toluene <sup>1</sup> (toluol).....	2 199,688	7,892	.0397
Xylenes <sup>2</sup> (xylois).....			
Cumenes (cumols).....			
Naphthalene <sup>3</sup> (naphthalin).....	2 571,395	10,315	.018
Methylnaphthalene.....			
Acenaphthene.....			
Fluorene.....			
Phenanthrene.....			
Anthracene.....		432,175	.013
Methylanthracene.....			
Phenol <sup>3</sup> (carbolic acid).....	8,393,216	531,535	.063
Cresols <sup>3</sup> (cresylic acids).....			
Pyridine.....			
Quinolene.....			
Carbazole <sup>4</sup> .....			

<sup>1</sup> Benzene, toluene, and xylenes, with naphthol and resorcin, 9 months, value, \$128,636.

<sup>2</sup> At the port of New York.

<sup>3</sup> Naphthalene, phenol, and cresol together, 9 months, value, \$195,713.

<sup>4</sup> Includes anthracene oil.

<sup>5</sup> Cresote oil containing chiefly naphthalene, phenol, and cresol, but also most of the above, except the first four, for the year, value, \$3,822,919; amount, 59,271,677 gallons.

TABLE II.—Leading secondary products.

MANUFACTURED FROM COAL-TAR "CRUDES" NOT COLORS OR DYES, KNOWN AS "INTERMEDIATES."

Articles.	Imports, fiscal year 1913-14.		Price per pound, 1913-14.	Ad valorem rate at 15 per cent ad valorem and surtax of 2½ cents per pound.
	Amount.	Value.		
	Pounds.	\$		Per cent.
Aniline oil.....	1,444,772	\$166,628	\$.0808	46.00
Aniline salts.....	3,683,467	222,728	.0722	49.62
Phthalic acid.....	63,574	15,597	.245	26.02
Salicylic acid.....	18,821	4,425	.235	25.64
Dinitrobenzene.....	1,023,443	52,509	.0513	63.73
Dinitrochlorol.....	547,701	36,660	.0677	52.00
Paranitraniline.....	506,931	67,438	.1334	33.74
a and b naphthols.....	976,237	84,667	.0868	43.78
a and b naphthylamines.....	76,269	11,184	.1466	32.05
Toluidine.....	211,808	23,177	.0994	36.94
Metatoluyldiamine.....	73,440	14,019	.1909	28.09

NOTE.—The figures for the first five articles cover all imports; those for the remainder cover imports at the port of New York, practically most of the country's imports.

TABLE III.—Leading dyestuffs, explosives, medicinals, perfumes, flavors, photographic chemicals, etc., manufactured from coal tar or its secondary derivatives, imported into the United States, fiscal year 1913-1914.

Articles.	Price per pound, 1913-14.	Ad valorem rate of 30 per cent ad valorem and surtax of 5 cents per pound.	Imports, fiscal year 1913-14.	
			Pounds.	Value.
<b>DYESTUFFS.</b>				
Phenolphthalein.....	\$1.00	35	14,076	\$14,080
Synthetic indigo, paste.....	.127	70	7,924,213	1,015,176
Alizarin, paste.....	.12	71	2,400,000	288,000
Sulphur, black.....	.114	74	3,709,000	421,000
Sulphur, blue.....	.18	55		
Sulphur, brown.....	.24	50		
Sulphur, yellow.....	.207	51		
Sulphur, green.....	.212	53		
Rhodamine B.....	.119	72		
Rhodamine 6 G.....	1.19	34		
Benzopurpurine.....	.11	78		
Direct yellow.....	.095	83		
Direct orange.....	.192	52		
Direct brown.....	.178	58		
Direct black.....	.146	64		
Acid violet.....	.235	51		
Acid black.....	.108	76		
Methylene blue.....	.336	45		
Methylene violet.....	.343	44		
Magenta.....	.292	47		
Auramine.....	.292	47		
Malachite green.....	.09	85		
Tartrazine.....	.176	58		
Ponceau.....	.069	81		
Victoria scarlet.....	.046	138		
Fast red.....	.043	146		
Crocean scarlet.....	.203	55		
Azo yellow.....	.27	49		

TABLE III.—Leading dyestuffs, explosives, medicinals, perfumes, flavors, photographic chemicals, etc.—Continued.

Articles.	Price per pound, 1913-14.	Ad valorem rate of 30 per cent ad valorem and surtax of 5 cents per pound.	Imports, fiscal year 1913-14.	
			Pounds.	Value.
<b>DYESTUFFS—continued.</b>				
Triazol blue.....	\$0.14	64		
Fast yellow.....	.194	56		
Quinoline yellow.....	.149	64		
Chrysoidine.....	.167	60		
Chrysophenize.....	.135	67		
Orange IV.....	.167	60		
Brilliant green.....	.082	91		
Diamine green.....	.144	65		
Alizarin claret.....	.148	64		
Rocelline.....	.123	70		
Methyl violet.....	.219	53		
Fast acid violet.....	.243	50		
Induline.....	.13	68		
Alkali blue.....	.691	37		
Patent blue.....	.103	80		
Victoria blue.....	.205	51		
Diamine catechine.....	.214	53		
<b>EXPLOSIVES.</b>				
Picric acid.....	.50	40		
<b>MEDICINALS.</b>				
Antipyrin.....	1.51	33	7,686	\$11,608
Aspirin.....	.52	40	22,841	11,873
Phenacetine.....	.72	37		
Phenazone.....	1.53	33		
Salol.....	.52	40		
Antifebrin.....	.21	54		
Acetphenetidin.....	.80	36		
<b>FLAVORS, ETC.</b>				
Saccharin.....	3.75	31	8	30
<b>PHOTOGRAPHIC CHEMICALS.</b>				
Hydroquinone.....	.60	38		

NOTE.—Fairly large consumption and imports of all the dyes listed above.

Mr. UNDERWOOD. Some of the gentlemen on the other side of the House who hold allegiance to the Republican Party believe firmly in the principle of protection. They believe they have a right to levy taxes in the interest of a special industry to build it up, and build it up regardless of the cost to the American people, but there are men on the other side of the Chamber who, although not agreeing with us in our principle that taxes should be levied for the sake of raising revenue for the Government, yet believe that only a reasonable protection should be levied.

According to Mr. Schoellkopf's own statement, and it is in the RECORD—go work it out for yourself—you will find that 12 per cent levied at the customhouse on the German product will equalize the difference in labor cost at home and abroad, and you are asked to come here to-day and by your vote put a tax on the American people and the American industry in many cases ranging from 80 to 140 per cent.

The people of the United States repudiated the Republican Party in 1910 and sent to the Congress of the United States a Democratic House of Representatives, and you know why. You gentlemen on the Republican side of the Chamber know why. You promised them in 1908 a revision of the taxes downward. You did not proclaim yourselves for a tariff for revenue only. You did not say that you would abandon your principle of standing for protection to American industries, but you promised them you would write your schedules downward and cut out some of the prohibitive taxes that were found in the Dingley law. What did you do? When you wrote the law you wrote it upward instead of downward. You increased the rate on the necessities of the American people instead of lessening them.

Have you forgotten the lesson that was taught you? If you have, if nobody else cares to remind the American people of that lesson, I propose to do it.

Now, you are asked by your vote to pass these schedules increasing the rates on the finished product that you had under the Payne law from 30 per cent ad valorem to rates ranging as high as 80 and 140 per cent. Do you think you can justify that position before the American constituencies even if you do believe in protection?

I am not addressing myself to my colleagues on this side of the Chamber, because I feel that when my Democratic col-

leagues support a schedule of this kind they have simply burned their bridges behind them so far as the schedule is concerned, and have gone horse, foot, and dragoons over to the protective tariff camp of the enemy. I do not believe that they are writing this schedule as a fixed principle of the Democratic Party, but they are yielding to what they believe are conditions. My objection to their position is that any party that surrenders its fundamental principles to conditions of the hour is courting defeat.

Now, what is going to be the effect if you put this act on the statute books? Are you going to get some revenue? Not a bit. You obtained between two and three million dollars' revenue from the law before the war came on. You will get it when the war is over. You are writing this bill to increase the direct taxes on the American people because you have not enough revenue to run the Government. You are putting stamp taxes on them. You are increasing their income taxes. You are taxing corporations. Yet we find a schedule in the bill where you are deliberately proposing to give away to a special industry between two and three million dollars' worth of taxes. Is that in accord with the purpose of the bill? Is that in accord with the principles either of the Republican Party or the Democratic Party. You will not have any revenue after this bill is passed, from this schedule, when the war in Europe is over.

I invite your attention to the hearings before the House committee, on page 187, in which the chairman of the committee asked Mr. Schoellkopf, the leading manufacturer of dyes, this question:

The CHAIRMAN. If this bill becomes a law, how much larger will you make your plant?

Mr. SCHOELLKOPF. We will proceed at once to double it, as I first stated.

The CHAIRMAN. Then you would make about 28,000,000 pounds?

Mr. SCHOELLKOPF. Yes.

Now, turn to page 199.

Mr. SMITH of Michigan. From what is the Senator reading?

Mr. UNDERWOOD. I am reading from the hearings before the Ways and Means Committee of the House last January on this subject. Now, turn to page 199. Dr. Beckers was a witness on the stand at that time, a producer of coal-tar dyes, and the chairman asked him this question:

The CHAIRMAN. But is it not a fact that if this bill were passed you would quadruple your plant and output?

Dr. BECKERS (continuing). I expect to make ten times as much dyestuffs as now.

The CHAIRMAN. Ten times as much?

Dr. BECKERS. Yes, sir; and instead of making 5 per cent, I expect to make 50 per cent.

The CHAIRMAN. That being so, then you and Mr. Schoellkopf would make the entire consumption—the whole 100 per cent.

Dr. BECKERS. Well, I do not know how much he would make.

The CHAIRMAN. He said he would make 50 per cent if this bill were passed.

Dr. BECKERS. I do not know about that, Mr. Chairman.

The CHAIRMAN. If this bill were passed and became a law, and if you expect to make 50 per cent of the entire consumption, and another large manufacturer expects to make 50 per cent of the entire consumption, are we not justified in being sort of afraid that you two gentlemen would be tempted after the war to get together and have some sort of a gentleman's agreement? Would not you two get together and have a sort of dinner, and make a gentleman's agreement and establish the prices which these textile fellows will have to pay for your products?

Dr. BECKERS. Gentlemen, I tell you—

The CHAIRMAN (interposing). Would you not be tempted to do that?

Dr. BECKERS. Gentlemen. In this connection I would like to state that Mr. Herman A. Metz and others, as far as I know, are very fond of good dinners, and I said to you that I expected I could increase my production ten times what it is now. It is now 5 per cent, and if I increased it ten times it would be 50 per cent of the present entire consumption, but I do not know whether I could make 50 per cent of the entire consumption if this bill were passed, because I feel that as soon as the bill is enacted into law a great many concerns will go into that business, giving our concern strong competition.

There it is.

Mr. STONE. Who was the gentleman who was fond of good dinners?

Mr. UNDERWOOD. Mr. Metz; he is a manufacturer and importer both.

Mr. STONE. Is he one of these concerns over in New York who represent German dyestuffs?

Mr. UNDERWOOD. I am not aware of it. I know he is a large importer.

Mr. STONE. There are two big concerns in New York City that very largely represent the German dyestuff industry.

Mr. UNDERWOOD. I am not informed on that question. I can not advise the Senator; but that is neither here nor there.

Whether two or one hundred people were importing dyestuffs, there was competition, there was revenue, but here is a statement of two men as to two plants in this country who tell the committee broadly that they are prepared, if this bill passes, each of them to make 50 per cent of the American consumption of dyestuffs, and the only reason why they doubt whether they will make 50 per cent is as to whether there will

be other competitors in the home market behind the tariff wall that will try to take some of the market away from them.

This testimony is not coming from importers; it is not coming from Democrats with revenue proclivities; it is coming from the industry that desires the protection itself. It is coming from this special interest that desires this protection, and they tell you as plainly as words can convey the information that the enactment of this schedule into law means the enactment of a prohibitive tariff law, not a protective tariff, but a tariff law that will prohibit all importations for the future, and give the American industry the absolute and unchallenged control of the American market.

The gentlemen on the other side of the Chamber have proclaimed to the country that if they were in power they would not put this burden of direct taxation on the people, but would write tariff schedules to raise the necessary revenue. Now, this bill comes before them purposing to raise over \$200,000,000, and they know that amount must be raised by taxation in the near future to meet the demands of the Government. Yet, when confronted with this schedule, that will admittedly cut off all competition from abroad with the articles it affects, as an evidence of their good faith to the American people, they are prepared to walk up and vote to reduce the taxes at the custom-house over \$2,000,000.

Mr. OWEN. If the Senator will permit me, I recently called attention to the fact that the total labor cost of chemicals is only 7½ per cent. In the matter of the colors of which the Senator is speaking, I wish to ask what the total labor cost was.

Mr. UNDERWOOD. The total labor cost was testified to by Mr. Schoellkopf, and he is the protective witness in the business. According to his figures, the total labor cost was only 16½ per cent of the cost of production in his line of business, but, according to his own figures, a tariff schedule of 12 per cent would equal the difference in labor cost between this country and Germany. Now, this is coming from the record; it is coming from the man who wants the tax levied—from a protectionist. I have no doubt the figures of the Senator from Oklahoma are more nearly correct than these, but I was putting on the stand their own witness.

Mr. OWEN. Then, what justification is there for this high tax?

Mr. UNDERWOOD. None whatever. A 30 per cent tax will take care of the difference of 12 per cent in labor cost.

Mr. HUGHES. They already have a tax?

Mr. UNDERWOOD. You have 30 per cent tax on the finished product.

Mr. HUGHES. In the Payne-Aldrich law?

Mr. UNDERWOOD. In the Payne-Aldrich law and in the present law.

Mr. HUGHES. A tax on some intermediates?

Mr. UNDERWOOD. In some cases both the intermediates and the raw material are on the free list; but even with the tax on intermediates you still have in every case a differential of at least 12 per cent to protect the labor cost.

Mr. OWEN. It seems to me that that would be a prohibitive tax.

Mr. UNDERWOOD. When the difference in labor cost is only 12 per cent and they are levying taxes that amount to from 80 to 140 per cent, it must be absolutely prohibitive. This dyestuff schedule will make Schedule K of the Payne-Aldrich law blush with shame.

Mr. President, I do not desire to take up a great length of time in arguing other points. The Senate committee has increased the tax on synthetic indigo over the House bill. I have a letter here from a gentleman who is engaged in the business of manufacturing the kind of goods of which overalls are made. Instead of reading his letter and his communication to the Committee on Finance on this subject, I send them both to the desk and ask the Secretary to read them into the RECORD.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

THE RALEIGH,  
Washington, D. C., August 14, 1916.

Hon. OSCAR W. UNDERWOOD,  
United States Senate, Washington, D. C.

MY DEAR SENATOR UNDERWOOD: Referring to our conversation of this morning, I beg to submit figures relative to the proportionate cost of synthetic indigo to the total cost of the production of the fabric which we manufacture, denims.

In the last normal year, 1913, indigo sold for 15 cents per pound, and on this basis represented 7½ per cent of the total cost of the produced fabric. I believe I left with you a sample of cloth which sells for 18 cents per yard, so that in this cloth under normal conditions, with indigo on the free list, there would be 1.35 cents worth of indigo in each yard.

It is proposed to place an ad valorem duty of 30 per cent, or 4½ cents per pound, and a specific duty of 5 cents per pound on indigo, making a total of 9½ cents, which would increase the normal price

to 24½ cents. At this price indigo would constitute 12.25 per cent of the cost of the fabric, or 2.20 cents per yard. You will note that the difference is practically 1 cent per yard, or to be absolutely accurate, 0.95 cents plus.

It takes approximately four yards of cloth to make a pair of overalls, and a like amount to make a shirt or jacket, making due allowance for waste in cutting. On this basis the cost to the laborer who wears these garments would be considerably increased. The initial increase in the cost of manufacture would be 1 cent per yard, or 8 cents for the garments. Before it reaches the wearer it must pass through the cutter, the jobber, and the retail merchant, and with an initial increase of 8 cents, I submit the final increase would be at least between 15 and 20 cents.

To illustrate, if the garments were now costing \$1.50, with this additional cost occasioned by the tariff the cost would be between \$1.65 and \$1.75.

Thanking you for your courtesy in hearing me, I am,  
Respectfully,

THOMAS S. BEALL,  
Representing the Proximity Manufacturing Co.  
and White Oak Mills.

Mr. STONE. Will the Senator pardon an interruption?

Mr. UNDERWOOD. I will ask the Senator, first to allow the Secretary to read the other letter, which explains the one just read, and then I shall be glad to yield.

The Secretary read as follows:

To the honorable the COMMITTEE ON FINANCE,  
United States Senate, Washington, D. C.

GENTLEMEN: The Proximity and White Oak Mills during the year 1913 (the last normal year) used 1,350,459 pounds of synthetic indigo in the manufacture of a cotton fabric known as denims. This amount was between one-fifth and one-fourth of the total consumption of indigo by the United States. We are, therefore, vitally interested in the revenue act now being considered by your committee and designated "H. R. 16763."

By section 400, Group III, of this act, indigo is taken from the free list, where it has been for more than 30 years, and placed on the dutiable list with an ad valorem duty of 30 per cent.

Indigo is the best and cheapest blue dyestuff for cotton. Of the total imports of indigo in the United States, less than 5 per cent is used for wool, the remaining 95 per cent being used in the production of cotton fabrics used almost entirely for workmen's garments and certain cheap fabrics used for women's wear. The wearers of these garments subject them to extremely hard use, requiring frequent washing with strong soaps. It is essential, therefore, that a dyestuff be used in producing such fabrics which will withstand this use and give the consumer the greatest value in the use of his garment. Indigo is the only satisfactory dyestuff for this purpose which has been found.

The United States leads the world to-day in the manufacture of cheap colored cotton goods. One of the principal reasons for this is the fact that the dyestuffs entering into such goods have been on the free list and available to the manufacturer in this country on the same basis as they are obtained by manufacturers in other countries, as England and France.

Our contract for indigo contains the following provision:

"The above price is understood to be based upon existing fiscal conditions. If during the currency of this contract a duty should be imposed upon any merchandise above described, or if any existing duty should be increased or diminished, the price shall be correspondingly advanced or reduced from the date the said duty comes into operation. If the amount of duty should be changed, the buyer shall pay or receive in dutiable funds any difference from the present rates. The buyer shall pay any additional duty caused by advance in market value."

This duty, therefore, must fall directly upon the manufacturer or indirectly upon the ultimate consumer—the workman.

Indigo is not produced commercially in the United States, and so far as we are advised no American manufactured indigo has been sold. Those who ask that the duty be placed on indigo in order to encourage them in the establishment of the industry only promise an output that will take care of but a small part of the consumption of the United States, possibly 10 per cent. In this connection the attention of the committee is called to the fact that the world's production of indigo is consumed largely outside of the United States, the United States using approximately 15 per cent, while China and Japan alone use more than 60 per cent.

We are therefore confronted with this condition: Congress is asked to take indigo from the free list and place a duty of 30 per cent on it when there is no American indigo industry, and even if such industry be established we would be required to pay the duty on 90 per cent of our consumption coming from abroad in order to protect the 10 per cent manufactured in the United States.

On account of the fact that natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; and natural and synthetic indigo and all indigoids, whether or not obtained from indigo, are cheap dyes, they are excepted from the special duty of 5 cents per pound provided in the first paragraph of section 401. The fairness of this exception is seen when it is noted that many of the other dyestuffs sell for from \$1 to \$5 per pound, and the addition of 5 cents per pound to such articles would be insignificant, but in the case of indigo, which normally sold for 15 cents per pound (in 1913), such specific duty would amount to 33½ per cent.

We understand that the purpose of Congress in considering taking indigo and certain other of the cheaper colors from the free list and making them a part of the dutiable list was to encourage the establishment of an industry for their manufacture in the United States. In the event of the failure of the establishment of such industry, the reason for the duty would cease to exist, and we respectfully submit that the second paragraph of section 401 should be amended by adding "and natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; and natural and synthetic indigo and all indigoids, whether or not obtained from indigo, shall be returned to the free list and shall be exempt from duty."

This suggestion is made upon the idea that your committee shall be determined to impose some duty upon indigo.

We have endeavored to give this subject our best consideration, and have reached the conclusion that the taking of indigo from the free list and placing it upon the dutiable list will result in increasing the cost of the production of cotton fabrics used almost entirely by a class of people least able to afford the advance.

We are filing with your committee samples of indigo-dyed fabrics, showing the class of goods in which it is used, and for the reasons heretofore stated we earnestly protest against the enactment of the bill in so far as it affects indigo.

Respectfully,

Mr. STONE. By whom is the letter signed?

Mr. UNDERWOOD. The original paper was signed by the same Mr. Beall who wrote the letter which I have read, and he gave me a copy of the letter.

Mr. STONE. Will the Senator yield to me for a moment?

Mr. UNDERWOOD. I yield.

Mr. STONE. Mr. President, Mr. Beall is the attorney of a large manufacturing establishment in North Carolina, which is headed by Mr. Cohen. He said that his establishment made about 50 per cent of all overalls produced in the United States. He made the same argument before the subcommittee having charge of this particular title of the bill, of which I have the honor to be a member, as that which was made in the last paper read at the desk.

This is what I wish to inject into the Senator's observations: The establishment Mr. Beall represented, as I understood his statements made before the subcommittee, enjoys the privilege of a contract with one of the few large concerns in New York, chiefly representing the German manufacturers of dyes, under the terms of which he and his employers will be protected and their interests will be guarded. I could not escape the belief, after listening to him for a good while—I speak now of Mr. Beall, who spoke most intelligently, and, of course, he is a very intelligent man or he would not have been put forward by so important a concern—that there is such a relationship of interest between the North Carolina establishment and this German agency in New York that he could very well afford to protest against any change in the law, at least as applied to indigo.

Mr. UNDERWOOD. Of course that is not a material question here or there, but I should like to ask the Senator a question. Does he deny the statement which this man makes, that if you put this tax in this bill on natural and synthetic indigo, it will be a tax of 63 per cent?

Mr. STONE. The antewar price of indigo, as I have said, was about 15 cents per pound, and at the time he was speaking to us, as I recall, it was about 70 cents per pound.

Mr. UNDERWOOD. I am talking about normal conditions, of course.

Mr. STONE. Mr. President, I have not any kind of doubt that, if this tax is placed upon this particular form of dyestuffs, it will to some extent increase their cost. I do not know that, but I am speaking as a matter of impression; but whether it does or not, for the purposes of this bill, I favor it. Whether or not the tax would be exactly 63 per cent, I am not at the moment prepared to say. I went into that when we were discussing the matter; and it is within the records; but I have not them before me. I will take the Senator's word for it.

Mr. UNDERWOOD. Of course nobody can tell what the price of dyestuffs is to-day. My statement was based on normal conditions. If the German dyestuffs are allowed to come in after this war under the conditions which they come in to-day—not immediately after the war—but, in all probability, with the increased competition at home and the same competition from abroad, we can fairly expect that the prices would be about the same as they were before the war came on.

There is no denial of Mr. Beall's statement of facts, that, under normal conditions, if you put this tax on natural and synthetic indigo, you are going to levy upon it a tax of 63 per cent. There will be no denial of his statement of facts that, if you put that tax on these goods, you are going to increase the cost of a pair of overalls to every workman in this country.

The factory cost of production is 8 cents; which, when it is handed down to the workman, means 15 to 25 cents for each pair of overalls. There is no denying that. Are you prepared to say that you are going to make the American people pay that enormous tribute to one industry, when, as a matter of fact, the only witness who was called before the committee in behalf of this increase, stated that even the tax provided in this bill was not high enough to suit him, and that he would not go into the business unless we raised it still higher? So, if his statement is correct, you will have raised the tax to 63 per cent, and yet not get your industry, because you have none to-day. This tax on natural and synthetic indigo is not to protect an industry in existence in America; it is not here; but you are putting it on the American people to invite some special interests to come in here and build up an industry.

Mr. SMITH of Michigan. That is not good Democratic doctrine, however.

Mr. UNDERWOOD. It surely is not.



Mr. SMITH of Michigan. I was very much surprised when I heard the Senator from Missouri [Mr. STONE] making the statement he did.

Mr. UNDERWOOD. I was equally surprised, I can assure the Senator from Michigan.

Mr. SMITH of Michigan. I have been in public life with that Senator for about 20 years, but I never before knew that he would use the instrumentalities of the Government and its taxing power for the sake of stimulating production.

Mr. UNDERWOOD. I am not only surprised at my Democratic friends on the committee, but I shall be surprised if the Democratic side of the Chamber is willing to adopt this schedule, and if even the progressive Senators in the Republican Party are willing to vote for it, because you are trying to cut off revenue in order to establish a prohibitive tax that has not been rivaled by any schedule in a tariff bill except the noted and condemned Schedule K of the Payne-Aldrich tariff bill.

This industry amounts to only twelve or fifteen million dollars a year out of the great productive industries of this country turning out \$20,000,000,000 worth of products a year. It is a mere drop in the bucket. If you will look at it merely from the dollars and cents standpoint of one industry, it amounts to very little; but it is the principle involved. Where is the legislative branch of this Government marching to? Is it maintaining the principle that we fought for in the tariff bill of two years ago, or are we going backward, and going to adopt the principles of the Payne-Aldrich tariff bill? Why should we abandon our principles? What is the occasion of our abandoning our principles?

I compared some days ago, in a speech before the Senate, the amount of imports with the American production for the months that the present law was on the statute books prior to the breaking out of the European war, and conclusively showed that the great industries of this country were not being threatened by a deluge of importations from abroad. The same thing is true to-day.

I want to call your attention to the free and dutiable imports during the fiscal years ending June 30, 1913, and June 30, 1916. Importations of crude materials for use in manufacturing increased from 1913, the last year of the Republican tariff, to the present year, \$319,000,000. That represents the total importations of crude materials for use in manufacturing. Did not that enable our manufacturers better to build up their business? It was not a tax on the American people to bring those importations in, but they served to uplift American industry and manufacture. The importation of foodstuffs increased \$40,000,000 in that time, that is, foodstuffs in crude conditions. Manufactures of foodstuffs increased \$115,000,000. Is there anybody objecting in these times to giving the American people an opportunity to get cheaper food abroad, when the prices of food are soaring higher and higher every day? Those are the principal importations.

But it is said we must protect the manufacturers of this country. Listen to this: Importations of manufactures for further use in manufacturing have increased only \$10,000,000, and manufactures ready for consumption have only increased \$95,000,000, making a total increase of manufactures of only \$110,000,000, out of billions of dollars of production. The importations under the head of "miscellaneous" at the customhouse increased to a little over \$3,000,000, making a total increase of all kinds of only \$384,000,000, less than the normal increase from year to year under Republican tariff schedules.

Mr. President, I want to ask my Democratic colleagues why should we do this thing? Why should we abandon our principles, reverse the engine, and start backward? You may tell me that the present law was not written on scientific principles. No; it was not written on scientific Republican protective principles, and was not intended to be so written.

The present tariff law taxes some raw materials; it taxes some finished products; it taxes some intermediate products; and one item is not adjusted with reference to others all the way through. Why? Because it was not intended in the present tariff law, as it was not attempted by the Republicans in their tariff acts, to build up under the Republican principle of protection, the dyestuff industry. This tariff provision of the pending bill is written on scientific principles. Mr. Aldrich, Mr. Dingley, and Mr. Payne, with all their ability to take care of the manufacturing interests of this country, never exercised greater ability and ingenuity in writing a tariff schedule according to the scientific principles of Republican protectionism than has been exhibited in the preparation of this schedule. What has been done? The schedule has been written for a special interest, for the special interest that is asking for it.

How is the result to be accomplished? In the first place, there has been incorporated in this bill that abomination of taxation, a compound duty. Why is that an abomination of taxation? Because under a compound duty the high tax is always placed on what the poor have to buy, and the small tax on what the rich have to buy. An ad valorem duty may be justified in this instance, because that always appears to be a very good Democratic tax. Even the Democratic Party could sometimes justify a specific duty to be placed on some item to prevent smuggling, as, for instance, a duty of so many cents a pound on sugar; but when the duty is compounded by saying that it shall be 30 per cent ad valorem and 5 cents a pound—an ad valorem and a specific duty added together, it is apparent that if the value of the product is very high the specific duty does not increase the ad valorem rate very much; but if the price of the product is very low the specific duty falls with a great burden on it.

Just as I pointed out here, the cheap dyes in this schedule, employed in manufacturing the goods used by the poor people, carry a tax of from 80 to 140 per cent; but when we reach the class of dyestuffs bought by the very rich, the amount of the tax is only increased 2 or 3 per cent. That is a scientific adjustment of duty from a Republican protection point of view. In this instance the schedule has been made thoroughly scientific. It gives the manufacturer free raw material by taking all taxes off. The people do not get the benefit of that; only a special interest gets the benefit of that free raw material. Then, there is placed an increased duty on the intermediate product that is partially manufactured, and then the specific duty is doubled on the finished product. It is thoroughly scientific from a protection standpoint; but whoever heard of the Democratic Party writing a thoroughly scientific protective tariff bill? That party writes tax laws for revenue purposes. There may sometimes result an incidental protection; but surely when for more than 30 years the Republican Party did not see it necessary to increase the taxes in this schedule or write a scientific protective tariff provision affecting the dye industry, why, after this length of time, should we take it up, when we actually need revenue, when we are badly in need of revenue to support this Government? Under this bill we will cut off between two and three million dollars of revenue when the war is over.

In closing I merely wish to say a few words to the other side of the Senate. You have always recognized that you could not put high protective duties on everything, because you could not get revenue if you did, and you had to have revenue. So you have exercised your privilege of playing favorites, giving one man the benefit of protection and denying it to another man. Our side of the Chamber has always contended that when taxes were levied they should be broadened out as much as possible. I do not say that we have always been able to do that, but we have moved in that direction and not against it. We have broadened them out so that the revenue features might be magnified and the protective features minimized.

Now, I desire to ask my Republican friends a question. Here is a schedule that has produced considerable revenue in proportion to the magnitude of the industry. Are we going to do the fair thing? Are we going to pursue this policy in the future? If you gentlemen on the other side of the Chamber return to power, are you going to pursue the policy of writing prohibitive tariffs on the statute books because you fear the competition that may arise after the war is over? What will result? You will not get the revenue from the customhouse you have been telling the people of the United States you would get when you do that; but you will destroy all vestige of foreign trade that we may possibly build up. That will be far more true than before the European war. We owed debts in Europe then and had to pay the interest. They had gold in Europe then to pay the debts they owed us. We have largely paid our debts to Europe, and we have accumulated the surplus gold of the world. We can not send our goods abroad without getting pay for them, and I should like to know how they are going to pay when the war is over if we do not let them ship some goods into America. If you are going to adopt the policy of raising a Chinese wall of tariff exclusion on all schedules, how do you expect to get paid for what you are shipping abroad now?

Here is a fair example: We had a fairly good export trade with Germany before the war began. We hope to reestablish it when the war is over. One of the things with which Germany could pay us for our exported goods was dyestuffs. You are in this way not going to protect an industry that existed before the war. That industry was running in its way, and had been running for many years, not largely controlling the market, but it was not being destroyed, with a 30 per cent tax; but

you are seeking by this bill to go out and build up an industry so that nothing can come in. Therefore you close the gate to that amount of export trade.

Just think what you are doing in the case of synthetic indigo. No American industry has been established in synthetic and natural indigo up to this hour. You want to establish it. You are going out deliberately and imposing a tax of 63 per cent here to build it up; and what will be the result? You are going to destroy the opportunity of somebody else to pay for what you are already making at home by bringing in this indigo. Is that sound finance? Is it sound business? Are you not tearing down established industries in America, the ones that are already established and in the field, so far as their developing their foreign trade is concerned, when you say that you are going to build up industries all along the line in this country, so that even the few imports that can come in here now and pay for your export goods can not come in in the future?

Why, Mr. President, it is a false theory; it is a misconception of the building up of American industry; and, in my judgment, it is an absolute reversal of the principles of the Democratic Party and a denial of its pledges to the American People.

Mr. HUGHES. Mr. President, I have never found it necessary to differ with my distinguished and warm personal friend from Alabama [Mr. UNDERWOOD] on a matter of theory. So far as my own mind is concerned, I am able to differentiate the pending legislation from legislation heretofore passed by the Democratic Party without violating any Democratic principle or Democratic theory, as I understand it. In the language of a famous Democrat, I might say that this is a condition that confronts us, and not a theory. We are frankly attempting to meet a situation such as no Democrat and no one else ever thought he would be called upon to meet.

Surely the Senator from Alabama does not contend that he is any more an upholder of radical revenue doctrines than the dominant governing party in England. Yet we see England, the high priest of free trade—England, which has been made great and powerful by its refusal to assent to the ordinary narrow doctrine of restriction of trade—abandoning overnight that policy to which heretofore she has been absolutely welded, and to which she points, and justly, I think, as the reason for the overwhelming influence and wealth that she has obtained. Because of the same condition that confronts us—a great European war in which she happens to be engaged, while we are not, but which is no closer to her from an economic standpoint than it is to us—she abandons her revenue position, and not only adopts a tariff-for-revenue policy, not only adopts a restricted-trade policy, but stops trade of all kinds in certain goods, and threatens that after this war is over, if she and her allies are successful, the old conditions will no more obtain.

The Senator from Alabama knows that as well as I, and yet he ventured to prophesy what would happen after this war is over. I venture to say to him now that neither he nor any other man can safely prophesy what the situation will be after the European war is over. We have no right to presume that the chemical industry or the dyestuffs industry, when the European war is over, will return to the basis on which it rested before the war opened. We have not any right to presume that the conditions which will confront us then will be the same as the conditions that confronted us before August 1, 1914. How can any man say what the result of this great struggle is going to be? How can any man say what effect the success or non-success of one side or the other is going to have upon the relations that exist between the various nations of the world? It seems to me it is absolutely idle for one to venture into that realm.

We do know this: We know that dyestuffs are important to our people. We know that a cry went up from one end of this country to the other when they were suddenly shut off. We know that for months and months we expected the textile business to be paralyzed. We know that by extraordinary efforts and by abandoning a great many colors and dyes and tints and shades and by forcing people to wear that which they did not want to wear we have kept the business going; and we know that there are men who are willing to go into this business, just as the United States Government decided that it should construct a nitrate plant. Why? Because it did not want to be dependent upon Chile or any other nation whose commercial relations with us might be disturbed at any time, but that it wanted to be dependent upon itself, so far as that very important commodity is concerned.

Mr. SMITH of Michigan. Mr. President—

Mr. HUGHES. I yield to the Senator from Michigan.

Mr. SMITH of Michigan. I should like to ask the Senator from New Jersey if he expects, by these duties and taxes, to stimulate the production of dyestuffs in the United States?

Mr. HUGHES. I do; yes, sir.

Mr. SMITH of Michigan. Is that the purpose of the tax?

Mr. HUGHES. The purpose of this tax is to encourage this industry in the United States. There is no question about that. I can be absolutely frank and candid with the Senator. Of course the Senator knows that as well as I do. It was introduced in the House and passed in the House because this country was absolutely prostrate, so far as these chemicals were concerned, and it is to-day. The 150 tons of highly concentrated dyes which came on the *Deutschland* are not a drop in the bucket, so far as the needs and requirements of this country are concerned.

Mr. SMITH of Michigan. Mr. President, I am not surprised at the Senator's candor. He is always candid, and, of course, he is intelligent enough to discuss that subject with frankness; and yet I have heard so often from the lips of Democratic leaders that you could not stimulate production by taxation that I marvel that the Senator can adjust himself so readily to this doctrine of the "new freedom."

Mr. SMITH of Georgia. The new lack of freedom.

Mr. HUGHES. I will venture to say that the Senator never heard that declaration from the lips of any Democrat. It is a fundamental tenet of the Democratic Party that industries can be stimulated. In fact, if the Senator ever heard a Democratic stump speech, he undoubtedly heard at some period of the orator's utterances what is nearly always stated—that the Government can, if it chooses, make it profitable to raise pineapples in Alaska. Everybody knows that.

Mr. SMITH of Michigan. No; the Government can not do that. It can not raise pineapples in Minnesota, but it can produce dyestuffs in the United States by a system of protective duties. That is just what our side of the Chamber have contended for for years, and what has been vigorously and forcefully denied by the Democratic side of this Chamber. I have heard this old warrior sitting by my side [Mr. STONE] a hundred times decry the virtue of the kind of doctrine which the Senator from New Jersey is now urging.

Mr. HUGHES. The Senator is mistaken as to that, but that is neither here nor there. No Democrat has ever denied that it was possible to stimulate an industry by protective duties. Of course we know it is possible. Democrats have denied that it was right to do it. Democrats have denied that it was economically profitable to stimulate an unprofitable industry and to tax the people to keep alive an industry which was economically unprofitable to the people. But no Democrat has ever denied that it was possible, by tariff duties, to rear an unprofitable and uneconomical industry and to foist it on the people by means of tariff taxation.

Mr. SMITH of Michigan. Mr. President, if the Senator will indulge me, he has not been here as long as I have, but I think he has been here long enough to remember that our attempt to produce sugar upon American soil, that would make the consumers of sugar independent of a foreign supply, by taxation, has been derided over and over again by those on the Democratic side in this House and the other, and wherever Democratic spokesmen were giving their views to the electorate.

Mr. HUGHES. And it was derided by me as much as anybody; but still, as I said before, that has absolutely nothing to do with the proposition that the Senator attempted to lay down.

Mr. SMITH of Michigan. Well, that is one illustration—

Mr. HUGHES. I do not want to enter into a general tariff discussion with the Senator, because I want to hurry on. Nobody else wants to enter into a general tariff discussion and nobody wants to hear the Senator air his well-known views on the subject of protection, either. I will take the liberty of saying that.

Without any personal reference to anybody at all, and without any reference, of course, to the gentleman whose letter was sent up to the desk, I want to say that while figures do not lie, liars can figure. A letter was handed to the Senator from Alabama which, with the trustfulness and innocence which is so characteristic of him, he adopted and sent to the desk and had read, in which the author of the letter figures out, according to a method of mathematics eminently satisfactory to him, that the proposed increase of the duty on indigo would cause an increase of the cost of indigo so as to cause a corresponding increase of something like 8 cents on a pair of overalls, which one Senator says would result in an increase of about 25 per cent when the overalls reach the ultimate consumer—a method of figuring which left me absolutely astounded and showed me how possible it was for protected manufacturers to convince Republican members of the Finance Committee of the Senate and the Ways and Means Committee of the House that they needed high rates and that they ought to receive them.

The same gentleman appeared before our subcommittee, and on cross-examination by the Senator from Colorado [Mr. THOMAS], the increase which he states in his letter, as I understood it, to be 8 cents, he reduced to 2½ cents. I have not attempted to figure this out at all. I have had somebody figure it out for me, however, and I got it down to one cent and three-quarters on a pair of overalls. The Senator from Colorado [Mr. THOMAS] got this gentleman down to less than 1 cent a yard. The same gentleman who wrote this letter came in before our subcommittee and gave us the benefit of his information.

Mr. UNDERWOOD. He was figuring on 8 yards at 1 cent a yard, which would be 8 cents.

Mr. HUGHES. But he said 4 yards, and he has given the total cost and not the increase. Four yards is what he said was the amount of cloth necessary.

Mr. UNDERWOOD. I know; but in this letter he is figuring on the whole suit of overalls, not merely the overalls themselves—the pants and jacket both.

Mr. HUGHES. Then that would not agree.

Mr. SMITH of Michigan. It reads all right, only the Senator from New Jersey will not wear the jacket.

Mr. HUGHES. Taking his figures either way, you can not make them come out correctly, although I do not pretend to be much on figures; but we did our best to find out the facts from him, and nobody can reconcile the letter he wrote with the statement he made to the Senator from North Carolina.

The Senator has read some startling figures here with reference to these rates, calculated to make the individual hairs of the Democrats who listened to them stand on end; but he calmly assumes that the condition which existed before the war is going to return as soon as the war is over, or is here now. I sent a telegram to one of the gentlemen whom he made his witness here this afternoon, and asked him to send me some prices. Among the prices that he sends me is direct black at 75 cents a pound, which the Senator in his figures quotes at 14 cents a pound. Now, is there any use in the Senator from Alabama and myself standing here and seriously discussing a proposition before this body when we can not get any closer to our fundamental figures in the basis of the discussion than the difference between 14 and 75 cents?

Mr. UNDERWOOD. If my friend from New Jersey will yield for just a moment—

Mr. HUGHES. Yes.

Mr. UNDERWOOD. I call his attention to the fact that this part of the bill is not to take effect during the war and the war prices, but it is to take effect after the war. When I say the presumption is that the prices that existed before the war will return, or that there will be an approximation to their return, of course I am not figuring on prices to-day, which are absolutely abnormal.

Mr. HUGHES. Yes; they are absolutely abnormal, as the Senator says, and yet it does not lie in the mouth of any human being alive to say that they will ever be any different or that these prices will ever be normal again. We are dealing with the situation as we find it; and we find this gentleman, who the Senator says is in a position to manufacture for within 12 per cent of what it costs the German manufacturers, charging and receiving \$1.75 for a commodity which the Senator selects as one of the instances why this part of the bill should not be passed, and he bases his reasons on a price of 14.6 cents. So that he produces, to the horror and amazement of the Members who are listening to him, a rate of 64 per cent ad valorem, while the rate based on the price of the commodity as it is being sold to-day under the provisions of the proposed legislation is 36 per cent.

Another one is direct yellow. The Senator carries it at 9 cents a pound. The Senator could make more money than has been made in this country in a great many years if he could buy direct yellow at 9 cents a pound. The price of it happens to be \$2.56 a pound, and the ad valorem rate which the Senator figures at 83 per cent is to-day 31.9 per cent under the proposed legislation. Now, why waste time in discussing this subject?

Mr. UNDERWOOD. Mr. President, if my friend will yield, I again call his attention to the fact that it is not being written for to-day's prices. It is being written for the prices that will be resumed after the war is over.

Mr. HUGHES. I have admitted that, and I will admit it again. Yes; the bill is being written for prices after the war is over, although, for all the difference it makes to me, the bill can go into effect to-morrow or immediately upon its passage. It makes little or no difference one way or the other. But I say again—and I will have to say it every time the Senator insists on saying what he has just said—that he does not know, and

nobody else knows, whether the prices will ever again be the same as they were before the war started. Why argue that proposition?

I will say to the Senator that we are doing one thing regardless of what the prices are. We are making a schedule that everybody can understand, and that everybody says is fair. The Senator says there will be no importations under it. I will say to the Senator that there are a great many big and powerful importers in this country; there are a great many big and powerful importers who live in my State, and who live not far from me; and not a single importer in the United States of America has complained against these rates. There is not one of them who has not said that if prices do become normal, or when the war is over, and something like normal conditions return, if they ever do, they will still be able to import dyestuffs into this country. In spite of the fact that this legislation may have an adverse effect upon the business of the importers, yet the need is so great that nearly every importer I know of thinks we are justified in making this effort, in this special case, to build up an industry in this country that is so important from so many angles.

As has been pointed out in the hearings, Germany would now be lying prostrate at the feet of her enemies if it had not been for the fact that she had this tremendous industry, hitherto devoted to the arts of peace, which she was able to turn overnight into arsenals to produce the highest form of explosives known to man. For every reason, for a thousand reasons, the members of the Democratic Party or any other party are justified in meeting this emergency like statesmen.

Now, Mr. President, I will call attention to another peculiar thing about this proposed legislation. There is not a European manufacturer with an agency in this country who owns a patented product which is a world monopoly who is sneaking it into this market without paying any duty. There is nothing in this bill that helps the big German cartel controllers to bludgeon an American manufacturer to death. Now I want to say something that will not be so palatable to the gentlemen on the other side of the Chamber. In my judgment, in the title of the Payne-Aldrich bill you might as well have written: "An act to make it impossible to establish a dyestuff industry in the United States of America"; and to a certain and more modified extent I will say that was true of the bill that followed it, and I had something to do with the construction of that bill. I would have written a bill, not substantially like this, but along these lines. The last time we had this proposition up here I had it my way, but when we tried to make it harmonious and symmetrical, when we tried to comb the jokers out of it, when we tried to lay half-way duties on intermediates and full duties on finished products, and so far as possible to make raw materials free, we found that we were met by the textile manufacturers, who were receiving protection to the extent of 25, 30, 40, or 50 per cent in some cases, who insisted that the articles that went into the manufacture of their commodity must be upon the free list.

We found the influence of foreign manufacturers powerful enough to get in behind the strongest textile manufacturers and compel them to come to the committee and force upon them legislation which was not even in their interest, which was not in the interest of the dye industry of the United States, and which in my judgment was not in the interest of the people of the United States. You can have the satisfaction when you are voting for this schedule of knowing that it shields and protects nobody except as he who runs may read.

Every coal tar crude comes into this country free. Every coal tar intermediate pays 15 per cent ad valorem and 2½ cents specific. Every finished coal-tar product pays 30 per cent and 5 cents specific. The dyes that were imported into the United States for the years 1913 and 1914, if they had been imported under the proposed legislation, would have paid 49½ per cent equivalent ad valorem.

If the legislation which is now proposed had been upon the statute books for the years 1913 and 1914, the average rate of duty that those commodities would have paid is 49.5 per cent ad valorem. I want to say that that statement should be modified in this way: Quite a heavy percentage of the dyestuffs that come into this country is made up of indigo, synthetic and natural. Synthetic and natural indigo can be brought in either in the form of a paste or in the form of a powder. If it comes in in the form of a paste it is only 20 per cent indigo.

If it is brought in in the form of powder, it is practically 100 per cent pure. This duty is laid upon a 20 per cent purity indigo paste, and that duty can be brought down to a little more than 31 per cent ad valorem.

There is a reason, and one which should appeal to the Senator, for treating indigo as the other dyes are treated. The Senator, in his argument, states that natural indigo should come in free. Of course, if that is done, it means that syn-

thetic indigo should come in free, because there is no way of telling the difference. If you should put natural indigo on the free list and leave the duty upon synthetic indigo, it would be easy enough to send synthetic indigo to China or India, or wherever the natural indigo is produced, and bring it in. I see that the Senator from Utah [Mr. SMOOR] shakes his head. All I can say is that I have the word of the chemists of the Treasury Department, but I will not attempt to put them up against the superior wisdom and judgment of the Senator from Utah. All I can say and know is what they say to me.

Mr. President, I do not think it is necessary for me to say any more on this subject than I have said. This schedule, regardless of the rates, is a fair schedule. In my judgment, importations under it will continue. In my judgment it will still be possible for us to have a competition between the importers and the manufacturers; but it will not be possible for any man to patent a product, have it slapped on a nominee into a tariff schedule, bring it into this country free, escaping the payment of the 30 per cent that similar products are called upon to pay, and control this market. Under this schedule you will not find the other anomalous condition of charging a duty of 15 per cent on an intermediate that a dye manufacturer must purchase in order to make a finished product, and then asking him to meet that finished product on the free list.

Mr. UNDERWOOD. If it does not interrupt my friend from New Jersey, will he allow me to ask him a question there?

Mr. HUGHES. Yes, sir.

Mr. UNDERWOOD. I admit that from a protection standpoint you have written what is called a scientific tax on dyes; but how can you reconcile the fact that you put what I call a 63 per cent tax on indigo with the fact that denims, out of which overalls are made, are on the free list, and entirely untaxed? If you are scientific in what you are doing about these dyestuffs, why do you not carry your scientific action further, and put a tax on denims, which are now on the free list, and in the case of which you are taxing their raw material?

Mr. HUGHES. I do not see why the Senator should complain about that.

Mr. UNDERWOOD. I am not complaining.

Mr. HUGHES. There is only one manufacturer in the United States who has complained about this schedule; and, understand, the manufacturers are going to pay this increase in rates, because on the Senator's own theory by increasing the tariff we have not given them the right to pass it on to the people. So every manufacturer in the United States, so far as tariff action is concerned, is paying this increased price; and every one of them is willing to do it, except this man from North Carolina. He is the only manufacturer who is complaining; and I come from a city where there are thousands of them.

Mr. STONE. The Senator means, a State where there are thousands of them.

Mr. HUGHES. I mean that my own city, the city of Paterson, has thousands of manufacturers, representing millions of dollars, and every one of them wants this particular title enacted; and every one of them will be compelled to pay the prices which the Senator complains about, if he is correct.

Mr. UNDERWOOD. I do not want to interrupt the Senator; but if there was competition I would yield in the cheap cotton goods, such as denims. No competition comes into this country. I was simply speaking of the logic of comparing these rates.

Mr. OVERMAN. The Democratic members filed a minority report to put indigo on the free list, and out of respect to the Democrats Mr. Aldrich agreed to it, and it has been off the free list for 36 years.

Mr. HUGHES. The foreign makers of indigo may have been able to get some manufacturers to complain to the minority members and impress them with the justice of their cause.

Mr. OVERMAN. Then the Democrats were influenced by foreigners in asking them to put it on the free list?

Mr. HUGHES. The Democrats were influenced and many another Senator was influenced by words and by communications and personal appeals made to us when we were revising the schedule.

Mr. OVERMAN. It had been on the free list for 36 years.

Mr. HUGHES. Of course.

Mr. OVERMAN. And now we ought to do what is right.

Mr. HUGHES. We want to treat them as we treat all the others. We ought not to make fish of one and flesh of the other. There is not a single manufacturer in the United States, as my friend from Alabama says, who has complained about it except one man from North Carolina. The argument was made for him that we are putting a 63 per cent duty on it. Let us see. According to the Oil, Paint, and Drug Report of the

United States of August 28, 1916, natural indigo was \$3 a pound. So that was less than 31 per cent.

Mr. OVERMAN. But the Senator—

Mr. HUGHES. Let me finish. I am not arguing with the Senator from North Carolina. I am speaking about the provision of the Senator from Alabama. I want to say particularly to the Senator from Alabama there never was and never will be an ounce of natural indigo made in this country, and why should we complain that every ounce that is used should pay a duty of 30 per cent into the United States Treasury? That is a tariff for revenue with a vengeance.

Mr. OVERMAN. If the Senator will pardon me, how much has this rate also been increased over the House rate?

Mr. HUGHES. By a specific duty of less than 1 per cent on the present price.

Mr. UNDERWOOD. I will state to the Senator that the House bill, I think, carries a 30 per cent tax and the Senate committee added 5 cents.

Mr. OVERMAN. That makes 60 per cent?

Mr. HUGHES. I will not allow the Senator to interject a statement of that kind. It is an absolutely inaccurate statement.

Mr. OVERMAN. I only ask for information. I ask the Senator how much it is.

Mr. HUGHES. According to the price of indigo to-day we have increased it less than 1 per cent.

Mr. SMITH of Georgia. And after the war?

Mr. HUGHES. I do not know what the price will be after the war.

Mr. OVERMAN. I will say to the Senator if there was one man who would not make it at the House rate, you have put this in to encourage that one man in the manufacture.

Mr. HUGHES. I say to the Senator that is not so. I am chiefly responsible for urging it, and it was put on the same basis as every other dye.

I could not see then and I can not see now why one selling or manufacturing in the United States should be given a privilege over another. You could not leave that where it was, justly, without changing the rate on alizarin and anthracene and other dyestuffs of similar character.

Mr. OVERMAN. I understand that this rate is in the interest of one man, to make him rich and the balance of the people will pay the tax. This one man will make the indigo. He says he can not manufacture it at 30 per cent, but if you will make it 63 per cent he will put his money in it and manufacture it. Do you propose to make him rich and to make the people pay the money?

Mr. HUGHES. Mr. President, I will relieve the Senator's mind by saying that I do not know whom he is talking about. No one man ever communicated with me. I have heard that certain gentlemen said if they got a certain rate, they would make these dyes. That had no influence upon me. I am trying to make the schedule what I believe it ought to be. I can not see any reason for treating one of these dyes in one way and another in another way. Whether that man comes from North Carolina or whether he comes from New Jersey, I know when you put three or four of these cheap dyes to an advantage over others, to that extent you disadvantage the other dyes. That has been the trouble with the Payne-Aldrich law, and that has been the trouble with the modified Underwood law. In my opinion, they should all be treated just alike, and we have treated them all alike. What the Senator from Alabama says is true; the only beneficiary will be the Treasury of the United States.

Mr. President, that is all I care to say on the subject, so far as I am concerned.

Mr. SMOOT. Mr. President, for the last 10 years I have advocated a rate upon dyestuffs that would enable the establishment of that industry in the United States. I have seen industries established and I have seen those same industries destroyed by Germany dumping goods into this country at prices at which the goods could not be manufactured either in Germany or in this country. I have seen dyestuff machinery built and placed in operation and within a few years after I have seen that same machinery thrown on the dump heap.

I have called the attention of the Senate to those conditions many times. I have told the Senate time and time again that the only way the industry could be established in the United States was to protect the product of the industry by a rate of duty that would be high enough to prevent Germany or any other country from dumping their goods into this market, and by so doing destroy the industry, then raise the price, as they have done in the past, higher than it was at the time the dumping began.

If I wanted to take time this afternoon I could recite to the Senate the chemical industries that have been established in the United States, and by so doing the price of chemicals have been lowered until the German chemical combination has decided that the American industry must be destroyed, and it was destroyed. I have seen prices raised to the American buyer after the American industry was destroyed to more than compensate the German maker for all that he lost in destroying the American industry by dumping his products into this country.

There is no necessity of it, Mr. President. That time has passed; and now I am glad to say that I doubt whether there is a single Senator who will not admit that there has been an injustice done our country in not encouraging this industry.

I remember, three years ago, calling attention to an industry in the city of St. Louis that had been making chemicals of what may be termed the higher grade. The Underwood bill became a law, and it had not been in operation six months before that establishment was out of business, the machinery thrown out upon the dump heap, and the building used for other purposes.

Mr. SMITH of Georgia. I wish to ask the Senator a question for information.

Mr. SMOOT. Certainly.

Mr. SMITH of Georgia. How long had they been in existence? How fully had those factories developed?

Mr. SMOOT. It was not a dyestuff industry, it was a chemical industry, as I stated.

Mr. SMITH of Georgia. I am speaking of dyestuffs.

Mr. SMOOT. No; I spoke of a higher grade of chemicals.

Mr. SMITH of Georgia. I was interested to know if there were any considerable number of successful producers in this country during the 20 years prior to the passage of the Underwood law.

Mr. SMOOT. I think we had about nine establishments making dyestuffs, but I will say that Germany not only secured the most of our business but secured the greater part of the business of the world.

In fact Germany produces and furnishes to the world over 80 per cent of all the dyestuffs used; and not only that, Mr. President, she has cartels or combinations, and the German Government encourages their formation and operation, and dyestuffs are sold irrespective of cost in any country that undertakes to establish a dye industry, and they simply drive the competing business out of existence.

Mr. SMITH of Georgia. Did they then put up their prices?

Mr. SMOOT. Certainly. Take oxalic acid. We undertook to manufacture oxalic acid in this country and we placed a duty upon it, and oxalic acid was made in this country. At that time the price was around 9 cents a pound, as I remember. Just as soon as the American product was placed upon the market the price began to fall, and it fell until the American manufacturer had to close up, and just as soon as the American factory was closed the price advanced higher than it had been before.

Mr. President, I want to say that if Germany had not established the protective system 30 years ago, if Germany through protection had not built up her industries and her manufacturing concerns, Germany in the present war would have been crushed by England and her other enemies in a very few months.

The Senator from Alabama complains of the rates provided for in this bill, not upon the crude articles, because they are on the free list, but of the rate of 15 per cent ad valorem and 2½ cents per pound specific duty. He complains of the rate of 30 per cent ad valorem and 5 cents a pound specific duty upon the finished product, and he cites an article that used to cost 15 cents per pound to show that the latter rate is too high.

It is the same old argument. You take the very lowest-priced article there is and you figure an average rate of duty upon that article and never take into consideration the 85 per cent of all the other importations, the price of which runs from \$1 to \$3 a pound under normal conditions.

I admit if the price of coal-tar dyes was only 15 cents a pound and there was a duty of 30 per cent ad valorem and a 5 cents per pound specific duty it would amount to 63 per cent. But, Mr. President, if it was \$3 a pound it would be 30 per cent and 1½ per cent, which would make 31½ per cent instead of 63 per cent.

Then the Senator also undertook to impress the Senate with the statement that it was this class of dyes that was used in the clothing of the poor. Mr. President, indigo is used in the dyeing of denims, the cloth used in the making of men's overalls. I say now that it does not cost more than 1 cent a yard, if it costs that, to dye denims blue. The fact is, the blues used for dyeing cloth for the mass of the people, for the same poor man's family, the clothes that he himself wears, with the exception of his overalls, if dyed blue, is dyed from dyestuffs ranging in price from 50 cents to \$3 per pound.

Mr. President, if we are going to establish this industry in this country, I tell the Senate now that the specific rate of 2½ cents a pound on intermediates and 5 cents upon the finished product is not sufficient to protect the industry. Whenever the war is over and things in Germany become normal again it will be easy for the German manufacturers, through their combinations and cartels, to take off 2½ cents a pound from intermediates and 5 cents a pound from the finished product and destroy the industry in the United States if it is ever established.

Mr. SMITH of Georgia. I ask the Senator if this applies to synthetic and natural indigo?

Mr. SMOOT. It does apply to natural indigo and synthetic indigo. By the way, let me call attention to the fact that natural indigo has been on the free list for 30 years. Natural indigo never will be produced in the United States. It is a product of the earth. Synthetic indigo is made from coal-tar products that answer exactly the same purpose in dyeing that natural indigo does. Nobody wants to dye now with natural indigo if they can secure the synthetic product. It is much simpler and inexpensive to use, and, above all, much cleaner. The alizarins are most used to-day and can be handled more cheaply, and produce a better color, in my opinion. As far as synthetic indigo is concerned, of course, that was not known 30 years ago.

Mr. HUGHES. I think the Senator will agree with me that synthetic indigo was first discovered by one man.

Mr. SMOOT. Certainly.

Mr. HUGHES. And through our tariff laws then existing one man was able to bring it into this country free, when it came into competition with natural indigo and drove it from the market, so that nobody could handle it or produce it.

Mr. SMOOT. Not only was that the case with synthetic indigo, but it was also the case with alizarin.

Mr. HUGHES. Yes.

Mr. SMOOT. I believe I have recited what I myself happened to see in Germany at one time. I used to buy a great many coal-tar dyes from Germany. I went to Germany to meet the people with whom I had done so much business. When going through the largest plant in the world I was shown into the chemists' department. Among the hundreds of chemists that were working at that great plant I was shown into a room where I was told that the chemists there had been experimenting for nearly 20 years to produce a dyestuff that would take the place of indigo blue. Our Government used to specify indigo blue for all of its uniforms; every Government on earth used to do the same. These enterprising German manufacturers undertook to find something that would answer the purpose of indigo blue, and yet which would cost less money.

While there I talked with a chemist, and I asked him if he had yet discovered an article that would take the place of indigo blue. He said, "Not yet"; but I was told that those chemists were put into that room with but one instruction, and that was never to give up their investigations until such an article was discovered. No matter how much money it might cost and no matter how long it might take, they were instructed to find something that would take the place of indigo blue.

Mr. THOMAS. Mr. President—

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

Mr. SMOOT. Yes; I yield.

Mr. THOMAS. It is needless to say that the incident which the Senator from Utah has just mentioned carries within itself the secret of German success in dye making and also in dye control all over the world, in countries which have tariffs and in countries which have no tariffs. We may pass all the tariff laws imaginable, but we shall have no dye industry here until we get that German spirit of patience and investigation and success.

Mr. SMOOT. Mr. President, I was going to ask what would have been the result if a manufacturer in the United States had 30 years ago undertaken to discover an article that would have taken the place of indigo blue? Why, Mr. President, perhaps he would have worked at it for six months, and if he had been a very patient American he might have worked at it for a year, but at the end of the year he would have said, "Oh, life is too short; I shall not bother further with anything like this." So I say, Mr. President, no matter what rates of duty we place in this bill, unless they are sufficiently high to allow an industry to be established in this country and to maintain itself until it can get upon its feet, we might just as well propose no duties at all.

I say, now, with a specific duty of 2½ cents on intermediates and of 5 cents on the finished product, the industry in the

United States will not be established. I do not say that under this bill some of the cheaper lines will not be made in this country, but what I am saying is that a complete line of dyestuffs made from coal tar, so that our users of dyestuffs can depend upon America for what dyestuffs they are compelled to use, will not be made in the United States.

Mr. GALLINGER. Mr. President, do I understand the Senator from Utah, who has made a special study of this schedule, to say that the provision of this bill is inadequate to ever establish the dyestuffs industry on a firm basis in this country?

Mr. SMOOT. I have no doubt about it. I say that there are some lines of the industry which may be established.

Mr. GALLINGER. What would the Senator from Utah suggest as to the rates?

Mr. SMOOT. Instead of 2½ cents, I would make it 3¼ cents for intermediates, and I would make a rate of 7½ cents instead of 5 cents for the finished product. I am speaking now of specific rates. If those rates were established, I have no doubt in my mind that the industry might be established in this country, perhaps with the single exception of some of the very finest and highest-priced coal-tar products that are made elsewhere in the world. Perhaps the most delicate shades of pink and the most delicate shades of blue that are made we should not for a few years be able to establish an industry to take care of, but the demand for such colors is so small and their use in this country is so limited that I am not worrying about that; nor would I ask rates so high that they would take care of such, but experience would bring the ability to produce them and time alone would give that experience.

Mr. GALLINGER. Mr. President, will the Senator permit me to again interrupt him?

Mr. SMOOT. I yield.

Mr. GALLINGER. I have been importuned to vote for this provision, and have also been importuned to vote against it. I want to ask the Senator if he wishes to disclose his present state of mind—he having made a special study of this matter, which I have not done—whether he is going to vote for the provision or against it?

Mr. SMOOT. Mr. President, I want to be perfectly frank with the Senator from New Hampshire and to tell him why he has received protests against the adoption of this provision. The manufacturers in this country have in the past always been against a duty upon dyestuffs, and never did consent to allow more than 30 per cent on the finished product. They were willing to pay that in the past, but at no time have we had a higher rate of duty than 30 per cent upon our coal-tar dyes. I say now that the manufacturers of the United States using dyestuffs have since the European war began been compelled to pay prices that would more than have justified them in supporting a rate of duty in the past that would have enabled this industry to have been established years ago in the United States.

Why, Senators, do you know that many of the dyestuffs have risen in price 1,200 per cent since the beginning of the European war? Do you know that the reds that we use in the printing of our own money have risen from 34 cents to \$4 a pound, and that we can not get a sufficient quantity even at \$4 a pound?

Mr. GALLINGER. Mr. President, if the Senator will permit me further, I apprehend that the textile manufacturers, some of whom certainly are against this provision, are of opinion that after the European war closes dyestuffs will be reduced in price to a point below what they can be produced for in this country even under a reasonable tariff, but does not the Senator believe that after the European war closes, unless we have some competing industry, that they will be disappointed in their expected reduction of prices on the part of Germany?

Mr. SMOOT. There is no doubt, Mr. President, that if Germany after the war is over controls the dyestuffs industry of the world she is not going to reduce the price until she is compelled to do so. And how will she be so compelled? Japan to-day is not only advancing money to her manufacturers for the establishment of dye industries in Japan, but she is assisting in every other way possible to insure such an industry being established there. England is doing likewise and has abandoned her free-trade policy in relation to dyestuffs. France is doing the same thing. Until competition compels the German manufacturers to reduce the price of dyestuffs the American manufacturers will pay every dollar that the German producers can force out of them, just as they did in the case of the dyestuffs that were landed from the submarine *Deutschland* about a month ago. There is no question about that, Senators.

So, Mr. President, if we are going to pass a bill having in view the establishment of a dyestuff industry in this country, I

want to see a bill enacted into law from which there is a likelihood that something will be developed.

I know there are some manufacturers in this country, particularly the chemists, who are manufacturing low-priced, heavy dye products who are perfectly satisfied with the rates proposed in this bill. They have had the business in the past under the rates heretofore established, and they will have it under the rates named in the pending provision; but they do not constitute a great dye industry in this country; and that is what we want to establish. If we do not succeed in establishing one, I say all success to Japan; I say to England; "success to your endeavors," and I express the hope that France will so solve the problem in her country that some competition will be insured in the production and sale of dyestuffs.

I think our home market is the best market on earth. I can not agree with the position taken by the Senator from Alabama. I understood him to say that our buying dyestuffs from Germany enabled Germany to buy our products and it was a mutual advantage, and this was the only way trade between the countries could be maintained. I can not agree with the Senator. Foreign countries purchase from us just what they are compelled to and no more.

I wish to say, Mr. President, that so far as I am concerned, I would like to see established in this country all kinds of industries; but if the contention of the Senator from Alabama is correct, we ought to entirely confine our activities in this country to raising cotton, wheat, and other agricultural products, and send those products to wherever people may want them, taking in return their manufactured products in payment for same.

Mr. President, I would not only favor raising our wheat and our cotton, but in connection with the agricultural industry I would favor the establishment of manufacturing concerns in sufficient numbers to produce all the goods required by the people of this country and make within our own borders every dollar's worth of goods consumed by the American people, if it were possible to do so. If that policy were followed, it would not be long until we would be the wealthiest people on this earth.

Mr. STONE. We are now.

Mr. SMOOT. The Senator from Missouri says we are now, but we were not a few years ago.

I desire to say, Mr. President, that if the war continues for two more years, as I said in a short statement here the other day, the people of America will virtually control the finances of the world for many, many years to come.

Mr. President, there will be no effective dye industry in this country if the Germans, who have been furnishing us more than 80 per cent of all the colors we consume, can prevent it. The recent visit of the undersea merchantman *Deutschland* is evidence of that fact. That vessel brought principally dyestuffs, and other such vessels are promised with similar cargoes. The agitation in this country, owing to the high prices and scarcity of dyes, for the establishment of the industry has been an incentive for the Germans to get their dyes here to meet the demand even while the war lasts. This is only one of many incidents emphasizing the need for adequate protection if we are to have a satisfactory dye industry, and also make ourselves able to produce all the explosives needed in case of a war. The House of Representatives passed the bill providing protection for the dyestuff industry three days after the German undersea vessel arrived. But the rates fixed in that measure are inadequate, and for that reason will be useless. They were chiefly instrumental in showing the hollow pretense of the Democratic Party in declaring in its national platform time and again that a protective tariff is unconstitutional. Holding that view, despite the decisions of the Supreme Court to the contrary, the President has maintained it with great earnestness, yet the party admittedly adopts what it calls protective rates on a part of the dyes for which we have been dependent upon a foreign nation.

If the Democrats should control the elections in November the dye industry would lag just as it has done heretofore. There would be no reliance on the promise to help establish the industry in view of the defective legislation and the party's free-trade record. Effective work in any line can not be expected from a person who does not believe in the work he is undertaking. For that reason effective protective duties are not provided in this bill to establish or maintain the dye industry. In this case we have the evidence of 10,000 chemists and other experts to that effect.

What is known as the Hill bill, introduced in the House, provided for a specific duty of 7½ cents per pound on the finished dyes, and 3¼ cents per pound on the intermediates, in

addition to a 30 per cent ad valorem duty on the former and 15 per cent on the latter. Those rates were approved by the committee appointed by the American Chemical Society and by President Hertzy of that organization, who is a resident of Chapel Hill, N. C., and by Dr. Bernard C. Hesse, a well-known free trader of New York; H. A. Metz, a German and American manufacturer and a former Democratic Member of the House, and many other representative men in this industry. But instead of adopting those rates the bill passed by the House provides for the ad valorem duty, but the specific rates were reduced 33 1/3 per cent. The committee appointed by the chemists approved the rates in the Hill bill by stating that they "are the lowest at which a self-contained, complete, independent coal-tar chemical and dye industry can be created in this country, and at the same time which offers a legitimate incentive to capital for a legitimate effort to produce these goods in this country." Mr. Metz, himself a German manufacturer, asserted:

On anything less you will be off, anyway. I do not know whether that is high enough

Dr. Hesse, whom the New York Times (Democratic) says is president of the American Chemical Society, and who is an open and an avowed free trader, in a recent address in New York before the Dress Fabrics Buyers' Association said:

The United States has a sufficient supply of coal-tar materials of suitable quality to produce all of its own requirements of coal-tar dyes, if it so chose to use them, and it has domestic access to all the needful auxiliary chemicals except sodium nitrate, in which respect it has been dependent upon Chile, and in that regard has been in the same position as practically every other nation. To-day we are in a most favorable position in these respects—a better condition than ever before. The coal-tar dye industry was started in England and France fully four years before it was started in Germany, but in recent years Germany has made 90 per cent of the coal-tar dyes consumed in the world.

That has been the result of the protection given to this industry in Germany, which has built up a large and valuable trade with other countries in the matter of dyes. In 1913 Germany had 22 large establishments making coal-tar dyes. The dividends declared in 1917 by 21 of the German manufacturers amounted to \$11,000,000. The manufacturers' value of all coal-tar dyes consumed in the United States in normal times is about \$15,000,000. One great advantage in this industry is that these manufacturers can be used for the production of explosives in case of war, which has been of enormous advantage to Germany. Her opponents in the existing war were at a great disadvantage at the start because of their inability to obtain the requisite explosives for use in the war. The coal-tar dye industry pays higher dividends in Germany than any other branch of the chemical industry, and Germany has sold these dyes to 33 outside countries. We had a tariff rate in 1882 that led to the establishment of nine coal-tar dye manufacturers in this country, but the Democrats in 1883 reduced those rates so as practically to wipe out the industry in this country. Since that time we have never had an effective tariff on these dyes because of the opposition of the manufacturers who used the dyes. The war in Europe has furnished an effective lesson as to the great folly of that course. There appears now to be a probability that something will be done to establish the industry fairly within the United States. If it is not done by this Congress, I think we will have a Congress following this one that will take the necessary action. The present rate of duty is 30 per cent, and that on a part only of the dyes made from coal tar. Dr. Hesse in his speech in New York said:

The Underwood law has not created a dye industry; the Hill bill would probably create an industry, if enacted into law, that would produce not only coal-tar dyes and explosives but also many other things obtainable from coal tar and other like materials, and anything less than the Hill rates is not likely to lead to any substantial industry. With this view the most experienced domestic coal-tar dye makers agree. Protection in order to protect this industry must protect it all the way round. The Hill bill does that; the Kitchen bill does not. Unless we protect the coal-tar dyes and chemical industries in this country, we are not going to have any such industries. The Hill bill gives the dye maker what he says he needs; the Kitchen bill does not. If we really want an American coal-tar dye industry and all it brings and may bring with it, why should we thus haggle? The dye-using interests insist that something must be done to establish this industry, but those interests have been responsible for the disastrous rates since 1883. It is not time for a half-hearted measure. Either we must have the substantial whole of the industry or we will have nothing of value in time of stress. The longer we delay in getting this industry the more difficult the task will become. We can if we will make just as good qualities as any one, but we can not do it unless we have the opportunity to acquire the experience. The difference between the effective rates and the rates in the Kitchen bill, so far as the cost of finished fabrics is concerned, can not be great, hardly ever large enough to pass along.

Mr. HILL stated in the House that \$42,000,000 for the development of this industry had been promised in case sufficient rates were established. France, Japan, England, and Russia have already taken effective measures to establish the industry in those countries, but we are quibbling here over 2 1/2 cents a pound. One-thirtieth of 1 cent per yard is said to be the ulti-

mate cost to the final consumer of satisfactory rates to establish this industry.

This country has lost more because of the German monopoly since the European war began than all of the extra costs that could possibly accumulate in a century by the establishment of effective rates. The British Government has put \$15,000,000 into the establishment of the industry in that country. Japan has guaranteed 8 per cent profit on any Japanese capital invested in the business. We have voted at this session of Congress \$20,000,000 of Government money to make fertilizers and nitrates, \$11,000,000 to build an armor-plate plant, and large sums for other such purposes, but the party in power refuses to give satisfactory rates to establish this very important industry, and we will, if the Democratic Party has its way, continue to be dependent on Germany.

A committee representing the manufacturers of dyestuffs and coal-tar intermediates and also representing 30 different associations of consumers of finished dyestuffs have called attention to the fact that the House bill cuts out from the special 5 per cent duty "natural and synthetic alizarin and dyes obtained from alizarin, anthracene, carbazol, and natural and synthetic indigo, and all indigoids, whether or not obtained from indigo." These excepted colors constituted 27 per cent in value of all the dyes imported from Germany in 1913. The bill provides that the special duty shall cease unless an American industry shall have been built up in five years' time capable of furnishing 60 per cent in value of the country's consumption. This arbitrary reduction of 27 per cent of the industry will make the attainment of the 60 per cent of the total a practical impossibility. The classes of colors excepted will be of great advantage to foreign competitors. The importation of those colors increased nearly three times in quantity in three years.

The European manufacturers can further develop those colors so as to provide practically all the colors required for our consumption. Indigo is also included in that exception, and it is by far the most important single color imported. This committee asserts that "no one would be tempted to invest money in making aniline colors so long as he could be exposed to competition by another group or class of colors paying a much lower duty." Twenty-seven per cent of our entire consumption cut off by being left without the benefit of any specific duty leaves it to Germany to sell us only 13 per cent, and then the President has got to order the suspension of all the duties. That is the way this bill was made up and passed by the other branch of Congress. It is very evident that the industry will never be established in this country to any large extent under the bill as it passed the House. When the war ends Germany will have plenty of dyes to unload in this market. As she consumes only a fraction of the dyes she produces, she could sell the part used at home at very low prices and thus escape any charge of dumping under the faulty provisions of this bill. The Democrats proceed on the policy of going on record as verbally in favor of protection and legislatively against that policy.

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

Mr. STONE. Mr. President, I desire to address the Senate briefly before a vote is taken. I understand that the cloakrooms of the Senate are well filled, and I suppose Senators in the cloakrooms are technically within the Senate Chamber, although at this moment there are very few Senators actually present within the Chamber. The brief observations I have to make will therefore be addressed more to the Record than to Senators, although I shall be pleased to speak to those who honor me with their presence. All I wish to do is to state my view of the Democratic position on the matter now before the Senate. I suppose Democratic Senators, generally, will be content to express their views by their votes.

Mr. President, I have only two thoughts to present at this time to the Senate. One concerns the statement made by the Senator from Alabama [Mr. UNDERWOOD] that the provisions of the bill covered by the title now under consideration are not Democratic. That is a challenge to Democrats as to the democracy of the bill. Then, secondly, there is another question which relates to the actual merits of this title or these provisions of the bill.

No one in the Senate has greater personal regard for the ability and well-deserved reputation of the Senator from Alabama than I; but I deny his right, as I would deny the right of any other Senator, to speak ex cathedra respecting Democratic doctrine.

I shall not have any discussion with the Senator from Alabama or any other Senator on such a subject. I leave my position with the statement I have made—that no Senator has the right authoritatively to tell the Senate what the true party doctrine is on any subject. The Senator from Alabama has

said that this provision of the bill we are considering is antagonistic to everything fundamentally Democratic. I am not attempting to quote his exact verbiage, but I am attempting in a few words to give expression to his opinion as he stated it for our guidance.

Mr. President, I have been a member of the Democratic Party fully as long as—indeed, for some years longer than—my friend from Alabama. That is because I am older than he. I have as good a right to express an opinion about what is true Democracy as the Senator from Alabama. I go further than that. Any Senator on this side has a right to say what he thinks about whether this measure we are considering is Democratic or un-Democratic—as good a right as the Senator from Alabama. The Senator from Alabama has by his service made a record as one of the great Democrats of this Nation, and therefore I say he has absolute leave, here or anywhere, to say what he thinks about any measure before the Senate from the standpoint of Democracy or party policy; but he would say, I am sure, that I have an equal right to express my views upon any such subjects.

Mr. UNDERWOOD. Mr. President, will the Senator from Missouri permit an interruption?

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Does the Senator from Missouri yield to the Senator from Alabama?

Mr. STONE. I do.

Mr. UNDERWOOD. I will state to the Senator from Missouri that while I do not recall my exact language, I will not controvert in any way his statement, which was that I stated that this particular paragraph of the bill under consideration was not in accord with the principles of Democracy. That is only an expression of opinion. I concede to every other Senator his right to an opinion on the same subject. The only question involved is this: I expressed my reasons and the facts on which I based my reasons in making my statement. If those facts are true and my reasoning was correct, then I was sound in my statement. It is not a question of my criticizing any of my brother Senators on this side. I merely announced a conclusion and gave the facts on which I based the statement. My reasoning is based on those facts, and it is a question for the Senate and for the country to determine whether the reasoning from those facts is sound or otherwise.

Mr. STONE. The Senator from Alabama did just what he says, and I will have no semblance of quarrel with him about that. As to whether this provision of the bill is Democratic or not, I have only this to say:

This measure has, first, the approval of the Democratic House of Representatives. I do not mean that the House has yet approved of the entire verbiage of the bill as now before us, with the Senate amendments, but I do say that the House has approved of all the essential features of the bill as now before us. Substantially the bill, in this particular—that is as to the provision under consideration—remains almost identically as the House passed it.

This provision therefore expresses the judgment of the Democratic House of Representatives. That is something to begin with when we come to inquire about Democratic doctrine.

Then the Finance Committee of the Senate indorsed the action of the House, with some amendments as to details, which are submitted to the Senate. The action of the Democratic Finance Committee, before being submitted to the Senate, was submitted to the Democratic conference, and that body, representing the entire Democratic representation on this floor, approved the action of the committee and authorized the committee to present the bill in its present form to the Senate.

The President of the United States and I will undertake to say, the Vice President of the United States approve this legislation, and the President and the Vice President are our candidates for reelection.

So, then, what have we here? We have the judgment of the Democratic President and Vice President; we have the judgment of the Democratic House of Representatives; we have the judgment of the Democratic Finance Committee of the Senate; and we have the judgment of the Democratic conference of the Senate.

Against this, all of this, one or two, possibly more, Senators on this side project their individual opinions and undertake to say that they know better than all the balance of us what is real Democracy and what is the wisest policy for the party to pursue in the party interest or in the public interest.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me—

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

Mr. STONE. With pleasure.

Mr. UNDERWOOD. Unquestionably the Senator is correct about the House of Representatives, both on the Democratic side and on the Republican side, having approved this schedule. He is correct about the Finance Committee, as I understand, both on the Republican side and the Democratic side, having approved it. I do not know whether the President has taken an affirmative position in reference to the items and the duties levied in this bill or not. My contention is, however—and I think it is admitted by practically everybody I have talked to—that this tax is levied for the sake of protection, not for the sake of revenue. In that case, it is contrary to the doctrine of the party declared in its platform; and unquestionably a position of that kind has not the approval of the Democratic masses of the American people, as evidenced in the recent elections that have taken place in the United States.

Mr. STONE. I do not know what the Senator means by "the recent elections."

Mr. UNDERWOOD. I mean the election of 1910, when they returned a Democratic House of Representatives in protest against the passage of the high-tariff duties in the Aldrich-Payne bill; the election of 1912, when they clearly elected Mr. Wilson President of the United States on a platform declaring for the Democratic principle of a tariff for revenue, when it was one of the great issues of the campaign, when it was the main issue, and he was returned on that issue. Now we admittedly reverse the engine and write a protective schedule into this bill.

Mr. STONE. Mr. President, I do not care to go into all that; it would only be confusing. I will go on from the point I had reached when I was interrupted by the Senator from Alabama. As to whether this provision in this bill is sound Democracy—I wish to put the words "sound Democracy" as broadly as possible—whether this is sound Democracy, to say nothing of the academic question as to whether it is sound economic policy, I prefer, for myself, to stand by the judgment of a Democratic House of Representatives, of a Democratic Senate committee, of a Democratic Senate conference—all backed, as I say it is, by a Democratic President—than to take even the judgment of so distinguished a gentleman as the Senator from Alabama. So much I have to say, and no more, in defense of the position that this provision of the bill is sound from a Democratic standpoint; so much in reply to the animadversions of the Senator from Alabama.

Is this really Democratic? I say it is; and in a few words, condensing my argument, I mean to show that it is both a wise economic measure and literally a Democratic measure.

It is true, as the Senator from Alabama says, that the Democratic Party does not as a matter of national policy approve the idea of levying customs duties purely for protective purposes. Of course, I agree to that. The Democratic tariff policy, generally speaking, is one lying upon the basic idea of raising revenue for the support of the Government, and not primarily and purely for what we call protection. The bill known as the "Underwood bill"—in the preparation of which the Senator from Alabama [Mr. UNDERWOOD] had as much to do as any of his colleagues of the House Ways and Means Committee, possibly more—I indorse. Moreover, as chairman of the platform committee at the St. Louis convention held two and a half months ago, I cordially agreed to write into the national platform a declaration of unqualified indorsement of the general principles of the Underwood bill.

But there is another thing we have written into our platform. Let us not chain our thought to one proposition alone. We have declared for more than one thing, but for numerous things of equal importance. We have more than once, in fact, many times, written into our platforms that the Democratic Party is stubbornly opposed to any form of commercial or industrial monopoly. That is an old policy of the Democratic Party; that is the accepted doctrine of the party; and, I am happy to believe, is the generally accepted doctrine of the American people.

What are we here called on to do? What do we confront? Mr. President, there is no dye industry in the United States. There is no dye industry in Great Britain, or France, or Italy, or in any other European country of any moment, except Germany. Are you listening to what I am saying? I want those of you who are here to listen to this. My friend from Alabama is doing me the honor of giving me his attention, and I am glad of that. I repeat the statement that there is no essential, permanent dye manufacturing industry in the United States, or, for that matter, in any nation of the world, outside of Germany. That is a great tribute to Germany, but it is hard on the United States.

Mr. UNDERWOOD rose.



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

Mr. UNDERWOOD. I did not intend to interrupt the Senator, but he has called attention to my presence and he has made a statement as though desiring to have me accept it.

Mr. STONE. The Senator was listening to me, and I complimented myself by saying he was present and honoring me with his attention.

Mr. UNDERWOOD. I think the Senator, but I do not wish to be put in the attitude of accepting as my conclusion the statement of the Senator. I desire to call his attention to the fact that from fifty to sixty million pounds of these dyestuffs cover the consumption of the American market, and Mr. Schoellkopf testified that he was making at the time he testified in January at his plant 14,000,000 pounds. There was a time when the Schoellkopf plant bought their intermediates and made only the finished product. Then the Senator might have said as far as that plant was concerned it was not a real dye industry, but to-day they are manufacturing the product from the raw material, and one man alone in the United States, according to that testimony last January, was making one-fourth of the product that is consumed by the American people. There were other plants in the country when one was making one-fourth of the entire consumption. I do not think the statement of the Senator in saying that there is no dye industry is justified by the facts.

Mr. STONE. Mr. President, it may be that I should have modified what I said to this extent, that whatever dyestuff industry of real moment we have in the United States now is due not to prohibitory tariffs but to the prohibitory effects of the European war. Germany, the practically sole manufacturer of dyestuffs, can not bring them to us. War conditions, not tariff rates, make imports impossible. Accordingly a mushroom industry has sprung up. The Senator's statement confirms the thought I had in mind and was trying to express, that we have no permanent, dependable dyestuff industry in the United States, and have not had for years, nor has any other country in the world outside of Germany. That is positively true. And I may add that this is greatly to the credit of Germany, but not to the honor or industrial advantage of the United States.

Mr. President, in this connection I may say that Japan is waking up. I wish to read from a Tokio dispatch appearing in this morning's Washington Post, showing what Japan is doing. The dispatch speaks of various new industries upon which Japan is entering, due in large measure to the stress of the European war, and as a result of the lessons of the war.

With respect to dyestuffs and chemicals, the dispatch says:

Dyestuffs (aniline salts and black dyes), chemicals (sulfate of bismuth, salicylic acid, antipyrin, acetate of calcium, and formalin), glasswares, celluloid, paper, pulp, phosphorus, potassium chloride, and soda.

That is, Japan is for the first time entering into these industries. The dyestuffs mentioned would furnish only a limited supply, but it is a start on a most important line. Japan is starting in to furnish her textile industries with what is essential to their life.

Mr. PENROSE. Will the Senator permit an inquiry?

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

Mr. STONE. Whenever the Senator from Pennsylvania gets up I can not but feel that he is trying to stir up something.

The PRESIDING OFFICER. Does the Senator yield?

Mr. STONE. I do not want to get into any controversy with the Senator from Pennsylvania.

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

Mr. STONE. If the Senator merely wishes to ask me a civil question, I yield.

Mr. PENROSE. That is the only kind I ever ask. I wished to ask the Senator whether he announced his position as believing in a protective duty to found an infant industry in the United States in the shape of the dyestuff industry—whether that is the novel doctrine advanced by the Democratic leader in Congress?

Mr. STONE. I am going in a few words to state my position.

Mr. PENROSE. All right. I will wait with interest. The Senator is making a wonderfully interesting tariff speech.

Mr. STONE. I am not making a tariff speech. I am not thinking of the tariff. This is not a question of establishing a protective duty to foster an infant industry along the line of the Senator's school of politics, but along a wholly different line of thought. I have not in mind the Senator's thought of merely protecting an industry against fair competition by a prohibitive duty, but I have in mind the distinction of a great,

dominating monopoly, flourishing at the expense of American industry. Our American people are opposed to any sort of grasping, throttling monopoly, domestic or foreign. I know that is the position of the Democratic Party; and I believe it to be the position of the American people.

Now, Mr. President, the dyestuff industry of the world has been for years controlled by Germany. With respect to this vital industry the world has been subject to Germany. No other nation in the world manufactures enough dyestuffs for its own use in normal times. Undoubtedly Germany has a world monopoly on dyestuffs. If such a monopoly as that we know to exist in that foreign country should be attempted in the United States the courts of the United States, under our anti-trust laws, would take it in hand, as they have taken other monopolies in hand, and dissipate it.

But this monopoly is not subject to the authority of the United States. The United States has no control over it. It is controlled by combinations in a foreign country, which combinations are backed, supported, and controlled by the Government of that foreign country. How shall we deal with that? Great Britain, France, Italy—no European power has been able to contend against this monopoly in the past, although these are great manufacturing nations. They have been subject to the same monopolistic exactions to which the United States has been subjected. It has been stated to us in the committee that where efforts have been made by men in this country to start dye industries, confined to the manufacture of only a few dyes—perhaps half a dozen out of hundreds—the agents of German concerns have gone to them—that is what they have said—and told them that if they would not enlarge the scope of their manufacture, but keep within present limits, there would be no fight against them. Moreover, these foreign commercial dictators told these American manufacturers that if they would agree to their terms they would make them their agents for the distribution of German-manufactured dyes in the United States, and that if that proposition was not accepted they would flood the market to which the American manufacturer had access with competing goods that did not take into account the question of profit or loss.

Mr. President, here is a giant monopoly—confessed monopoly—in a foreign country dominating, defiant, and in absolute control of a great industry essential in its effects to many important industries of our country. What shall we do about that? Every nation on earth has yielded and fallen before it.

Mr. UNDERWOOD. Will the Senator allow me to ask him a question?

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

Mr. STONE. I do.

Mr. UNDERWOOD. I desire to ask the Senator if he expects by excluding German dyes from this country to destroy a monopoly in Germany, and what effect that would have upon the American people. At the time the so-called German monopoly was selling goods in this country we were getting dyes at 4 and 5 cents a pound, which when excluded by war conditions go to 70 and 80 cents a pound. It is beneficial to our people even though it is a monopoly. When it was coming into the market we got the dyes for 4 or 5 cents a pound, and when it is kept out of the market we are paying 60 and 70 and 80 cents a pound for the same dyes.

Mr. STONE. Mr. President, I answer with perfect frankness in this way: I do not believe that where a monopoly exists anywhere in the world—government sustained, as this is, or otherwise, whatever the force behind it, a monopoly that controls the world's markets and subjects American industries to its edicts—the United States ought to submit to that situation.

Mr. President, there is no need for me to speak about the importance of dyestuffs to our industries; and I mean industries of inestimable and necessary value to our people, industries where millions of people are employed and where millions of capital are invested—all dependent for life upon a single monopoly, and that a foreign monopoly. What think you of that? The thing to my mind is intolerable.

Suppose it were not dyestuffs, but coal—

Mr. SMITH of Michigan. Or sugar.

Mr. STONE. Yes; or sugar or anything that supplies a family necessity; think of a monopoly that would shut such necessities out. How long would we stand for that, even if it were a domestic monopoly? And how long would we suffer from such ills if inflicted by a foreign monopoly? That is the exact principle involved in this legislation now proposed.

Mr. President, I am for this bill on Democratic antimonopoly grounds; not on the grounds of a protective tariff. I am for this clause of the bill as written because I am opposed to any great monopoly, even in this country—much less in any foreign

country—controlling the supplies of any great commodity necessary to the industries of this country.

How shall we meet an evil of this kind? That is the question. I do not know how we can reach an evil of this kind, except through the customhouses.

Mr. UNDERWOOD. Will the Senator allow me to interrupt him?

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

Mr. STONE. Certainly.

Mr. UNDERWOOD. The Senator says that we must pass this bill, because it will keep out of this country a German monopoly, and yet we pass it in face of the fact that two industrial plants alone say that they will supply the entire market if this bill passes. We drive out the so-called German monopoly that has served us at low prices, and create an American monopoly at high prices.

Mr. STONE. My friend from Alabama is too good a logician to believe that what he states is a sound argument. His statement has the appearance of a mere evasion. We have, so the Senator says, two concerns in the United States producing dyestuffs sufficient to meet substantially the needs of the American textile industries at this time. I do not know about that, but I doubt it. They may be able to do so in a small way as to certain limited number of dyes, but not in the larger way.

Mr. President, the Senator asks, Are we going to drive out the foreign monopoly and open the door to a domestic monopoly? No; I do not intend to do that; but if I should be compelled to choose between a foreign monopoly and a domestic monopoly, I would take the one at home, for this reason if no other, that whenever it should be established that there was a monopoly existing in contravention of the laws of the United States, the Department of Justice could proceed to suppress it.

Mr. OLIVER. Mr. President—

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

Mr. STONE. I do.

Mr. OLIVER. Mr. President, I do not know that I have followed the argument of the Senator from Missouri exactly, but I should like to ask him if he contends that this tax is not levied as a protective measure, but solely as a means of overcoming the monopoly in this industry now enjoyed by the Germans under the protection of their Government? I understand that that is his line of argument.

Mr. STONE. I speak for myself, and am simply stating my own attitude. I have supported, and now support, this provision of the bill upon the ground that I believe it is the only means at the command of the Government of the United States by which it can destroy a foreign monopoly preying upon our country.

Mr. OLIVER. Then, Mr. President, I will ask the Senator how he reconciles that statement with this declaration of the Democratic Party, which I shall read:

We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue.

Now, confessedly, this is not for the purpose of revenue—

Mr. STONE. Oh, Mr. President—

Mr. OLIVER. And still the Senator contends it is in full accord with Democratic doctrines.

Mr. STONE. Oh, well—

Mr. OLIVER. Now, if the Senator will allow me to finish, I desire to say that I am heartily in accord with the conclusion of the Senator in support of this provision.

Mr. STONE. But for a wholly different reason.

Mr. OLIVER. But I can not understand how his reason is in accord with the printed declaration of the Democratic Party, though still he contends that it is.

Mr. STONE. The Senator is in accord with me, so he says, but he admits for a wholly different reason. He would put prohibitory tariff duties upon practically everything to establish universal monopoly in the United States.

Mr. OLIVER. Mr. President, the Senator has no right to say what I would do under any circumstances.

Mr. STONE. I say that is what the Republican Party stands for as a general proposition.

Mr. OLIVER. Let the Senator stigmatize the Republican Party, if he will, but he has no right to say what I personally or individually would do under any other circumstances than those which exist to-day.

Mr. STONE. That is true, and if I have offended I apologize. I merely said what the Senator would do, because he is such a fine representative of his political party.

Mr. OLIVER. The Senator compliments me beyond my deserts.

Mr. STONE. Now, Mr. President, I am through. I wish only to remark that I stand for this bill, because I know of no other way to break down and free our industries from the domination of a great foreign monopoly that preys upon them. The old political feature of a tariff, the question of protection or free trade, is not involved. The question is, Shall we use the only power this Government has at its command, the taxing power, to destroy or to control a monopoly of the kind I have indicated?

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

Mr. UNDERWOOD. I ask for the yeas and nays on that question.

The yeas and nays were ordered.

Mr. STONE. I understand the motion—I have been asked concerning it by a number of Senators—is to strike out a portion of the House text. Am I correct?

The PRESIDING OFFICER. The question is on agreeing to the Senate committee amendment, on page 128, striking out the House text beginning in line 15 of that page and extending to line 12, on page 129, and inserting new matter from that point down to line 19, on page 138; and also the Senate committee amendment in Group III, on page 130, down to the end of line 3, on page 131.

Mr. UNDERWOOD. Mr. President, I asked that the Senate committee amendments to Group II and to Group III be considered together. I understand we are voting on the question of the adoption of the Senate committee amendments to both Group II and Group III at one time?

The PRESIDING OFFICER. That is what the Chair has stated.

Mr. HUGHES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUGHES. The vote comes now upon the committee amendment?

The PRESIDING OFFICER. The vote comes upon the committee amendment.

Mr. HUGHES. A vote "yea" sustains the committee and a vote "nay" opposes the committee amendment.

The PRESIDING OFFICER. That is true. The Secretary will call the roll.

Mr. SMOOT. Mr. President, so that there may be no mistake about it, I will state that we are not voting now on section 84. The amendment that we are voting on concludes with line 3, on page 131.

The PRESIDING OFFICER. That is what the Chair has stated.

Mr. UNDERWOOD. As I understand, we are voting on the adoption of the Senate committee amendments, both to group II and group III.

The PRESIDING OFFICER. That is what the Chair has stated. The Secretary will call the roll.

The SECRETARY proceeded to call the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Louisiana [Mr. BROUSSARD] and vote "nay."

Mr. COLT (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. SAULSBURY]. In view of his absence, I withhold my vote.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. GRONNA (when his name was called). I have a general pair with the Senator from Maine [Mr. JOHNSON]. In his absence, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. SHAFROTH (when his name was called). I have a general pair with the junior Senator from Washington [Mr. POINDEXTER]. I transfer that pair to the Senator from Tennessee [Mr. LEA] and vote "yea."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Minnesota [Mr. CLAPP], but, by virtue of an understanding with him, I am permitted to vote, and I vote "yea."

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK]. I will let that transfer remain for the balance of the day and vote "yea" on this question.

Mr. STONE (when his name was called). I transfer my pair with the senior Senator from Wyoming [Mr. CLARK] to the senior Senator from Indiana [Mr. KERN] and vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. McCUMBER]. In his absence I withhold my vote. I desire, however, to be counted present for the purpose of making a quorum.

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). I desire the RECORD to show that my colleague [Mr. TOWNSEND] is detained from the Senate because of illness in his family. He is paired, however, with the Senator from Florida [Mr. BRYAN]. If my colleague were present and at liberty to vote, he would vote "yea."

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. In his absence I transfer that pair to the junior Senator from Georgia [Mr. HARDWICK], and I wish to announce that the junior Senator from Georgia asked me to state that if he were present he would vote against the committee amendment. I vote "nay."

The PRESIDING OFFICER (when Mr. VARDAMAN's name was called). The present occupant of the chair has a pair with the junior Senator from Idaho [Mr. BRADY]. In the absence of a transfer the Chair withholds his vote. If permitted to vote, he would vote "nay."

Mr. WEEKS (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. JAMES], which I transfer to the senior Senator from California [Mr. WORKS] and vote "yea."

I desire to announce that my colleague [Mr. LODGE] is unavoidably absent. He has a general pair with the senior Senator from Georgia [Mr. SMITH].

The roll call was concluded.

Mr. BECKHAM. I transfer my pair with the senior Senator from Delaware [Mr. DU PONT] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WARREN. My colleague [Mr. CLARK of Wyoming] is unavoidably absent. He is paired with the senior Senator from Missouri [Mr. STONE]. If present, my colleague would vote "yea."

Mr. DILLINGHAM (after having voted in the affirmative). May I inquire if the senior Senator from Maryland [Mr. SMITH] has voted?

The PRESIDING OFFICER. He has not.

Mr. DILLINGHAM. Then I am obliged to withdraw my vote, having a pair with that Senator.

Mr. PENROSE (after having voted in the affirmative). I observe that the senior Senator from Mississippi [Mr. WILKINS] has not voted. I am paired with that Senator, but I transfer the pair to the senior Senator from Minnesota [Mr. NELSON] and will let my vote stand.

Mr. COLT. I transfer my pair with the Senator from Delaware [Mr. SAULSBURY] to the senior Senator from Idaho [Mr. BORAH] and vote "yea."

Mr. MYERS. I inquire if the Senator from Connecticut [Mr. McLEAN] has voted?

The PRESIDING OFFICER. He has not.

Mr. MYERS. I have a pair with the Senator from Connecticut, which I transfer to the Senator from South Dakota [Mr. JOHNSON] and vote "yea."

At this time I desire to announce that my colleague [Mr. WALSH] is necessarily absent. He is paired with the Senator from Rhode Island [Mr. LIPPITT].

The PRESIDING OFFICER [Mr. VARDAMAN]. The present occupant of the chair announces a transfer of his pair to the senior Senator from Nevada [Mr. NEWLANDS] and votes "nay."

Mr. HUGHES. I desire to announce the unavoidable absence of the senior Senator from Kentucky [Mr. JAMES]. He is paired with the Senator from Massachusetts [Mr. WEEKS]. If present, the Senator from Kentucky would vote "yea."

Mr. OWEN. I inquire if the Senator from New Mexico [Mr. CATRON] has voted?

The PRESIDING OFFICER. He has not.

Mr. OWEN. I am paired with that Senator, and therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. CURTIS. I am requested to announce the following pairs:

- The Senator from West Virginia [Mr. GOFF] with the Senator from South Carolina [Mr. TILLMAN];
- The Senator from Rhode Island [Mr. LIPPITT] with the Senator from Montana [Mr. WALSH];
- The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE];

The Senator from New York [Mr. WADSWORTH] with the Senator from New Hampshire [Mr. HOLLIS]; and The Senator from Connecticut [Mr. BRANDEGEE] with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 43, nays 7, as follows:

YEAS—43.

Ashurst	Husting	Penrose	Smith, Mich.
Beckham	Jones	Pittman	Smith, S. C.
Chamberlain	Kenyon	Pomerene	Smoot
Chilton	La Follette	Ransdell	Sterling
Colt	Lee, Md.	Shafroth	Stone
Cummins	Lewis	Sheppard	Swanson
Curtis	Martin, Va.	Sherman	Taggart
Fall	Martine, N. J.	Shields	Thompson
Fletcher	Myers	Simmons	Warren
Gallinger	Norris	Smith, Ariz.	Weeks
Hughes	Oliver	Smith, Ga.	

NAYS—7.

Bankhead	Lanc	Reed	Vardaman
Bryan	Overman	Underwood	

NOT VOTING—45.

Borah	Gore	Lodge	Smith, Md.
Brady	Gronna	McCumber	Sutherland
Brandegge	Harding	McLean	Thomas
Broussard	Hardwick	Nelson	Tillman
Catron	Hitchcock	Newlands	Townsend
Clapp	Hollis	O'Gorman	Wadsworth
Clark, Wyo.	James	Owen	Walsh
Clarke, Ark.	Johnson, Me.	Page	Williams
Culbertson	Johnson, S. Dak.	Phelan	Works
Dillingham	Kern	Poindexter	
du Pont	Lea, Tenn.	Robinson	
Goff	Lippitt	Saulsbury	

So the amendment of the committee was agreed to.

Mr. SIMMONS. Mr. President, I should like to inquire whether there is any possibility of reaching an agreement to fix a time to vote upon this bill?

Mr. GALLINGER. Mr. President, I feel constrained to say to the Senator that there is no possibility of fixing a time at this hour; but I want to assure the Senator that the Senators on this side of the Chamber are quite as anxious as any Senator on the other side can be to facilitate the passage of this bill. I have made inquiry and am fully satisfied that the bill will be passed to-morrow, without any doubt. That is my conviction.

Mr. SIMMONS. The Senator thinks we could not have an agreement this afternoon. Does the Senator think we could have an agreement to-morrow?

Mr. GALLINGER. The Senator could, so far as I am individually concerned, but the inquiries that I have made develop the fact that there will be objection to fixing a time.

Mr. SIMMONS. The Senator feels confident, however, that we can agree upon a time to-morrow, and that a vote can be had during the next calendar day?

Mr. GALLINGER. During the next calendar day.

Mr. SIMMONS. Before adjournment to-morrow?

Mr. GALLINGER. I have no doubt at all about it; not the least in the world. Of course, all human calculations at times are disappointed, but I assure the Senator that that is my full belief.

Mr. UNDERWOOD. Mr. President—

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

Mr. SIMMONS. I do.

Mr. UNDERWOOD. I desire to ask the Senator from North Carolina, in charge of the bill, whether it is his intention to have a night session to-night or to adjourn at the usual hour?

Mr. SIMMONS. I desire to say, in reply to the Senator from Alabama, that it is the wish of Senators on the committee, and others with whom I have conferred, that we go on until about 8 o'clock.

Mr. GALLINGER. Mr. President, I will venture to make the observation, for what it is worth, that no substantial progress will be made by holding the Senate in session longer than the usual hour to-night. There are Senators on this side—I am speaking with entire frankness—who, if we are to have unusual hours, will make speeches. If we do not have unusual hours, those speeches will not be made.

Mr. SIMMONS. I hope the Senator will not make any objection to our going on a little later than usual this afternoon.

Mr. GALLINGER. I want to repeat what I said the other afternoon—that in my judgment we do not make any substantial progress by holding night sessions. If we could lock the galleries I think we might, but as long as the galleries are open—I have watched that for a great many years—we do mighty little legislating. Of course, the matter is in the hands of the Senate.

Mr. SIMMONS. I think we can make a little headway. If it turns out that we are not making headway we can adjourn.

Mr. SMITH of Georgia. Mr. President—

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

Mr. SIMMONS. I do.

Mr. SMITH of Georgia. The suggestion of the Senator from North Carolina is that we go on until about the time that the galleries fill, and then stop.

Mr. SMOOT. Would it not be very much better to take a recess at 6.30 to-night until 10 o'clock to-morrow morning? There is not any question in my mind but that we can get through with the bill to-morrow.

Mr. GALLINGER. Not the least.

Mr. SIMMONS. If I felt assured of that I would not insist, but I feel that it is so important that we should finish up this matter to-morrow that if we can make a little further headway this afternoon we ought to do it. I will let it drift on until half past 6, however, and then we will see.

Mr. OWEN. Mr. President—

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

Mr. SIMMONS. Yes.

Mr. OWEN. I wish to inquire whether there are any Senators who desire to be heard on the revenue bill now?

Mr. SIMMONS. We will take up the amendments. I hope we may not have much discussion upon the next amendment.

Mr. OWEN. If there is no discussion desired to-night on the revenue bill, I ask that the remainder of the day be devoted to the corrupt-practices act.

Mr. SIMMONS. I can not consent to that, Mr. President. The revenue bill is before the Senate, and I have stated that we did not wish to and would not, unless the Senate directed that it be done, lay it aside to take up anything until we have finished it.

Mr. OWEN. Mr. President, the time is growing very short—

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

Mr. SIMMONS. Yes.

Mr. OWEN. I will wait until the Senator has concluded.

Mr. SIMMONS. I yield to the Senator. I have not declined to yield to him.

Mr. OWEN. I know, but I do not wish to take up the Senator's time. I desire to make a statement in my own time.

Mr. OLIVER. Mr. President—

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

Mr. SIMMONS. Yes.

Mr. OLIVER. I desire to call the attention of the Senator from North Carolina to the fact that we have not yet finished the reading of the bill. I suggest that we go right along.

Mr. SIMMONS. That is what I desire to do.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill. That is the question before the Senate.

Mr. OWEN. Mr. President—

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. OWEN. What I want to call attention to is that if Senators do not want to use the remaining part of the day, since it is the desire of so many—

Mr. SIMMONS. Why, Mr. President, if the Senator will pardon me—

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

Mr. OWEN. I yield for a question; yes.

Mr. SIMMONS. The Senator must not have been in here when I stated that I hoped we might continue the consideration of the bill until 8 o'clock in order that we might make further progress with it.

Mr. OWEN. I understand that perfectly, but the Senator is permitting the program to be determined by the minority, and that is what I object to.

Mr. SIMMONS. No; I am not. I have not yielded anything to the minority. I have not changed my purpose.

Mr. OWEN. It is perfectly easy for the minority to use the revenue bill as a buffer with which to use up the time and in that way preclude any reasonable time for the consideration of the corrupt-practices act. It is just as good a way to filibuster against the corrupt-practices act as to do it openly, and I prefer to have it done openly if that is the desire of the minority. I do not want to have the time which is available not utilized when I regard the corrupt-practices act as vital to the welfare of this Nation, and I hope the Senator from North Carolina will go on with the revenue bill until at least 11 o'clock to-night.

Mr. SMOOT. Mr. President—

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

Mr. OWEN. I yield the floor.

Mr. SMOOT. I thought the Senator had concluded.

Mr. OWEN. I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. SMOOT. Mr. President, I think it is unfair for the Senator from Oklahoma to refer to a "filibuster" on this side of the Chamber. Does the Senator know that most of the day has been occupied by Senators on the other side of the Chamber? Does he know that the discussion was started by the Senator from Illinois [Mr. LEWIS]? Does he know that the Senator from Alabama [Mr. UNDERWOOD] and the Senator from New Jersey [Mr. HUGHES] occupied a great deal of time to-day? Does he know that upon this side of the Chamber the only time that has been occupied was consumed by the Senator from Minnesota [Mr. NELSON], who spoke for about one hour and two minutes, I think, and the Senator from Utah [Mr. SMOOT], who occupied about 25 minutes? Then, too, the Senator from Missouri [Mr. STONE] has been speaking.

I do not think it is just or right that the Senator should try to make it appear that there is any filibuster on this side of the Chamber.

Mr. LEWIS rose.

Mr. OLIVER. I call for the regular order.

The PRESIDING OFFICER. The Senator from Illinois rose to address the Chair.

Mr. LEWIS. I desire to inform the Senators that there is an item now upon the table that might give opportunity, if not necessity, for debate. I tendered this morning what is called the Webb bill, embodying the export-trade feature, as an amendment to the present measure. It being on the table, I wanted to invite attention to it.

Mr. SIMMONS. Mr. President—

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

Mr. LEWIS. Yes.

Mr. SIMMONS. We are not yet through with the committee amendments. As soon as we are through with the committee amendments, the amendment offered by the Senator from Illinois will be in order.

Mr. LEWIS. I thank the Senator, but I was not rising to that point. It was to inform a couple of Senators who wanted to know if that amendment had been introduced. They were of the impression that when it was reached it would entail some debate, and the Senator from Oklahoma desired to regulate his future course in accordance with that matter. I am merely informing those interested that I have tendered the amendment, and it lies on the table, to be called up at the appropriate time. Whether it shall awaken debate or not, I do not know.

#### PAY OF EMPLOYEES.

Mr. MARTIN of Virginia. Mr. President, the Senator from North Carolina has kindly agreed to yield to me temporarily to enable me to introduce a joint resolution, which will not take three minutes to consider, I am sure, and which will appeal to every Senator.

The PRESIDING OFFICER. If there is no objection, the Secretary will read the joint resolution.

The joint resolution (S. J. Res. 173) authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session, was read the first time by its title and the second time at length, as follows:

*Resolved, etc.,* That the Secretary of the Senate and the Clerk of the House of Representatives are authorized and instructed to pay the officers and employees of the Senate and House, including the Capitol police and including the pages who shall be continued upon the rolls of September, their respective salaries or per diem for the month of September, 1916, on the day of adjournment of the present session; and the Clerk of the House is authorized to pay on the same day to Members, Delegates, and Resident Commissioners their allowance for clerk hire for the said month of September; and so much money as may be necessary to pay the pages of the Senate and the House of Representatives until the end of September is hereby appropriated out of any money in the Treasury not otherwise appropriated.

Mr. MARTIN of Virginia. This is an exact copy of the joint resolution adopted in 1914. It is simply to advance their pay to these clerks who have to start home. I ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered as in Committee of the Whole.

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

## THE REVENUE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 16763) to increase the revenue, and for other purposes.

The PRESIDING OFFICER. The Secretary will read the next section of the bill.

The reading of the bill was resumed, beginning with section 84, on page 131.

The next amendment was, on page 131, line 4, after the word "That," to strike out "on and after the day following the passage of this act"; in line 5, after the word "section," to strike out "400" and insert "83"; and in line 9, after the words "Group III" to strike out "except natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; and natural and synthetic indigo and all indigoids, whether or not obtained from indigo," so as to make the clause read:

SEC. 84. That in addition to the duties provided in section 83, there shall be levied, collected, and paid upon all articles contained in Group II a special duty of 2½ cents per pound, and upon all articles contained in Group III a special duty of 5 cents per pound.

Mr. SMOOT. Mr. President, at this time I simply desire to give notice that I shall move to strike out "two and a half" and insert "three and three-quarters," and to strike out "five" and insert "seven and a half"; but I shall not do that until the committee amendments are disposed of.

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

The amendment was agreed to.

The next amendment was, on page 131, line 15, after the word "after," to strike out "the passage of"; and in the same line, after the word "this," to strike out "act" and insert "title shall go into effect," so as to make the clause read:

During the period of five years beginning five years after this title shall go into effect, such special duties shall be annually reduced by 20 per cent of the rate imposed by this section, so that at the end of such period such special duties shall no longer be assessed, levied, or collected; but if, at the expiration of five years from the date of the passage of this act, the President finds that there is not being manufactured or produced within the United States as much as 60 per cent in value of the domestic consumption of the articles mentioned in Groups II and III of section 400, he shall by proclamation so declare, whereupon the special duties imposed by this section on such articles shall no longer be assessed, levied, or collected.

The amendment was agreed to.

Mr. OLIVER. I suggest that in line 24, page 131, "section 400" should be changed to "section 83."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In line 24, page 131, strike out "400" and insert "83" after the word "section."

The amendment was agreed to.

The next amendment was, on page 132, line 4, after the words "twenty-three," to insert "and the words 'salicylic acid' in paragraph 1," so as to make the clause read:

SEC. 85. That paragraphs 20, 21, 22, and 23 and the words "salicylic acid" in paragraph 1 of Schedule A of section 1 of an act entitled "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913, and paragraphs 394, 452, and 514, and the words "carbolic" and "phthalic," in paragraph 387 of the "free list" of section 1 of said act, and so much of said act or any existing law or parts of law as may be inconsistent with this title are hereby repealed.

The amendment was agreed to.

The next amendment was, on page 132, after line 15, to insert:

SEC. 86. That until the termination of the present European war, or until the conditions of importations of the articles therein specified shall have been substantially restored, which shall be evidenced by the proclamation of the President of the United States to that effect, the provisions of Title V of this act shall not take effect or become operative.

The amendment was agreed to.

The Secretary proceeded to read the amendment, "Title VI, printing paper," beginning on page 132, line 22.

Mr. HUGHES. In order to clarify the title we have just finished, I should like to return to page 130, line 12, and propose an amendment.

The PRESIDING OFFICER. If there is no objection, the vote by which the amendment of the committee, on page 130, was agreed to will be reconsidered.

Mr. HUGHES. In line 12, after the word "acids," I move to insert "equal to or more than," so as to read:

A quantity of tar acids equal to or more than 5 per cent.

The amendment to the amendment was agreed to.

Mr. HUGHES. In lines 12 and 13, I move to strike out the words "or more," so as to read: "5 per cent of the original distillate."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. HUGHES. In the next paragraph, on page 130, line 23, "phenolic" should read "phenolic."

The PRESIDING OFFICER. That amendment will be agreed to without objection.

Mr. HUGHES. On page 131, line 1, I move to strike out the word "including."

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. SMOOT. Just a moment. Is the Senator from New Jersey quite sure that the word "including" should be stricken out?

Mr. HUGHES. I feel certain that it should be stricken out, I will say to the Senator. It was suggested to me by the Treasury Department, and the reason seemed to me to be sound. If there is any question about it I will be glad to talk to the Senator about it. The matter can be reached later in the consideration of the bill or in conference.

Mr. SMOOT. I will say to the Senator I think the word "including" is necessary. It reads "including natural alizarin and indigo and color dyes, or color lakes obtained, derived, or manufactured therefrom."

Mr. HUGHES. I will ask the Senator to let the amendment be adopted. I shall be perfectly willing to revert to it later.

Mr. WEEKS. Mr. President—

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

Mr. HUGHES. I do.

Mr. WEEKS. I should like to have the Senator explain briefly what this will do. There were no hearings, no evidence, no explanation of any kind. I do not understand it myself, and I should like to have some explanation of it.

Mr. HUGHES. All right. I shall be delighted to explain it to the Senator privately as well as publicly.

Mr. WEEKS. I am looking for information.

Mr. HUGHES. I will be glad to give the Senator all the information I have. That will not take me long.

Mr. WEEKS. I think as long as the information will not take very long, it had better be made public.

Mr. HUGHES. What is the Senator referring to?

Mr. WEEKS. I am referring to the paragraph relating to paper that we have under consideration.

Mr. HUGHES. I was not directing myself to that paragraph, because—

The PRESIDING OFFICER. That paragraph is not before the Senate now.

Mr. WEEKS. Is not the paragraph beginning on page 132, line 22, before the Senate now?

Mr. HUGHES. No; it is not. I will say to the Senator I am dealing with the title of dyestuffs. I have not attempted to make any change in the paper title, and I do not purpose to make any as far as I am concerned; I am going to leave that to some one else. I have trouble enough of my own. I ask unanimous consent to recur to page 99 and to offer the following amendment—

The PRESIDING OFFICER. The Chair suggests to the Senator that the amendment just offered be disposed of before taking up another amendment.

Mr. HUGHES. I understood that it was agreed to.

The PRESIDING OFFICER. The Chair hears no objection, and it will be considered as agreed to.

Mr. GALLINGER. Is that the print-paper title?

The PRESIDING OFFICER. No; that is not before the Senate; it is in the dyestuff title. The Senator from New Jersey asks unanimous consent to return to page 99 and to add a new section, which will be read.

The SECRETARY. It is proposed to insert as section 56, after line 15, on page 99, the following:

SEC. 56. That section 3255 of the Revised Statutes as amended by act of June 3, 1896, and as further amended by act of March 2, 1911, be further amended so as to read as follows:

"SEC. 3255. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may exempt distillers of brandy made exclusively from apples, peaches, grapes, pears, pineapples, oranges, apricots, berries, plums, pawpaws, persimmons, prunes, figs, or cherries from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *Provided*, That where, in manufacture of wine, artificial sweetening has been used 'he wine or the fruit pomace residue may be used in the distillation of brandy, as such use shall not prevent the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, from exempting such distiller from any provision of this title relating to the manufacture of spirits, except as to the tax thereon, when in his judgment it may seem expedient to do so: *And provided further*, That the distillers mentioned in this section may add to not less than 500 gallons (or 10 barrels) of grape cheese not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, such solution to have a saccharine strength of not to exceed 10 per cent, and may ferment the resultant mixture on a winery or distillery premises, and such fermented product shall be regarded as distilling material."

Mr. GALLINGER. This seems to be a pretty important amendment. I should like the Senator from New Jersey to give some explanation of it.

Mr. SIMMONS. If the Senator will pardon me, that is not a committee amendment, and I hope the Senator from New Jersey will let us finish the committee amendments.

Mr. HUGHES. Of course, if the Senator insists upon proceeding in order—

Mr. SIMMONS. I have insisted in the case of the Senator from Illinois, and I think I ought to apply the same rule to the Senator from New Jersey.

Mr. HUGHES. It makes no difference to me whether the amendment is passed or not. I should like to get what I am charged with doing off my mind as soon as possible. There was no opposition to this amendment on the part of anyone, as far as I know.

The PRESIDING OFFICER. The Senator from New Jersey asks unanimous consent—

Mr. SIMMONS. If there is no objection, I will not object.

The PRESIDING OFFICER. The Chair is going to find out whether there is objection. Is there objection?

Mr. GALLINGER. Unless the amendment is explained, I shall object.

Mr. HUGHES. I will be glad to explain it.

Mr. GALLINGER. It seems to be an applejack amendment, and I should like to know something about it.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment now?

Mr. OLIVER. Mr. President, I really think we ought to complete the reading of the bill and let the amendment come in afterwards.

Mr. HUGHES. I ask that the amendment may lie on the table.

The PRESIDING OFFICER. The amendment will lie on the table, and the Secretary will state the next amendment.

The next amendment was, on page 132, after line 21, to insert:

TITLE VI. PRINTING PAPER.

Sec. 87. That section 322, Schedule M, and section 567 of the free list of the tariff act of October 3, 1913, be amended so that the same shall read as follows:

"Sec. 322. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued above 5 cents per pound, 12 per cent ad valorem: *Provided, however*, that if any country, dependency, province, or other subdivision of government shall impose any export duty, export license fee, or other charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon printing paper, valued above 5 cents per pound, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an additional duty equal to the amount of the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either printing paper or upon an amount of wood pulp, or wood for use in the manufacture of wood pulp necessary to manufacture such printing paper.

"Sec. 567. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued at not above 5 cents per pound, decalcomania paper not printed."

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

Mr. GALLINGER. Mr. President, I recall very vividly the controversy that arose not long ago over this matter of print paper, when it was contended that, if we removed the duty and allowed Canada to bring paper into this country on more favorable terms, it would reduce the cost of paper. I am not going to argue this question at all, nor precipitate a tariff discussion, but I want to put in the RECORD precisely what has happened since this class of paper was put on the free list. I will ask the Secretary to read the table I have sent to the desk.

Mr. SIMMONS. Does the Senator desire it read?

Mr. GALLINGER. It is just a few lines, and I should like to have it read.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

*Imports of news print paper from Canada.*

	Tons.
1911	54,485
1912	84,634
1913	218,793
1914	310,401
1915	366,921
January, 1916	35,986
February, 1916	35,838
March, 1916	41,952
April, 1916	38,032
May, 1916	43,845

For five months, January to May, 1916, inclusive, 195,653 tons have been imported. At that rate the importations for 1916 will be 469,560 tons.

Mr. GALLINGER. Mr. President, I put that table in the RECORD for the purpose of showing that we have transferred this industry to Canada; and I do not know that we are getting paper any cheaper. On the contrary, I understand that the cost of print paper is higher than it was when we transferred the industry from our own country to a foreign country.

Mr. SIMMONS. Mr. President, when in the present tariff law provision was made for the free importation of paper not costing more than a certain sum per pound, I think it was done with practically general assent in the Senate.

Mr. GALLINGER. Mr. President—

Mr. SIMMONS. I do not mean to say that it was unanimous, but I think there was general assent.

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

Mr. SIMMONS. Yes.

Mr. GALLINGER. If the Senator will permit me, in my feeble way, occupying considerable time, I entered as earnest a protest against it as I knew how to do.

Mr. SIMMONS. I do not recall the attitude of the Senator from New Hampshire exactly, and, of course, I accept his statement as to what his attitude was at the time; but I think that I am safe in saying that the action taken was with the acquiescence of pretty nearly the entire Senate and the entire Congress. It was in response to an almost universal, if not quite universal, demand from the newspapers for cheaper print paper, and was based largely upon educational grounds. Now, the price of print paper has gone far beyond the limit as to value fixed in the tariff law, and the papers are not getting the benefit of the free paper intended by the provision in the present law to be accorded to them; and if they are to have the benefit of the privilege of getting print paper duty free, then it is necessary to raise the limit as to value per pound. That is all there is in this amendment. I myself do not care to discuss it, but I simply wanted to state the reason why the committee put this provision in the bill.

Mr. OLIVER. Mr. President, this amendment is put in, as the Senator from North Carolina states, for the purpose of securing, as far as possible, the favor of the newspapers of the country. I do not say that the Senator from North Carolina stated that, but I say that that is the open and palpable purpose.

Mr. SIMMONS. I hope the Senator will not put words in my mouth which I did not utter.

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

Mr. OLIVER. Yes.

Mr. SIMMONS. What I said was that the original provision was placed in the tariff law, whether rightfully or wrongfully—I shall make no contention as to that, and I do not intend to enter upon a defense of it now—as a concession to the newspapers; and if they are to get the benefit of that concession we have got to change the limitation. That is all there is to it.

Mr. OLIVER. Mr. President, I will withdraw my statement in the form in which it was then expressed and say that the original act taking the duty off print paper valued at not above 2½ cents a pound was placed in the law as a concession to the newspapers of the country. This amendment is put in as a further concession.

As one of the favored class, Mr. President—because I am a newspaper publisher—I may say that I never asked any such concession, but that I was opposed to it; that I never believed it would enable me in the end to buy paper any cheaper than it could be obtained under a fair and reasonable duty placed upon imports of paper; and I am firmly of the opinion now that the present shortage of paper in this country would be by no means so acute if the duty upon print paper had been allowed to remain at \$2 per ton, because the moment that the duty was taken off all development of the paper industry within the borders of the United States ceased as if by magic, and the development in Canada, while it has been great, as shown by the figures submitted by the Senator from New Hampshire [Mr. GALLINGER], has been by no means as great as would have been the development in this country if Congress had trusted to the enterprise and the energy of our own people, who would have put up additional units and added to their paper-making capacity as fast as the demands of the newspapers of the country required. So I believe that the present shortage of paper would have been to a certain extent avoided—not altogether, perhaps, because the demand for paper has been phenomenal during the last year, while the supply of some of the materials for making paper, owing to conditions arising out of the war, has been restricted to a certain extent—but if we had continued the duty on paper, I believe that news-print paper to-day would not have

been selling above 2½ cents per pound; and if we should place a fair and reasonable duty upon it now and encourage the establishment and the enlargement of the industry within our own borders, I believe that within a short time the problem before the newspapers of the country would be solved.

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

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to the end of section 90, on page 136, line 23.

Mr. SIMMONS. Mr. President, I have concluded, as the result of some arrangements that have been made by which I think the disposition of the bill can be facilitated, not to insist upon a night session. I therefore move that when the Senate takes a recess to-night it be until 10 o'clock to-morrow morning.

Mr. MARTIN of Virginia. Why not move a recess now? It is practically 6.30 o'clock.

Mr. SIMMONS. No; a brief executive session is desired.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina.

The motion was agreed to.

Mr. STERLING. Mr. President—

Mr. HUGHES. Mr. President, I move that the Secretary be authorized to change the text of the bill in order to correspond with the new numbering of the paragraphs.

The PRESIDING OFFICER. Is there any objection? The Chair hears none, and it is so ordered.

Mr. STERLING. I submit an amendment to the Tariff Commission feature of the bill, and ask to have it printed and lie on the table.

The PRESIDING OFFICER. The amendment will lie on the table and be printed.

#### EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

#### RECESS.

Mr. SIMMONS. I move that the Senate take a recess until to-morrow morning at 10 o'clock.

The motion was agreed to; and (at 6 o'clock and 29 minutes p. m., Monday, September 4, 1916) the Senate took a recess until to-morrow, Tuesday, September 5, 1916, at 10 o'clock a. m.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate September 4 (legislative day of September 1), 1916.*

##### CONSUL.

###### CLASS 9.

Arthur A. McLean, jr., to be a consul of class 9.

##### PROMOTIONS IN THE ARMY.

###### INFANTRY ARM.

Lieut. Col. Erneste V. Smith to be colonel.

###### CORPS OF ENGINEERS.

Capt. Henry H. Robert to be major.

###### To be captains.

First Lieut. Lindsay C. Herkness.

First Lieut. Albert K. B. Lyman.

First Lieut. Frederick S. Strong, jr.

First Lieut. Creswell Garlington.

First Lieut. Daniel D. Pullen.

First Lieut. Carey H. Brown.

First Lieut. Oscar N. Solilberg.

First Lieut. Beverly C. Dunn.

First Lieut. Donald H. Connolly.

First Lieut. Raymond F. Fowler.

First Lieut. David McCoach, jr.

First Lieut. James G. B. Lampert.

First Lieut. Phillip B. Fleming.

First Lieut. John W. Stewart.

First Lieut. Joseph C. Mehaffey.

First Lieut. Paul S. Reinecke.

First Lieut. Raymond A. Wheeler.

First Lieut. W. Morris Chubb.

First Lieut. Howard S. Bennion.

First Lieut. William C. Sherman.

First Lieut. Rudolph C. Kuldell.

First Lieut. Roscoe C. Crawford.

First Lieut. Earl G. Paules.

First Lieut. Bradford G. Chynoweth.

First Lieut. Milo P. Fox.

First Lieut. John C. Gotwals.

###### To be first lieutenants.

Second Lieut. George J. Richards.

Second Lieut. Alexander P. Cronkhite.

Second Lieut. John S. Smylie.

Second Lieut. Lehman W. Miller.

Second Lieut. Douglas L. Weart.

Second Lieut. Earl E. Gesler.

Second Lieut. Edwin A. Bethel.

Second Lieut. John F. Conklin.

Second Lieut. Alfred L. Ganahl.

Second Lieut. John E. Harris.

Second Lieut. William F. Tompkins.

Second Lieut. Douglas H. Gillette.

Second Lieut. Paul A. Hodgson.

Second Lieut. Donald A. Davison.

Second Lieut. Thomas B. Larkin.

Second Lieut. Edwin C. Kelton.

Second Lieut. Mason J. Young.

Second Lieut. Layson E. Atkins.

Second Lieut. John H. Willis.

Second Lieut. Raymond G. Moses.

Second Lieut. Wilhelm D. Styer.

Second Lieut. John W. Fraser.

Second Lieut. Charles H. Cunningham.

Second Lieut. Dwight F. Johns.

Second Lieut. William A. Snow.

Second Lieut. Thomas D. Finley.

Second Lieut. William H. Britton.

Second Lieut. Elroy S. J. Irvine.

Second Lieut. Notley Y. Du Hamel.

Second Lieut. Wilburn H. Henderson.

Second Lieut. Robert G. Guyer.

Second Lieut. Edward C. Smith.

Second Lieut. Robert A. Sharrer.

Second Lieut. Ludson D. Worsham.

Second Lieut. Edward G. Bliss.

Second Lieut. Ralph G. Barrows.

Second Lieut. Holland L. Robb.

Second Lieut. Frederick W. Bonfils.

Second Lieut. Robert R. Neyland, jr.

###### To be probational first lieutenants.

Probational Second Lieut. George Mayo.

Probational Second Lieut. Paul T. Bock.

Probational Second Lieut. Charles O. Boynton.

Probational Second Lieut. Arthur P. von Deesten.

Probational Second Lieut. Edward N. Whitney.

##### APPOINTMENTS IN THE ARMY.

###### MEDICAL RESERVE CORPS.

###### To be first lieutenants.

James Norment Baker.

Samuel Clifton Baldwin.

Carlton Mann Beebe.

John Marshall Beffel.

Thomas Cleland Bell.

Nelson Miles Black.

William Parsons Boardman.

Horace Manchester Brown.

Polk Duncan Brown.

Coleman Graves Buford.

Nuckols Thornton Davie.

George Strong Derby.

Thomas Patrick Foley.

William Brown Ford.

Louis Julian Genella.

Robert Goldthwaite.

Chester Sigmund Harris.

James Barnard Hastings.

John Robert Hume.

Thomas William Jenkins.

Walter Arthur Jillson.

Norman Emmett Jobes.

Otto Anthony Kreml.

Roger Irving Lee.

Francis Hector McNaught.

Earle Hobart McRae.

Nathaniel Robert Mason.

Fitch Champlin Edmund Mattison.

Norman Randolph Price.

George Samuel Reiss.

Robert Lewis Rhodes.

William Frederic Andrew George Rienhoff,  
 Augustus Washington Shea.  
 Edward Bernard Sheehan.  
 Jesse Pickrell Simpson.  
 John Paul Spooner.  
 James Leavitt Stoddard.  
 Thomas Cromwell Stunkard.  
 Henry Ladd Stickney.  
 Bert Tillery.  
 Carl Christian Vogel.  
 Fred Cecil Watson.  
 Harry Bernard Zimmermann.  
 Charles Carlin Ayres.  
 Harold Augustus Benson.  
 Joseph Edward Campbell.  
 Walcott Denison.  
 Gouverneur Vincent Emerson.  
 Roy Macleay Fortier.  
 William Archer Hagins.  
 Paul Ramsey Hawley.  
 Robert Burns Hill.  
 Leroy Taylor Howard.  
 William Rogers Klingensmith.  
 Charles Le Baron, jr.  
 Alva Burton McKie.  
 Emery Bowers Neff.  
 Oramel Henry Stanley.  
 Prescott Stearns Tucker.  
 Otto Emil Utzinger.  
 Bascom Lee Wilson.  
 William Roy Cain.  
 Thomas Lee Gore.  
 Asa Margrave Lehman.  
 Benjamin Norris.  
 John Roy Oswald.  
 Cary Robert Pollock.  
 William Clark Thomas.

#### QUARTERMASTER CORPS.

Charles P. Daly, chief clerk, office of the Quartermaster Corps, United States Army, to be military storekeeper with the rank of captain.

#### POSTMASTERS.

##### ILLINOIS.

Joseph M. Connery, Enfield.

##### MASSACHUSETTS.

James W. T. Davis, Amherst.  
 Richard T. Fennessey, Danvers.  
 Sydney Harrocks, Westminster.

##### PENNSYLVANIA.

Thomas H. McKlveen, Trafford.

##### SOUTH DAKOTA.

E. J. Dunn, Bryant.  
 Julius Palmer, Gary.

## HOUSE OF REPRESENTATIVES.

MONDAY, September 4, 1916.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, our Father in heaven, for this newborn day, token of Thy presence and continued care; for our great and growing Republic, with its vast resources, manifold industries, its educational facilities and scientific achievements, its religious liberty and philanthropic institutions; for the great opportunities it affords for development of all that is best in man.

We pray for an increased patriotic citizenship, which shall solidify our Government into a perfect whole, that we may continue to grow in all that makes a nation great and strong; that peace may be ours, and a place among the nations for increased good in all the world, and everlasting praise shall be Thine, in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Saturday, September 2, 1916, was read and approved.

#### CHANGE OF CONFEREES.

The SPEAKER. The other day the Chair appointed the gentleman from California [Mr. RAKER], the gentleman from Colorado [Mr. TAYLOR], and the gentleman from Wisconsin [Mr. LENROOT] as conferees on Senate bill 3646. Mr. TAYLOR and Mr. LENROOT are both out of the city, and the Chair appoints

the gentleman from Colorado [Mr. HAYDEN] and the gentleman from Washington [Mr. LA FOLLETTE].

#### LEAVE TO EXTEND REMARKS.

Mr. DOOLITTLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of Americanism and John Ericsson.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD on the subject of Americanism and John Ericsson. Is there objection?

There was no objection.

Mr. MANN. I ask unanimous consent that my colleague [Mr. CHIPERFIELD] be permitted to extend his remarks in the RECORD by inserting a speech in relation to the National Guard which he delivered before the American Society of Military Law at the meeting of the American Bar Association.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that his colleague [Mr. CHIPERFIELD] have permission to extend his remarks by printing in the CONGRESSIONAL RECORD a speech that he made recently on the subject of the National Guard. Is there objection?

There was no objection.

Mr. McARTHUR. I ask unanimous consent to extend my remarks in the RECORD by printing remarks on the eight-hour law, and also on the question of preparedness.

The SPEAKER. The gentleman from Oregon asks unanimous consent to extend his remarks in the RECORD on the eight-hour law and on the subject of preparedness.

Mr. ADAMSON. Reserving the right to object, I announced on Saturday, with the concurrence of the gentleman from Illinois [Mr. MANN], that I would ask for general leave to print on the eight-hour law, and I now make that request.

The SPEAKER. First, is there objection to the latter part of the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that all gentlemen have permission to print in the RECORD speeches on the subject of the eight-hour law, and so forth. Is there objection?

Mr. MANN. For how many days?

Mr. ADAMSON. I do not know that it makes any difference. How many days would suit the gentleman?

Mr. MANN. I am not particular.

Mr. ADAMSON. I will say 10 days, so as to give them plenty of time.

The SPEAKER. The gentleman from Georgia asks unanimous consent that all Members have leave to print remarks on the subject of the eight-hour law for 10 days. Is there objection?

Mr. MANN. I take it those speeches will appear in the permanent RECORD as of to-day and not as of last Friday.

Mr. ADAMSON. That is what they ought to do.

The SPEAKER. The speeches printed under this leave to appear in the permanent RECORD as if delivered to-day. Is there objection?

There was no objection.

#### COMPENSATION FOR INJURED FEDERAL EMPLOYEES—CONFERENCE REPORT.

Mr. GARD. Mr. Speaker, I desire to present a conference report on the workmen's compensation bill, H. R. 15316.

The SPEAKER. The gentleman presents a conference report to be printed in the RECORD.

Mr. MANN. I think it ought to be disposed of now.

Mr. WEBB. I ask unanimous consent that we may now consider the conference report. It is very brief.

The SPEAKER. The gentleman from North Carolina [Mr. WEBB] asks unanimous consent to consider this conference report now, the rule about printing to the contrary notwithstanding. Is there objection?

There was no objection.

The Clerk read the conference report, as follows:

#### CONFERENCE REPORT (NO. 1195).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15316) to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 1: That the Senate recede from its disagreement to the amendment of the House numbered 1, to the amendment of the Senate, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert the following: