

message be referred to the Committee on Public Buildings and Grounds.

The motion was agreed to.

Mr. FLINT. In pursuance of the recommendation contained in the message, I introduce a bill appropriating \$300,000 for the employment of additional laborers at the Mare Island Navy-Yard, and ask that it be referred to the Committee on Naval Affairs.

The bill (S. 5872) authorizing the Secretary of the Navy to employ additional laborers and mechanics at the navy-yard, Mare Island, Cal., was read twice by its title, and referred to the Committee on Naval Affairs.

AMENDMENT OF THE TRADE-MARK LAW.

Mr. HALE. I move that the Senate proceed to the consideration of executive business.

Mr. KITTREDGE. Will the Senator from Maine yield to me for a moment?

Mr. HALE. Certainly.

Mr. KITTREDGE. I am directed by the Committee on Patents, to whom was referred the bill (H. R. 15911) to amend the laws of the United States relating to the registration of trade-marks, to report it with an amendment, and to ask that it be considered at the present time.

The VICE-PRESIDENT. The bill will be read for the information of the Senate.

The Secretary read the bill; and by unanimous consent the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill had been reported from the Committee on Patents with an amendment, in line 18, section 4, page 3, to strike out "upon its passage" and to insert in lieu thereof "July 1, 1906;" so as to read:

SEC. 4. That this act shall take effect July 1, 1906.

The amendment was agreed to.

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

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

EXECUTIVE SESSION.

Mr. HALE. I renew the motion that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 3 o'clock p. m.) the Senate adjourned until to-morrow, Thursday, April 26, 1906, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate April 25, 1906.

MARSHAL.

Milo D. Campbell, of Michigan, to be United States marshal for the eastern district of Michigan, in the place of William R. Bates, whose term expires May 1, 1906.

PROMOTION IN THE NAVY.

Assistant Naval Constructor Richard H. Robinson to be a naval constructor in the Navy from the 21st day of April, 1906, to fill a vacancy existing in that grade on that date.

CONFIRMATIONS.

Executive nominations confirmed by the Senate April 25, 1906.

MARSHAL.

Benjamin F. Daniels of Arizona, to be United States marshal for the Territory of Arizona.

POSTMASTERS.

IOWA.

C. C. Baird to be postmaster at Malvern, in the county of Mills and State of Iowa.

A. M. Phillips to be postmaster at Maquoketa, in the county of Jackson and State of Iowa.

KANSAS.

James M. Chisham to be postmaster at Atchison, in the county of Atchison and State of Kansas.

Herman Jermark to be postmaster at Beloit, in the county of Mitchell and State of Kansas.

Sidney H. Knapp to be postmaster at Clyde, in the county of Cloud and State of Kansas.

James E. Stevens to be postmaster at Goodland, in the county of Sherman and State of Kansas.

LOUISIANA.

Elwyn J. Barrow to be postmaster at St. Francisville, in the parish of West Feliciana and State of Louisiana.

MAINE.

F. Morris Fish to be postmaster at Hallowell, in the county of Kennebec and State of Maine.

MICHIGAN.

Oliver H. P. Green to be postmaster at Orion, in the county of Oakland and State of Michigan.

Winthrop A. Hayes to be postmaster at Rochester, in the county of Oakland and State of Michigan.

William B. Kelly, to be postmaster at Tawas City, in the county of Iosco and State of Michigan.

MISSOURI.

Samuel B. Kiefner to be postmaster at Perryville, in the county of Perry and State of Missouri.

George W. Schweer to be postmaster at Windsor, in the county of Henry and State of Missouri.

MONTANA.

C. C. Chaffin to be postmaster at Hamilton, in the county of Ravalli and State of Montana.

NEBRASKA.

Fred W. Barnhart to be postmaster at Hartington, in the county of Cedar and State of Nebraska.

Alonson F. Enos to be postmaster at Stanton, in the county of Stanton and State of Nebraska.

NEW MEXICO.

Otto F. Menger to be postmaster at Clayton, in the county of Union and Territory of New Mexico.

NEW YORK.

John W. Bowron to be postmaster at Rouses Point, in the county of Clinton and State of New York.

OREGON.

Burtis W. Johnson to be postmaster at Corvallis, in the county of Benton and State of Oregon.

Guy Lafollette to be postmaster at Prineville, in the county of Crook and State of Oregon.

PENNSYLVANIA.

John P. S. Fenstermacher to be postmaster at Kutztown, in the county of Berks and State of Pennsylvania.

Mary C. Patterson to be postmaster at Ashland, in the county of Schuylkill and State of Pennsylvania.

TEXAS.

Robert McKinnon to be postmaster at Thurber, in the county of Erath and State of Texas.

James M. Sloan to be postmaster at Navasota, in the county of Grimes and State of Texas.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, April 25, 1906.

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

The Journal of the proceedings of Monday, April 23, 1906, was read.

The SPEAKER. If there be no objection, the Journal will stand approved.

Mr. WILLIAMS. Mr. Speaker, I shall be compelled to object.

The SPEAKER. The question is on approving the Journal.

The question being taken, the Journal was approved.

RETURN OF A BILL TO THE SENATE.

The SPEAKER. At the adjournment of the House on Monday a motion was pending, submitted by the gentleman from Mississippi [Mr. WILLIAMS], to discharge the Committee on the Merchant Marine and Fisheries from further consideration of the bill (S. 4886) to simplify the issue of enrollments and licenses of vessels of the United States, and agree to the request of the Senate for the return of the bill. The Chair did not rule upon the motion, but is prepared to do so now.

The Chair has ascertained that the custom of requesting the return of a bill already passed and sent to the other House is very old, beginning as early as 1810 at least.

In 1856 an order making a request of this sort was considered in the House by unanimous consent and not as privileged. Again in 1862 proceedings asking for and granting the return of bills from and to the Senate were journalized as by unanimous consent. So also in 1886, when the fortifications appropriation bill was pending in the House with Senate amendments, on which the previous question had been ordered, the Senate requested its return, and the House granted the request by unani-

mons consent. In 1896 (sec. 483 of Parliamentary Precedents) a request for the return of a bill to the Senate was laid before the House as privileged; but the actual return was ordered by unanimous consent, as the Journal shows. Again, in 1896, a resolution directing the return of a bill to the Senate was treated as privileged (Parliamentary Precedents, sec. 484), but this was a case where a Senate bill with House amendments disagreed to had been sent to the House and referred to a committee. The resolution which provided for discharging the committee and returning the bill was not offered from the floor as an original proposition, but had been referred to the committee having the bill.

In none of the proceedings referred to did a question of order arise, calling for a formal and well-considered ruling; and even these records of procedure do not justify a motion from the floor to discharge the committee from the consideration of the Senate bill on which the two Houses have not reached the stage of disagreement. While it seems to the Chair desirable that the two Houses should maintain conditions of courtesy respecting the requests of the one upon the other, yet the Chair hesitates to make by a formal ruling motions privileged which are not made privileged by the rule, and this reluctance is increased by the fact that requests of this nature may be granted with a reasonable degree of celerity in the regular order by referring the Senate request to the committee having the bill, leaving that committee to report the bill with the recommendation that it be returned to the Senate. The bill will then go to the Calendar, where it may be reached and acted on in regular order, or by suspension of the rules out of the regular order. Of course in a case where an error was alleged, thereby bringing into question the integrity of the proceedings of the House or the Senate as to a bill, a different principle might prevail.

The Chair directs that the request of the Senate be referred to the Committee on the Merchant Marine and Fisheries.

RICHARD HUDSON.

The SPEAKER laid before the House the request of Mr. MANN to withdraw from the files of the House, without leaving copies, the papers in the case of Richard Hudson, no adverse report having been made thereon.

The question was taken; and the request was granted.

LEAVE OF ABSENCE.

The SPEAKER laid before the House the request of Mr. GRONNA for indefinite leave of absence, on account of sickness.

The question being taken, leave was granted.

AGRICULTURAL APPROPRIATION BILL.

Mr. WADSWORTH. Mr. Speaker, I move that the House do now resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the agricultural appropriation bill (H. R. 18537). Pending that, I would like to make some arrangement with the other side in regard to general debate, and I will suggest that general debate be closed to-morrow afternoon at half past 5, the time to be equally divided between the two sides. I ask unanimous consent that that may be done.

Mr. LAMB. All right.

The SPEAKER. Is there objection?

Mr. WILLIAMS. I object.

Mr. WADSWORTH. I move that the debate be closed at that time.

The SPEAKER. That motion would not be in order until general debate had been had. The gentleman, at half past 5 to-morrow, or at any other time that he sees proper, can test the sense of the House on closing debate after general debate has been had.

The first motion of Mr. WADSWORTH was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the agricultural appropriation bill, with Mr. FOSTER of Vermont in the chair.

Mr. WADSWORTH. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. WADSWORTH. Mr. Chairman, I do not propose to take any time in general debate. I will simply ask that the report of the committee be read. It is short and covers all the items in the bill.

The Clerk read the report, as follows:

The Committee on Agriculture, having had under consideration the estimates of appropriations required for the Department of Agriculture

for the fiscal year ending June 30, 1907, respectfully submit the accompanying bill (H. R. 18537) and report as follows:

The amount appropriated by this bill for the ordinary and regular routine work of the Department of Agriculture is \$6,880,300. The amount carried by the act for the current year is \$6,692,690, showing a net increase of \$187,610.

The committee has also added "emergency" or "temporary" appropriations amounting to \$320,000 for the purposes of further combating the cotton, boll weevil in the cotton States, the gipsy and brown-tail moths in some of the New England States, and the Texas cattle-fever tick in the South.

The total amount carried by this bill is, therefore, \$7,200,300.

The committee has held extended and exhaustive hearings and has given very careful consideration to the preparation of the bill, and although the estimates have not in all cases been allowed, the amounts recommended for the several bureaus will be ample to satisfactorily perform all the work which should be properly imposed upon them, always keeping in view a judicious and businesslike expenditure of their moneys.

The following table shows the annual increases in expenditures by the Department of Agriculture during the last nine years:

For 1897-98 the appropriation was.....	\$3,182,902
For 1898-99 it was \$3,509,202, an increase of.....	326,300
For 1899-1900 it was \$3,726,022, an increase of.....	216,820
For 1900-1901 it was \$4,023,500, an increase of.....	297,478
For 1901-2 it was \$4,582,420, an increase of.....	558,920
For 1902-3 it was \$5,208,960, an increase of.....	626,540
For 1903-4 it was \$5,478,160 (exclusive of \$500,000 for the foot-and-mouth disease emergency), an increase of.....	269,200
For 1904-5 it was \$5,902,040, an increase of.....	423,880
For 1905-6 it was \$6,692,690 (exclusive of \$190,000 for the cotton boll weevil emergency), an increase of.....	790,650
This bill carries \$6,880,300 (exclusive of \$320,000 for the cotton boll weevil, gipsy and brown-tail moth, and Texas cattle-tick emergencies), an increase of.....	187,610

It will be observed, therefore, that the total increase in expenditures of the Department during the last nine years (exclusive of the "emergency" appropriations) is \$3,697,398, or \$514,496 more than double the appropriation of nine years ago.

The Congress has certainly dealt most liberally with the Department of Agriculture.

Actual increases in statutory salaries (amounting in all to \$980) have been allowed, as follows:

Office of the Secretary: One painter, from \$540 to \$720; increase of.....	\$180
Bureau of Plant Industry:	
One photographer or clerk, from \$720 to \$900; increase of.....	180
One carpenter, \$720 to \$900; increase of.....	180
Two plumbers, \$720 to \$840 each; increase of.....	240
Division of Publications: Assistant in charge document section, \$1,800 to \$2,000; increase of.....	200

As stated above, the actual net increase over the current act is \$187,610, and the items going to make up this increase are as follows:

INCREASES.	
Office of the Secretary.....	\$180
Weather Bureau.....	46,090
Bureau of Animal Industry.....	142,980
Forest Service.....	124,860
Bureau of Chemistry.....	3,500
Bureau of Soils.....	10,000
Bureau of Entomology.....	1,940
Division of Publications.....	680
Library.....	4,840
Experiment stations.....	33,120
Public roads.....	10,000
	378,190

DECREASES.	
Plant Industry.....	\$189,680
Bureau of Statistics.....	900
	190,580

Net increase..... 187,610

The item covering the Congressional free distribution of vegetable and flower seeds has been entirely omitted from the bill. There is not, and never has been, any warrant of law for this expenditure. The item has simply been tolerated in appropriation bills.

The principle involved in this work is entirely wrong and has never been approved by the Department of Agriculture and has really been a block to other more important lines of investigation.

The original purpose of the organic act, to wit, the distribution of "rare and uncommon seeds, etc.," for experimental purposes through the experiment stations of the several States, has been retained.

Mr. WADSWORTH. Mr. Chairman, I do not care to take any time in general debate. When the bill is taken up under the five-minute rule I shall be glad to answer any questions which gentlemen may see fit to ask me. I now yield two hours to the gentleman from Ohio [Mr. GROSVENOR].

The CHAIRMAN. The Chair does not understand that the time is under the control of the gentleman from New York.

Mr. WADSWORTH. The time is to be equally divided between the gentleman from Virginia and myself.

The CHAIRMAN. The Chair understands that was objected to. The Chair does not understand that there was any agreement as to the control of the time.

Mr. WADSWORTH. The limit of time as to general debate was not agreed to, but I understood that the time was to be

* The decrease in the amount allowed the Bureau of Plant Industry is only apparent, as the committee has taken from it the work incident to the distribution of free seeds and has deducted from its appropriation the amount estimated for that purpose. As a matter of fact, an increase of \$15,460 was allowed the Bureau of Plant Industry for the different items of its work outside the free-seed distribution.

apportioned by the gentleman from Virginia [Mr. LAMB] and myself.

The CHAIRMAN. The gentleman from New York is entitled to one hour, and the gentleman from Virginia to one hour.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. CAPRON having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. PARKINSON, its reading clerk, announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 2325) for the relief of James D. Vernay.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to bills of the following titles:

S. 47. An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes;

S. 4046. An act to incorporate the Edes Home; and

S. 3045. An act to incorporate the American Cross of Honor within the District of Columbia.

The message also announced that the Senate had passed with amendment bills of the following titles; in which the concurrence of the House of Representatives was requested:

H. R. 16954. An act providing for the reappraisal of certain suburban lots in the town site of Port Angeles, Wash.; and

H. R. 14508. An act permitting the building of dams across the North and South branches of Rock River, adjacent to Vandrufts Island and Carrs Island, and across the cut-off between said islands, in Rock Island County, Ill., in aid of navigation and for the development of water power.

The message also announced that the Senate had passed without amendment bills of the following titles:

H. R. 17217. An act to amend an act entitled "An act to establish a code of law for the District of Columbia regulating proceedings for condemnation of land for streets;"

H. R. 11490. An act granting the Edison Electric Company a permit to occupy certain lands for electric-power plants in the San Bernardino, Sierra, and San Gabriel forest reserves, in the State of California; and

H. R. 18025. An act to regulate shipping in trade between ports of the United States and ports or places in the Philippine Archipelago, between ports or places in the Philippine Archipelago, and for other purposes.

The message also announced that the Senate had passed bills of the following titles; in which the concurrence of the House of Representatives was requested:

S. 5581. An act to provide for the purchase of a site and the erection of a public building at Passaic, N. J.;

S. 5648. An act to amend section 12 of the act approved February 2, 1901, entitled "An act to increase the efficiency of the permanent military establishment of the United States;"

S. 352. An act for the relief of the heirs of Fernando J. Moreno, deceased;

S. 5572. An act to amend section 4348 of the Revised Statutes, establishing great coasting districts of the United States; and

S. 2355. An act to reorganize the corps of dental surgeons attached to the Medical Department of the Army.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the bill (S. 956) providing for the election of a Delegate to the House of Representatives from the district of Alaska.

AGRICULTURAL APPROPRIATION BILL.

The committee resumed its session.

Mr. WADSWORTH. Then, Mr. Chairman, I will yield one hour to the gentleman from Ohio [Mr. GROSVENOR].

Mr. GROSVENOR. Mr. Chairman, under the arrangement that I had, that I was to have two hours if I desired it, it may be embarrassing for me to close my speech at the end of the hour; therefore I desire to give notice at this time that if at the end of the hour I have not completed my remarks I shall ask for an extension of time.

Mr. Chairman, I propose to address the House this morning on the topic of the ship-subsidy bill, a topic that is usually discussed with a great deal of interest pending campaigns before the country and about which very little interest is manifested after the election. The language that is used ordinarily by the candidate for President, the party platform, the campaign speakers, and the candidates for Congress who are running before the people is to announce that they are in favor of "encouraging" the building of ships. I embrace this opportunity to announce that the time for "encouragement" has passed and

the time for *assistance* is now here. It will not answer in the future for any political party or any candidate for any office to mislead his hearers by the use of the word "encourage." Encouragement is a dead letter, and the American people who favor some action in behalf of this great measure now demand that the friends of the measure shall cooperate to assist, and "encouragement" will be hereafter ruled out in party platforms and in inaugural addresses and in messages to Congress and in solicitation for support by industrial forces of the United States.

WHAT THE BILL WILL DO.

This bill of the Merchant Marine Commission, which has already passed the Senate, will, in the first place, give the United States what it now absolutely lacks—a trained naval reserve of the picked officers and men of its merchant marine and fisheries instructed in gunnery, enrolled, organized, and disciplined, and ready to man the auxiliary ships or to reinforce the fighting crews in case of war. Every other maritime power except the United States now has such a reserve, a sea militia, a second line of ocean defense, holding the same relation to the regular navy that is held toward the Regular Army by our State militia or National Guard. The existing State naval militia in this country is composed almost entirely of landsmen and is useful only for harbor or coast defense. We need a naval reserve of skilled and hardy professional seamen, the possession of which did much to give Japan a brilliant victory, and the lack of which proved a fatal weakness in the naval system of Russia in the recent war.

But we can not have these naval-reserve men unless we have, in the first place, ships on which they can follow their calling of the sea. This bill will give us a fleet of fifty or sixty first-class ocean steamships running on a dozen new lines—vessels aggregating from 200,000 to 300,000 tons, all built on designs approved by the Navy Department and held by the terms of their contract absolutely at the disposal of the Government. These mail ships will constitute a naval reserve of fast transports, ammunition ships, supply ships, auxiliary, repair, and hospital ships, etc., which the report of Admiral Dewey declares are indispensable to the efficiency of our fighting squadrons in case of a contest with a real naval power. Without these auxiliaries the most powerful fleet of battle ships is worthless. Besides auxiliaries for the Navy—one at least for each man-of-war—we must have a large fleet of transports to enable us to send our soldiers in an emergency to China, the Philippines, Hawaii, Alaska, Cuba, Porto Rico, or the Isthmus of Panama. The War Department in its report to the Merchant Marine Commission declares that "Now, and for the immediate future, the force for which our military establishment is maintained can not be exerted over-sea. The first quick blow, so very and increasingly important, can not be struck at all, nor can an expedition of any greater size be embarked without delay, except by the use of foreign vessels. This condition can not improve until the American steam seagoing merchant marine has increased in tonnage to approximately two and one-half times its present volume by the addition of ships adapted in size and design to quick conversion into suitable transports and built under conditions which make their voluntary surrender to the United States on demand a foregone conclusion."

In other words, in a serious war the United States would be absolutely crippled because it has not enough ships to send to our possessions over-seas enough men to defend them against a foreign enemy, and the merchant marine of the United States will have to be increased two and one-half times before it can transport the troops that could be mustered out of our present modest military establishment.

A GREAT FLEET OF CARGO VESSELS.

This bill of the Merchant Marine Commission, through its subventions to cargo vessels, will bring, in ten years or less, a net addition to our cargo carrying and fishery tonnage of 1,500,000 tons, thereby increasing fourfold the actual ocean shipping of the United States and giving us in foreign trade a merchant marine much larger than the entire merchant fleet of France and Norway, twice that of Italy, and twice that of Japan. With such a merchant fleet as this the United States could carry under its own flag not 10 per cent as now, but 30 or 40 per cent of its own imports and exports, and these ships would earn for their country, instead of \$20,000,000, from \$60,000,000 to \$80,000,000 annually in mail, freight, and passenger receipts, compensating us many times over for the total cost of the subventions.

These cargo ships and the dozen new lines of American mail steamships to South America, Central America, Africa, Asia, and the Philippines will reduce freight rates at the same time they improve our transportation service. They will have the same effect that a competing railroad has upon the traffic of

any given community. Instead of old, slow, ramshackle foreign craft that now crawl out irregularly with our products to South America, we shall have regular, swift, and economical American steamers. These ships must be built in the coast States of the Atlantic, Pacific, or Gulf of Mexico. But the materials for their hulls and machinery will be drawn from many States—from the iron mines of Lake Superior, from the forests of Michigan, Wisconsin, and the South. And the cargoes which these ships will carry will come from every State and every Territory in the Union.

A great, prosperous merchant fleet will benefit not only the coast States and their people but the people of every State and Territory. This will be a new national industry giving work and wages to thousands and tens of thousands of our population. "Ships," declares President Roosevelt, "work for their own countries just as railroads work for their terminal points." These ships, once built and afloat, will get to work to make new markets for the products of the agriculture of the Mississippi Valley, the grain States of the Northwest, the cotton States of the South and Southwest, and the manufactures of New England, New York, Pennsylvania, Illinois, and Indiana. They will put an end forever to the present humiliating dependence upon our foreign competitors for the means of reaching the markets where we and they are striving for the mastery. We shall have delivery wagons of our own without relying upon the delivery wagons of our rivals. And above all we shall have waiting and ready a great fleet of auxiliaries and a great body of brave, skilled, and patriotic American seamen who, while serving our trade in peace, will be ready to defend our coasts and our flag in war.

All this can be done at a cost to start with of between one and two million dollars a year and a cost on the average for ten years of no more than four or five millions, which is not more than is being paid now in national aid to steamship lines by our chief competitors and a mere fraction of the sum which we are expending on our Army and our Navy, to say nothing of the stupendous task of building the isthmian canal—a canal which, when built, unless this bill is passed, will float nothing but men-of-war and the merchant ships of our commercial adversaries.

IN A NUTSHELL.

Speaking more concisely, it may be said that, in a nutshell, Senate bill 529, framed by the President's Merchant Marine Commission, and passed February 14, 1906, by the Senate, provides for:

1. A volunteer naval reserve of 10,000 officers and men of the merchant marine and fisheries, trained in gunnery, etc., subject to the call of the President in war, and receiving retainer bounties, as 33,500 British naval-reserve men do.

2. Subventions at the rate of \$5 a gross ton a year to all cargo vessels in the foreign trade of the United States and to craft of the deep-sea fisheries, and \$6.50 a ton to vessels engaged in our Philippine commerce, the Philippine coastwise law being postponed till 1909. But these cargo vessels, in order to receive subventions, must be held at the disposal of the Government in war, must convey the mails free of charge, be seaworthy and efficient, carry a certain proportion of Americans and naval-reserve men in their crews, and make all ordinary repairs in the United States. Ships lose their subventions if they leave our trade for that of foreign countries, or if, like the Standard Oil craft, they are not engaged exclusively as common carriers.

3. Subventions to new mail lines from the Atlantic coast to Brazil, Argentina, and South Africa; from the South Atlantic coast to Cuba; from the Gulf coast to Cuba, Brazil, Mexico, Central America, and the Isthmus of Panama; from the Pacific coast, via Hawaii, to Japan, China, and the Philippines, and to Mexico, Central America, and the Isthmus of Panama, and from the North Pacific coast direct to Japan, China, and the Philippines, with increased compensation to one existing contract line from the Pacific coast, via Hawaii and Samoa, to Australasia.

All ships receiving subventions must be already American by register or American built, thus excluding the foreign-built fleet of the Atlantic steamship combination. Not one dollar is given to fast passenger and mail lines to Europe. Ships constructed for foreign commerce to receive these subventions can, under the Dingley tariff, be built, equipped, and repaired of materials imported free of duty.

The maximum annual cost of the proposed mail subventions will be about \$3,000,000; of the other subventions and retainers to the naval reserve from \$1,550,000 in 1907 to \$5,750,000 in 1916.

Great Britain next year will pay \$6,000,000 or \$7,000,000 in

shipping subsidies; France, \$8,000,000; Italy, \$3,000,000, and Japan about \$4,000,000.

THE INTERESTS OF LABOR.

As will be more fully stated further on, there is being paid for the transportation of our foreign commerce something like \$200,000,000 per annum. Substantially all of it goes to foreign labor. Not only is this true, but each recurring ship that is built to keep up the necessary volume of shipping to carry our products abroad is built in a foreign land. The material is mined, hewed from the forests, shaped into ships, and paid for by money every dollar of which ought to be the reward of American labor.

Let me speak of the interests of American labor for a moment. You profess to be alert to the interests of American labor. The men of organized labor are demanding that in the public institutions of the country where convict and other forms of cheap labor are employed manufactured articles shall not be produced to glut the American market, and yet two or three leaders of organized labor in the United States, without rhyme or reason, without knowledge or sense, simply negative every effort of organized labor to be heard in behalf of the greatest project that American labor is to-day interested in.

Put the American ship in its proper relation to the business and commerce of the United States and in the production of the raw material of the ship, in the construction of the ship, in the manning and officering of the ship, in the running and handling of the ship, more than \$500,000,000 of money would come to us, a vast percentage of which would go into the pockets of labor. The laboring men of this country should organize as they have never organized before and with moral suasion and ballots should demand that this un-American tirade against American interests should cease, and cease now. The silence in abandoned shipyards, the paralysis of labor heretofore engaged in these works are impressive monitors that the laboring man of this country is being led like the sheep to the shamble by one or two men who dare to dictate the ruinous policy of buying our ships abroad and maintaining our ships abroad by paying the money abroad for all these vast expenditures. So much for the attitude of the laboring man.

I take great pleasure in announcing that within the last few weeks the labor organizations throughout the country are rapidly coming to understand the situation, and many of the strongest appeals for the passage of this bill that we have come from organized labor in defiance of the men who stand throttling an intelligent expression of their views.

WHAT IS A SUBSIDY?

Mr. Chairman, we are spending in the United States enormous sums of money for subsidies. Yet, Mr. Chairman, the word "subsidy" shocks a great many of the American people. If you can only correctly call a thing a subsidy you have enlisted a clamor equal to General Grant's recollection of the sound of the coyotes in his first famous journey across the plains. What is a subsidy? A subsidy is well defined by the word "subsidize" in the dictionaries—"to furnish with a subsidy; to purchase assistance by the payment of a subsidy; to assist an individual or an undertaking with money; pecuniary aid, aid given in money; to specify; an aid or tax formerly granted by Parliament to the Crown to meet urgent or pressing necessities, levied on every subject of ability according to the value of his lands or goods."

The appropriation bills of Congress from year to year are crowded and, I might say, overwhelmed with subsidies. We expend more money per annum for the deepening and widening and straightening of the rivers and harbors of the United States than would carry the operations of this bill through to the end of its existence—ten years—and every dollar of that money is a subsidy to the commerce of the country.

No sooner does a foreign shipbuilder announce that the present draft of his largest ship is not met by corresponding depth of water in American harbors, and that he could make more money if the American Congress would excavate the American harbor a little deeper, so that the foreign ships could carry a little more cargo and earn a little more money, than the American Congress rushes its engineering force to ascertain and make a project for the deepening of the harbors of the country in order that the foreign demand for deeper water and deeper draft of ships shall be met out of the pockets of the American people. That is a matter of pure subsidy, nothing else; it can be described by no other name; it meets the dictionary definition; it meets the common-sense definition; it meets every definition. Every dollar of money that is expended by the United States Government in deepening, widening, and perfecting the harbors of our seacoast, every dollar that is expended in the magnificent improvement of our great chains

of mighty lakes, every dollar that is spent in the deepening, straightening, and widening of the great network of rivers that encompass our country—every dollar of it is a subsidy to aid the commerce of the American people.

WHAT SUBSIDY HAS DONE.

When I first became a Member of Congress the freight upon a ton of iron ore from the upper Great Lakes to the harbors along the shore of Ohio was about \$2 a ton, and the vessels that were carrying ore were carrying about 2,500 tons for a cargo, and they could get into some of the harbors which had a depth of 8 or 9 feet of water and deliver their cargoes and go back to the source of supply. To-day 10,000 tons is the complement of one of these magnificent ships, and about 75 cents a ton the cost of delivering the ore at the ports of Ashtabula, Cleveland, and the other places of distribution down to the location of the furnaces. We have dug out and excavated these harbors to a depth of 19, 20, and 22 feet of water. Every dollar of it came out of the public Treasury of the United States, and every dollar of it was a subsidy to the commerce of this country.

We are spending \$44,000,000 annually as a subsidy to the railroad systems of the country in developing the internal commerce of the country by the transmission of the mails of the country; and we invest \$100,000,000 in the Navy annually for the promotion and protection and distribution of what? A phantom commerce! A phantom ocean trade!

We talk about the construction of a mighty navy, and I am not opposed to it; we talk about having a navy that can protect our commerce in all the countries of the world. Why, Mr. Chairman, we have no commerce in all the countries of the world. We are building a navy that in time of peace has no occupation but to fit itself for war and protect our commerce carried in the ships of other nations.

I do not care to go over these items of subsidy. The whole growth, the whole mighty progress of the nation has gone steadily forward to the tremendous proportions of to-day based upon subsidies that the people of the United States through the action of Congress have conferred upon the various instrumentalities of production and commerce. We are proud of our trade abroad, and it is magnificent. Its growth is realized at the Treasury Department every day of our lives. The month of March was greater than any other month of March in the history of our nation. The condition of the financial year from the 30th of June to that period was greater than any other like period in the history of our nation. The calendar year that ended on the last day of December last showed our commerce abroad was greater than in any other like period in our nation's history. But, Mr. Chairman, ninety one-hundredths of all the mighty commerce was carried in foreign ships, carried under foreign flags, and \$200,000,000 last year, and nearly \$200,000,000 the year before, were taken out of the pockets of the American people and paid over to the labor of the various countries of Europe, who have wisdom and sense enough to patronize the merchant marine.

Mr. Chairman, there has not been a keel laid for an ocean-going ship in a shipyard of the United States during the last twelve months, while millions of dollars of British money and German money and Japanese money have gone to the commercial shipyards of those countries to build gigantic vessels of trade to carry our commerce to such customers as those countries see fit to carry that commerce to, and we, bowing to their demands, are preparing our rivers and harbors for their accommodation.

THE EXAMPLE OF JAPAN.

Mr. Chairman, we see a great deal about the Japanese nation, and sometimes we hear people wondering if the Japanese are not in some way to become aggressors against the American people, or whether they will not seize upon the Philippine Islands, whether they will not become aggressors by their immigration into our country. Let me tell you, Mr. Chairman, where they began to be aggressors upon American commerce—the very day that the armistice was signed between the Russian Government and the Japanese Government. Every spare shipyard in Japan was transferred as if by magic from the building of war ships to the building of merchant ships, and to-day more ships for over-sea commerce are being constructed in Japan than anywhere in any nation of the earth except Great Britain.

We have bearing the American flag in the Pacific Ocean about nine or ten ships. They are carrying the passengers and the commerce, such as they can carry, from San Francisco and Seattle to the oriental countries—about one ship where there ought to be ten ships, about one man employed where there ought to be ten men employed, and all the balance of our trade that might become mighty and profitable is carried in foreign vessels to foreign markets in the hands of foreign traders. But that is not all. Information comes to us—and it will appear

to Members of Congress who read the hearings before the Committee on Merchant Marine and Fisheries—that to-day offers of purchase have been made to the owners of the Pacific Mail Steamship Company for their five great ships, and those offers are very satisfactory—more than satisfactory—and this information is coupled with the further information, that comes to us beyond a possible doubt of its reliability, that the Japanese Government, in consideration that that purchase shall be made by a Japanese corporation, has said that it will give to the owners of those ships most profitable and very elaborate subsidies. For what purpose? To carry the commerce of the United States, and to control the commerce of the United States, and carry it where they see fit to carry it, and bring their commerce into the United States of America.

And the same is true of the ships sailing from Seattle, as I am informed. We have no such definite information upon that question as we have upon the other, but it is entirely manifest that the aggressions of the Japanese Government against our Government are to be the aggression of domination upon the merchant marine of the country and the carrying of all the commerce and the control of all the commerce between foreign countries and our own.

SAN FRANCISCO'S NEED OF THE SHIPPING BILL.

San Francisco has two lines of American steamers in the over-seas trade, crossing the Pacific Ocean. One is the Pacific Mail Line, of five steamers, to Japan, China, and the Philippines. The other is the Oceanic Line to New Zealand and Australia.

These are, by all odds, the largest and most important steamship companies operating out of San Francisco. Their head offices are there. Their agents and employees are there. They pay the wages and salaries on sea and shore of a great many men, and the business which they conduct is worth many millions of dollars annually to San Francisco and to California.

The Oceanic Company is now receiving a small, insufficient subsidy, a very much smaller amount than European lines from Europe and Canada to Australia are paid for inferior service. The Pacific Mail Company receives only from \$60,000 to \$80,000 a year, at the rate of so much per pound, for carrying the United States mails to the Orient. A competing parallel Japanese line of only three steamers, employing only Japanese and not one American, receives a subsidy of from \$500,000 to \$600,000 from the Japanese Government.

Neither the Oceanic Company nor the Pacific Mail Company has for years paid a dividend. The Oceanic Company, in fact, has been losing several hundred thousand dollars annually. The shipping bill of the Merchant Marine Commission provides an increased subvention of \$217,000 a year for our Australian mail service, which would bring the Oceanic Company approximately on even terms with its foreign competitors. This bill also provides \$600,000 a year for an improved mail service to Japan, China, and the Philippines, which would enable the Pacific Mail Company to build more American ships and run more frequently across the Pacific to Manila.

The city of San Francisco has never had much manufacturing. It has lived by the sea and from the sea. The foundation of its prosperity has been the fact that it was our great national gateway for our Pacific commerce. Congress has already granted several million dollars for feeding the hungry and clothing the naked refugees from San Francisco's great disaster. But the surest, most effective, and most permanent thing that Congress can do to rebuild the ruined city and revive its stricken trade is to pass this shipping bill of the Merchant Marine Commission, with its provisions for encouraging not only American steamship lines to the Orient and Australasia, but a third line from San Francisco down the coast to Mexico, Central America, and the Isthmus of Panama.

This ocean commerce is the very lifeblood of San Francisco. The city can not exist without it. Nothing would so hearten and strengthen the business men and the wage-earners of San Francisco as the news from Washington that the Congress of the United States had stepped in and assured to them the continuance of their great lines of ocean steamers.

Unless this bill is passed and passed at once, it is certain that these American steamship lines, on which the prosperity, even the life, of San Francisco largely depends, will not be continued. They can not be run indefinitely against the subsidized shipping of Europe and Japan. Even before this disaster it was known in San Francisco, and it has become known in Washington, that the fate of these American steamship companies hung absolutely on the passage of the shipping bill. For there are nations in Europe—there is even a nation in Asia—which know what we Americans seem to have forgotten—that trade follows the flag, and that the people who control the ships are bound ultimately to control the commerce of the world.

Japan subsidizes all her ocean ships. She subsidizes her shipyards. Her merchant tonnage has grown more rapidly of late years than that of any other nation in the world. Thanks to her subsidies, creating a great naval reserve, she had the ships and the sailors to whip Russia. Japan's statesmen know well enough that our American steamship lines can not survive without dividends, and her merchants, with generous subsidies guaranteed, are endeavoring to buy both of these American Pacific steamship companies. The Congress of the United States has been given ample warning that if the shipping bill is not immediately passed by the House of Representatives this Japanese effort will succeed, and the Stars and Stripes will be hauled down from the masthead of the two oldest American steamship lines crossing the Pacific Ocean.

BLOTTING OUT OUR OWN NAVAL RESERVE.

This would be a calamity for the United States, but it would be a still more terrible calamity for San Francisco. When the Japanese flag went up every American officer, every American sailor would have to go over the side. It is the pride of the Japanese to man their ships throughout with their own people. That would mean the blotting out of most of our meager resources in the way of a naval reserve on the Pacific. It would mean the transfer of the headquarters of these American lines from San Francisco to Yokohama.

It might mean more than this. For there can be no guaranty that if the Japanese flag is hoisted over these American ships they will continue to run in the trade of San Francisco. Once under Japanese control, they can be sent, and most certainly will be sent, wherever they will best serve Japanese interests. There are no ships so fine as some of these American ships in the whole Japanese merchant fleet. The great pride of Japanese shipowners is their subsidized line from Japan to Europe—subsidized at the rate of more than a million dollars a year. If the Japanese Government took it into its head to order the transfer of these American liners to the European line it could do so, and in that event San Francisco would be left entirely without any communication with China or the Philippines, and our main line of oriental commerce would be paralyzed.

So, too, with the Oceanic Line to Australasia. This is now operating under a mail contract with the United States Government, which requires the steamers to be run via Samoa to Auckland and Sydney, and nowhere else. But the contract would necessarily terminate if these ships were purchased by the Japanese. They could then be taken wherever their new owners pleased. And where that would be it is not difficult to conjecture. The Japanese Government has been endeavoring to build up a competing line from Yokohama to Australia. Thus far it has not secured any satisfactory steamers. Its vessels are inferior to American ships, and there can be no question whatever that one motive of the Japanese in securing the Oceanic steamers would be to take them out of San Francisco and transfer them to their own Japanese-Australian line, thus paralyzing our best route of communication with the Australian markets, to which our exports have increased of late years from \$12,000,000 to \$27,000,000 a year, and turning this market over to the merchants of Japan, Europe, and Canada.

Now, the fate of these American Pacific lines, involving to a large degree the future of San Francisco, is in the hands of the House of Representatives. Pass this bill and you will give new hope and new courage to the merchants and the wage-earners there by the smoking ruins at the Golden Gate. Defeat this bill, or postpone it, and you haul down the American flag from the masthead of the best fleet on the Pacific and strike the city of San Francisco and our whole trans-Pacific trade a blow from which they will never recover.

It is for the House of Representatives, by its action on the shipping bill of the Merchant Marine Commission, to say which course shall be pursued.

NEW LINES TO SOUTH AMERICA.

Now, in that condition we come forward with a measure that does not carry, at the utmost dollar that it can ever cost the Government, as much money as the deepening and widening of a few harbors of the United States has cost the Government. Take the expenditures upon the Great Lakes of the country, and one fraction of the money expended there will meet every dollar that it is proposed to carry under this so-called "subsidy bill," and the effect of it would be to open up five or six lines of communication with South America.

Do gentlemen who are studying the coming day of American commerce have any appreciation of the fact that to-day if you wanted to ship a cargo of goods quickly, or if you wanted to travel in comfort yourself to Rio Janeiro, your course would not be to go to the seacoast of America and take either an American or a foreign ship and go direct to the South American

ports? No; you would have to go to Southampton or to Liverpool and reship upon a British ship and deliver yourself in due time at the South American port. And all this because the cry of "subsidy" has so misled the American people that we stand to-day awed in the prospect of the destruction of our merchant marine, afraid of the people who wield a petty whip of politics, and afraid to assert our own best judgment upon this matter.

Why should this question be a question of party politics? Why should the division line be drawn along party lines in opposition to this measure? The Republican party has been fierce in its conventions to proclaim its fealty to a purpose to bring about the upbuilding of the Navy, and yet individual Members have fits of hysterics when you mention the subject to them, and they tell you: "My people are not interested in this matter." There is no question of American economical concern to-day that is of more vital interest to every industrial man in the United States. They tell us that the newspapers of the country are not in favor of it. Let us see. First, I want to produce here the history of Republican support to this measure:

THREE PRESIDENTS SPEAK FOR AMERICAN SHIPPING.

Benjamin Harrison: "Our great competitors have established and maintained their lines by government subsidies until they have now practically excluded us from participation. In my opinion, no choice is left to us but to pursue, moderately at least, the same lines."

William McKinley: "I am satisfied the judgment of the country favors the policy of aid to our merchant marine which will broaden our commerce and markets and upbuild our sea carrying capacity for the products of agriculture and manufacturing."

Theodore Roosevelt: "Ships work for their own countries, just as railroads work for their terminal points. * * * From every standpoint it is unwise for the United States to continue to rely upon the ships of competing nations for the distribution of our goods. It should be made advantageous to carry American goods in American-built ships."

Three successive Republican Presidents—two from the Middle West and one from the great commercial State of New York—have urged in the strongest terms throughout their Administrations the upbuilding of American shipping in the foreign trade.

One of the three was Benjamin Harrison, of Indiana, who was elected in 1888 on a platform declaring:

"We earnestly recommend that prompt action be taken by Congress in the enactment of such legislation as will best secure the rehabilitation of our merchant marine, and we protest against the passage by Congress of a free-ship bill as calculated to work injustice to labor by lessening the wages of those engaged in preparing the materials, as well as those directly employed in our shipyards."

President Harrison, in his first inaugural message to Congress, March 4, 1889, thus proclaimed his devotion to the cause of the American ship:

"We should encourage the establishment of American steamship lines. The exchanges of commerce demand stated, reliable, and rapid means of communication, and until these are provided the development of our trade with the states lying south of us is impossible."

In his first annual message to Congress, on December 3, 1889, President Harrison enlarged upon this theme with growing emphasis:

"There is nothing more justly humiliating to the national pride and nothing more hurtful to the national prosperity than the inferiority of our merchant marine compared with that of other nations whose general resources, wealth, and seacoast lines do not suggest any reason for their supremacy on the sea. It was not always so, and our people are agreed, I think, that it shall not continue to be so. * * *

"FOREIGN LINES ARE SUBSIDIZED.

"That the great steamship lines sailing under the flags of England, France, Germany, Spain, and Italy, and engaged in foreign commerce, were promoted, and have since been and now are liberally aided by grants of public money in some form or another is generally known. That the American lines of steamships have been abandoned by us to an unequal contest with the aided lines of other nations until they have been withdrawn or, in the few cases where they are still maintained, are subject to serious disadvantages is matter of common knowledge.

"MUST NOW GO VIA ENGLAND.

"The present situation is such that travelers and merchandise find Liverpool even a necessary intermediate point between New York and some of the South American capitals. The fact that some of the delegates from South American States to the conference of American nations now in session at Washington reached our shores by reversing that line of travel is very conclusive of the need of such a conference, and very suggestive as to the first and necessary step in the direction of fuller and more beneficial intercourse with nations that are now our neighbors upon the lines of latitude, but not upon the lines of established commercial intercourse.

"LIBERAL AID FOR AMERICAN LINES.

"I recommend that such appropriations be made for ocean mail service, in American steamships, between our ports and those of Central America, China, Japan, and the important islands in both of the great oceans, as will be liberally remunerative for the service rendered, and as will encourage the establishment and in some fair degree equalize the chances of American steamship lines in the competition which they must meet. That the American states lying south of us will gladly cooperate in establishing and maintaining such lines of steamships to their principal ports I do not doubt.

"OUR NEED OF A NAVAL RESERVE.

"We should also make provision for a naval reserve, to consist of such merchant ships, of American construction and of a specific tonnage and speed, as the owners will consent to place at the use of the Government in case of need as armed cruisers. England has adopted this policy, and as a result can now upon necessity at once place upon her naval list some of the fastest steamships in the world. A proper supervision of the construction of such vessels would make their conversion into effective ships of war very easy.

"BLIND AND FALSE 'ECONOMY.'

"I am an advocate of economy in our national expenditures, but it is a misuse of terms to make this word describe a policy that with-

holds an expenditure for the purpose of extending our foreign commerce. The enlargement and improvement of our merchant marine, the development of a sufficient body of trained seamen, the promotion of rapid and regular mail communication between the ports of other countries and our own, and the adaptation of large and swift American merchant steamships to naval uses, in time of war, are public purposes of the highest concern.

"A BENEFIT TO ALL THE PEOPLE.

"The enlarged participation of our people in the carrying trade, the new and increased markets that will be found for the products of our farms and factories, and the fuller and better employment of our mechanics, which will result from a liberal promotion of our foreign commerce, insure the widest possible diffusion of benefit to all the States and to all the people. Everything is most propitious for the present inauguration of a liberal and progressive policy upon this subject, and we should enter upon it with promptness and decision."

HARRISON SPEAKS AGAIN.

President Harrison, in his second message to Congress, on December 1, 1890, made the merchant marine again the subject of a most earnest and emphatic recommendation:

"I desire to repeat with added urgency the recommendations contained in my last annual message in relation to the development of American steamship lines. The reciprocity clause of the tariff bill will be largely limited, and its benefits retarded and diminished, if provision is not contemporaneously made to encourage the establishment of first-class steam communication between our ports and the ports of those nations as may meet our overtures for enlargement of commercial exchanges."

"A FIRST CONDITION OF FOREIGN TRADE.

"The steamship, carrying the mails steadily and frequently, offering to passengers a comfortable, safe, and speedy transit, is the first condition of foreign trade. It carries the order or the buyer, but not all that is ordered or bought. It gives to the sailing vessels such cargoes as are not urgent or perishable, and, indirectly at least, promotes that important adjunct of commerce. There is now both in this country and in the nations of Central and South America a state of expectation and confidence as to increased trade that will give a double value to your prompt action upon this question."

"LINES TO SOUTH AMERICA.

"The South Atlantic and Gulf ports occupy a very favored position toward the new and important commerce which the reciprocity clause of the tariff act and the postal shipping bill are designed to promote. Steamship lines from these ports to some northern port of South America will almost certainly effect a connection between the railroad systems of the continents long before any continuous line of railroads can be put into operation. The very large appropriation made at the last session for the harbor of Galveston was justified, as it seemed to me, for these considerations. The great Northwest will feel the advantage of trunk lines to the South as well as to the East and of the markets found for their surplus food products and for many of their manufactured products."

A NEW LAW PASSED AND SIGNED.

Before another annual message was written, President Harrison, on March 3, 1891, had the satisfaction of signing a new law, the direct fruit of his earnest and patriotic recommendations, extending national aid to lines of American steamers. But, unfortunately, the original rates of compensation proposed in this measure, which had been fixed by expert authority at an amount just sufficient for the purpose, were cut down one-third on the solicitation of a few middle western men when the bill passed the House of Representatives. This seriously crippled the efficiency of the new measure so far as South America was concerned.

Though this legislation did create one American line to Europe, two to the West Indies, one to Venezuela, and finally one to Australasia, the experience of fifteen years has now demonstrated that the hasty reduction in the rate of the mail subventions was a deplorable error, justifying the remonstrances of the friends of the measure, who predicted that, thus heavily reduced, the law would prove a disappointment.

SOME GOOD RESULTS.

The immediate result, however, was beneficial in creating new lines to near-by markets, and President Harrison was enabled to sound a note of congratulation in his message to Congress on December 6, 1892:

"Ever since our merchant marine was driven from the sea by the rebel cruisers during the war of the rebellion the United States has been paying an enormous annual tribute to foreign countries in the shape of freight and passage moneys. Our grain and meats have been taken at our own docks and our large imports there laid down by foreign shipmasters."

"DIVIDENDS TO FOREIGNERS.

"An increasing torrent of American travel to Europe has contributed a vast sum annually to the dividends of foreign shipowners. The balance of trade shown by the books of the custom-houses has been very largely reduced and in many years altogether extinguished by this constant drain. In the year 1892 only 12.3 per cent of our imports were brought in American vessels. These great foreign steamships maintained by our traffic are many of them under contracts with their respective governments by which in time of war they will become a part of their armed naval establishments. Profiting by our commerce in peace, they will become the most formidable destroyers of our commerce in time of war."

"A CHANGE OF POLICY.

"I have felt, and have before expressed the feeling, that this condition of things was both intolerable and disgraceful. A wholesome change of policy and one having in it much promise, as it seems to me, was begun by the law of March 3, 1891. Under this law contracts have been made by the Postmaster-General for eleven mail routes. The expenditure involved by these contracts for the next fiscal year approximates \$954,123.33. As one of the results already reached sixteen American steamships of an aggregate tonnage of 57,400 tons, costing \$7,400,000, have been built or contracted to be built in American shipyards."

"SUBSIDIES ARE INDISPENSABLE.

"No subject, I think, more nearly touches the pride, the power, and the prosperity of our country than this of the development of our merchant marine upon the sea. If we could enter into conference with our competitors and all would agree to withhold government aid we could perhaps take our chances with the rest, but our great competitors have established and maintained their lines by government subsidies until they now have practically excluded us from par-

ticipation. In my opinion no choice is left to us but to pursue, moderately at least, the same lines."

PRESIDENT M'KINLEY'S COUNSEL.

The next Republican President, William McKinley, of Ohio, was known as a strong champion of the American merchant marine long before his election to this great office. In the debate on the new tariff bill that bore his name, on May 7, 1890, in the House of Representatives, Chairman McKinley had said:

"If the United States would give the same encouragement to her merchant marine and her steamship lines as is given by other nations to their ships, this commerce on the seas under the American flag would increase and multiply. When the United States will spend from her Treasury from \$5,000,000 to \$6,000,000 a year for that purpose, as do France and Great Britain to maintain their steamship lines, our ships will plow every sea in successful competition with the ships of the world. [Loud applause on the Republican side.] Will you gentlemen join us in encouraging our merchant marine?" [Renewed applause on the Republican side.]

BOTH BUSINESS AND PATRIOTISM.

Holding these earnest opinions, President McKinley avowed them in his first inaugural address, on March 4, 1897:

"Congress should give prompt attention to the restoration of our American merchant marine, once the pride of the seas on all the great ocean highways of commerce. To my mind, few more important subjects so imperatively demand its intelligent consideration. The United States has progressed with marvelous rapidity in every field of enterprise and endeavor until we have become foremost in nearly all of the great lines of inland trade, commerce, and industry. Yet, while this is true, our American merchant marine has been steadily declining until it is now lower, both in the percentage of tonnage and the number of vessels employed, than it was prior to the civil war."

"Commendable progress has been made of late years in the upbuilding of the American Navy, but we must supplement these efforts by providing as a proper consort for it a merchant marine amply sufficient for our own carrying trade to foreign countries. The question is one that appeals both to our business interests and the patriotic aspirations of a great people."

PROGRESS ON THE SEAS.

President McKinley reiterated these views in his first annual message to Congress, on December 6, 1897, and he expressed himself even more positively and at greater length on December 5, 1899, after the illuminating experience of the Spanish war:

"The value of an American merchant marine to the expansion of our commercial trade and the strengthening of our power upon the sea invites the immediate action of the Congress. Our national development will be one-sided and unsatisfactory so long as the remarkable growth of our inland industries remains unaccompanied by progress on the seas. There is no lack of constitutional authority for legislation which shall give to the country maritime strength commensurate with its industrial achievement and with its rank among the nations of the earth."

"IN THE LIGHT OF THE WAR.

"Last year American vessels transported a smaller share of our exports and imports than during any former year in all our history, and the measure of our dependence upon foreign shipping was painfully manifested to our people. Without any choice of our own, but from necessity, the Departments of the Government charged with military and naval operations in the East and West Indies had to obtain from foreign flags merchant vessels essential for those operations."

"OTHER NATIONS DO NOT HESITATE.

"The other great nations have not hesitated to adopt the required means to develop their shipping as a factor in national defense and as one of the surest and speediest means of obtaining for their producers a share in foreign markets. Like vigilance and opportunity on our part can not fail but improve our situation, which is regarded with humiliation at home and with surprise abroad. Even the seeming sacrifices, which at the beginning may be inevitable, will be offset later by more than equivalent gains."

"THE EXPENSE AS NOTHING.

"The expense is as nothing compared to the large object achieved. The reestablishment of our merchant marine involves in a large measure our continued industrial progress and the extension of our commercial triumphs. I am satisfied the judgment of the country favors the policy of aid to our merchant marine, which will broaden our commerce and markets and upbuild our sea-carrying capacity for the products of agriculture and manufacturing; which, with the increase of our Navy, means more work and wages to our countrymen, as well as a safeguard to American interests in every part of the world."

AMERICAN SHIPS FOR AMERICAN TRADE.

In his fourth and last message to Congress, on December 3, 1900, after his triumphant reelection, President McKinley said:

"American vessels during the past three years have carried about 9 per cent of our exports and imports. Foreign ships should carry the least, not the greatest, part of American trade. The remarkable growth of our steel industries, the progress of shipbuilding for the domestic trade, and our steadily maintained expenditures for the Navy have created an opportunity to place the United States in the first rank of commercial maritime powers."

"WILL REDUCE FREIGHT CHARGES.

"Besides realizing a proper national aspiration this will mean the establishment and healthy growth along all our coasts of a distinctive national industry, extending the field for the profitable employment of labor and capital. It will increase the transportation facilities and reduce freight charges on the vast volume of products brought from the interior to the seaboard for export, and will strengthen an arm of the national defense upon which the founders of the Government and their successors have relied. In again urging immediate action by the Congress on measures to promote American shipping and foreign trade, I direct attention to the recommendation on the subject in previous messages, but particularly to the opinion expressed in the message of 1899:

"THE COUNTRY FAVORS.

"I am satisfied the judgment of the country favors the policy of aid to our merchant marine, which will broaden our commerce and markets and upbuild our sea-carrying capacity for the products of agriculture and manufacturing, which, with the increase of our Navy, means more work and wages to our countrymen, as well as a safeguard to American interests in every part of the world."

M'KINLEY'S LAST WORDS.

In his very last words to his fellow-countrymen, on that fateful September 5, 1901, at the Pan-American Exposition, just before the

bullet of the assassin struck him, President McKinley coupled his memorable plea for wider markets with a fervent demand for an American merchant marine:

"Then, too, we have inadequate steamship service. New lines of steamers have already been put into commission between the Pacific coast ports of the United States and those of the western coast of Mexico and Central and South America. These should be followed up with direct lines between the eastern coast of the United States and South American ports. One of the needs of the times is direct commercial lines from our vast fields of production to the fields of consumption that we have but barely touched. Next in advantage to having the thing to sell is to have the convenience to carry it to the buyer. We must encourage our merchant marine. We must have more ships. They must be under the American flag, built and manned and owned by Americans. These will not only be profitable in a commercial sense; they will be messengers of peace and amity wherever they go."

PRESIDENT ROOSEVELT'S APPEAL.

President Theodore Roosevelt, of New York, in this as in so many other things, followed loyally in the course of his beloved predecessor—his enthusiasm for the Navy, inspiring naturally this exhortation of his first annual message, on December 3, 1901:

"The condition of the American merchant marine is such as to call for immediate remedial action by the Congress. It is discredit to us as a nation that our merchant marine should be utterly insignificant in comparison to that of other nations, which we overtop in other forms of business. We should no longer submit to conditions under which only a trifling portion of our great commerce is carried in our own ships. To remedy this state of things would not merely serve to build up our shipping interests, but it would also result in benefit to all who are interested in the permanent establishment of a wider market for American products, and would provide an auxiliary force for the Navy.

"SHIPS WORK FOR THEIR COUNTRY.

"Ships work for their own countries just as railroads work for their terminal points. Shipping lines, if established to the principal countries with which we have dealings, would be of political as well as commercial benefit. From every standpoint it is unwise for the United States to continue to rely upon the ships of competing nations for the distribution of our goods. It should be made advantageous to carry American goods in American-built ships.

"AMERICAN SHIPPING HANDICAPPED.

"At present American shipping is under certain great disadvantages when put into competition with the shipping of foreign countries. Many of the fast foreign steamships, at a speed of 14 knots or above, are subsidized; and all our ships, sailing vessels and steamers alike, cargo carriers of slow speed and mail liners of high speed, have to meet the fact that the original cost of building American ships is greater than is the case abroad; that the wages paid American officers and seamen are very much higher than those paid to officers and seamen of foreign competing countries; and that the standard of living on our ships is far superior to the standard of living on the ships of our commercial rivals.

"Our Government should take such action as will remedy these inequalities. The American merchant marine should be restored to the ocean."

URGING A COMMISSION.

In his message of December 3, 1903, President Roosevelt offered this specific recommendation:

"A majority of our people desire that steps be taken in the interest of American shipping, so that we may once more resume our former position in the ocean carrying trade. But hitherto the differences of opinion as to the proper method of reaching this end have been so wide that it has proved impossible to secure the adoption of any particular scheme. Having in view these facts, I recommend that the Congress direct the Secretary of the Navy, the Postmaster-General, and the Secretary of Commerce and Labor, associated with such a representation from the Senate and the House of Representatives as the Congress in its wisdom may designate, to serve as a commission for the purpose of investigating and reporting to the Congress at its next session what legislation is desirable or necessary for the development of the American merchant marine and American commerce, and incidentally of a national ocean mail service of adequate auxiliary naval cruisers and naval reserves. While such a measure is desirable in any event, it is especially desirable at this time, in view of the fact that our present governmental contract for ocean mail with the American Line will expire in 1905.

"LINES OF CARGO SHIPS.

"Our ocean mail act was passed in 1891. In 1895 our 20-knot trans-Atlantic mail line was equal to any foreign line. Since then the Germans have put on 23-knot steamers, and the British have contracted for 24-knot steamers. Our service should equal the best. If it does not, the commercial public will abandon it. If we are to stay in the business, it ought to be with the full understanding of the advantages to the country on the one hand, and on the other with exact knowledge of the cost and proper methods of carrying it on. Moreover, lines of cargo ships are of even more importance than fast mail lines, save so far as the latter can be depended upon to furnish swift auxiliary cruisers in time of war. The establishment of new lines of cargo ships to South America, to Asia, and elsewhere would be much in the interest of our commercial expansion."

THE ROOSEVELT PLATFORM.

Congress responded with the act of April 28, 1904, creating the Merchant Marine Commission of five Senators and five Representatives. For nearly two years thereafter this Commission was pursuing its appointed work. Meanwhile, in the autumn of 1904, Theodore Roosevelt was elected President on a platform declaring:

"While every other industry has prospered under the fostering aid of Republican legislation, American shipping engaged in foreign trade, in competition with the low cost of construction, low wages, and heavy subsidies of foreign governments, has not for many years received from the Government of the United States adequate encouragement of any kind. We therefore favor legislation which will encourage and build up the American merchant marine, and we cordially approve the legislation of the last Congress, which created the Merchant Marine Commission to investigate and report upon this subject."

Before the inquiry of the Commission was entirely completed, in his message of December, 1904, to Congress, President Roosevelt said:

"I especially commend to your immediate attention the encouragement of our merchant marine by appropriate legislation."

THE COMMISSION AND ITS WORK.

Finally the report and recommendations of the Merchant Marine Commission in comprehensive form were laid before Congress, and in his message of December 5, 1905, President Roosevelt said:

"To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line. It can not but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe if they wish security and dispatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our merchant flag is now threatened through the liberal aid bestowed by other governments on their own steam lines. I ask your earnest consideration of the report with which the Merchant Marine Commission has followed its long and careful inquiry."

The Senate has duly considered the report of the President's Commission, and under the leadership of Senator GALLINGER, chairman of the Commission, has passed the bill and sent it to the House of Representatives.

Now the House has in turn its opportunity and its duty to heed the counsel and fulfill the appeals of Harrison, McKinley, and Roosevelt.

Now, let us see what Iowa says, for Iowa cuts an important figure in this country, and especially do we place great confidence in the intelligence and patriotism of her senior Senator. He is a representative man of the whole country. His vision of statesmanship and statecraft is not limited by the production of a single State or the ideas of a single community, and the same may be said of the distinguished Secretary of the Treasury, an Iowa man. I give the following as the true position of Iowa upon the shipping bill:

IOWA AND THE SHIPPING BILL.

On February 14, 1906, the United States Senate passed, by a vote of 38 to 27, a shipping bill, "To promote the national defense, to create a naval reserve, to establish American ocean mail lines to foreign markets, and to promote commerce."

There are four important points regarding this bill, which the people of Iowa and other Middle Western States should bear in mind:

1. That it is not the bill that was before Congress several years ago, but a wholly new and radically different measure.

2. That this present bill was framed by a special Commission of Senators and Representatives, seven out of ten of whom were from Western and Southern States—a Commission created by Congress on the urgent recommendation of President Roosevelt, who approves this bill as wise and effective and asks prompt consideration of it by the House of Representatives.

3. That Hon. Leslie M. Shaw, of Iowa, Secretary of the Treasury, has for years been an eloquent champion of the establishment of American steamship lines to foreign lands, especially to the markets of South America—and this bill duly reflects the results of the Secretary's emphatic arguments.

4. That Hon. WILLIAM B. ALLISON, senior Senator from Iowa, who voted against the former shipping bill, voted for this present bill, after closely examining its details and procuring certain perfecting amendments.

On August 2, 1899, the Republican State platform of Iowa said:

"That, for the national defense, for the reinforcement of the Navy, for the enlargement of our foreign markets, for the employment of American workmen, in the mines, forests, farms, mills, factories, and shipyards, we favor the enactment of legislation which will regain for American ships the carrying of our foreign commerce."

Here is a frank, authoritative declaration that Iowa favors the upbuilding of the American merchant marine—provided, of course, that the proposed legislation is fair to all interests and directed in the proper way to the proper results.

SECRETARY SHAW'S ARGUMENT.

Secretary Shaw, in his address before the American Bankers' Association on October 10, 1905—just before the association formally indorsed this shipping bill—said:

"The markets of South America, South Africa, and the adjacent islands are just being developed. The eyes of the world are upon them. The merchant nations of Europe know where they are located, and they are establishing banks and warehouses within them, and they have already established regular and fast lines of steamers to them. The United States has neither banks nor commission houses nor warehouses in these ports, nor has it means of communication with them except through old, worn-out, dilapidated ships, sailing under foreign flags and making 8 or 10 knots an hour.

"Iowa was dotted with settlements long before railroads tapped the territory. In those days some grain was grown, and the little that was grown was hauled in wagons, frequently a hundred miles and sometimes more. A few cattle were fattened, and they were driven sometimes 400 miles to market. There were trails then and sometimes roads. Some hogs were fattened. They were killed, their carcasses frozen and hauled to market, a process which consumed sometimes weeks and frequently entailed an expense exceeding the value of the freight carried. But in those days Iowa did not contribute very much either to interstate or to international commerce. Not until railroads, encouraged by Government aid, were built did her commerce multiply, and not until these became of the best did she take rank and contribute abundantly."

SENATOR ALLISON'S VIEW.

Senator ALLISON, in an address at Clinton on October 10, 1903, thus expressed his own opinion and the sentiment of his State as to the especial objects which ought to be sought in the restoration of American shipping for the expansion of American commerce:

"Our efforts should be turned to these countries lying near us, as well as to South America and Asia. The latter field is likely to be of inestimable value in the near future, stimulated as it has been by the presence of our flag in those distant seas where three-fifths of the population of the globe is to be supplied in the future with the products of the more civilized nations.

"In this struggle we will have the active and close competition of Europe. We have advantage in distance and will soon have, if we

have not now, the advantage of facilities. American ships must float there, and the American flag must be seen there and dwell there, and our Government can well afford to provide especial aid to our merchant marine to extend our trade there and in South Africa and South America as well."

President Roosevelt's Commission, in the framing of the bill which has passed the Senate and now comes before the House, has followed very closely the judgment of Iowa's Secretary of the Treasury and Iowa's distinguished senior Senator, for every one of the most important new ocean mail lines provided for in this bill runs to the ports of either Asia, South Africa, or South America.

ALL FOR TRADE LINES.

In sharp contrast with previous propositions, this bill does not give a single dollar to create new lines of fast passenger ships to Europe.

It aims altogether to provide special shipping facilities where no regular American lines and no regular and efficient foreign lines now exist to develop and expand American trade with Cuba, Mexico, Central America, Brazil, Argentina, South Africa, China, Japan, and the Philippines, with one line in the Atlantic and one in the Pacific to the Isthmus of Panama.

Only one existing line of contract mail steamers is given increased compensation by this bill, and that is a western line, from San Francisco to Australia, which is underpaid and will succumb unless this aid is granted. This American mail service has been instrumental in increasing our exports to Australia from \$12,000,000 in 1896 to \$27,000,000 in 1904. If the line should fail, most of this trade would go to Canada and Europe.

The mail compensation of every other existing contract line, however, is left absolutely unchanged. Altogether, the new mail lines proposed in the bill call for a maximum annual expenditure of about \$3,000,000, or a much smaller sum than is paid in mail subsidies by Great Britain or France—smaller even than by Japan. However, expert ship merchants declared that on these particular routes the proposed payments, with rigid economy and enterprise, will be sufficient for the purpose.

FOR "DELIVERY-WAGON" SHIPS.

Besides the mail subventions to new lines, the bill provides for a separate subvention at the rate of \$5 a gross ton a year for all cargo vessels above 1,000 tons if steam and 200 tons if sail, and for the vessels of the deep-sea fisheries. This provision as to cargo vessels was inserted largely because of the vigorous criticism of the shipping bill of a few years ago, in the Middle West, that it gave too much heed to fast steamers and too little to the "delivery-wagon" type of ship, slow, capacious, economical, and especially important for the export of grain, provisions, cattle, and other bulky western products.

The present bill grants subventions to all cargo vessels fit for ocean carrying, without any premium whatever upon speed. This gives a fair chance to new builders and owners of moderate means, and will develop a fleet of vessels of especial value to the export trade of Iowa and the Mississippi Valley.

Moreover, instead of magnifying the importance of the great port of New York, this bill expressly requires that six of the nine Atlantic Ocean lines shall start from the South Atlantic ports or the Gulf of Mexico, thus widely distributing the new shipping facilities and guaranteeing to the farmers and other producers of Iowa and the Middle West the advantage of competitive routes by rail and sea for their exports to the West Indies and South America.

In response to the suggestion of the President and the desire of the Navy Department, a naval reserve is authorized, not to exceed 10,000 officers and men, to be enrolled from the merchant marine and trained in gunnery, etc. This naval reserve will receive retainers and will serve afloat in war.

NOT A BILL FOR MONOPOLY.

Here are some more points to remember as to this shipping bill:

1. That the Standard Oil and other great corporations exporting their own products in their own ships are shut out by the requirement that all vessels receiving subventions shall be "exclusively common carriers for the service of the public."
2. That the Atlantic steamship trust is excluded, because all but 10 of its 130 steamers are foreign-built vessels under foreign flags, while these subventions are payable only to vessels "hereafter built and registered in the United States or now duly registered."
3. That vessels receiving subventions must ply in the foreign trade of the United States, and lose the subventions if diverted to the trade of other nations.
4. That no part of these subventions can be absorbed by the steel trust, because not only steel but everything needed for the construction, equipment, or repair of American vessels in the foreign trade—the only trade to which these subventions apply—can be imported and used without a cent of duty. (Sections 12 and 13 of the free list of the Dingley tariff.)

WHAT THE PRESIDENT SAYS.

These are some of the facts which show why this shipping bill and the work of the Merchant Marine Commission have the cordial approval of President Roosevelt, who said in his message to the present Congress:

"To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets and in case of need to reinforce our battle line. It can not but be a source of regret and uneasiness to us that the lines of communication with our sister republics of South America should be chiefly under foreign control. It is not a good thing that American merchants and manufacturers should have to send their goods and letters to South America via Europe if they wish security and dispatch. Even on the Pacific, where our ships have held their own better than on the Atlantic, our merchant flag is now threatened through the liberal aid bestowed by other governments on their own steam lines. I ask your earnest consideration of the report with which the Merchant Marine Commission has followed its long and careful inquiry."

The Senate has considered the report and passed the bill. Now the President awaits like action by the House of Representatives.

THE NEWSPAPERS FOR AMERICAN SHIPS.

But it is said by some people that for some reason the press of the country is against the shipping proposition. Is that true? The partisan Democratic press, whether located in Washington or elsewhere, is of course against it, because the creation of a merchant marine that would be an honor to the country and be profitable to the people would be a stroke of wisdom that would

tend to the great advantage of the party that would enact it. Nobody doubts that. But, let us see. I give here extracts from representative newspapers of the whole country, and particularly of the great Middle West. They come from Republican, Democratic, and independent newspapers. They speak volumes for the public sentiment that is rapidly crystallizing, and which will be followed by an ocean tide before this matter is at an end. Here they are:

THE SUBSIDY BILL.

[New York Daily Tribune, February 16, 1906.]

The ship-subsidy bill passed by the Senate on Wednesday by a vote of 38 to 27 is, we think, the most commendable measure of this character presented in recent years in either branch of Congress. The framers of the bill have shown an open-mindedness in meeting objections raised to details of their plan for resuscitating the American merchant marine which has gone a long way toward conciliating opposition. It is a noteworthy advance in legislation of this sort to find Republicans and Democrats cooperating to improve and strengthen a measure which a year or two ago would have been assailed and defended with partisan intensity. The bill as drawn by the joint commission which investigated conditions in the ocean carrying trade has been amended in many particulars, and Democratic Senators who dissented from the subsidy principle and who voted against the measure as a whole were helpful in securing amendments of a nature to allay the local and sectional prejudices which have hitherto defeated ship-subsidy legislation.

The House of Representatives has been rather disinclined to join the Senate in an attempt to stimulate American shipping, because it has balked at the outlay involved and because it has believed that the time was not ripe for a campaign for deep-sea supremacy. It has been content to see American energy and capital devoted to the more pressing work of internal development. It has seemed to the leaders in the House that until this work was accomplished and we were economically ready to compete for mastery in the ocean carrying trade it was useless to experiment with the European system of bounties. The House is dominated by western and southern sentiment, and in those two sections there has been a deeply rooted feeling that subsidies would merely be a sop thrown to the shipping interests of the Atlantic seaboard, operating neither to reduce freight rates on the commodities we send abroad nor to open to the producers of the interior any new and profitable foreign markets. In the last few years that feeling has been greatly modified, and the West and South are beginning to see that important national interests may be served by the creation of an American merchant marine. Through the agency of ocean transportation lines new foreign territory would be opened to our commerce and our whole foreign trade enlarged and stimulated. This trade has been doubled in the last ten years, and at the rate of progress which the last decade has shown, the United States will soon become the foremost buyer and seller in the world's markets. Priority as a trading nation must involve, sooner or later, supremacy in the world's carrying trade, and American opinion is now running strongly toward an assertion through legislation of our purpose to recreate and maintain a merchant marine. The House of Representatives may not yield this year to that opinion, but it is evident that the experiment of expansion through subsidies can not be long delayed.

The Senate bill of this year contains, besides, a feature which strengthens it enormously as compared with earlier bills. It would create a naval reserve from the crews of the ships entitled to subventions and enroll for four years a force of not more than 10,000 men who could be drafted into the Navy in case of war. The vessels receiving aid are also to be put at the Government's disposal for military purposes, so that the national defense would be materially strengthened at a very vital point through the moderate expenditure—perhaps \$3,000,000 a year for the first five or ten years—which the bill authorizes. The protection thus afforded would not be dear at such a price.

THE AMERICAN SHIP.

[New York Sun, February 8, 1906.]

Why should Senators waste time over the question whether the Gallinger bill for the restoration of the American ship to its old place on the ocean is a subsidy or a bounty, or a measure analogous to the land-reclamation act, or what not?

Open the way for the American flag to its proper place at the front of the world's carrying trade, and call it a subsidy or by any other name.

Redeem our now one great national failure, and call the redemption fee a bounty or by any other name.

Rehabilitate the American merchant marine, and compare the process to the land-reclamation legislation or to anything else in sight.

The people are not afraid of the word "subsidy," or of any other word that may be used to describe the method of assuring that restoration and revival which President Roosevelt had in view when he said to Congress: "To the spread of our trade in peace and the defense of our flag in war a great and prosperous merchant marine is indispensable. We should have ships of our own and seamen of our own to convey our goods to neutral markets, and in case of need to reinforce our battle line."

Let us have them. Let the lack of them no longer disgrace this nation.

FLY THE FLAG AGAIN!

[New York Mail and Express, February 15, 1906.]

A bill to protect the American merchant marine—to create it by protecting it, and to put the Stars and Stripes once more where they belong—has at last passed the United States Senate.

It is not a bill to favor the aristocracy of ocean commerce—the greyhounds plying to the leading European ports—but to build up what Senator Gallinger has called "the hard-working cargo ships, the democracy of the ocean," and fly the flags upon them. It establishes, by the help of reasonable subventions for carrying the mails, thirteen new contract mail lines to South and Central America, Africa, and Asia, and by the general subvention at the rate of \$5 per gross ton to cargo carriers in the foreign trade provides encouragement for commerce in general to foreign ports.

But the bill passed yesterday is more than a bill to build up our foreign commerce, which for years has been abandoned to foreign vessels, chiefly British. It is a measure for the national defense. It provides for a force of 10,000 trained American naval volunteers, all

to be seamen or officers on board the aided ships, and all immediately available as sailors in the Navy in case of war. It adds a tonnage of some 300,000 in steel mail ships to our auxiliary navy in time of war. Incidentally, of course, it will provide a constant reserve of American sailors to be drawn upon through voluntary enlistment as seamen for the Navy.

The passage of this measure ought to bring joy and hope in our own country, and would surely do so if the people were sure of its passage by the other branch of Congress. One thing is certain—we shall never have a merchant marine without such a measure. Aye, another thing is certain, too—we are building the Panama Canal at a possible cost of \$300,000,000 for the benefit of Britishers, if we do not enact this bill or one substantially like it.

PASS THE SHIPPING BILL!

[Baltimore American, February 13, 1906.]

For more than forty years the United States has been without an ocean-traversing merchant marine. The half dozen vessels which have from time to time borne the American commerce flag to foreign ports have served merely to accentuate the helpless condition of American commerce. This was not always so. A decade before the disappearance of American ships the United States had the largest merchant marine in the world. It has been sometimes argued that the ownership of vessels had little effect on trade. There are ports in the United States to-day which tell a different tale. They can call to mind great volumes of trade carried in native vessels which disappeared along with the disappearance of those vessels. Nor is it singular that the owners of vessels should seek to benefit their own rather remote ports. Their associations, interests, and schemes are bound closely to their own homes, and they are less likely to perceive profit in the use of their ships elsewhere.

The condition of the American merchant marine is simply deplorable. Many suggestions have been made and plans proposed, and once or twice Congress has made little essays of piddling character to remedy the evil. The scheme that will be disposed of in the Senate this week is the only one which has promised substantial results. It will actually help to build up a merchant marine. It is this fact that demands support for it. It is very easy and quite a Congressional failing to say that this, that, or the other is not the best way, and some other way ought to be adopted; but the situation is, that after many years of investigation and effort to accomplish something, this is the only way which has been seriously suggested, and this way promises to achieve the purpose, so far as it goes.

If an American merchant marine is wanted—and there is a very general demand for it—this is the only possible way of getting it. There is another consideration besides the desirability of carrying American trade in American ships. It ought not to be difficult to perceive that conditions might arise when the whole foreign trade of the United States would be paralyzed if there were no American ships in which to carry it. With the present neutrality laws interpreted as they were a year ago, a general European war would place this country in a very embarrassing position, unless she had an abundant supply of her own ships. But there is a great trade immediately at hand and only waiting the carrying facilities of a merchant marine. It is this trade, among other things, which the merchant marine, or shipping, bill proposes to develop. It naturally and logically belongs to the United States, and will come here if American ships are encouraged to bring it.

AMERICAN SHIPS.

[Troy, N. Y., Times, February 15, 1906.]

A very important step in the movement for the rehabilitation of the American mercantile marine was taken yesterday when the Senate passed the ship-subsidy bill. This measure was introduced as the result of extended and painstaking inquiry, covering every possible point at issue, conducted by the Merchant Marine Commission, created by Congress at the suggestion of President Roosevelt; and it is safe to say that no subject was ever brought up in the legislative branch of the Government which had behind it a more comprehensive array of facts or more forceful arguments based on conditions disclosed by the investigation. The discussion of the matter has been particularly earnest and enlightening, and the bill passed the Senate indorsed by the ripest wisdom of that body, as well as the hearty approval of intelligent and impartial public opinion.

It was inevitable that there should be wide differences of sentiment as to the detailed provisions of such a measure. Senator GALLINGER, the chairman of the Mercantile Marine Commission and the custodian of the bill, himself has admitted that the bill was not in all respects what he would have it; but diverse views had to be recognized and harmonized, and so long as the main object sought bade fair to be accomplished, minor considerations were ignored. The bill was passed after many amendments had been offered and accepted, most of them such as met the approval of the Commission and of friends of American shipping generally. In the shape in which it leaves the Senate it promises much in the way of furthering American commercial interests, and may be a powerful instrumentality for removing the reproach under which this nation, the largest exporter of the world, has so long suffered because in the matter of ocean freight carrying it has left itself at the mercy of foreign rivals.

The bill contemplates the establishment of thirteen new contract mail lines to run from Atlantic, Gulf, and Pacific ports to South and Central America, and various places in Australia, Asia, and elsewhere, with such subventions as shall encourage the investment of capital in enterprises of this character and tend to open up trade for American producers. It is also the purpose to create a naval reserve force of 10,000 officers and men, to be available for national service in the event of any emergency requiring such assistance. Various provisions are designed with a view to develop the ocean marine of the country to proportions adequate to the great and growing needs. The aid to be given is not extravagant. The total outlay under the terms of the bill is estimated at not more than \$5,000,000 annually, and this sum, measured by the liberality of other governments to their shipping, is very moderate. England, which loses no opportunity to help its shipping, not long since contributed no less than \$13,000,000 toward the improvement and enlargement of one line of vessels.

The shipping bill is yet to pass the House of Representatives; but there is every reason to hope that the same spirit of practical and patriotic regard for the country's interests which moved the Senate to approval will find a like expression in the popular body. The bill should become a law.

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THE ONLY UNPROTECTED AMERICAN INDUSTRY.

[Rochester, N. Y., Democrat, January 25, 1906.]

The fact that the United States has, so far, neglected and refused to encourage the industry of shipping in this country by a system of subsidies is curiously out of harmony with the general policy of the nation under which the country has prospered greatly, and to which the dominant party in control of the Government stands equally committed—the policy of protection for American industries.

Shipbuilding is the only unprotected American industry. That, in a nutshell, is why it is the only languishing American industry. This discrimination is entirely unreasonable and results from a mere accident. A ship is a technically unimportable manufactured article. That is to say, you can't land a ship and pass it through the custom-house. Consequently you can't collect a tariff by the ordinary methods on this peculiar form of manufactured article, and can't protect in the usual fashion the American industry of manufacturing this one article—a ship. Is this a good, sane reason for leaving this one American industry to go to ruin for lack of the protection that every other American industry enjoys? It certainly is not, as long as there are entirely obvious and entirely unobjectionable means, other than the protective tariff on ships, for accomplishing the same results.

Apart from the entirely sentimental and senseless objection to "subsidies," which is an objection not to any fact, but to a mere word, there is no argument against the protection of the shipbuilding industry that does not equally apply to the protection of every other American industry. If the American industry of making shoes ought to be protected, the American industry of making ships ought to be protected. If the American shipbuilding industry ought not to be protected, no American industry ought to be protected. Apart from the upbuilding of an American mercantile navy and the inevitable consequent advantages to the American war Navy, the result of protecting the American shipbuilding industry would be the proved result of protecting other American industries, an increase of the home market for American raw material and American labor, the stimulation of other American industries by an addition to the list of gainful occupations for the citizens of this country, an increase of wages all along the line, and an increase of the general prosperity.

MUST MEET OUR RIVALS.

[Pittsburg, Pa., Gazette, February 15, 1906.]

Another fair start has been made toward encouragement of the American merchant marine. The bill of Senator JACOB H. GALLINGER, of New Hampshire, passed the Senate finally yesterday, after a sharp debate. The bill provides for eleven new mail subsidies and other remuneration for American vessels in the foreign trade, and makes the ships affected auxiliaries of the American Navy.

There may be some honest difference of opinion affecting the details of this measure, but it is unquestionable if this country desires to see its flag in the general commerce of the world, it must meet the competition of other nations in giving rewards. The merchant vessels of Great Britain, Germany, and France are notoriously subsidized by those Governments. They must have reasons beyond mere national pride for expending large sums in this way. They profit greatly from the commerce; their producers are given advantages in the marketing of their wares.

As matters stand at present "America pays the freight." On exports and imports America is dissipating a goodly share of its "favorable balance of trade" in the enrichment of foreign shipping interests.

IF THERE WERE A SERIOUS WAR.

[From the New York Evening Sun, January 16, 1906.]

We have a fine Navy, second to none in effectiveness per unit, and we have an Army of about 60,000 men which is one of the best, if not the best, in the world; but in the event of war we should not be able to draft enough vessels from our merchant marine to transport this small Army over the seas. Including the fast Atlantic liners, there are only fifty-seven seagoing American ships of 4,000 gross tons and upward. The Atlantic liners would have to be employed for scouting purposes in a really serious war, and a good many of the other vessels in the list would not be suitable for transports. In fact, only seventeen of them correspond to the requirements named in a report made by the General Staff to Secretary Taft.

A military transport should be of 5,500 to 6,500 tons register, and have a speed of 12 knots and a capacity for a tactical unit of troops—infantry, cavalry, engineers, and artillery and their supplies. If there were a hurry call for two divisions (three brigades each) for service in the East, it could not be met. To transport such a body of troops, which in Europe would not be considered much of an army, twenty of the 6,500-ton and eighteen of the 5,500-ton ships would be required. We don't possess them as a nation, and could not lay our hands upon them. "The quick first blow," says Secretary Taft, replying to a requisition for the facts from Senator GALLINGER, who has charge of the ship-subsidy bill, "can not be struck at all, nor can an expedition of any greater size be embarked without delay except by the use of foreign vessels. And in war these foreign vessels can not be acquired without evasion or infraction of the neutrality laws."

Of course our impotence has not been lost on such nations as might be involved in war with us—Germany, for instance, in Europe, and Japan, in Asia. The General Staff, whose business it is to consider ways and means, and not to assume that we shall never be at war with any of our commercial and political rivals, recommends that "to provide suitable ships for a rapid movement of two divisions from either coast there should be not less than 60 of the larger and 54 of the smaller size afloat in Atlantic and the same in Pacific waters, or 120 of the larger and 108 of the smaller size in all—an aggregate of 228 vessels."

It is now admitted (nearly eight years after) that only propitious weather saved our Cuban expedition, shipped around Cape Maisi in marine odds and ends, from disaster. "A severe storm," says the general Staff, "would have scattered the fleet, probably with great loss of life, and would have defeated the object of the expedition. There was nothing except the successful arrival to justify the departure." And of that pick-up fleet of transports it is now said that no board of health would have passed it. Ventilation for the crowded soldiers there was practically none, and the sanitary arrangements were a makeshift.

So it comes to this: The United States could not make war with land forces, except on a very small scale, and would have to rely mainly upon the Navy. But we can not expect war to be made to suit our

deficiencies. In drawing attention to the condition of our transport service, which for a great and sudden need might as well be zero as the sorry array of nondescripts that could be drummed up, Senator GALLINGER has driven home a powerful argument for his ship-subsidy bill.

THE NEW MERCHANT MARINE BILL.

[St. Paul, Minn., Pioneer-Press, January 7, 1905.]

The bill for the encouragement of the merchant marine, offered by the special commission that devoted a large part of the summer to hearings on the subject, will undoubtedly receive more general indorsement than any other recent ship-subsidy measures. It is based on an entirely different principle, seeks different objects, and apparently would not put great demands on the Treasury. The Hanna-Frye measures, with their ascending scales of mileage subsidies based on speed and tonnage, were intended to put a premium on the building of fast ocean greyhounds and their registry under our flag. Only moderate subsidies would have gone to the ordinary freighter. They would neither have encouraged the establishment of new lines, promoted access to new markets, nor created new mail routes, and only indirectly have supplied men to the Navy. About their only justification was that the fast vessels encouraged by them could have been utilized as auxiliary cruisers, as the *Paris* and *New York* were in our war with Spain.

Manifestly, the purpose of this measure is to encourage the training of seamen, their enlistment as volunteers of the Navy, the establishment of new mail routes, and the opening of direct trades with certain ports. The present mail subventions are not interfered with or increased. The only subsidy feature is the \$5 per gross ton subvention, a rate that would give a 20,000-ton vessel complying with the requirements a maximum of \$100,000 a year and a 5,000-ton vessel \$25,000. On the basis of actual tonnage now registered it is estimated that subventions the first year would cost \$2,394,000 more.

Apparently the only reasonable criticism of the measure on the part of those who believe that some form of assistance is necessary to equalize the cost of operating vessels under American and foreign flags is that no limit, beyond the ten-year limit, has been fixed. Since it is not known how rapidly the receipts from tonnage duties will grow or how rapid this measure will stimulate American registry, it would seem sounder policy to limit the maximum to be expended in any one year. The Hanna-Frye bill had this saving grace.

Since this measure probably avoids the objections of the Republican minority that looked upon the Hanna-Frye bill as a sort of grab by the strong and well-established steamship lines, it is likely to pass if there is time for considering it.

THE HONEST SHIPPING BILL.

[Milwaukee Wisconsin, January 11, 1905.]

From a source near to the Republican majority of the Merchant Marine Commission it is learned that the reason why the plan of discriminating duties was given up was not fear of retaliation or of difficulties about the treaties, but realization that to make the plan effective in the direct trade the free list would have to be abolished. Forty-three per cent in value and 60 to 70 per cent in bulk of the imports into the United States are now free; 98 per cent from Brazil and about 90 per cent from South America generally. These free articles include tea, coffee, and miscellaneous foods and many indispensable food materials. The Republican Commissioners, and some of the Democrats, were opposed to making these imports dutiable, as would be necessitated by the adoption of the discriminating-duty principle. Even the three Democrats who signed the minority report suggesting discriminating duty have no enthusiasm for that solution.

With discriminating duties set aside, there was no recourse but in some form of subvention. The Commission has endeavored to frame a bill that will be fair to all interests and all sections. The keynote of the measure is the cargo ships, and an even subvention, based on the naval-reserve principle, of \$5 per gross registered ton, steam or sail, is fair to all vessels. Differing from the Frye-Hanna bill, the present plan sets no premium on speed. It abandons the "greyhound" idea, and the highest requirement which it imposes on the ten mail routes is the moderate one of 18 knots. It is evident, on a survey of the provisions of the bill, that the Commission has paid heed to what it has heard during its tour of the West. The West has always held that if American shipping was subsidized the plan should be framed with a view of making new markets for American producers, so that the benefits of the policy would be shared by the whole country. The West has not cared for new lines to Europe, in which direction transportation is sufficient at the present time. Its desire has been for new lines to South America, the West Indies, South Africa, and Asia, and these are the only lines provided for in the Commission's bill.

There were objections to the Frye-Hanna bill from many who were in favor of encouragement to American shipping. The Commission's bill looks like an honest effort to meet the objections to the earlier measure who are in favor of an earnest attempt to revise the American merchant marine.

THE MERCHANT MARINE BILL.

[Omaha, Nebr., Bee, December, 1905.]

There is every indication that the present Congress will earnestly consider the subject of building up an American merchant marine, and it is at least possible that there will be action looking to this. The joint commission appointed by the last Congress to inquire into the subject and submit its views to Congress has carried out the duty imposed upon it and prepared a bill which will be submitted at the present session. This measure is one of the most comprehensive that have yet been framed for this purpose, and merits the careful consideration of Congress and the country.

The report submitted a few days ago by Senator GALLINGER states that the chief support which the shipping bill and the entire inquiry of the Merchant Marine Commission has received and are receiving has not come from shipowners or shipbuilders, or even from the people of the States adjacent to the ocean, but from the merchants and manufacturers interested in the export trade, and producers of the great interior. It is stated that manufacturers and merchants of the Western States who appeared before the Commission emphatically testified that they were baffled in their efforts to build up an export trade, especially to South America, by the arbitrary methods and irregular, inadequate service of the so-called "steamship companies" under foreign flags, which monopolize this ocean carrying. It is pointed out that many of these business men have themselves been to South America and have found that in order to visit or communicate with their foreign cus-

tomers they had to go by way of Europe and its subsidized lines, thus crossing the Atlantic twice to reach their destination. In many instances, if the quickest delivery is desired, they have had to send their goods by the same circuitous way.

The report of the joint commission says: "Not only is an American ship itself the most efficient carrier of American commerce, but the officers of that ship, the American passengers who tread its deck, and particularly the American merchants who go out to represent the steamship company and to push its business, are inevitably pioneers and drummers of American trade in foreign lands." There can be no doubt in regard to this. Our South American trade is not increasing largely for the reason that our merchants and manufacturers are dependent upon foreign shipowners. In a late issue of Consular Reports several of the representatives of the United States in South American countries are quoted as saying that one of the essential conditions to the extension of our trade in that quarter of the world is the establishment of steamship lines to the southern ports. The United States minister to Chile says: "One of the greatest difficulties in the way of closer commercial connection between the United States and Chile is in the lack of good shipping facilities." American consuls at various places in South America make a similar report. There are other conditions necessary to secure trade, but transportation facilities is one of the most important. The question of creating a merchant marine for our foreign commerce will undoubtedly receive earnest attention in the present Congress, and there is probability of action on this very important subject.

SOMETHING MUST BE DONE.

[Lincoln, Nebr., Star, April 14, 1906.]

Interest in the ship-subsidy bill now in the hands of the House committee is getting warmer, and as the evidence comes in it would appear that this country is pressed hard against the wall both in the manufacture and running of ships, and that if this bill is not passed or some other relief accorded, we will entirely cease to build ships and to run them.

With all our natural products and skilled labor the yards are not able to keep going in competition with Europe, and with all our great and rapidly increasing trade with the world of Europe and Asia, other nations must be allowed to do the carrying and other flags be broken out to the breeze while ours is furled.

Yesterday the president of the Boston Steamship Company testified that unless the subsidy bill passed their five great steamships plying between the Pacific coast and Japan would have to go off that route, for his company is losing money in trying to compete with the subsidized British vessels and those Japanese subsidized ships.

The Boston company gets \$12,000 per annum for carrying the mails, while the British have a subsidy of \$291,000 and the Japanese, \$230,000.

Mr. Loud, Congressman from California, stated that the Spreckels line between San Francisco and Australia was losing money and those ships were to be transferred to the Japanese unless the bill passed.

So much for the matter of running the ships, and the testimony is no less positive as to our losing the art of making ships.

Recently the veteran Edwin S. Cramps testified that while most of the material for shipbuilding could be bought almost as low here as abroad because such material came in free of duty, that the price of labor in this country was very much greater. And he further affirmed that the labor bill constituted two-thirds of the whole cost. He gave as an illustration the bids recently opened for a Standard Oil ship when the difference between the lowest American bid and the lowest foreign bid was more than \$100,000, so the contract went abroad.

Another witness was Mr. Hanscom, of the great yards at New London, Conn. This company had constructed the two greatest ships ever built in this country, costing five millions each, now engaged between Puget Sound and China, but he testified that owing to the cost of labor the yards had to be idle for two years past. The same kind of evidence came from the great builder and operator, Mr. Sewall, of Bath, who said that for several years they had been building no ships and did not expect to get any contracts unless this bill passed.

The country is not more interested in war ships than merchantmen, indeed far less. While we are spending additional millions for the Navy, something will have to be done if we are to have any commerce for the Navy to protect.

A SELF-DEFENSE MEASURE.

[San Francisco, Cal., Call, January 20, 1906.]

Ambitious for mercantile expansion though America certainly is, the practical method of realizing the ambition has been neglected so long that the speech delivered by Chairman GALLINGER, of the Merchant Marine Commission, urging upon Congress the adoption of the shipping subsidy bill was much needed to awake the country from sleeping on its rights in regard to foreign commerce. The decades go by and our merchant marine continues to decay to an extent which proves some stimulus is necessary if that branch of our national greatness is to keep pace with the general progress. To let that element of the general progress flag will be not merely to lose the direct wealth of the carrying trade and the shipbuilding industry, but the partial paralysis of that will retard our whole career.

It is clear we can not hope to see vivified this part of national welfare without some activity of national care and well-planned method. Laissez-faire has been fully tested and found wanting. The method which the Merchant Marine Commission has been studying for a whole year is the remedy approved by the most competent judges, and Congress should enact it into law and so rescue what may metaphorically and almost literally be called our sinking ships.

The Commission's plan is not, as has been some time imagined, one of mere gratuity by means of subventions. A substantial return of value received will be required of the recipients of governmental assistance. The gain to the nation of 10,000 well-trained naval volunteers, of 300,000 of steel mail steamships, the fast transports, ammunition, supply and auxiliary ships, would be so invaluable in the event of war and, what is more, so inestimably of worth in preventing war by our evident preparedness to make the opposer beware of us, that it is absurd to haggle or hesitate about the price we pay for these benefits of subvention. Then the great increase of our trade—the Commission estimates it at 50 to 100 per cent—would aid all industry and scatter a profit among the whole people, and return so much indirect enrichment of the Government that the figures of it could not be calculated, though common sense declares them to be large.

Moreover, it is imperative as a self-defense measure, for all the other great nations are upbuilding their shipping interests by subsidy, and we must keep in line or be left helpless in either military or commercial wars.

THE FLAG ON THE SEAS.

[St. Louis, Mo., Globe-Democrat, February 15, 1906.]

The starry flag which five or six decades ago was almost as familiar to the maritime world as is the starry firmament has vanished from the sight of men outside this country. It is a stranger in our great seaports. A few ocean-going vessels fly it, but for every one ship in the harbors of New York, Boston, Philadelphia, and the rest of the big ports which has the Stars and Stripes at its masthead there are dozens bearing the British, German, and other foreign ensigns. This is a rather humiliating state of things for us. We pay hundreds of millions of dollars every year to foreign shipowners, which should go into the pockets of American citizens. Many persons in this country would like once more to see the flag range as free as the winds and the tides across the world's waters. Those persons believe that the enactment of the Senate's shipping bill would bring back that spectacle.

OUR MERCHANT MARINE.

[Cincinnati, Ohio, Enquirer, January 14, 1906.]

However widely opinion may differ as to the cause and remedy, everyone agrees that the condition of our merchant marine is deplorable, and a reproach to the great commercial nation which leads the world in the extent of its coast line and the volume of its foreign trade. Standing at the head in these respects we are so low down on the list of countries whose flag is seen in the marts of the world as to hardly make it worth counting. The great trading ports swarm with ships of almost every nationality but ours. Since the civil war a generation has grown up which does not fully realize the cause of this. Up to that time we had no competitor as carriers save Great Britain, and the sails of our unrivaled clippers whitened every sea. Taking advantage of the civil war, England fitted out a fleet of fast cruisers, transferred them to the Confederate States, and drove us off the ocean, substituting her own ships for ours on every route of trade. From that blow we have never recovered, and never can without some kind of legislation. Our registered foreign tonnage in 1810 was 100,000 greater than it is now.

Our one great national failure is in the ocean carrying trade. The Merchant Marine Commission has, after careful study, recommended a scheme providing for mail subvention, which will involve an expenditure of \$40,000,000 in the next ten years, and will, it is believed, give us back our place on the high seas. Three times that will be spent on irrigation in that period, and we hope Congress will consider the plan carefully before turning it down on fine-spun economic or political theories.

TRADE FOLLOWS THE FLAG.

[Denver, Colo., Republican, February 16, 1906.]

The passage by the Senate of the ship-subsidy bill forecasts its probable passage by the House. It is in line with the policy approved by some of the most experienced men interested in our foreign shipping who have given the subject attention, and since it also is in harmony with the principle of protection to home industries, there is every reason to believe that it will both become a law and result in great good.

The fact that the American people pay \$200,000,000 every year to foreign shipowners and ship companies for the transportation of our foreign commerce demands the enactment of a law like the one contemplated in this bill. The appropriations in aid of steamship lines aggregate only \$3,000,000, which must be contrasted with the \$200,000,000 now paid to foreign shipowners, if we would form an idea of the value of the new policy to this country.

Trade follows the flag, and if we would extend our exports to new markets or enlarge our trade in those already open to our products, we must increase the facilities for transportation. So long as American manufactures have to be conveyed under a foreign flag, they will compete at a disadvantage with commodities of the same class produced in other countries.

AMERICA MUST KEEP PACE.

[St. Louis, Mo., Gazette, February 18, 1906.]

The time has come when the American merchant marine must be strengthened and enlarged, if this country is to keep pace with the other great nations of the world in the extension and expansion of trade in other lands. Last week the United States Senate passed a bill providing for substantial encouragement and support for the American merchant marine, and if the lower House of Congress is alive to its duty it will ratify the action of the Senate and pass the measure on to President Roosevelt, whose attitude of friendliness toward it is both well and widely understood.

Usually abreast of the other great trade and industrial nations in everything of a progressive character, the United States has been most stupidly negligent in the strengthening and upbuilding of its fleets of commerce. Both England and Germany have been able to establish and maintain profitable trade relations in territory naturally tributary to the United States, for no reason than that they have fostered their merchant marine, while our own nation has persisted in a policy of stolid indifference to this, the one indispensable means for the successful carrying on of commerce with the countries over the seas.

FOR AMERICAN SHIPS.

[Omaha, Nebr., Bee, January 15, 1906.]

It appears probable that at the present session of Congress there will be action on the bill now before the Senate providing for an American merchant marine in the ocean carrying trade. It said that the indications are favorable to the passage of this measure, which is understood to have the approval of President Roosevelt and of the Republican leaders in both branches of Congress. The bill accords with the report of the Merchant Marine Commission.

The adoption of the policy contemplated in the measure before the Senate would give a tremendous stimulus to American shipbuilding, and this would be felt in numerous other industries. There can be no doubt that if given such encouragement as the pending bill provides for, the shipbuilding industry of the United States would within ten years equal and perhaps surpass that of Great Britain, giving employment to a vast army of well-paid labor. Undoubtedly public sentiment is more favorable to the promotion of an American merchant marine than it has been before since our shipping was driven from the seas.

A MATTER OF BUSINESS.

[Davenport, Iowa, Times, February 10, 1906.]

One of the most important bills that will come up in Congress this year is the shipping bill. A disposition seems to be manifested to avoid as much as possible calling it a "ship subsidy bill." The subsidy idea has some opponents. But that the American flag ought to be placed upon more merchant vessels on the seas is admitted by all those who have traveled very much, for they have been compelled to blush at the great ports of the world to see the flags of every other nation upon the shipping in the harbors, while the Stars and Stripes could be found only over the door of some back-street consulate. Of course, the American war ships make other nations familiar with the American flag, but not to the extent that merchant shipping would do it. It is not a matter of sentiment so much as a matter of business that makes the shipping bill appeal to those who have been globe trotters.

WHERE DO YOU STAND?

[Winona, Minn., Republican, February 17, 1906.]

To remedy this unfortunate state of affairs—which is a national shame—the Senate has passed a shipping bill, and it now goes to the House for consideration. If the bill passes the House in its present shape, about \$8,000,000 is placed at the disposal of the Government for the first year, a small sum, but experts believe it will be the foundation for a shipping which will again carry the flag through all the world's seas. France yesterday adopted a similar measure, and Germany and England, the great commercial rivals, are both aiding by subsidies their merchant marine. The question now is, Will the United States pursue the same broad national policy, or will it continue to have even American mails carried on foreign ships? Where do you stand?

WHOLE COUNTRY TO BENEFIT.

[State Capitol, Guthrie, Okla., February 17, 1906.]

The passage of the ship-subsidy bill by the Senate should be a source of gratification to the people of Oklahoma and the interior States, as well as those along the seaboard. Senators from the Middle West in some instances opposed the bill on the ground that it was legislation for special interests, but this view may well be regarded as a mistaken one. The shipping companies will, of course, benefit more directly and the good effects upon their prosperity may be more easily seen, but the beneficial results upon the whole country is just as certain.

The United States is the greatest consuming and producing nation of the world. It has been for years a matter of regret and a cause for humiliation that our great foreign commerce has been carried in foreign bottoms, but in the depleted state of American shipping there has also been a national danger. Should this country be drawn into a war, it would be necessary to enter foreign markets to secure suitable ships for transport service and fast ocean liners that might be converted into war vessels. To secure sailors to man these auxiliary cruisers would be another serious problem.

For patriotic reasons, then, a subsidy that would provide the proper stimulant to create anew the old interest and pride in American shipping is a vital need.

Yet there are industrial reasons also. Oklahoma farmers produce wheat and meats for export. Oklahoma mills make flour for European ports. As it is with Oklahoma, so it is with many of the States. The prosperity of our shipping will bring about a better condition in our foreign trade. Those interests and those sections of the country that engage directly or indirectly in the export business will benefit by the subsidy bill. The want of American bottoms has been largely responsible for our failure to secure the greater part of the South American trade, as is our natural right.

The passage of the subsidy bill, the activity of Secretary Root in trying to get his Department on a basis where it can open up new foreign markets, and the investigations with a view of assisting exporters, carried on by the Department of Agriculture, are things that will entail improved conditions throughout the whole country. Primarily the ship-subsidy measure is not class legislation in any sense of the word. The bill is a patriotic one, but also has good sound business reasons for its being.

EVERY OTHER PLAN HAS FAILED.

[Dayton, Ohio, Journal, February 16, 1906.]

The Senate is to be congratulated on having passed the ship-subsidy bill in spite of all the irrational clamor which has resounded over the word "subsidy." This word is not necessarily bad; it is bad only when it is applied to a grant for an unjust purpose or when it is misdirected. When the purpose is proper and the aid is correctly and honestly given where it is due the word is without any sinister meaning.

Every other plan for restoring the American merchant marine has been tried. The United States has had practical free trade invariably coupled with disaster. Its people have bought foreign ships without finding that the American flag means commercial prosperity. It has used the trading ships of other nations, and it knows that the profit has gone anywhere except into the pockets of its own people.

Subsidies have hitherto been tried for the American marine only in a partial and half-hearted way. But the thing works with other nations. It keeps the Cunarders prosperous for Great Britain and it keeps Hamburg and Bremen busy in Germany. It has kept an American line on the Pacific in spite of all discouragements, and it is helping to make Japan the mistress of oriental trade.

PROTECT THE SHIP.

[Toledo, Ohio, Blade, February 15, 1906.]

The bill extending the principle of protection to the American merchant marine was yesterday passed by the Senate, and the hope of the late Senator Hanna and his coworkers is nearer realization than ever before. Under the provisions of the bill subventions are granted to 13 new contract mail lines and a naval reserve force of 10,000 men is created.

The object of the present bill is to encourage Americans to invest in the ocean carrying trade by meeting English competition. Only by subventions can this result be attained. By offering inducements there is no reason why a very considerable part of our mammoth commerce would not be carried in American bottoms, built by American workmen, and manned by American sailors. These merchant ships will likewise increase the efficiency of our national defense, and the provision for supporting a naval reserve has this object especially in view.

Friends of the measure should not relax their efforts because the Senate has acted favorably upon it. The disposition of the House is uncertain. There is a strong opposition to it and its enemies are ever alert. But all Americans who believe in the principle of protection, every workingman who appreciates the advantages which the creation of a great industry brings to him, should give the bill active support. President Roosevelt has encouraged the measure because he sees in its application added glory to the country.

GIVE US AMERICAN SHIPS.

[From the Louisville, Ky., Herald.]

Emphatically opposed to a shipping trust, the Herald is, nevertheless, in favor of some scheme or system whereby American trade may be transported in American bottoms on every sea and to every port in the world. We oppose Government ownership of railroads. We could not view with approval governmental acquisition of shipping lines. But as American trade at home is built up by the tariff, which prevents foreign competition with home-made goods of as good or better quality, there can be no violation of sound economics in building up, by some constructive legislation, an effective system of American shipping. President Roosevelt sums up this phase of the case of American against foreign industry very succinctly: "From every standpoint it is unwise for the United States to continue to rely upon the ships of competing nations for the distribution of our goods. It should be made advantageous to carry American goods in American-built ships."

As wise would it be to let in foreign-made goods at a low duty or free of duty to drive our own products off the American market. "I am satisfied," said President McKinley, "the judgment of the country favors the policy of aid to our merchant marine, which will broaden our commerce and markets and upbuild our sea-carrying capacity for the products of agriculture and manufacturing."

"Our great competitors have established and maintained their lines by Government subsidies until they have now practically excluded us from participation. In my opinion no choice is left to us," said President Harrison, "but to pursue, moderately at least, the same lines." Demonstrated it has been that 75 per cent of the shipyards are now idle, and that the only sea-going ships that are being constructed in the others are the men-of-war ordered by the Government. American shipbuilders can not compete with the shipbuilders of, say, Glasgow and Belfast, and pay American wages. American statesmanship ought surely to be equal to the task of putting the shipbuilders of America on at least even footing with those of foreign countries. The American ship should, indeed, have protection as substantial as that of the American factory or the American farm, whose worth it will multiply and whose products it will increase at a rate incalculable.

THE VOICE OF THE MIDDLE WEST.

[From the Des Moines, Iowa, Capital, April 11, 1906.]

The Senate of the United States has approved the very modest ship-subsidy bill, presented by Senator Gallinger, calling for an average outlay of \$4,000,000 a year for ten years by which to build up our insignificant merchant marine. The bill is now in the House, and as usual the prejudice against the term "subsidy" is expected to prevent its passage.

Those Republican newspapers which oppose the ratification of this measure by the House, declaring it to be a species of graft, are either willfully misrepresenting its character or are totally ignorant of its provisions. The Capital has heretofore set out the provisions by which it is safeguarded and the splendid and patriotic results which it promises to attain. It is an American measure, designed to promote American commerce and the welfare of all classes of our people, and its real merits can not be obscured by epithet. Dismayed by the rapid disintegration of our merchant marine, brought about by hopeless competition with the highly subsidized lines of foreign rivals, American Presidents have repeatedly urged remedial action for its restoration to the ocean. Harrison, McKinley, Roosevelt, all have pointed out the humiliating condition in which this country finds itself by virtue of the loss of its once numerous mercantile fleet, and have urged speedy action by Congress. In order to once again resume our rightful position among the maritime nations only one course is open. We must give American shipbuilders the protection which the increased cost of manufacture, the higher scale of wages, and the superior standard of living on the part of American seamen make necessary to insure successful competition with foreign lines.

The bill before the House is a sound, just, and moderate measure, calling for an appropriation of very modest proportions. The great object which it is designed to secure should not be defeated by prejudice or a desire to play to the galleries. It should be considered and voted upon on its merits, and if that is done its passage is assured.

BUILD MERCHANT MARINE OR STARVE, SAYS SHAW—MORE MARKETS FOR MANUFACTURED PRODUCTS NECESSARY—SECRETARY OF TREASURY TELLS UTICA CHAMBER OF COMMERCE OPENING OF CANAL WILL GIVE AMERICA SUPREMACY OF SEAS IF SHE WILL BUILD UP MARINE.

[From the New York Commercial, April 17, 1906.]

UTICA, N. Y., April 16, 1906.

Leslie M. Shaw, Secretary of the Treasury, was the principal speaker at the annual dinner of the chamber of commerce here to-night. His subject, "Commercial Expansion of the Nation," he discussed at considerable length, saying, among other things:

"The United States has recently embarked upon its broadest policy as regards the commerce of the country. We have paid \$50,000,000 for the privilege of digging a ditch, and propose to pay \$200,000,000 or \$500,000,000, if necessary, to construct the ditch; then other millions to maintain the ditch, and no end of millions, if necessary, to defend the ditch.

"When all this is done we are under contract to grant its use to all the world on the same terms as to our own people. This expenditure is in the aid of commerce. The construction of the canal will change the line of equal distance from the eastern to the western shore of the Pacific and make possible American control of the commerce of the Pacific.

"The United States has fostered every commercial enterprise, protected every industry, except international shipping. Forty years ago we had only one-fourth as many tons of international freight to carry as we have now, but we carried in our own ships three times as many tons as we carry now. Every fostered enterprise has prospered, but our merchant marine is a thing of the past.

"The international trade of the world amounts to \$10,000,000,000

a year, one-seventh of which originates with us and one-ninth finds its way to our ports for ultimate consumption.

"Marvelous and inconceivable as these figures appear, our domestic commerce is two and one-half times as large. The fact that we export more than any other people is very gratifying, but it is dependent in very slight degree upon our skill and foresight as international merchants. The world has six months' supply of food in advance. If harvest should cease to follow seed time for six months the world would starve.

"It requires no international merchants to sell our food to a hungry world when there is no other source of supply, but I warn you members of the Utica Chamber of Commerce that we are approaching a crisis. We as a nation must have more markets for manufactured products, or labor will walk our streets looking for work, and failing to find it will beg bread. Germany is a great manufacturing country. She possesses great skill, great energy, and her people are the best international merchants in the world.

"We turn out finished products equal to those of any other three countries, but this will not continue always, unless we improve our merchant marine and send out our ships as a nation befitting our strength and importance. We occupy the best position on the map; our farms produce more than the farms of any other country; our mines yield gold literally by the carload and silver by the trainload.

"With a suitable merchant marine American enterprise will be given its proportionate share of the carrying trade of the world, and our nation will become the actual, as she is the natural, mistress of the largest of all seas and her financial centers will be the clearing houses for a moiety of the commerce of the world."

TIME FOR ACTION NOW.

Are all the utterances of the President, of great Senators, of party platforms, of industrial organizations, and of newspapers, without regard to party, are these all hypocritical utterances? Do they mean nothing? Were all these things said for the purpose of securing votes? Were all these things said and done for the purpose of temporary party aggrandizement? Were Harrison and McKinley, and is Roosevelt, hypocrites? The party has used these appeals, these utterances, these declarations, to win victories and they have won victories and have sustained no loss. And yet we have people who say: "Oh, I am in favor of building up the American Navy. All that you say about the necessity of it is true; that is all right, but I am afraid I won't be reelected." There is a labor organization that somebody is manipulating; there is a newspaper that sneers at subsidies, although it enjoys every day that it mails its edition a subsidy more direct than any other subsidy in the United States from the bounty of the Government. These petty considerations block the way apparently. We are giving to the scheme of irrigation twice as much money per annum as this bill would cost the Government during its lifetime. We give to the experimental stations of the States in this Congress more money at the present time, and in the future provided for, than would carry this bill through five times over. The improvement of the harbor of Galveston by the United States Government, the improvement of Sabine Pass and Harbor, have caused the appropriation by the United States of half enough money to carry this bill to a triumphant conclusion. And that is not the worst phase of this position. Everybody says that we ought to have ships, that we ought to have commerce, that we ought to control our own carrying trade, that we ought to have our own commercial travelers in the form of ships; they are keen for it, anxious for it, devoted to the idea. They admit the absence of our flag from the seas, they admit the ruin of our industry in the building of ships, they admit everything, but they make no proposition looking to a remedy. In all this long struggle in Congress there has been no bill introduced that for one moment could be considered as a possible suggestion of an alternative remedy. It is the old cry of opposition.

On the 22d of February last, Mr. Chairman, the distinguished gentleman from Kentucky [Mr. GILBERT] made a speech in which he compiled and presented with a great deal of force and in great detail the objections that are made to the bill now pending before Congress. I said at the time without intending the slightest reflection upon the gentleman, for whom I have the highest respect, that I had never known so much misinformation to be compiled and transmitted in good English in an hour's time in all my life, and I intimated that at some future time I would try to make that apparent. I am here to-day, Mr. Chairman, to make good, or to attempt to make good, my statement, and I want the gentleman who has done me the honor to come and sit down here where he can hear all that I say, to understand now that I do not complain of him and I make no personal assault upon him. He has been misguided and misled exactly as the American people are being misguided and misled at this time.

NAVY AND MERCHANT MARINE.

But before I proceed to that branch of my argument, I want to refer to the fact that I would not dare to stand here, Mr. Chairman, and tell the people of the country, and the people of other countries who might read what I may say, all that I believe to be true in regard to the American Navy. It is enough for me to say that the building of an enormous navy, which I

am in favor of; the continuation of great battle ships, which I shall vote for if I have the opportunity, in the absence of the legislation we seek here by this bill, is simply preparing greater and greater disaster to the American flag and the American Navy.

What was the great distinction between the Russian navy with its grandeur in battle ships, its magnificent guns, its tremendous number of men, and the Japanese navy that subdued and conquered and destroyed the Russian navy? What was the great distinction? After all in the analysis carried to its utmost what do you find is the real reason of the disaster to Russia and the triumph to Japan? I answer and the record answers, the training and preparation in the merchant marine of Japan of the men who manned the ships of Togo and subdued the Russian navy. It is the distinction between the fitted man and the man without training; the man who understands his business and the man who does not, and without elaborating I have this to say, and I challenge contradiction, there is no great navy and there never was a great naval power on the world's face that was worthy of consideration that did not have a merchant marine behind it.

Go to the remotest history, the remotest period of time, when the Roman galley was driven in war by the oar projected from its sides, and coming down to the latest development, and the nation that has a great, well-organized, and well-equipped merchant marine has triumphed and the nation without one has always been subdued. You may talk, Mr. Chairman, and other men may talk, about the improvising of a Navy in time of war. We know something about that, and it would be unpatriotic for me to say all that I might say. No nation in the world is building better ships than we are. No nation in the world is preparing the docks and the navy-yards and all the physical force requisite to a great Navy more industriously and more lavishly than we are, and no nation has the raw material of men better for the purposes of a great navy than we have, but no nation of any importance on the face of the earth is weaker in the personnel of the men who are to man new ships in time of war.

We have some magnificent men, and we can fit some of these vessels out, and we have as capable officers as any country in the world; how many, we will not say. But another thing—and I leave this to be elaborated more fully by those who see fit to consider the topic as important—during our recent war with a most inferior nation, a nation which we knew was inferior when we went to war, a nation that turned out to be vastly more inferior when we got at her strength, how much money do you suppose we paid out for ships and how much money do you think we got back again when we sold those ships, and how many of them were fitted for the purposes for which they were purchased? Now, we hear on gala occasions eloquent speeches about what we will do in case of a war with some great nation. We do not want a war with any nation. If we believe that we would never have a war with any great nation, we would not build a Navy at all; so when you have consented to build a Navy and to keep it going you have consented to the force of the argument which I will make now in favor of a merchant marine.

WHAT OF OUR COMMERCE?

Suppose we had a war to-day, or suppose we had no war to-day, but that England and France had, or that France and Germany had, or that Germany and England had; or suppose even the minor nations of Europe had war with each other; what would become of the commerce of the United States? Ninety per cent of it is being carried in foreign ships, not alone in English ships, not alone in French ships, but in German and Italian and directly in Japanese as well as in Norwegian, Swedish, and Danish. Suppose any of these nations now were involved in war, what would become of our commerce? If we had ships of our own, we could carry our commerce under our own flag and defy the nations that were at war to interfere with us. How long would it be, Mr. Chairman, until these contending forces would enforce the laws of war and seize the merchant ships that were carrying our commerce and drive that enormous commerce that we are so proud of off of the face of the seas? So no great commercial nation can maintain her supremacy in commerce if she does not carry her commerce under her own flag and protect it by her own power and in her own ships.

That is my proposition, and I shall not elaborate it at this time. Mr. Chairman, I propose to refer to the speech of the gentleman from Kentucky [Mr. GILBERT], and to refer to it as best I may. It will appear, I am satisfied, that the gentleman from Kentucky has been misled by two classes of information; first, biased and prejudiced testimony coming from foreign countries and unsupported by the facts within our own knowl-

edge, and, second, by a condition that has grown up here, a political cry, a campaign cry, that has gone up in the past ten years throughout this country, aiming at the provisions of any subsidy bill for reasons which I do not care now to suggest.

Provincial statesmanship! Statesmen and newspaper writers who never see above the horizon of their own local interests have been the bane of intelligent consideration of this mighty question. We must have statesmanship that can comprehend the continent, that can appreciate the whole country, not only its productive power, but its relation to commerce abroad.

OUR SHIPS AND ENGLAND'S COMPARED.

The gentleman from Kentucky said:

Now, my first proposition is that we have more ships in the merchant marine than any other country in the world, not excepting England. The last report of the Commissioner of Navigation shows that on June 30, 1905, the United States had 24,681 vessels and the United Kingdom—the British Empire, including her colonies and all—had only 20,452.

Mr. GILBERT of Kentucky. Not excepting England.

Mr. GROSVENOR. England. I am glad to see the gentleman has a recollection of the exact language used, and he will appreciate my care in giving it to him.

Now, what do you think these 24,681 ships were made up of? These 24,681 vessels include the coast craft, large and small, on Atlantic and Pacific; the vessels of the Great Lakes; even the fishing smacks of Porto Rico and Hawaii, and the stern-wheel steamboats of our western rivers. They include also the canal boats and barges in use on our small and large streams all over the country, and, I suppose, even the flatboats that drift on the Ohio and Mississippi. But out of this magnificent fleet of 24,681 vessels only 1,372, large and small, are registered for foreign trade, and only about one-half of these are regularly and seriously engaged in it.

Mr. GILBERT of Kentucky. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Kentucky?

Mr. GROSVENOR. Certainly.

Mr. GILBERT of Kentucky. I wish to ask the gentleman from Ohio whether or not the aggregate of vessels represented there as being owned by the British Empire does not include a vast number of small vessels in and around Australia and in the coastwise trade of England and up and down the rivers of Canada, including the St. Lawrence and the Thames and other rivers of that Empire?

Mr. GROSVENOR. I will say to the gentleman that I will be prepared to answer it in due course of my procedure, and inasmuch as my speech at this point is, unfortunately for me, written, I will have to wait until I get to that point of my speech.

THE REAL FACTS.

Answering more fully the question of the gentleman from Kentucky, I submit a semi-official statement, which, after full investigation, I find to give in fewer words and with more distinctness than anything I could give an answer to the gentleman, and all inquirers may rely upon it that this statement is absolutely true. The writer has carefully read Mr. GILBERT's speech, and, having access to the records, furnishes undeniable proof of the exact condition of the situation:

I have your personal letter of the 15th instant. On June 30, 1905, the latest date of our returns, the number of American vessels engaged in the foreign trade was 1,372; gross tonnage, 954,513, including the few whaling vessels still left. The number of vessels engaged in the domestic trade was 23,309, of 5,502,030 gross tons (see Report of Commissioner of Navigation, pp. 274-275). The British Board of Trade's report for 1904 (fiscal year ended April 1, 1905) shows 4,756 vessels of the United Kingdom, of 9,160,021 net tons, engaged exclusively in the foreign trade. Exclusively engaged in the domestic trade of the United Kingdom, 9,443 vessels, of 886,878 net tons. Engaged partly in the domestic and partly in the foreign trade, 280 vessels, of 250,523 net tons. This particular table for some reason chances to be expressed in net tons, while most maritime returns are expressed in gross tons. To make this comparison exact with our own figures, you should add at least one-third to the British tonnage. The number of vessels respectively, of course, would remain unchanged.

The statements being published are so wide of the mark of recognized maritime facts that it is very difficult to reply to them. Thus, at page 3087, left-hand column, he says there are 24,681 American vessels and only 20,452 British vessels. We include under the law in our figures vessels as small as 5 net tons (500 cubic feet), while the British minimum is 15 tons. Of the American vessels, 9,183 are under 20 net tons, and most of these, of course, would not be considered worth counting in British official returns.

Again, at page 3089, right-hand column, Mr. GILBERT refers to freight rates quoted in my report as showing that the coasting-trade rates are the highest in the world. The rates quoted are found at page 14 of my report for 1905, and deal with foreign trade freight rates between Liverpool and New York. They have not the slightest relationship to coasting-trade rates.

Again, at the top of page 3092, left-hand column, Mr. GILBERT refers to the ships in which J. P. Morgan & Co. bought a large interest some years ago as though they were American vessels. Of course such is not the fact. If Mr. GILBERT had turned to the navigation laws (sec. 4132 R. S.), he would have observed that the first qualification of a vessel of the United States is that it shall be built in the United States. Of course Morgan & Co. and other Americans share

in the profits or losses of these ships just as they do in the profits or losses of British, continental, or Chinese railroads, etc., if they chance to be investors in such.

At page 3097, left-hand column, Mr. GILBERT speaks of the Southern Pacific Railway as operating seventeen ships in the foreign trade. These ships, with possibly two or three exceptions which run from New Orleans to Cuba, are all in the coasting trade. Indeed, this line is one of the best-known coastwise lines in the country, and how Mr. GILBERT could have made such a mistake I can not understand. He also speaks of the Central Railroad Company of New Jersey as owning twenty-four ships. Now, these vessels are either ferryboats, by which the Jersey terminus of the road is connected with New York, or else barges for the transportation of freight from the Jersey terminus to New York. What possible bearing this ownership has on subsidies or foreign trade or, indeed, anything else but practically municipal and passenger traffic passes my comprehension.

In the last paragraph of his speech Mr. GILBERT states that many American shipowners are engaged in the nefarious business of importing undesirable immigrants. If you will turn to Secretary Metcalf's last report, page 43, you will find a list of 167 regular line steamers coming into New York from Europe, most of which are engaged in the immigrant business. Of these 167, only six are American (four American Line and two Red Star Line). The American Line steamers, as a rule, as you know, do a cabin-passenger business rather than an immigrant business, and the same is true of some of the faster British and German steamers. Most of these 167 steamers, however, do the bulk of the immigrant business at New York. If there is anything nefarious in the business, if the owners of such steamers are engaged in ransacking prisons, slums, etc., abroad to gather up criminals, paupers, and anarchists, they are foreign shipowners.

COASTWISE SHIPPING PROSPEROUS.

There is no complaint from the shipowners of the coast, lake, and river trade of the United States. They are reasonably prosperous.

I merely say now, however, that not one dollar of subsidy proposed in this bill goes to any one of that class of ships.

They have absolute protection from their government against the cheap wages and subsidies of foreign nations, for no foreign craft can carry a single passenger or a ton of merchandise from one American port to another, and none has been able to do this for a hundred years. The immense growth, the prosperity of our domestic shipping, in sharp contrast with the decay and almost disappearance of our foreign-going shipping, is a magnificent tribute to the protective system.

As against our 1,372 vessels, of 954,513 tons, registered for foreign trade, and half of them actually engaged in it, the United Kingdom—the British Empire—as stated on page 169 of the report of the Commissioner of Navigation, has 37,055 vessels, of 12,156,101 net tons.

Mr. GILBERT of Kentucky. You mean gross tons?

Mr. GROSVENOR. So that I have replied to the gentleman's suggestions. Out of 12,156,101 net tons—it is net tons—only 866,878 tons, less than one-thirteenth of the total tonnage, is engaged in the home trade of the United Kingdom; 251,523 tons is partly in the home and partly in the foreign trade, and 9,160,021 tons is in the foreign trade exclusively.

These British vessels carry not only about 80 per cent of the trade between the colonies and the mother country, but upward of 60 per cent of the imports and exports of the United States, as against from 10 to 12 per cent conveyed in our own vessels. And yet the gentleman from Kentucky proclaims that the "United States of America has the largest and most profitable merchant marine of any country on the globe, with the single exception of the United Kingdom."

Nearly a hundred years ago, in 1810, the United States had 981,000 tons of American shipping registered for foreign trade, or actually more than it has at the present time, and instead of carrying 10 or 12 per cent of its own imports in its own vessels, carried in 1810 91 per cent beneath its own flag.

Let me call the attention of gentlemen, you who are proud of the progress of our country, and who go back a hundred years, sometimes fifty, sometimes twenty-five, and sometimes ten, and present figures of our magnificent growth—and yet in this very matter, while we have grown greater and, as we sometimes term it, have grown to be a "world power" from an insignificant government that begged mercy of England a hundred years ago—we have not increased one ton of our merchant-marine tonnage during that hundred years.

Mr. GILBERT of Kentucky. I want to ask the gentleman if he does not minimize our coastwise trade and magnify our foreign trade? Now, is it not true that there is twice as much freight carried through Sault Ste. Marie as there is through the Suez Canal?

Mr. GROSVENOR. No doubt about that.

Mr. GILBERT of Kentucky. Are not our ships busy carrying coastwise traffic, and better employed than in the foreign trade?

Mr. GROSVENOR. And all that, Mr. Chairman, argues conclusively in favor of the American system of protection to our own ships. We have built up this magnificent coastwise trade not by subsidy, but by that which is far better than subsidy—by forbidding the introduction into that trade of every foreign

nation in the world. That is where the profit to our shipping has come from, and that is the meaning and that is the significance of our commerce along the long chain of Great Lakes to which I have referred.

THE MATTER OF OCEAN RATES.

The gentleman from Kentucky said:

Now we are confronted with a proposition, headed by the distinguished gentleman from Ohio, that we are to increase the rates of the shipping industry because they are too low; or—

Mr. GILBERT of Kentucky. I beg the gentleman's pardon; he does not read that correctly. Inadvertently, he has omitted what I said. Now, I said that the proposition is to increase the freight rate.

Mr. GROSVENOR. Perhaps I had better read the whole paragraph. It is an exact copy from your speech.

Mr. GILBERT of Kentucky. Read the whole paragraph and you will find I inveighed against increasing the freight rate.

Mr. GROSVENOR. Certainly.

Mr. GILBERT of Kentucky. Which is the same thing as taxing the American people, those who are paying the present rate.

Mr. GROSVENOR. That is what I am coming to in a moment. I suggest to the gentleman that when I endeavor to read a portion of one of his paragraphs, which I assure him has been correctly copied from his speech, that he wait until I get through. Then if he wants to put in a plea of not guilty, I will be glad to give him an opportunity to do so, and I think he will want to make several of them before I get through.

Continuing, the gentleman from Kentucky said:

What is the same thing, we are to tax the American people over \$60,000,000 in order that American ships may continue to carry the traffic across the sea at the same rate at which it is being carried now without the subsidy.

Mr. GILBERT of Kentucky. Freight rates.

Mr. GROSVENOR. Rates.

Mr. GILBERT of Kentucky. Freight rates.

Mr. GROSVENOR. I will agree that the gentleman meant freight rates, because there is not much about passenger rates.

What is the same thing, we are to tax the American people over \$60,000,000 in order that American ships may continue to carry the traffic across the sea at the same rate at which it is being carried now without the subsidy.

There is no pretext of any effort to reduce the freight rates across the sea; there is no promise that the rate from the farm or the factory to the seaboard shall be decreased; but the proposition is that our freight rates across the sea are so low and that our commerce has been carried to foreign markets at such a low price that we must increase the price, we must tax ourselves \$60,000,000 or \$70,000,000 in order that the American shipowner and the American shipmaster may continue to prosecute their trade at the present rate.

My first proposition is an oral one, that I have not written. There is not a single suggestion anywhere that I have heard coming either in the form of the bill itself, or the report from the Merchant Marine Commission, or the Senate committee, that freight rates are too low. I have no doubt that it may be possible to get up a furor if somebody would go at it in a scientific manner, and were I disposed I could in ten minutes show them exactly how to do it, and get every shipper in the world to show that he has been robbed by high freight rates across the sea.

There is nothing easier than convincing a man that somebody has injured him. No task is easier of accomplishment than the task of making most men feel aggrieved by conditions that they had believed before were in their interest and favor. Cry out "bad freight rates," and although all the world stands astonished at the cheapness of American freights, the shipper will soon come to believe that he is greatly oppressed and outraged. Cry out "cheaper ocean freights," and in a very short time our coastwise merchants and farmers engaged in coastwise shipments can be taught that they are trampled upon and outraged by the very system of freights we have understood to be liberal and generous.

BETTER RATES, BETTER SERVICE.

The gentleman will not find anywhere a single word or complaint from the reports of the Merchant Marine Commission or the utterances of its members or of any advocate of protection for the merchant marine that ocean freight rates are too low or any suggestion of an increase in price. What he will find is not a "pretext," but an assertion again and again that the final operation of the bill of the Merchant Marine Commission will be to reduce freight rates and to improve facilities for the transportation of the products of our farms and factories to the markets of the world. The report of the Merchant Marine Commission, embodied in a report upon this bill of February 1, 1905, from the Committee on Merchant Marine and Fisheries, says:

A QUESTION OF MORE TRADE.

Thoughtful men throughout the entire country have now come to see that the question is not merely one of building ships or manning ships, important though that may be to large seaboard communities.

Nor is the question, further, one solely of the national defense, though that of itself would abundantly justify Congressional action. A third imperative motive for the creation of an adequate merchant marine is the need of new and wider markets. Without these, there is such a thing as smothering at home in our own prosperity.

There is one sure way in which these new and wider markets can be gained. Our own people—merchants, manufacturers, bankers, shipowners, working heartily together—must go and get them. We can not depend upon the foreigners for this—not on the foreign shipowner more than on the foreign manufacturer or merchant. When the market is once opened, the foreign ship may take our goods for a consideration, which in the long run is sure to be higher than the price granted to the foreign manufacturer.

NO MERCHANT WOULD DO THIS.

There is not a department store in Omaha or Waco which would dream of intrusting to a rival department store across the street the delivery of its own goods to its own customers. The heads of the two establishments might be tolerably good friends, but merchant No. 1 would instinctively assume that, human nature being as it is, merchant No. 2 would keep his good horses and sound wagons for his own use, and quietly run in his spavined steeds and worn-out vehicles to convey the goods of his competitor. And pretty soon merchant No. 1 would expect to have complaints of short weight or damaged articles or perhaps that the purchases were missing altogether. And then he would begin to see those who were once his customers transferring their business to his rival—so that that "cheap" foreign service would have proved a dear service after all.

This is precisely what is happening to-day in South America. The United States sends no marine delivery wagons of its own to Brazil or Argentina. Even the American mails must cross the Atlantic twice on the subsidized liners of England. The result is the inevitable one, testified to before the Commission by the manufacturers of Cleveland and Milwaukee, that they find it hard to get into the South American market and harder still to stay there—that they can never depend upon the starting of English and German vessels from New York, and that there is much breakage as well as miscarriage of American goods, confusion, and disappointment. Nor need there be any surprise about this. The English and Germany shipowners naturally keep their best craft for their own country's trade and use their inferior ones for the American. And the result is just what was intended by our foreign competitors, that Brazil goes by our door and buys of England and Germany.

The United States sent \$13,000,000 worth of merchandise to Brazil in 1894 and only \$10,000,000 in 1903. Yet, having plenty of delivery wagons of its own by sea and rail to Canada and Mexico, our country has increased its exports to Canada from \$51,000,000 in 1894 to \$116,000,000 in 1903, and to Mexico from \$12,000,000 in 1894 to \$41,000,000 in 1903. The contrast is eloquent. There is no need to look further for an explanation why European shipowners, leagued with European manufacturers, are so insistent that the United States should not go to the expense and trouble of providing transportation facilities of its own in the trade to South America, Africa, and the Orient.

In the supplementary report of the Merchant Marine Commission, presented to Congress on December 6, 1905, it is further emphasized that American ships are needed to give our farmers, manufacturers, and others equitable rates and an efficient service:

HOW OUR TRADE IS HANDICAPPED.

But when we turn to our trade with Asia, Africa, Central and South America, and Australasia we find that conditions are radically different. Unlike the chief European nations, Asia, Africa, Central and South America, and Australasia are not shipowning lands.

We require from them a great quantity of imports, especially articles of food and raw materials for our manufacturers, and the great bulk of these goods are on the tariff free list.

But these countries, unlike Europe, have no ships of their own to deliver all this needful merchandise in our own Atlantic, Gulf, and Pacific ports, and, of course, they do not supply the ships that are required for the proper expansion of our export commerce to their own ports. For this service both ways the United States is now dependent almost altogether on the surplus or inferior shipping of Europe. The European powers grant liberal subsidies to maintain great steam lines from their own ports to Asia, Africa, Central and South America, and Australasia, but they do not, if they can help it, allow any of their subsidies to be utilized for the maintenance of steam lines to those competitive markets out of the ports of the United States.

Therefore, the manufacturers, merchants, and farmers of America are at a very serious disadvantage compared with their European rivals in this competitive trade.

STOPPING AT THE OCEAN'S EDGE.

We have in the United States the greatest railroad mileage and unquestionably the cheapest and most efficient railroad transportation in the world. Our unrivaled railroad systems would go far to enable us to command the markets of the world but for the fact that when our goods destined for Asia or Africa or Central America or other distant markets reach the seaboard they find there not the regular steam lines provided by the liberality of European governments, but either no available tonnage at all or some slow, inefficient, uneconomical foreign craft, discarded because of its inferiority from the European steamship service and sent over here by some foreign company as "quite good enough for the Americans."

STUNTING OUR EXPORT COMMERCE.

The decline of our ocean shipping, our one unprotected industry, has ruined shipowners and shipbuilders alongshore from Eastport to Galveston and from San Diego to Puget Sound. It has impoverished and scattered our shipyard mechanics, the most skillful in the world. It has robbed the country of the hardy officers and seamen who should constitute our naval reserve; but it has done more than this—it has choked the normal growth of the export trade of the United States to four of the five other great continents. Therefore, there is not a wheat farm in the Dakotas, a cattle ranch in Texas, or a cotton plantation in Mississippi, Georgia, or the Carolinas where the loss of American shipping has not made itself felt in shrunken sales and opportunities for profit.

Of course it will and must cost something to establish American shipping lines and give our people the facilities they need for export commerce. It has cost the European nations, our competitors, something to develop their lines to all quarters of the world. Great Brit-

ain alone has expended for this purpose, since 1840, between \$250,000,000 and \$300,000,000.

SHIPS TO SERVE ALL CLASSES AND SECTIONS.

National subventions to American shipping will, of course, encourage shipowners and shipbuilders of New England, New York, Pennsylvania, Virginia, Louisiana, California, and Washington; but these ships, built and run regularly and efficiently for the carrying of American mails and commerce, will just as surely win new markets for the farmers, manufacturers, and merchants of every State in the Union who have anything to sell; and unless American ships are encouraged by national legislation these new markets never will be won, for the day will never come when Great Britain or Germany, or France, or Italy, will subsidize great national lines of ships to convey to Africa, or South America, or Asia, or Australasia American goods to compete with European goods or the products of European colonies. If we are ever to have an efficient transportation service to the world's great neutral markets, we must establish it ourselves and maintain and operate it beneath the American flag and in American interests.

PUSHING OUR GOODS IN FOREIGN LANDS.

Not only is an American ship itself the most efficient carrier of American commerce, but the officers of that ship, the American passengers who tread its decks, and particularly the American merchants who go out to represent the steamship company and to push its business, are inevitably pioneers and drummers of American trade in foreign lands. For years our ministers and consuls and American travelers abroad have complained that there were no American mercantile houses in foreign countries, and that American goods, therefore, had to be handled by foreign firms which preferred to sell their own country's merchandise. But why should there be any American houses in South America, or Asia, or Africa, or elsewhere where there are no American ships? Everywhere in the world's experience it has been found that the first merchants who go out to foreign countries go as agents of shipping. Soon goods from the home country are consigned to them; they develop a commission business; they branch out into general mercantile trade and, growing stronger, demand banking facilities.

There were once American houses in China, India, and South America, but that was when we had American ships on whose trade their foundations rested. When these ships vanished the houses themselves soon disappeared. When American ships return, there will again be American mercantile establishments in all ports of the world to push the sales of American goods abroad with the same shrewd sense and indomitable energy that have built up our enormous domestic commerce.

And I will not stop here to read these further paragraphs of that report, but there is not a word of complaint that freights are too high or too low. It is simply an argument in favor of transferring the freight of this country to its own ships. And in the supplemental report of the Merchant Marine Commission, which I had the honor to present to Congress on December 6, 1905, it is further emphasized that American ships are needed to give our farmers, manufacturers, and others equitable rates and efficient service.

MAJOR AND MINOR PREMISES.

Mr. GILBERT of Kentucky. Will the gentleman from Ohio yield to me?

Mr. GROSVENOR. Certainly.

Mr. GILBERT of Kentucky. Mr. Chairman, I do not want to interrupt the gentleman too much, but I want to present this proposition to the gentleman from Ohio: Is not the entire scope and purpose of all this effort and argument in favor of ship subsidies predicated upon the major premise that by reason of the increased cost in the construction of American ships, and the increased wage necessary to be paid to American sailors in the operation of American ships, that they can not compete with the foreigner? And is not the failure or the inability to compete with the foreigner due entirely to the traffic rate, the freight rate, the transportation charge in the over-sea trade?

Mr. GROSVENOR. I will take great pleasure in reproducing, in a little better language, the supplemental and amended argument of the gentleman from Kentucky. He shall have the benefit of my speech when it is printed, to let the public know that at last he has modified his position upon this great question. And let me say to the gentleman that the major premise in the proposition before the country is nothing of the kind that he has suggested. The major premise, subdivided into a great number of heads, I can state in very few words. It is, first, to take this \$200,000,000 of freight and pay it to our own people, and that is the first proposition—I do not claim that is the greatest proposition; second, that we shall establish lines of communication with the great consuming bodies of peoples in South America, which lines of communication will carry our commerce direct to South America in successful competition with the commerce of the older countries, and that the laboring men of the United States, who shortly will wake up to this proposition, shall have the opportunity to build these ships and to man these ships, and that this competition with foreign countries, in so far as wages are higher in America and the living of the men on board the ship is higher, that the subsidy of the Government shall go to equalize the disparity in those propositions. I may enlarge this statement when I come to revise my speech, to give one or two more reasons why.

They are the premises, major or minor, one greater or one smaller, as the case may be; but the question of raising freights

was never dreamed of by the Merchant Marine and Fisheries Committee.

The time is coming and is not far away when the laboring men of this country in bodies of organized labor or unorganized labor will demand to know of the men who have been leading them and who have stood appealing for the interests of foreign ship lines and foreign commercial houses why they have come to infest this Capitol and fought this measure, a measure which every intelligent laboring man knows is a measure in his interest, and they will hurl from leadership and the soft places they now occupy the men who have bartered their interests in this direction.

Mr. WILLIAMS. In connection with this question of our money going abroad to pay for carrying our goods back and forth, has the gentleman any information that he can furnish to the House about what proportion of the capital stock invested in the trans-Atlantic and trans-Pacific lines is invested by Americans, and what share of the profits on that trade come back to America and American stockholders?

Mr. GROSVENOR. I can give it, and will give it in the course of my speech.

Mr. WILLIAMS. Can the gentleman approximately give it now in percentages?

Mr. GROSVENOR. I can not do it now; but the gentleman from Mississippi will be surprised when he learns how little there is of it, and how small a matter has been magnified into a great matter.

Mr. WILLIAMS. If the gentleman will excuse me one moment longer, I confess that I do not know, except that some time ago there was quite a little storm, or quite a little tempest in a teapot—I do not know exactly which—in the British Parliament, about American capitalists being about to own all this trans-Atlantic marine business.

Mr. GROSVENOR. Yes; and thereupon the British Government proceeded to subsidize the Cunard and other lines to the extent that practically broke up the American interest in those lines.

AMERICAN AND FOREIGN SUBSIDIES.

But I will not detain the House longer upon this particular point, and I will come to another proposition of the gentleman from Kentucky. The gentleman from Kentucky said there is no naval power in the world that pays subsidies altogether to its ships as large as we do, excepting France.

Mr. GILBERT of Kentucky. In that immediate connection I proceeded to explain that by "direct subsidy" I did not mean to include the mail subsidy.

Mr. GROSVENOR. I will put in all that the gentleman said on that subject. His argument may beat mine, but he shall not say at the end that I didn't "tote fair."

The report of the Commissioner of Navigation for 1901 states that Great Britain was then paying \$4,874,243 for mail and \$662,369 for general subsidies—a total of \$5,536,612, not including the new Cunard subsidy of \$1,100,000, which so soon goes into force.

Japan in that year was paying a total of \$2,942,296 in subsidy; Italy, \$2,819,451; Germany, \$1,825,651.

Not one of these nations is paying less money now in subsidies; all are paying more, and all are aiding their merchant marine in other adroit and effective ways that do not appear in government statements of subsidy payments.

Now, how much is the United States paying? The report of the Superintendent of Foreign Mails for the fiscal year ending June 30, 1905, says that the United States in that year paid \$2,396,761 for the transportation of the mails dispatched to and from foreign countries by sea.

That is where the gentleman from Kentucky fell into an error that is common. He thought that the money that was paid out for the transportation of foreign mails was being paid to American ships. Directly I will show him that the report of the Superintendent of Foreign Mails for 1905 shows that the United States in that year paid \$2,396,000 for the transportation of mails dispatched to and received from foreign countries by sea. Of this amount American vessels receive \$1,611,505, or just about as much as the British Government paid in subsidy to one single British line—the Peninsular and Oriental—running to the East Indies. The United States paid to foreign vessels \$701,989, the rest of the total being for miscellaneous expenditures. On the North Atlantic we paid to American ships \$690,554, and to foreign ships \$596,858.

We haven't ships enough to carry our own mail, and we pay as much money, or nearly as much, to foreign ships to carry our mails as we pay to our own ships to carry our mail.

THE TRUTH ABOUT RECIPROCITY.

Now, the gentleman from Kentucky says that "We do not pay foreign ships any more than the foreign ships pay our ships. It is a case of reciprocity." That was the most astonishing statement, except eight or ten other ones, that the gentleman from Kentucky made. [Laughter.]

The United States, as has been said, pays to American ships on the trans-Atlantic route \$690,554 a year and to foreign ships \$596,858. Now, let us look at the "reciprocity." How much do the foreign governments pay to us?

The American Line on the North Atlantic last year received \$10,511 from the British Government and \$1,614 for mails originating in interior Europe and delivered to the American ships in Cherbourg.

These American liners are not the fastest on the Atlantic Ocean, but they maintain the most regular and swiftest average service throughout the entire year, no other line of any flag having a weekly service in 20-knot steamers. But the British Government, in the spirit of rigid, even extravagant protectionism which characterizes its policy in all maritime affairs, will not allow a pound of British mail or a penny of British subsidy to go to the fast American steamers if it can prevent it. Only letters especially addressed are delivered by the London post-office to the American liners sailing from Southampton. That is why these American liners received only \$10,511 in mail pay from the British Government last year, though the United States gave \$212,000 to the British White Star Line, \$168,000 to the North German Lloyd Line, \$101,000 to the British Cunard Line, \$64,000 to the Hamburg-American, and \$60,000 to the French company.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LAMB. Mr. Chairman, I will yield to the gentleman from Ohio one hour more.

Mr. GROSVENOR. Mr. Chairman, I thank the gentleman from Virginia very much, as I find that I shall need considerably more time.

NOT AMERICAN SHIPS.

Mr. GILBERT of Kentucky. Will the gentleman allow me a question?

Mr. GROSVENOR. Certainly.

Mr. GILBERT of Kentucky. Does the gentleman from Ohio deliberately say "a British line," when he speaks of the White Star Line?

Mr. GROSVENOR. I do.

Mr. GILBERT of Kentucky. The gentleman calls all of these lines British that carry the British flag?

Mr. GROSVENOR. I do; because they are British ships.

Mr. GILBERT of Kentucky. They are mostly American ships.

Mr. GROSVENOR. There is not an American ship in the White Star Line. There is stock of that line owned by Americans.

Mr. GILBERT of Kentucky. Can the gentleman give the figures?

Mr. GROSVENOR. I do not know the amount.

Mr. GILBERT of Kentucky. If I am not mistaken, Lloyd's Register calls that an American line.

Mr. GROSVENOR. I think not. It carries the British flag and it is manned by British seamen. There is not an American sailing captain or officer on those ships.

It is true that at the formation of the International Mercantile Marine Company, by whatever name it is legally known, the American capitalists engaged in that great enterprise bought the stock of the White Star Line, but by no means did the ships become American ships, and on the contrary, they retain all the characteristics of British ships and can not be sold to defect their nationality; they are to all intents and purposes British ships, although owned by American capital.

Mr. GILBERT of Kentucky. Owned by Pierpont Morgan & Co. and operated under the British flag, and is an American line of steamships.

EXTREME BRITISH PROTECTIONISM.

Mr. GROSVENOR. J. Pierpont Morgan & Co. formed a combination in which the White Star Line went in, and how much there is left of that I do not know, except the losses that have accrued, and they are enormous. The British Government carries its protection to British shipping to such a grotesque extreme that if a 20-knot American steamship is sailing from Southampton on a Saturday and a 16-knot British steamship is sailing from Liverpool by way of Queenstown, the slow British vessel will carry the mail. But let us go on. It has frequently happened under this so-called "reciprocity," of which the gentleman from Kentucky [Mr. GILBERT] boasts, that mer-

chandise brought to New York on the fast American ships had to wait on the pier several days because the bills of lading had not arrived by the slower British steamship. Time and time again New York merchants have complained against this and written remonstrances to London, but all this has been without the slightest effect on the British Government. It snaps its fingers at the American merchants and goes on boycotting fast American ships and giving the bulk of the mails and practically all of the subsidies exclusively to British vessels, be they slow or fast, 16 knots or 20.

Mr. WILLIAMS. Mr. Chairman, I would like to ask the gentleman a question.

The CHAIRMAN. Will the gentleman yield?

Mr. GROSVENOR. Yes.

Mr. WILLIAMS. I ask for information. I have seen it stated, and I want to ask the gentleman whether it is true or not, that Great Britain gives her mail even to India from home and back, and generally gives her mail to whatsoever steamships possessing certain requirements, which are specified, bid lowest to carry that mail, whether they are foreign or British.

Mr. GROSVENOR. I do not so understand it.

Mr. WILLIAMS. That statement has been made positively several times, and I want to ask the gentleman for information.

Mr. GROSVENOR. In the investigation that I have made in this matter there is nothing of that kind suggested.

Mr. WILLIAMS. In other words, that Great Britain gives her mail-carrying business to the steamships that carry it at a certain speed and with certain regularity.

Mr. GROSVENOR. Oh, no; they do not do anything of the kind.

Mr. WILLIAMS. To the lowest bidder.

Mr. GROSVENOR. I have just shown now that they will not only not give it to an American ship, but that they paid out \$10,000 only to the American ships while we were paying more than \$300,000 to their ships; and, drawing from my own experience for information, I will state that they deflect the mails and send them by their slow ships in every instance unless you mark a peremptory mark upon the letter that it shall go by way of Southampton.

Mr. WILLIAMS. Do I understand the gentleman from Ohio to deny that Great Britain does give her mail, regardless of the nationality of the ship, to the lowest bidder?

Mr. GROSVENOR. Oh, certainly, I deny it. If I am wrong, I will be very glad to be enlightened by the gentleman from Mississippi, because it would be a most important item of knowledge.

THE NEW CUNARD SUBSIDY.

Now, says the gentleman from Kentucky:

Prior to that report—

That of 1902—

the subvention to the Cunard Line was increased from £28,000 to £150,000, and the Government agreed also to lend that company a sufficient sum, at an agreed rate, to build two very large, fast steamers. This, although a new departure for that country, is not a subsidy, but was considered as a method of having certain work performed for the Government, and this is the contract the gentleman from Ohio [Mr. GROSVENOR] was aiming to state.

The particulars of this Cunard subsidy were published a year ago in the report of the Merchant Marine Commission, Appendix C, as quoted from the report of the Commissioner of Navigation. The British Government contracted to advance to the Cunard company the sum of \$13,000,000 for the express purpose of building two new steamships—the rate of interest being the nominal one of 2½ per cent, and the loan to be repaid in annual installments of \$325,000 for twenty years. At the same time the British Government agreed to pay the Cunard company a subsidy for mail and admiralty purposes of \$1,100,000 a year.

Mr. GILBERT of Kentucky. What was that line of steamers required to do in order to earn that money?

Mr. GROSVENOR. Build themselves and fight the commerce of the American people.

Mr. GILBERT of Kentucky. How many ships were they required to build?

Mr. GROSVENOR. Two. In other words, the British Government loaned to the Cunard company the money to build new ships, and then gave a subsidy by which the loan may be repaid. In practical effect Great Britain makes a gift outright of two great new steamships to the Cunard company. How would the gentleman from Kentucky [Mr. GILBERT] and other gentlemen on this side treat such a proposition if it were presented in this House for the benefit of some American steamship company? Yet, because this extraordinary transaction is British and not American, the gentleman from Kentucky says that first the loan of \$13,000,000 to build new steamships and then the gift of the subsidy of \$1,100,000 a year for twenty years to repay the loan is not a subsidy, but a "method of having certain work per-

formed by the Government!" Magnificent method! I would like to see a few methods of that kind applied to the American shipping interests.

Mr. GILBERT of Kentucky. Will the gentleman from Ohio in that connection insert in his remarks the different obligations that were imposed upon that ship company? What were they required to do—the peculiar method by which these ships had to be constructed, the speed they had to make, and the number of trips they had to make? Was it not a quid pro quo, the contract between the Government and the ship line?

Mr. GROSVENOR. I will put all of that in in the form of the contract itself. I have the official contract, and it proves that all the skill of the British Government through its Admiralty was brought to bear to make that subsidy of \$13,000,000 most thoroughly effective to annihilate the American commerce and build up the British commerce.

GERMANY'S SUBSIDIZED FLEET.

The gentleman from Kentucky said:

I found there were only thirty-seven ships in all the German Empire that receive any bounty at all.

Neither the gentleman from Kentucky nor anybody else can know how many ships in the German Empire are or are not subsidized. It took the State Department of the United States several years to ascertain how much mail subsidy the German Empire paid to its great steamers crossing the Atlantic Ocean. It is the policy of every foreign government to keep as secret as possible both the amounts and the methods which it has adopted of aiding and encouraging its mercantile marine.

All the ships that have been built from the beginning, in 1885, for the subsidized North German Line to the East Indies and Australia—subsidized now at \$1,330,000 a year—have been required by the terms of the German laws and the German contracts to be built in German yards by German workmen, and, as far as possible, with German materials. It is this policy chiefly, added to some other forms of state aid, which has developed the mighty shipbuilding resources of the German Empire. The great steamer *Deutschland*, one of the largest and fastest in the world, running from Hamburg to New York in the service of the Hamburg-American Company, does not belong to the North German Lloyd subsidized fleet; but it would never have been built if this subsidy had not been given, with its requirement that the subsidized steamships should be of German construction.

There is authority for this in the official statement of the report of Prince Hohenlohe, chancellor, to the Reichstag, that "all experts say that without the influence of the Government mail service (the North German Lloyd subsidies) such a steamer as the *Kaiser Wilhelm der Grosse* could not have been built." The *Kaiser Wilhelm* broke the Atlantic record in 1897, and the other great German ship, the *Deutschland*, was launched from the Vulcan yard at Stettin about three years afterwards. Until these German subsidies were granted there were no yards in the Empire that could build first-class ocean steamers. Now for several years the North German Lloyd has not gone abroad for a single important ship, and the Hamburg-American has purchased but few in foreign countries.

German shipbuilding as it stands to-day owes its existence to the policy of imperial subsidy supplemented by the indirect bounty of the carriage of ship materials at nominal rates on the state railways and the granting of preferential rates to goods exported by German steamers. These expedients altogether make German merchant shipping one of the most ingeniously and thoroughly protected industries in the world. When Herr Ballin, the head of the Hamburg-American Company, distributes circulars among American passengers on his German steamship protesting that his company never received a subsidy, he is trying to delude the American people and through them the American Congress. The gentleman from Kentucky has apparently fallen an easy victim to Teuton misrepresentations.

Mr. GILBERT of Kentucky. Now, is it not true that the reduction of the freight rates on the German railroads is only 50 per cent for the freight that is designed for exportation and that after you make that deduction of 50 per cent the German freight rate is still a great deal higher than ours?

Mr. GROSVENOR. Well, I say to the gentleman, with all confidence in his integrity of purpose, that having reviewed his speech, I shall take with many grains of allowance his statement upon that point.

Mr. GILBERT of Kentucky. The reduction is only 50 per cent.

GERMAN SUCCESS WITH SUBSIDY.

Mr. GROSVENOR. The gentleman from Kentucky said:

I went so far as to get copious extracts from the contracts between the German Empire and those two ship lines—and there are many articles in each one of those contracts—and each one of those ships is

required to circumnavigate the entire continent of Africa on each trip, to go alternate directions, this way this time and that way the next time. The Government goes so far as to designate the ports at which they shall stop.

Mr. WM. ALDEN SMITH. Whether there is any business or not?

Mr. GILBERT of Kentucky. Whether there is any business or not. They have got to circumnavigate the entire continent of Africa on every trip.

Mr. GROSVENOR. Does not that show the wisdom of the German Government in sending its manufactured articles into all the possible and remote parts of the world, while America carries her trade, 92 per cent of it, on foreign ships?

There are requirements as to ports of call, routes to be taken, etc., in existing mail contracts between American steamship companies and the United States. Our ocean mail laws and regulations are among the most stringent and exacting in the world, and heavy penalties are enforced for any infractions of them. Our Government is the only one which requires to-day a 20-knot mail service from the Atlantic coast to Europe maintained throughout the year as a condition of a mail subsidy. Foreign companies compete with our one trans-Atlantic line, but are allowed to substitute smaller and slower vessels whenever they wish. If the American Line does this it forfeits the subsidy for that voyage.

It is stated in the report on German imperial steamship subsidies, already quoted, that the subsidized German line to Africa increased German trade so rapidly that the company's receipts from freight and passengers advanced from 453,000 marks, or only a little more than twice the subsidy in 1892, to 1,476,000 marks, or seven times the subsidy in 1898.

An even more striking demonstration of the fact that steamship subsidies paid by an energetic commercial nation bring increased commerce and increased profits to manufacturers, merchants, and farmers of the country is given in the experience of the German East India subsidized line. In 1888, two years after the North German Lloyd ships started for the East, the exports by these ships were, in quantity, 27,369,000 tons, and in value, 33,190,000 marks. In 1896 the German exports by these German subsidized steamers to the markets of the Orient had increased to 89,148,000 tons, valued at 74,433,000 marks. That is, a subsidy of 4,400,000 marks a year, creating a new German steamship line, had increased the German export trade by more than 50,000,000 marks a year.

Just as sure as the sun rises and sets that will be the experience of the United States if this bill of the Merchant Marine Commission is enacted. It will build ships on the Atlantic and Pacific coasts and the Gulf of Mexico, giving employment to thousands of American mechanics. Millions of dollars will be expended in materials for the construction of these vessels—in iron ore from Lake Superior, Tennessee, and Alabama; in timber from the forests of the North and South. But this is not all. When these ships are built and are running regularly in our service, as these German subsidized steamships run in the service of their Empire, our exports to the West Indies, South America, South Africa, and the Orient will increase by many millions of dollars annually. These steamship subsidies will create new markets for the farms of the Mississippi Valley and factories of the entire country. They will benefit even the State of Kentucky.

Mr. WILLIAMS. Mr. Chairman, if the gentleman will permit me, I would like to call attention to what I may say is perhaps "an unwarranted extravagance" in the gentleman's last statement. Does the gentleman really think South America could, in its present state of development, give us a trade, if she gave us all of her trade, "equal to the trade that we have gotten to-day, or we are now getting from Europe to-day?"

Mr. GROSVENOR. I do.

Mr. WILLIAMS. Does the gentleman believe that it would be equal to the cotton crop alone?

Mr. GROSVENOR. I should take out of consideration the cotton crop; I should do that.

NOT SEAGOING VESSELS.

The gentleman from Kentucky said:

We have about \$13,000,000 invested in shipyards; we have about 34,000 men engaged in building ships. We built in the last two years some naval vessels for which there were appropriated \$86,000,000, and the report of the Commissioner of Navigation shows that last year we built 1,102 merchant vessels, and that the figures thus furnished can not be exceeded by any country in the world except the United Kingdom.

It is true that 1,102 vessels were built in the United States last year, but it is also true—and this the gentleman does not state, although it is set forth in the same line of the report of the Commissioner of Navigation—that these 1,102 vessels represented only 330,316 gross tons, or, in other words, that they averaged less than 300 tons each. This new tonnage, over which the gentleman from Kentucky exults as proof that the United States is a great sea power, consisted chiefly of coast

craft, like ferry boats, mud dredges, fishing smacks, coal and lumber schooners, tugboats, barges, canal boats, and car floats. There was not one square-rigged vessel for ocean trade among the number.

What do you think, gentlemen of the House of Representatives, of the potency of that argument? He hunts out the number of vessels, flatboats, scow boats, ferryboats, and charges them up as the growth of the American merchant marine. There has not been one square-rigged vessel for ocean trade among the number.

Mr. GILBERT of Kentucky. Nobody else is building that kind of vessels now.

Mr. GROSVENOR. There were only seven ocean steel steamers, of a total tonnage of 39,996 tons, and no less than 20,714 tons of this was represented by the immense steamship *Dakota*, built at Groton, on the Connecticut Thames, for Mr. James J. Hill, president of the Great Northern Railway.

Mr. Hill has stated before the Merchant Marine Commission and elsewhere that under present conditions he would never undertake to build another steamship in the United States. The yard at Groton, where Mr. Hill's two great steamers, the *Minnesota* and *Dakota*, were built, has never laid the keel for another ocean vessel. Unless Congress does something at once to aid and encourage the real American shipping in ocean trade, this yard is likely to be abandoned. It surely will be abandoned for ocean shipbuilding unless this bill of the Merchant Marine Commission is passed. Proof of this statement can be found in the following statement, published in the *New London (Conn.) Day* of February 23, 1906, from the president of the Eastern Shipbuilding Company:

SHIP-SUBSIDY BILL WOULD AID GROTON—FUTURE FATE OF SHIPYARD DEPENDS ON MEASURE NOW IN CONGRESS.

In connection with a denial that the Consolidated road had any intention of running the big shipyard at Groton, President Charles R. Hanscom, formerly at the head of the Eastern Shipbuilding Company, when interviewed by a reporter to-day, gave expression to a statement that the future activity of the shipyard was dependent upon the fate of the ship-subsidy bill now before the House of Representatives.

President Hanscom said that, while he knew of no present negotiations for purchase of the yard being in progress, he believed that if the ship-subsidy bill passed Congress the yard would be purchased and business of shipbuilding recommenced there.

The ship-subsidy bill has already passed the Senate and is believed to have a good chance of passing the House as well, and in case it does the boom which Groton temporarily received seems likely to become a permanent one. President Hanscom's association with shipbuilding interests puts him in position to have authority for the statement that the yard would be started up if the subsidy bill passes.

At the main offices of the Consolidated road in New Haven to-day an official denial was given to the rumor that the Consolidated road, which owns the land on which the shipbuilding plant in Groton stands, intends to buy the equipment and utilize it as a marine repair plant, or for other purposes.

From June, 1901, until the spring of 1905—for four long years—not one order was given to any American shipyard on the Atlantic, Pacific, or the Gulf of Mexico—anywhere on the coasts of the United States—for an ocean steamship for purposes of foreign commerce. There are now only four steamships building for the foreign trade in all America. These are all four in the Cramp yard at Philadelphia. Two of them are building to replace steamers of the Ward Line purchased by the War Department for the Government line between New York and the Isthmus of Panama; the other two are building also for the service of the Ward Line, which is one of the few steamship companies subsidized by the United States to carry the mails—the line running from New York to Cuba and Mexico.

These four American ships, therefore—the only ships building in America; fine, fast, strong vessels of about 7,000 tons, designed under our ocean-mail law as auxiliary cruisers—are themselves proof of the wisdom of the subsidy policy, products of the subsidy system, applied as it has been in a small, cautious way by the United States.

WHAT PROTECTION HAS DONE.

The gentleman from Kentucky said:

Mr. Chairman, I wish the gentleman would stop now and reflect seriously. Here is a country that has the most magnificent coal fields on the globe. Here is a country to whose forests the shipbuilders of Belfast come for their masts and their timber. Here is a country that has the most skillful mechanics and draftsmen upon the face of the globe. Here is a country that in every other particular excels the Britisher in his country. Why, to-day American locomotives can be heard whistling along the road that leads from Joppa to Jerusalem and from Jerusalem to Damascus. American flying machines sail over the pyramids. The Sphinx has stopped gazing across the desert and has turned to look at the magnificent American trolley lines that are running from Cairo up to the ancient ruins of Thebes and Memphis. [Applause.] You can go into the Orient and in the homes of luxury, even in the zenanas of Persia and in the seraglios of the Ottoman Empire you will find the hum, the click, and clatter of American sewing machines.

Mr. WM. ALDEN SMITH. They are made here, however.

Mr. GILBERT of Kentucky. They are made here. You may go upon

any ship and you will find it loaded down with machinery—appliances of every kind—sailing across every sea and underbidding the home products of every land.

I pause, I halt at this point to say that I am unable to testify in contradiction of what there is in the seraglios that the gentleman has discovered. [Laughter and applause.]

Mr. GILBERT of Kentucky. Mr. Chairman, for the information of the gentleman from Ohio I want to tell him that once a year on the hegira the old Sultan goes from his palace across the Dardanelles to Stamboul to kiss the cloak of Mohammed, and upon that occasion all the hours from the palace came out in splendid array. And I was told by a gentleman who visited Constantinople on that occasion that the most beautiful damsels in all the world appear in those processions. They are the Circassian slaves, lineal descendants of the ancient Greeks, and in their homes of luxury American sewing machines do hum and click and clatter. [Applause.]

Mr. GROSVENOR. Mr. Chairman, I have two propositions to make in reply: First, I shall object to publishing in my speech anything that will have a tendency to attract young American tourists to halt at that particular place [laughter], and, second, so far as I am concerned, at my time of life I do not care anything about a matter of that character. [Great laughter.]

It is true that the United States even with its higher priced labor makes and exports some things more cheaply than any foreign nation. But without exception, these things which we make so cheaply and sell successfully abroad are the products of industries long protected by the tariff system which the gentleman from Kentucky and his friends abhor. The protective tariff has built these industries up to great proportions. It has guaranteed to them the home market, enabled them to keep their workmen constantly employed, to effect economies of large and steady production, to standardize their goods, and thus even with high wages to turn out articles produced in immense quantities at prices comparing favorably with the cost of like articles in foreign countries.

Mr. GILBERT of Kentucky. The gentleman from Ohio has been exceedingly indulgent, and I have imposed upon his good nature, but I want to ask the gentleman from Ohio this additional question: He has shown by the whole trend of his argument that our great rival in the ocean-carrying trade is the British Empire. They build the ships and they carry the commodities across the sea. Now I want to ask the gentleman if it is not true that the Englishman receives a higher wage than any of the other laborers upon the continent of Europe, and, if that be true, why it is and how is it that we can not compete with John Bull in the operation of these ships?

Mr. GROSVENOR. John Bull could not send one of those ships successfully abroad in competition with the German or with the Italian or with the Norwegian, if it were not for the subsidies that he pays. So the gentleman's argument comes right back to the proposition that it is the subsidy of English ships that has made the English merchant marine formidable as our successful competitor.

OUR ONE UNPROTECTED INDUSTRY.

If we had protected the ocean shipping trade, the same thing would to-day be true of American shipbuilding. But of all Americans who come face to face with foreign competition, our ocean shipowners alone are unprotected. There is absolutely no aid or encouragement, except the ocean-mail law of 1891, which the United States gives to American shipowners engaged in the sharpest kind of competition with the cheap wages and subsidies of foreign lands. That is the reason—this lack of protection for fifty years and more—why there are almost no ships building in America for ocean trade, and why such ships cost more than the ships of foreign nations.

If, instead of four steamers, we were now building in this country 400 steamers for foreign trade, this immense volume of production, the experience of the yards, and the full employment of capital and labor would make it possible to produce this great fleet for a price per ton very much below the price which American shipyards have to charge to-day, when only one yard in this country is constructing ships for ocean trade.

The gentleman from Kentucky said:

What is the reason, then, we can not, with the same skilled labor, and more iron, and charcoal, and coal, and greater ingenuity and everything—what is the reason we can build everything else on the globe except a ship?

The reason is that we have protected our railroads. We have built thousands of miles by national aid, by State aid, by municipal aid. We have protected by a tariff the building of their locomotives, their cars, and the making of their iron and steel rails in America. Protect ship owning as you have protected railroads, iron manufacturing, cotton manufacturing, woolen manufacturing, and everything else, and you will get the same results.

As the Merchant Marine Commission said, in its report to Congress in January, 1905:

An adequate American ocean fleet would mean the saving to this country of \$100,000,000 a year which now goes to build up the commercial power and naval strength of Europe and Asia. For a time it is true that the development of such a fleet would cost something, but all our economic experience goes to show that this increased expense would be temporary, while the saving would be solid and permanent. American bridge makers and locomotive builders could not compete with Europe in price in the early days of their industry, but now that they have developed standard types and attained a huge scale of constant production, American bridge makers and locomotive builders, still paying good American wages, are able to meet their foreign competitors in cost and beat them in the excellence and adaptability of their product. And what is a steamship but a locomotive and a steel bridge wrought together?

THE VALUE OF STANDARDIZING.

The gentleman from Kentucky said:

The gentleman from Ohio has been informed several times that in the old countries they have a certain standardizing of ships; that they have certain patterns and forms, and they build a whole lot of ships of one and the same pattern. I am told, upon further investigation, that is not true. And even if it were true it does not decrease the price of the ships to any material extent.

In this assertion the gentleman from Kentucky is absolutely contradicted by all the best and ablest practical shipbuilders of America.

At the hearing of May 23, 1904, by the Merchant Marine Commission, at New York, one of the witnesses was Mr. C. B. Orcutt, president of the Newport News Shipbuilding and Dry Dock Company, a yard on Southern soil and the largest shipyard in America. Senator GALLINGER, chairman of the Merchant Marine Commission, said to Mr. Orcutt (p. 41 of the hearings before the Merchant Marine Commission, vol. 1):

I wish to ask you what, in your judgment, would be the effect on the cost of American-built steamships of a steady, long-continued demand for steamships of standard types—that is, for combined passenger and cargo ships or exclusively cargo ships? To put it in other words, if your Newport News yard constructed in the course of four or five years three 7,000-ton steamers of substantially the same type, would the price of the labor and material for the later vessels be cheaper than for the earlier ones?

Mr. ORCUTT. Manifestly so; and that throws some light on the difference of cost, as to which my figures have startled you. Here are foreign owners—British owners—going into shipyards and ordering not only three vessels of absolutely the same type, and a very cheaply built ship at that, but twenty-five and thirty vessels. I do not know what the shipyards of this country could do in the way of cost if they had such an opportunity of building vessels of absolutely the same type, absolutely the same model and pattern, one after the other, year in and out. We probably should not have very much difference in cost when that opportunity came and had been with us long enough.

From New York the Merchant Marine Commission proceeded to the great shipbuilding city of Philadelphia, and there on May 26, 1904, similar testimony was given by Mr. De Courcy May, president of the New York Shipbuilding Company, at Camden, N. J. (p. 325, hearings before the Merchant Marine Commission, vol. 1):

The CHAIRMAN. Of course if the business of American shipbuilding was in such shape that you had a line of similar ships to construct, so that you could standardize, you would be able to supply them much more cheaply than at present.

Mr. MAY. That is precisely the point, and if we had our yards full, even though not of like vessels, we could do very much better. You will see in our yards a battleship, a cruiser, light-ships, a coastwise steamer, a dredge. If we built vessels of the type of large passenger steamers, or large freighters, we would very soon get the cost down. If we could only have our yards full of work, we would do as the locomotive builders and others have done—be in shape to compete with anybody. We are obliged to take anything we can get, and our yard is full of every variety of work.

At the same hearing another great American shipbuilder, Mr. Edwin S. Cramp, vice-president of the William Cramp & Sons Ship and Engine Building Company, Philadelphia, Pa., said (pp. 424-425, hearings before the Merchant Marine Commission, vol. 1):

There is another argument which I do not think has been brought out enough in talking over this question as to the cost of ships here as compared with England—which, of course, the steamship company must stand—and that is the fact that in England shipbuilding and shipowning is their great industry, as railroading is in this country. The volume of ship construction there is so great that shipbuilders have been able to devote their attention to specialties. For example, some yards build only large cargo boats, others high-speed steamships, others naval vessels, others torpedo boats and destroyers, others smaller craft, from 5,000 tons down; whereas in America, owing to the want of a large market, the builder who may have from five to six slips will frequently have under construction the same number of ships, every one of which is of a different type. You can see a large tug-boat on one slip, a river steamer on the next, a cargo boat on the next, a cruiser on another, and a battle ship or a passenger ship on the next slip.

Now, while this diversity of product may result in a better all-around knowledge of this trade on the part of the individual shipbuilder, yet you can see that it certainly interferes very seriously with his cheapening the production. If the American shipbuilder, as has been the case on the Great Lakes, had the opportunity of selecting his type of ships and could have his five or six vessels all of the cargo type under construction at one time, it would enable him to introduce methods of piecework, of standardizing of details, etc., which would enormously decrease the cost of construction. This, of course, has been the reason why that in iron and steel, and industries of a kindred nature generally in America, the individual manufacturer has been able

to pay higher wages, and by reason of his enormous output so to cheapen the production that he can undersell the manufacturer of similar articles abroad who would pay lower wages.

Nothing led to the achievement of this result so much as the aid given by our Government in land grants for twenty years, which led to the building of the great number of transcontinental and Pacific railroads, and the building up of rail mills, locomotive works, and other allied industries.

ADMIRAL BOWLES AND MR. NIXON.

At the hearing in New York one of the witnesses was Admiral Francis T. Bowles, formerly Chief Constructor of the United States Navy, now president of the Fore River Shipbuilding Company, of Quincy, Boston Harbor, Massachusetts. This was a part of his testimony (pp. 96-97, hearings before the Merchant Marine Commission, vol. 1):

Senator LODGE. Do you think the labor cost does not enter into the problem?

Admiral BOWLES. I think it undoubtedly does; but the reason, of course, why some products of this country can be sold in competition with those produced in England is this: Take bridge building, which has been spoken of before you to-day. There have been a number of enormous railroads built in this country. Consequently the art of bridge building has been developed here to a very high degree. We do not go abroad and sell Englishmen English bridges. We give them something better—an American-designed bridge, which is produced with the very minimum of labor. The product has been reduced to a science. It is the same way in the production of steel rails. That process has been studied, so that with the vastly improved machinery and a very small amount of labor we can excel their product. In shipbuilding we shall hope to approach that stage when we have the product to deal with.

Another witness in New York was Mr. Lewis Nixon, formerly of the construction corps of the United States Navy, a naval architect and shipbuilder of great experience here and abroad. Mr. Nixon said (pp. 76-77, hearings before the Merchant Marine Commission, vol. 1):

Where we will add 50,000 or 60,000 tons in the course of a year to our foreign-trade tonnage, England will add eighteen hundred thousand merchant tonnage. If the American shipbuilder is to have an opportunity, he must have it along the same lines that his competitor has, and that can be arrived at only by creating a demand for ships. I am satisfied that if the demand for ships is made you will find that the American shipbuilder will rise to the occasion and do just as he did before, many years ago, when our forests ran down to the water's edge and when we built ships of wood. At that time we produced them very much more cheaply than they could have been produced abroad. That day will come some time. Even now the American shipbuilder does not ask bounties or other aid, but only a demand for his product. Given that, he will produce the ships at a cost which will not make the first cost a serious consideration or handicap to ownership of vessels, and eventually he will produce them as cheap or cheaper than his foreign competitors.

Of course we ought to buy our steel here as cheaply as it can be sold abroad. It is true we have the right to import steel free at present if we wish to, and a great many people say, "You can go abroad and buy the material and get a rebate." They do not know the difficulties, the heart-breaking difficulties—the chances of the boat being belated, the chance of delay in shipment, and the chance of ship plates being bent and angles distorted. Our experience at the times when we have imported materials from abroad has not been such as to encourage us to do it any more. We have been willing to pay more, because we have been able to get our work out more quickly. Still, everyone must admit that there is a stupendous difference in the cost at present. I believe with the demand for ships we can overcome that.

These quotations might be continued indefinitely from all of the shipbuilders who appeared before the Merchant Marine Commission in the long course of its inquiry. Every one of them absolutely contradicts the assertion of the gentleman from Kentucky that ships can now be built in this country as cheaply as abroad, and that standardizing and building many ships on the same pattern would have no effect upon the cost, and that "it does not decrease the price of ships to any material extent." Every shipbuilder in America has testified that he can very greatly reduce the cost of ships if he is given the chance to build many ships, just as our steel makers have been able to reduce the cost of locomotives and steel bridges by constructing immense numbers of them steadily year after year behind the wall of the protective tariff.

WHAT ARE BRITISH SHIPS?

The gentleman from Kentucky said:

Going back to where I started, I said a while ago, and several Members around me smiled as if it was a very silly remark, that the ships that were floating the British flag and the German flag were owned by American capitalists, and were not a part of the merchant marine of Germany or England, but were a part of the merchant marine of this country. Inasmuch as the smile seemed to indicate incredulity, I will read from Wheaton's International Law. I remember I read it to a distinguished lawyer, and he said it was an old book and out of date and that I had better get something newer than that.

Mr. LITTLEFIELD. A fresh edition?

Mr. GILBERT of Kentucky. I don't know whether it is a fresh edition or not, but I read the first edition of the Bible [laughter] and it is as true now as it was then. I will read section 340:

"By the law of England no ship shall be deemed to be a British ship unless she belongs wholly to owners of the following description: 1. Natural born British subjects. 2. Persons made denizens or naturalized by letters of denization, or by act of Parliament, or the proper authority in any British possession. 3. Bodies corporate established under and subject to the laws of and having their principal place of business in the United Kingdom or some British possession. If any person uses the British flag and assumes the British national character

on board any ship owned in whole or in part by any persons not entitled by law to own British ships, for the purpose of making such ship appear to be a British ship, such ship shall be forfeited to Her Majesty."

Now, when the distinguished lawyer said the old book was out of date, I went and got the last book on international law, Oppenheim's International Law. On page 316, volume 1, it says:

"Some countries, like Great Britain and Germany, allow only such vessels to sail under their flag as are the exclusive property of their citizens or of corporations established on their territory."

Sir R. Giffen, K. C. B., a naval expert, thus presents this question: "These foreign ships which are held by them (American citizens and corporations) under a foreign flag are still under the protection of the United States Government as a matter of property. The United States Government recognizes that American citizens have an interest in these ships and are quite prepared to defend those interests. To some extent these American-owned ships under the British flag and under other foreign flags are really to all intents and purposes American ships and will be so treated by the United States Government in many questions that may arise."

That would apply, of course, to the White Star case; they no doubt remain ships under the British flag, but they are ships with a difference, and in certain cases there is no doubt that the United States Government would claim them, or I should imagine so, as American ships."

Then the gentleman read from Wheaton's Law to show that a ship owned by an American, though under the British flag, was to all intents and purposes an American ship.

According to Wheaton, as quoted, British ships can be owned by one of three classes of owners—(1) natural British-born subjects; (2) naturalized British subjects; (3) corporations established under and subject to British laws and having their principal place of business in the United Kingdom or some British possession.

RECOGNIZED AS BRITISH VESSELS.

The foreign ships which the gentleman refers to as a part of the American merchant marine are the ships of the International Mercantile Marine Company, or the Morgan combination. Now, the British Government has formally recognized these ships as British vessels—an integral part of the British mercantile marine. It has done this in a formal agreement between the British Admiralty, the board of trade, and the International Mercantile Marine Company, made on August 1, 1903, and published immediately afterwards by our Department of Commerce and Labor.

Here are some provisions of that contract:

1. The British companies included in the association shall, so long as the stipulations on their part and on the part of the American company hereinafter contained are duly observed, continue to be treated as heretofore on the same footing of general equality with other British companies in respect of any services, naval, military, or postal, which His Majesty's Government may desire to have rendered by the British mercantile marine: *Provided*, That nothing in this agreement contained shall extend to vessels of uncommercial speed which His Majesty's Government may specially require to be constructed and which are primarily designed for service in time of war. And these presents also witness that in consideration of the undertaking hereinafter contained on the part of the parties hereto of the first part, the American company and the British companies included in the association hereby agree as follows:

2. The British companies included in the association shall be and continue to be British companies, qualified to own British ships, and a majority at least of their directors shall be British subjects.

3. No British ship in the association, nor any ship which may hereafter be built or otherwise acquired for any British company included in the association, shall be transferred to a foreign registry (without the written consent of the president of the board of trade, which shall not be unreasonably withheld) nor be nor remain upon a foreign registry. Nothing shall be otherwise done whereby any such ship would lose its British registry or its right to fly the British flag.

4. British ships in the association and ships that may hereafter be built or otherwise acquired for any British company included in the association shall be officered by British subjects, and as regards their crews, shall carry the same proportional number of British sailors of all classes as His Majesty's Government may prescribe or arrange for in the case of any other British line engaged in the same trades.

5. Subject to the existing agreement between the Admiralty and the Oceanic Steam Navigation Company (Limited), and without prejudice to the provisions therein contained, the American company and any British company included in the association shall sell or let on hire at any time during the continuance of this agreement to the Admiralty, when required to do so by the Admiralty, any British ship in the association and any ship hereafter to be built or otherwise acquired for any British company included in the association which the Admiralty may from time to time select. The terms of purchase or hire, if not otherwise agreed on, shall be similar to those contained in the existing agreement aforesaid.

If the American Congress passed a law admitting all the foreign ships of the International Mercantile Marine Company to American registry the American flag could not be hoisted over one of them without the consent of the British Board of Trade. And nearly all of the ships of the International Mercantile Marine Company are British ships; not one is of German and only a few of Belgian registry. They are bound by the strongest kind of an agreement to the British flag.

Out of the one hundred and thirty and odd steamers owned by the International Mercantile Marine Company only 10 are American.

So on indefinitely, showing that the idea that these ships are in any wise or in any sense different from any other British ships is a mistaken idea.

A GOOD THING FOR GREAT BRITAIN.

If American investors put a hundred million dollars into British iron and steel mills, or woolen mills, or Belgian glass factories, would the gentleman from Kentucky be satisfied? Would he be proud of the investment? Would he say that there was no reason whatever for encouraging American capitalists to invest in American manufacturing?

And yet these American investors who put their money into British and other foreign shipping can not be severely blamed. They have had precious little encouragement to put their money into American shipping. Some of these vessels owned in great part by American capital, flying the British flag, are subsidized, and all of them are beneficiaries of the protection which the British Government has always thrown about the British mercantile marine.

The United States has neglected its ocean shipping. It has refused to protect it. It has left it our one unprotected industry. What wonder that Americans who desire to invest in steamship property are compelled to go abroad. We have forced them to go abroad by just such policies as those which the gentleman from Kentucky is advocating.

Mr. GILBERT of Kentucky. Mr. Chairman—

The CHAIRMAN. Does the gentleman yield to the gentleman from Kentucky?

Mr. GROSVENOR. I do.

Mr. GILBERT of Kentucky. I understood the gentleman from Ohio to say just now that all those ships were subsidized by the British Government. Now, in point of fact, the British Government does not pay any subsidies at all.

Mr. GROSVENOR. The gentleman must not take up my time about nothing. I have not said that they subsidized them. I have not used any such term. I said they were to all intents and purposes British ships and absolutely excluded from any subsidy under this bill.

Mr. GILBERT of Kentucky. Did not the gentleman say they were subsidized?

Mr. GROSVENOR. I certainly did not. I read the terms of their contract and nothing else. I do not say anything else about it.

Foreign governments are glad to have American capital invested in their foreign ships so long as these are built abroad, manned abroad, managed abroad, and form a part of the naval reserve of foreign governments. If they can get American money into their foreign shipping and then tie this up with agreements like that between the International Mercantile Marine Company and the British Government, these foreign governments accomplish a double purpose. They discourage the development of American shipping in America and they encourage their own shipping and navigation. Moreover, they secure the help of America's money toward the maintenance of their own naval reserve—and all these foreign governments know perfectly well that there is almost no naval reserve in America and that in case of a serious war our fighting fleet would be crippled and perhaps destroyed through the lack of these indispensable auxiliaries. But American labor gets no advantage whatever when we drive American capital into foreign shipping. These vessels of the International Mercantile Marine Company that fly foreign flags employ practically no American officers or seamen. These foreign ships, of course, are not only built abroad, but are repaired abroad and supplied abroad. This is a good thing for American investors. They get their share of foreign subsidies. They get their dividends, if there are any dividends. But there is nothing in all this for American workmen. That is not the kind of an American merchant marine that this country wants. These are not ships which the United States could use in case of a war or any other emergency.

Mr. WILLIAMS. The gentleman, a moment ago, in reading a part of his remarks, seems to have misunderstood the character of the question I propounded to him. I do not care as to the technical question about what merchant marine the ships belong to. I asked him if he could give me the proportion of dividends—

Mr. GROSVENOR. I said I could not do that.

Mr. WILLIAMS (continuing). Paid to Americans and the proportion of dividends paid to foreigners and to the stockholders in this country?

Mr. GROSVENOR. I think I can give the gentleman the dividends. I do not think anybody has got any since they went into this combination. That is my understanding.

THE STANDARD OIL BUGABOO.

The gentleman from Kentucky said:

I took pains to go through Lloyd's Register, and to my utter amazement I found thousands of ships, it seemed to me—I do not remember

the number now—that are owned in America, owned by American corporations and floating a foreign flag. Why, if we pass this bill the Standard Oil Company will get a subsidy on fifteen ships.

Great God! if there shall ever be a question come into American politics or arise in the American Congress or in the colleges of the country or the schools of the villages of the country or in the prayer meetings of the country that the Standard Oil Company can be excluded from, I want to belong to that organization, whatever it shall be. [Laughter and applause.] It is a scarecrow; it is the old bugaboo that scares children. Now, here is actually a Congressman from one of the best States in this Union, the Blue-grass State of Kentucky, the State that produces more handsome women and better whisky, it is said—but I do not know anything about either branch of that question [laughter]; here is a Kentucky Congressman who says that under this bill, that he has prepared an elaborate denunciation of, the Standard Oil Company will get a subsidy.

There are not thousands of foreign ships owned by Americans. There are only a few score; that is all. And it is not true that under the bill of the Merchant Marine Commission "the Standard Oil Company will get a subsidy on fifteen ships."

Now, think of that; think of a Congressman—if it had been a Senator I would never have said a word [laughter]; if it had been a Cabinet officer I would have bowed my head in submission; but with the pride I have in the House of Representatives, that there should have been found a Congressman, and a man that I am fond of, to make such a statement as that, I regret it with tears in my eyes.

Mr. GILBERT of Kentucky. Mr. Chairman, I think the gentleman from Ohio is needlessly wasting his sweetness, because it is abundantly true that the Standard Oil Company is an American corporation, and its ships are owned by an American corporation; and the gentleman confuses two propositions that are entirely distinct when he undertakes to show that they are foreign ships simply because an American corporation sees proper to raise a foreign flag at the masthead of those ships.

Mr. GROSVENOR. Mr. Chairman, if the gentleman had only taken my advice, delivered early in the session, he would not have run into a worse hobble than he was in in his argument that these ships get an interest in the subsidy because they are owned by Americans. Why, the very terms of the law provide this: That the ship must be already registered or built "hereafter" in the United States.

Mr. GILBERT of Kentucky. That is, the one subsidized.

Mr. GROSVENOR. Every one of the Standard Oil tank steamships engaged regularly in the export trade is a foreign vessel—not one American. The bill of the Merchant Marine Commission confines its subventions absolutely to ships "hereafter built and registered in the United States or now duly registered." The Standard Oil Company owns just three American deep-sea vessels; and they are sail craft, built in Maine. Apparently even these three craft, if used by the Standard Oil Company, will be excluded from the benefits of the Merchant Marine Commission bill, for in section 2 it requires that in order to receive subventions a vessel must be "engaged exclusively as a common carrier for the service of the public."

Mr. GILBERT of Kentucky. That was a Senate amendment, and is not in the original bill.

Mr. GROSVENOR. That is in the bill pending now in the House.

Mr. GILBERT of Kentucky. But it is not in the bill presented by the gentleman from Ohio.

Mr. GROSVENOR. It was not, but it was in the bill at the time the gentleman made his speech. I have not time to elaborate on that.

So that there is, therefore, nothing at all in this assertion about the Standard Oil Company.

Some of the wisest and most careful Senators framed this provision expressly to shut out from subventions vessels of the Standard Oil and similar companies.

"FREE SHIPS" NOT WANTED.

On this general question of American ownership of foreign vessels it may be said that the matter was very thoroughly investigated by the Merchant Marine Commission. The Commission asked shipowners everywhere whether they wished the privilege of buying or building ships abroad and registering them in this country for the foreign trade, and with scarcely an exception these shipowners did not desire it, stating that they did not believe that a free-ship policy would have any appreciable effect in increasing the merchant marine of the United States. Not only this, but the Merchant Marine Commission caused a special inquiry to be addressed to the International Mercantile Marine Company and the Standard Oil Company and other American owners of foreign tonnage as to whether they would bring their ships under the flag of

the United States if they were given an opportunity. Every one of these owners without exception replied that the ships would not be transferred.

Their answers are published in full in the report of the Mercantile Marine Commission for January, 1905, in Appendix D.

These negative replies were received from W. R. Grace & Co.; the International Mercantile Marine Company, P. A. S. Franklin, vice-president; Donald Steamship Company; T. Hogan & Sons, B. N. Baker, Chesapeake and Ohio Steamship Company, and the Anglo-American Oil Company.

One of the concerns argued in general that a free-ship policy would benefit the United States, but still answered no to the specific question. Several of them were willing to naturalize their foreign ships if these ships were given the advantage of subsidy or discriminating duty. But not one concern would bring its foreign ships under the American flag unless some such aid were given.

WHO WILL RECEIVE THE SUBSIDY?

The gentleman from Kentucky said:

I want to make one other suggestion before my time expires, and that relates to something peculiar, which is that all these subsidy bills come before Congress so worded and so shaped up that the ships that commonly carry the commerce of the seas do not get the subsidies. The subsidy goes chiefly to the shipping trusts—to a few capitalists and millionaires. Now, here is a statement from the last annual report of the Commissioner of Navigation: Here are 84 Atlantic steamers, with 156,000 gross tons, with a crew of 2,368 men, that get under this bill \$350,471, whereas 626 sailing vessels, with 312,427 gross tons, with a crew of 3,008 men, only get \$95,385.

In the first place, as has been said before, if by the shipping trust is meant the International Mercantile Marine Company, the fact is that only ten out of its one hundred and thirty-odd vessels are American and could receive any subvention whatever under the terms of the bill of the Merchant Marine Commission; and four of these are engaged on a contract mail line under existing law and are therefore excluded.

As to the statement that the steamers supposed to be owned by "capitalists and millionaires" get more than the sailing vessels, the fact is that the bill of the Merchant Marine Commission offers exactly the same rate of subvention to a sail vessel as to a steamer, namely, at the rate of \$5 per gross ton per year.

A sailing vessel of 1,000 tons that engages in the foreign trade throughout the year will get exactly the same subvention as a steamer. If there is anything fairer than this to the sail-vessel owner, the plan has not yet been devised. The reason, as stated in the table of the Commissioner of Navigation, that 84 steamers get more than 626 sail vessels is that the steamers are generally of larger size, and that these particular steamers referred to were engaged in the foreign trade for relatively much longer periods than sail vessels—that is, that the steamers did much more work in the carrying of our foreign commerce. But if a sail vessel of a given tonnage is engaged in the foreign trade for as long a period as a steam vessel of the same tonnage, it will earn and receive exactly the same subvention under the proposed bill, one of the benefits of which is that it does not discriminate between owners of sail vessels and owners of steamers. Indeed, this bill is the most generous to sail-vessel owners that has ever been brought before the American Congress. If it discriminates in favor of anybody, it is in favor of the owners of sail-vessel property as against corporations owning steamships.

NOT LEAVING THE SEA.

The gentleman from Kentucky said:

The truth is that our ships have not decayed; or if they have decayed at all, it is because our young men have quit the sea for better occupations and refuse to return by reason of the low pay and the hard life and the want of opportunity for advancement.

On page 29 of his report for 1905 the Commissioner of Navigation prints the nationality of seamen shipped before the United States Shipping Commissioners at twenty seaports in the United States in every year from 1896 to 1905, inclusive. This statement shows that the number of shipments of American citizens has increased from 23,142 in 1896 to 59,609 in 1905, that the percentage of Americans has increased from 29 per cent to 49 per cent, and that a large majority of these American citizen seamen are American born. This does not look as if our merchant marine were declining because Americans would not go to sea.

This increase of the American proportion in the crews of American vessels is all the more striking and significant because it is true that with the decline in number and tonnage of our ships there have been decreasing opportunities for employment and advancement. If the American merchant marine were increasing instead of decreasing, nothing is more certain than that young Americans of determination and ambition would go to sea in increasing numbers just as they did in the halcyon days of our merchant marine of years ago.

The gentleman states further, in referring to a table from the annual report of the Commissioner of Navigation, that "the subsidy will go chiefly to certain fast steamers."

The steamers he refers to are fortunately named in this report. Only three or four of these are of a speed as high as 17 knots, and most of them are from 10 to 14 knots, which is by no means swift as considered by the standard of any nation.

THE BRITISH SUBSIDY FLEET.

Further on the gentleman from Kentucky states that—

There are only 35 ships in all receiving the subsidies in the British Empire and only £712,376 12s. 7d. paid.

To prove this assertion the gentleman from Kentucky submits a tabular statement, the present value of which may be conjectured from the fact that it includes in the enumeration of subsidized British steamers the Inman liners *City of New York* and *City of Paris*, which have been for more than a dozen years beneath the American flag.

Mr. GILBERT of Kentucky. I got it from a Republican Commissioner of Navigation.

Mr. GROSVENOR. Certainly, and got it from a Republican Commissioner of Navigation in his report twelve years ago. The *City of New York* and the *City of Paris* they were called. I crossed the ocean in 1890 in the *City of New York*, then belonging to the Inman Line. Since that time it has been bought by the American Line and transferred by act of Congress. Both of these ships were armed cruisers in the war with Spain, one under the name of *Harvard* and one under the name of *Yale*, and to-day they are fast ships in the American Line. They are now known as the *New York* and the *Philadelphia*.

But these 35 steamers, or any other list of 35, do not represent the subsidized British shipping. Instead of only 35 subsidized steamers the British subsidized companies own hundreds.

Take the subsidized companies which the gentleman from Kentucky enumerates—and this is only a partial list—the Peninsula and Oriental line owns 45 steamers of more than 12 knots speed and 2,000 tonnage, to say nothing of slower vessels. The Cunard Steamship Company owns 12 steamers of more than 12 knots and 2,000 tons, the Oceanic Company 28, the Orient 5, the Royal Mail Steam Packet Company 13, the Pacific Steam Navigation Company 27, the Canadian Pacific Company 17—a total here in this partial list not of 35, but of 147.

And not all of the subsidized British steamship companies are included in this enumeration. There is, for example, no mention of the Union Castle Line, of the West Indian Line, of the Canadian-Australian Line, and of numerous other concerns receiving subsidies from British colonial governments. This Union Castle combination alone has 36 steamers of about 12 knots speed and 2,000 tonnage.

The list of these subsidized craft submitted by the gentleman from Kentucky is not only antiquated, but is not half complete and is not worthy of the slightest credence.

My statement as to the number of ships owned by these subsidized British companies is taken from page 166 of the Report of the Commissioner of Navigation for 1905, and is drawn by him from the records of Lloyd's Register.

THE OFFICIAL FACTS.

The gentleman from Kentucky said:

The tonnage of American and foreign vessels which entered and cleared in the foreign trade in 1904, and also in 1905, shows of American 6,679,173 and foreign 23,273,237 tons, showing that we carried 22 per cent of all our exports and imports, and yet you have heard it said repeatedly that we are carrying only 8 or 10 per cent of our commerce.

The statement that American ships have lately conveyed only 8 or 10 per cent of our commerce is the official statement of the Government of the United States. As set forth on page 487 of the latest Statistical Abstract of the United States, it shows that the proportion of American imports and exports conveyed by sea in American vessels has decreased almost constantly from 66.9 per cent in 1859 to 10.3 per cent in 1904. This statement is accompanied by the exact value in dollars and cents of the imports and exports in American and foreign vessels. The fact that the proportion of American tonnage entering our ports is larger than the proportion of American carriage is simply another indication of the feebleness of our unprotected merchant marine in the intense competition of the nations.

Mr. GAINES of Tennessee. Will the gentleman allow me to ask him a question?

Mr. GROSVENOR. Yes; if the gentleman will not make it too long.

Mr. GAINES of Tennessee. You have stated that our commerce was so much, I believe, in 1869?

Mr. GROSVENOR. In 1859.

Mr. GAINES of Tennessee. In 1859.

Mr. GROSVENOR. I did not say our commerce, I said the percentage that we were carrying.

Mr. GAINES of Tennessee. Why is it that it is so much smaller now?

Mr. GROSVENOR. Because we have not the ships.

Mr. GAINES of Tennessee. Why have we not got the ships?

Mr. GROSVENOR. I have been trying to make that appear. I can not go over that part of my speech again.

Mr. GAINES of Tennessee. I shall read it with pleasure.

Mr. GROSVENOR. You will find pleasure in reading it.

Mr. GAINES of Tennessee. I will, for I want to find out.

Mr. GROSVENOR. And I shall commend it to you.

Mr. GAINES of Tennessee. The authenticity of it commends it.

Mr. GROSVENOR. I thank you very much. I shall commend it to your prayerful consideration, and if I may add to the prayer, that you have intelligence and patriotism sufficient to appreciate it.

Mr. GAINES of Tennessee. I am very glad that the gentleman has got to the position of having a prayer.

Mr. GROSVENOR. When a hard case comes before me, I always have a prayer. [Laughter.]

Mr. WILLIAMS. It is the prayer of the righteous only that avails. [Laughter.]

Mr. GROSVENOR. That is where I come in. [Laughter.]

GERMANY'S STATE-AIDED SHIPS.

The gentleman from Kentucky said:

There are only 130 ships altogether in these two so-called "subsidized lines," of 553,287 gross tons. The German Empire has 6,153 ships, of 3,704,697 gross tons, so that 130 ships, of 553,287 tons, received the so-called "bounty," and 6,023, with 3,151,410 tons, received no bounty.

All German ships share in a greater or less degree in the general imperial policy of encouragement and protection. Subsidy in Germany is only one form of encouragement. Nor is it possible to say definitely what ships are and are not subsidized. For, habitually, vessels built by and for the subsidy and employed on the Asiatic lines are transferred to the New York and other services. So it is not true, as stated by the gentleman from Kentucky, that—

Not a ship of Germany that enters our ports receives a single dollar of subsidy, except where it comes to our ports in exchange for a North German Lloyd steamer.

The gentleman from Kentucky said:

Now, look at the last annual report of the Postmaster-General and you will find that we paid last year to our ships for transporting foreign mails the sum of \$2,693,812, or \$993,812 more than Germany paid for all ship bounties and mail contracts put together.

The report of the Superintendent of Foreign Mails, already quoted, shows that the actual amount paid to our ships—that is, to American ships—was only \$1,611,505, most of the rest going to foreign vessels.

FOREIGN "TRAMPS" CARRYING OUR MAILS.

Postmaster-General Cortelyou says of the merchant marine question in his annual report, 1905:

The Merchant Marine Commission, appointed by Congress on the recommendation of the President, has made its report, and has prepared a bill embodying its conclusions.

The Post-Office Department is deeply interested in having some favorable legislation enacted for the development of our commercial shipping, for it is largely dependent on steamers sailing under foreign flags for the transportation of its foreign mails. The practice of the Department in the dispatch of mails, both foreign and domestic, is to forward by the conveyance giving reasonable assurance of quickest delivery. Foreign governments are steadily increasing the speed of their fast mail steamers, and requiring them to have fixed and regular sailings. Each country pays for the conveyance of its own mails to the exchange office of the country of designation, making no provision for the return trip. It is quite evident, therefore, that if other countries provide a liberal compensation for the carriage of foreign mails on the outward trip, the steamers conveying such mails can well afford, on the return trip, to accept the low rates of compensation for the carriage of mails authorized by the Universal Postal Union.

Fast mail steamers of other countries leaving ports of the United States will more and more absorb our foreign mail transportation until such time as the United States provides an adequate compensation for the outward voyage of steamers of equal speed and regularity of schedule.

Congress has authorized the Postmaster-General, by the act of 1891, to contract with owners of American steamships for ocean mail service in the interest of the postal service alone by requiring that such steamers shall be of a size, class, and equipment which will promote commerce and become available as auxiliary cruisers of the Navy in case of need. The compensation allowed to such steamers is found to be wholly inadequate to secure the proposals contemplated; hence advertisements from time to time have failed to develop any bids for much-needed service. This is especially true in regard to several of the countries of South America with which we have cordial relations and which, for manifest reasons, should have direct mail communications with us. I refer to Brazil and countries south of it. Complaints of serious delay to mails for these countries have become frequent and emphatic, leading to the suggestion on the part of certain officials of the Government that for the present, and until more satisfactory direct communication can be established, important mails should be dispatched to South America by way of European ports and on European steamers, which would not only involve the United States in the pay-

ment of double transit rates to a foreign country for the dispatch of its mails to countries of our own hemisphere, but might seriously embarrass the Government in the exchange of important official and diplomatic correspondence.

The fact that the Government claims exclusive control of the transmission of letter mail throughout its own territory would seem to imply that it should secure and maintain the exclusive jurisdiction, when necessary, of its mails on the high seas. The unprecedented expansion of trade and foreign commerce justifies prompt consideration of an adequate foreign mail service. Expenditures to this end seem fully justified, also from the standpoint of a proper naval establishment, inasmuch as the vessels performing service are so built as to be readily converted into auxiliary cruisers.

STANDARD OIL AGAIN.

The gentleman from Kentucky said:

Lloyd's Register for 1905 shows that the Standard Oil Company owns and operates thirty ships in the foreign trade engaged in shipping the oil on which the company fixes the price for all the world, and all of these ships will get bounties under this bill.

You see, he came back on us with the same old Standard Oil Company. I had heard the first part of his speech and thought that was the end of it, but at that time it was only fifteen ships. Before he got through, in the enthusiasm of the moment he said there were thirty ships that would get it. It is an error, first, because foreign ships can not get a dollar of subvention, and second, because the Standard Oil craft are expressly excluded by the requirement that a vessel, in order to receive the subvention, "shall be engaged exclusively as a common carrier for the service of the public."

Mr. GILBERT of Kentucky. Mr. Chairman, that statement about the Standard Oil Company is due to the fact that after the bill had been prepared by the gentleman's committee and had been introduced there was an amendment introduced in the Senate, that was not in the bill as it left the gentleman's committee, and without that amendment the Standard Oil Company and the Standard Oil Company's ships would get the subsidy.

Mr. GROSVENOR. There was never a bill introduced since I have been a Member of Congress, either in the Senate or in the House, or at the suggestion of the Merchant Marine Commission, or by any individual member of either one of the committees, or any bill reported out of the Senate committee in either Congress, or out of the House committee, that did not expressly exclude the Standard Oil Company from all participation in the subsidy.

Mr. GILBERT of Kentucky. I beg the gentleman's pardon. He does not mean to say that the Standard Oil Company was expressly excluded?

Mr. GROSVENOR. Excluded in this way: I drew one of the amendments to the very first bill that was introduced myself, in which I provided that all vessels built, shaped, and constructed for certain traffic, such as the transportation of molasses and oil, should be excluded, and that has been done ever since.

Mr. GILBERT of Kentucky. On the contrary, does not the bill provide that all American ships engaged in the foreign trade shall receive it?

Mr. GROSVENOR. But these are not American ships, as I have shown.

Mr. GILBERT of Kentucky. But I have shown the gentleman that they are.

Mr. GROSVENOR. You have, and you are mistaken; and that was the first rock on which you split.

Mr. McCLEARY of Minnesota. If the ships should be built in the future for the Standard Oil Company's purposes—

Mr. GROSVENOR. They would be excluded.

Mr. McCLEARY of Minnesota. They would still be excluded?

Mr. GROSVENOR. They would be excluded under the description given here.

ONLY OCEAN SHIPS NEED SUBSIDY.

The gentleman from Kentucky said:

But what ships are to get this bounty, aside from the mail subventions above mentioned? The report of the Commissioner for 1905, page 214, shows that 1,050 ships will get about all of it, and we have seen that the lion's share will go to 215 fast steamers. We have in all, even by this report, 24,681 vessels in our merchant marine, besides those numerous large fleets owned by our citizens and floating the British flag. But say we have only 24,681 ships; then 1,050 will get the bounty out of the Treasury, and 23,631 will get no bounty at all.

The 23,631 ships which will "get no bounty at all" are the vessels of the coastwise trade—absolutely protected by existing law to the exclusion of all foreign vessels—the freighters of the Great Lakes, the coal and lumber barges of the Atlantic and Pacific coasts, the tugboats of our ports, the stern-wheel boats that ply on the rivers of the South and Southwest, and the canal boats that plow the Erie and other inland waterways. Would the gentleman from Kentucky have these craft, too, receiving subventions from the Government?

Think of a Congressman making such a proposition as that, and a Kentucky Congressman, too, and an intelligent gentleman. Think of that! He takes the whole of our shipping, the ves-

sels of the coastwise trade absolutely protected by existing law to the exclusion of all foreign vessels; the shipping of the Great Lakes—

Mr. GILBERT of Kentucky. Is not every word of that true? Are not all of those 24,000 ships engaged in the coastwise trade except what are engaged in the foreign trade?

Mr. GROSVENOR. Certainly, and they do not need any subsidy.

Mr. GILBERT of Kentucky. For they are already protected by having an absolute monopoly.

Mr. GROSVENOR. That is what we are saying, but you have complained.

Mr. GILBERT of Kentucky. I am making no fight against the monopoly given by the Government to the coastwise trade.

Mr. GROSVENOR. But you are complaining that this great number of ships, which includes the coastwise trade, have no interest in this bill.

Mr. GILBERT of Kentucky. I am trying to make the argument that if you give a subsidy to one ship in twenty, it is no advantage to the nineteen which receives no subsidy, and that instead of being an advantage, it would be a disadvantage.

Mr. GROSVENOR. That is an afterthought of the gentleman. He certainly never intended that when he used the language which I have here:

We have in all, even by this report, 24,681 vessels in our merchant marine, besides those numerous large fleets owned by our citizens and floating the British flag—

Mr. GILBERT of Kentucky. Isn't that true?

Mr. GROSVENOR. Certainly; and the answer is that 23,000 are engaged in the coastwise trade and wholly protected against all competition.

Mr. GILBERT of Kentucky. The gentleman's argument is that our merchant ships are rotting in the docks and that our ships are being driven from the sea for lack of subsidy.

Mr. GROSVENOR. I haven't said so.

Mr. GILBERT of Kentucky. And I am showing that 23,000 out of the 24,000 are flourishing independent of the subsidies.

Mr. GROSVENOR. The gentleman from Kentucky is talking about something that has no application to and nothing to do with the question under consideration.

All vessels, steam or sail, large or small, down to 1,000 tons for steamers and 200 tons for sail vessels actually engaged in foreign trade, will receive the subventions of the proposed bill at the one even rate of \$5 per gross ton per year. Could anything be more even or more equitable?

FERRY BOATS AND BARGES.

The gentleman from Kentucky said:

The Southern Pacific Railroad Company is shown (by Lloyd's Register) to be operating seventeen ships in the foreign trade. The Central Railroad Company of New Jersey has twenty-four ships. The Louisville and Nashville Railroad Company, the Southern Railroad Company, and many other railroad companies and corporations own and operate ships in the foreign trade in connection with their other private business.

The facts are that the steamships of the Southern Pacific Railroad Company run exclusively in the coastwise trade from New York to New Orleans and Galveston.

The twenty-four ships of the Central Railroad Company of New Jersey, which, according to the gentleman from Kentucky, will be earning subsidies on the high seas, are without exception either coal barges or tugboats engaged in hauling coal along shore or ferry boats employed in the tempestuous voyage between New York and Jersey City or down the bay to Atlantic Highlands. [Laughter.] Not one of these twenty-four barges, tugboats, or North River ferry boats has ever made a foreign voyage or ever will.

The Louisville and Nashville Railroad Company, as stated before the Merchant Marine Commission at Pensacola, has just one American steamer, of 1,696 tons, beneath the American flag. There is no record that the Southern Railroad Company owns so much as one barge or tugboat or schooner or catboat in the foreign trade.

TIME FOR PLAIN SPEAKING.

Mr. Chairman, I am quite aware that this speech has been tedious and exhaustive of the patience of the House. I have tried to meet some of the objections offered by the gentleman from Kentucky, and have tried to point out to the House exactly the provisions of this bill, and I have but a single proposition to make, Mr. Chairman, in closing. If the American Congress has concluded that nothing shall be done for the American merchant marine by Congress, let us say so now. Two of the great American lines—that from Seattle and that from San Francisco—are offered a very profitable price for their ships. If we are to do nothing they will sell them; so they assure the committee by strong testimony that came from both localities. If there is a hope of doing something they will hold on. Is it

fair for the American Congress to be dangling this question before the public; is it the right thing to go on the stump and make speeches in favor of an American merchant marine for the enthusiastic acclaim of the bystanders, and then delay, prevent, and render hopeless the men who are bearing the burden of this condition? I suggest that a joint resolution of Congress be passed, saying in plain terms that the American Congress will subsidize everything else; it will build the Panama Canal at an indefinite cost, running up perhaps to \$500,000,000, for the benefit of foreign ships; it will dig out harbors of the United States and drain the rivers to bring the commerce of the country where it can be loaded into the great transportation agencies of foreign nations; but it gives notice now and here that it will cease to fool the American people; that it will cease to appeal to the popular assemblages with promises and break the promise to the hope of the American people. [Loud applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GILBERT of Kentucky. I ask that the gentleman's time be extended until he completes his remarks.

Mr. GROSVENOR. I am much obliged to the gentleman from Kentucky; but I have occupied all the time I desire. I thank the House for its consideration, and doubtless will extend my remarks in such a way as to put all of the documents in.

APPENDIX.

SHIP-SUBSIDY LAW—PASSED BY THE FRENCH PARLIAMENT ON APRIL 13, 1906.

[Translation.]

CHAPTER I.—Construction bounty.

SECTION 1. From and after the promulgation of the present law builders of seagoing vessels destined to the merchant marine shall receive bounties fixed as follows per gross registered ton:

I. IRON OR STEEL VESSELS.

(a) Steamers, 145 francs (\$27.30).

(b) Sailing ships, 95 francs (\$18.34).

The said bounties shall be reduced annually 4.50 francs (86.8 cents) for steamers and 3 francs (57.9 cents) for sailing ships during the first ten years of the law; they shall remain fixed, respectively, at the rate of 100 francs (\$19.30) and 65 francs (\$12.54) after the expiration of the tenth year.

II. VESSELS BUILT OF WOOD.

(a) Vessels measuring 150 tons or more, 40 francs (\$7.72).

(b) Vessels measuring less than 150 tons, 30 francs (\$5.70).

Vessels, the outside covering of which is wood, shall be considered as wooden vessels.

Whenever any change is made in a vessel resulting in an increase of tonnage, a bounty shall be granted for such increase upon the basis of the above rates.

Vessels shall be entitled to the bounty as follows:

1. Newly constructed vessels shall receive the rate of the year during which the vessel obtained the French registry or the year during which it has taken its clearance papers, in case it is not destined to the French merchant marine.

2. Vessels which have undergone material change shall receive the rate of the year during which the vessel will first go into commission after the changes have been completed.

SEC. 2. From and after the promulgation of the present law the builders of machinery destined to seagoing vessels of the merchant marine shall receive the following bounties:

1. For motors and auxiliary machinery, such as steam pumps, motor brakes, dynamos, windlasses, mechanical ventilators, which will be installed when new on the vessels, both steamers and sailing ships, and also for new steam boilers and pipes connected therewith, 27.50 francs (\$5.31) per 100 kilograms (220.4 pounds).

This bounty shall be reduced annually 75 centimes (14.7 cents) during the first ten years when the law will be in force, and it shall remain fixed at 20 francs (\$3.86) after the expiration of the tenth year.

2. For such new parts of machinery which may undergo transformations or repairs, and also for such machines, boilers, and auxiliary apparatus which may be installed, when new, on a vessel, 20 francs (\$3.86) per 100 kilograms (220.4 pounds).

SEC. 3. Seven-tenths of the bounties established by the preceding sections shall be paid upon proof of the French registration of the vessel, or when the clearance papers have been given to the vessel, if the latter is not destined to the French merchant marine.

The balance of the bounties shall be paid only to vessels flying the French flag, under the following conditions:

Two-tenths of the bounty at the expiration of one year after the French registration of the vessel.

One-tenth at the expiration of the second year.

Provided, however, That vessels built of wood shall be entitled to the full amount of the bounty upon obtaining the French registry or upon receiving their clearance papers.

Provided further, That in the case of a vessel undergoing changes resulting in the increase of the tonnage, and also in the case of vessels undergoing the repairs enumerated in paragraph 2, the said vessels shall be entitled to the full amount of the bounty upon going into commission or whenever the apparatus or parts of apparatus have been placed on the vessel.

The treasury shall be under no obligation to pay any parts or fractions of the bounties to which no title will be gained at the expiration of the periods of time fixed by this section.

CHAPTER II.

SEC. 4. Seagoing vessels of French and foreign construction sailing under the French flag and engaged in over-sea trade or in the international coasting trade which will obtain the French registry after the promulgation of the present law (provided, however, that the foreign-built vessels be less than 2 years old when registered) shall receive,

for each day the vessel is actually in commission, and per gross ton, a bounty fixed as follows:

I. STEAMERS.

Four centimes (0.772 cent) per ton up to 3,000 tons.
Three centimes (0.579 cent) per each additional ton between 3,001 and 6,000 tons.
Two centimes (0.386 cent) per each additional ton above 6,000 tons.

II. SAILING SHIPS.

Three centimes (0.579 cent) per ton up to 500 tons.
Two centimes (0.386 cent) per each additional ton between 501 and 1,000 tons.
One centime (0.193 cent) for each additional ton above 1,000 tons.
The shipping bounty shall be granted only to vessels measuring at least 100 gross tons.

The provisions of paragraphs 2, 3, and 5 of section 5 and paragraphs b, c, d, f, h of section 6 of the law of April 7, 1902, shall apply to the shipping bounty established by the present law.

The shipping bounty shall be paid to every vessel placed under the régime of the present law until said vessel has reached the age of 12 years.

SEC. 5. Shall be entitled to the shipping bounty only the vessels which for each day while they are actually in commission shall have sailed an average distance of at least—

First. Ninety miles for steamers having, on their trial trips, when half loaded, attained a speed of 14 knots or more.

Second. Eighty-five miles for steamers having, on their trial trips, when half loaded, attained a speed of from 12 to 14 knots.

Third. Sixty-five miles for steamers having, on their trial trips, when half loaded, attained a speed of from 11 to 12 knots.

Fourth. Fifty-five miles for steamers having attained on their trial trips, when half loaded, a speed of from 9 to 11 knots.

Fifth. Thirty-five miles for sailing ships.

The days when a vessel will be unavoidably at a standstill shall not be counted for the purpose of computing the aforesaid distances.

Furthermore, in order to be entitled to receive the said shipping bounty, every vessel shall furnish proof that it has carried, dating from the time of departure from and until the day of return to a French port, a quantity of merchandise equal in freight tonnage to at least one-third of the gross register tonnage of the vessel; and it shall furnish proof, further, that said quantity of merchandise equal in freight tonnage to at least one-third of the gross register tonnage of the vessel; and it shall furnish proof, further, that said quantity of merchandise has been carried for a distance at least equal to one-third of the entire distance sailed.

The rate of the shipping bounty shall be reduced 10 per cent for the vessels which shall not have carried for at least one-half of the distance sailed a quantity of merchandise equal in freight tonnage to at least one-half of the gross registered tonnage of the vessel.

SEC. 6. The rate of the shipping bounty shall be reduced 15 per cent for steamers having attained on their trial trips, when half loaded, a speed of less than 10 knots, but equal to or exceeding 9 knots. No bounty shall be granted to vessels having attained on said trial a speed of less than 9 knots.

The rate of bounty shall be increased—
Ten per cent for vessels having attained on said trial trips a speed of at least 14 knots.

Twenty per cent for vessels having attained on said trial trips a speed of at least 15 knots.

Thirty per cent for vessels having attained on said trial trips a speed of at least 16 knots.

CHAPTER III.—Common and transitory provisions.

SEC. 7. The construction bounty and the shipping bounty established by the present law shall not be subject to the deduction provided for in sections 4 and 21 of the law of April 7, 1902.

There shall be included each year in the budget of the marine, to be applied to purposes specified in sections 4 and 21 of the law of April 7, 1902, an appropriation equal to 6 per cent of the estimates of the construction bounties and to 11 per cent of the shipping bounties payable during the year.

Paragraph 3 of section 21 of the law of April 7, 1902, is hereby amended as follows:

"One-third of the fund for the disabled, with the end in view of granting subventions to chambers of commerce, to establishments of public interest, to establishments, institutions, or societies the by-laws of which are framed in accordance with the provisions of the law of July 1, 1901, on associations, or of the law of March 21, 1884, on syndicates, for the purpose of creating or maintaining in France, or in foreign ports most frequented by French sailors, either hotels or marine hospitals, procuring to said sailors lodging, food, medical treatment, or situations, or such other institutions which might be useful to the said sailors, and particularly professional sailors' schools."

SEC. 8. From and after the promulgation of the present law, sailing vessels built under the law of January 30, 1893, and fulfilling the conditions required in order to be entitled to the bounty, and having received their French register before November 1, 1901, shall receive a shipping bounty of 3 centimes (0.579 cent) per gross registered ton, and for each day they are in commission during three years, dating from the time they will cease to receive any benefits from the law of January 30, 1893.

Said vessels shall have to furnish proof of their having carried, on at least two-fifths of their entire voyage, in each direction, a quantity of merchandise equal in freight tonnage to at least two-thirds of their net registered tonnage.

SEC. 9. Vessels now calling under the French flag, those which shall obtain their French register before the present law goes into effect, and also those which have made an application to be admitted to share the benefits of the law of April 7, 1902, shall remain subject to the laws under which they are now placed: *Provided, however*, That the owners of vessels having made the aforesaid application may abandon the rights accruing from said application, and elect to be placed under the present law. But in the case of vessels having already obtained their French register, this option shall give a right only to the shipping bounty and not to the construction-bounty: *Provided further*, That said option shall be formulated within two months after the promulgation of the present law.

The shipping bounty which will be granted to the said vessels shall be debited to the appropriation of 50,000,000 francs and 150,000,000 francs voted by the law of April 7, 1902, until payment in full of the sum to which they were entitled under the law at the date of the said option.

No application to be admitted to share in the benefits of the law of

April 7, 1902, shall be received after the promulgation of the present law.

SEC. 10. Vessels which will be built in accordance with contracts now in force, in order to be assigned to a subsidized postal service, shall be entitled to receive only the construction bounty of 65 francs (\$12.54) per gross ton, and of 15 francs (\$2.89) per 100 kilograms (220.04 pounds) of machinery, established by the law of January 30, 1893.

Whenever a navigation company will assign to one of the services defined by the aforesaid contracts a vessel having received the bounties fixed by sections 1 and 2 of the present law, a sum equal to two-thirds of the share of the postal subsidy allowed for the service in question shall be deducted from the amount payable to said company during the entire time of said assignment. The sums so deducted shall be paid over to the Treasury as a reimbursement of the difference between the construction bounties paid for said vessel and the bounties which would have been paid under the law of January 30, 1893. The total amount of the sums deducted shall not exceed the amount of the said difference.

SEC. 11. Until the expiration of the law of April 7, 1902, the construction bounty established by the present law shall not, in the case of new ships which may be entitled to the shipping bounty, be granted for more than 50,000 gross registered tons of steamers and for more than 15,000 gross registered tons of sailing ships per year.

SEC. 12. The right to receive the bounties established by the present law is hereby reserved—

First. In so far as the construction bounty is concerned, to vessels whose hulls, engines, and boilers are built in France;

Second. In so far as the shipping bounty is concerned, to vessels registered in a French port.

Construction and shipping bounties may be granted by the French colonies, out of their local budgets, to vessels constructed in those colonies or having been registered in their ports.

Section 17 of the law of April 7, 1902, is hereby repealed.

Section 2 of the law of September 21, 1793, in so far as it relates to the composition of the crew of vessels registered in colonial ports, is also hereby repealed. The composition of said crews shall be determined by ministerial decree.

SEC. 13. The computation, for the purpose of granting the shipping and construction bounties, of the freight tonnage of the cargoes of vessels which carry passengers, cattle, and vehicles shall be made upon the following basis:

One ton and a half for each passenger taken or put ashore.

Two tons for each head of large cattle, horses, and mules.

One-half ton for each head of small cattle.

Three tons for each two-wheeled vehicle.

Four tons for each four-wheeled vehicle.

The baggage of travelers, including the small provisions taken with them, shall not be counted in the estimate of the merchandise taken or discharged.

SEC. 14. The life of the present law is fixed at twelve years.

SEC. 15. Section 1, paragraph 2, of the law of January 30, 1893, is hereby amended as follows:

It shall be considered as over-sea voyages those made beyond the limits hereafter determined:

To the south 30° north latitude.
To the north 72° north latitude.
To the west 15° longitude west of the meridian of Paris.
To the east 44° longitude east of the meridian of Paris.

Iceland, however, including its territorial waters, shall be considered as coming within the limits of the international coasting trade.

Voyages made within the foregoing limits of the international coasting trade, in order to give right to the shipping bounty, shall be subject to the obligations imposed by section 5 of the present law only in a certain measure, which shall be fixed by a ministerial decree.

SEC. 16. All the provisions of the laws of January 30, 1893, and April 7, 1902, which are not inconsistent herewith shall remain in full force and effect.

SEC. 17. A ministerial decree shall determine the necessary measures for the application of the present law.

SEC. 18. The violation of the laws regulating labor, safety, and hygiene on board vessels, whenever established before the proper authorities, may, according to the gravity of the offense and in case of second offenses, cause the suppression or the reduction by fraction of one or several twentieth parts of the shipping bounty.

Those reductions may be made independently of the prosecution which could be brought against the delinquents for the violation of existing laws and regulations.

SEC. 19. The shipbuilders shall receive the bounty established by the present law only in case the French shops, factories, and yards having contributed to the construction of a vessel comprise, in all, a proportion of foreign workmen not exceeding 10 per cent of the entire number of men employed.

All the regulations concerning safety and hygiene to which French vessels are subjected shall be applied to foreign vessels in French ports.

AMERICAN LABOR AND THE MERCHANT MARINE.

WHERE LABOR STANDS.

No class of American citizens has viewed with greater alarm the gradual decline in American deep-sea shipping under the American flag than organized labor.

In 1896 the Brotherhood of Boiler Makers and Iron-ship Builders of America, with a membership of 60,000, began agitating the question, and later, by a referendum vote, declared in favor of legislation that would aid this dormant and dying industry. One of the results of this agitation was the creation of the Congressional Merchant Marine Commission, which conducted an extensive inquiry into the condition of our over-sea commerce, the cause of its decline, and the best method to be adopted to restore it.

The Commission, after an exhaustive inquiry, made a report recommending bill No. S. 529, entitled "A bill to promote the national deep-sea shipping, and if it is enacted into a law it means that American ocean mail lines to foreign markets, to promote commerce, and to provide revenue from tonnage," which is now pending in Congress. The bill provides that all vessels affected by it shall be built in the United States, and that all ordinary repairs and overhauling shall be made in this country, and if it is enacted into a law, it means that American products will be carried in American-built ships, manned by American seamen, and steady employment at American wages for 500,000 people.

Statement of Charles Van Druver.

At the hearing before the Congressional Merchant Marine Commission, held in Cleveland, Ohio, on June 28, 1904, among those who

addressed the Commission on the subject of restoring the American deep-sea commerce to the place it once occupied was Mr. Charles Van Druver, president of the Cleveland Lodge, representing the Brotherhood of Boiler Makers and Iron-Ship Builders of America.

The proceedings were as follows (see page 837, Vol. II, Report of Merchant Marine Commission):

Mr. VAN DRUVER. Mr. Chairman and gentlemen, I would like to request that the secretary read the paper I have here. It is not very long.

The CHAIRMAN. Certainly. I will first ask you what is your present business?

Mr. VAN DRUVER. Boiler making and iron-ship building.

The CHAIRMAN. You represent that organization?

Mr. VAN DRUVER. Yes, sir.

The CHAIRMAN. We had some of your men before us, I think, in one or two other cities.

Senator PENROSE. We had some of them before us in Chicago.

The CHAIRMAN. The secretary will read the paper prepared by Mr. Van Druver.

The secretary read as follows:

Mr. Chairman and gentlemen of the Merchant Marine Commission, we standing before you as representatives of American labor and we ask for the passage of a bill through Congress that will cause the building in American shipyards of the vessels required for our over-sea trade. Congress has for nearly a half century encouraged and maintained foreign shipping in our foreign trade through its refusal to protect American ships in that trade. Hundreds of millions of dollars of American money has been exported to pay aliens to build the millions upon millions of tons of foreign ships that have been and are now employed in doing the bulk of our over-sea carrying. We ask you to reverse the policy and protect American shipowners, American shipbuilders, and those whom they employ, to the same extent that by your inaction and neglect you have so long protected foreign shipowners, foreign shipbuilders, and the aliens whom they employ.

THE VOICE OF LABOR.

"We represent the Brotherhood of Boiler Makers and Iron-Ship Builders, an organization affiliated with the American Federation of Labor. We have a membership of 40,000 American workmen, with over 500 local lodges in as many different parts of the United States. About one-half of the members of our brotherhood are seeking employment at their trade, the depression in which is due to the fact that the ships employed in doing our foreign carrying are built in foreign countries by foreign labor. And we are but one of a number of labor organizations whose members are largely if not wholly dependent upon American shipbuilding for work at their trades.

"The wages that we receive when we have work are the wages that are paid to skilled mechanics employed in similar industries in the United States, and they are no more than are necessary to enable us to live as becomes American citizens. We will submit to no reduction in the wages we receive in order to have ships built in the United States, and least of all will we accept the wages that are paid in foreign shipyards, which do not exceed one-half of the wages that we are paid.

AMERICAN WAGES MUST NOT BE CUT.

"The remedy for the decline in American shipping must be one that shall leave unimpaired the rates of wages paid in American shipyards; that may as well be understood in the beginning. We know that there are many American workmen who are steadily employed at their trades and receiving the American scale of wages because the product of their labor is protected by acts of Congress against the free competition of the product of foreign labor. We are convinced that, were it not for the protection which Congress has seen fit to give the product of the American workmen, fully one-half of those who are now steadily employed would be, like we are, seeking work at their trade. We ask no more than you accord to other American workmen in the matter of protection, and we assure you that we shall accept no less. The product of American shipyards must be protected against the competition of the product of foreign shipyards, precisely as the product of American labor in other industries is protected against foreign competition.

NO PROTECTION NOW FOR SHIPBUILDERS.

"It will not do to say that foreign ships may not obtain American registers, and assert that this is prohibitive protection in favor of American-built ships, so long as foreign-built ships are permitted to enter our ports and engage in our deep-sea carrying upon terms of absolute free-trade competition with American-built ships. There is no protection for American shipbuilders when the product of their labor is compelled to meet the product of foreign shipbuilders upon terms of free-trade competition. No man will invest in an American-built ship, costing from 25 to 40 per cent more to build than a foreign ship costs, and then attempt to run her in free-trade competition with foreign ships. More than a full generation of trial has shown that such competition is a continuous failure. When it is shown, as it can be, and as it doubtless has been to the entire satisfaction of every member of this Commission, that the cost of operating an American ship is much greater than the cost of operating a competing foreign ship, it must be still more plain to you that there is nothing to attract capital into American-built ships for the foreign trade. But when to these two items of construction and operation expense is added the further handicap of government aid extended by foreign governments to the foreign ships that compete with our own, is it necessary for you to inquire why it is that we have but 1 ton of American shipping in the foreign trade to-day under the American flag where we had 3 tons forty-three years ago?

EVERYBODY ELSE PROTECTED.

"It has been the policy of the United States during practically the entire lifetime of every mechanic actively employed in the United States to-day to protect him against the competition of foreign labor in foreign countries—every mechanic save alone those employed in shipbuilding for the foreign trade. You can not expect American workmen who are employed in the building of ships to accept a rate of wages only one-half that which they now receive—only one-half that received by their fellow-workmen in other trades, even if such wages are the total received by the workmen employed in foreign shipyards.

"Congress, by its protective policy, has created and maintains a condition in the United States which must be uniform to be just. So long as it says to me and to the men of my craft that we can not enjoy the same measure of protection that our brothers who are employed in other industries enjoy so long Congress will continue to investigate the decline of American shipping and seek remedies for

its revival. The only remedy is equality of condition for the product of our hands with that produced by the hands of workmen in the protected industries.

PROTECTION MUST BE UNIFORM.

"For nearly a century Congress has excluded foreign-built vessels from our coastwise trade, and in order for those seeking to engage in that trade to get the vessels they need they must apply to American shipyards. When they get there they must pay the American scale of wages, rates on a par with those paid to other workmen in other protected trades. In that branch of the industry you long ago created and have ever since maintained a protective condition. Now, gentlemen, do you think that you can induce American workmen to go into American shipyards and build ships for the foreign trade at one-half the wages that are paid to the men who are building ships for the protected coastwise trade? Certainly not. It must be clear to you that you have created and long maintained a condition of partial protection to which you have been striving for over forty years to adjust a condition of free trade, and of course it does not work. You can not expect it to work. You have got to make the protective policy uniform in our shipyards. The product of our hands must be protected just the same when it is to engage in the foreign trade as it is when it is to engage in the coastwise trade. Either that or else free trade all along the line. But I am sure that none of you expect to find a remedy for our shipping decline through free-trade channels.

"Look around you in this Great Lakes country and see the splendid shipyards and the magnificent shipping, all the product of and giving employment to American workmen, and remember that it is due to the exclusion of foreign vessels from participation in our trade. It has been reserved for our own people, and it has grown great and prospered as a consequence. Here we build ships for just one trade—a protected trade—and the men employed in the shops and yards receive the full standard of American wages. They will accept nothing else. Do you think that other American workmen, employed in other American shipyards, even in the building of ships for the foreign trade, will accept less wages than we receive? Of course you do not. Protection is universal in our trade up here, and it sets the standard for the whole country. So, you must see, Congress has created a condition of protection in shipbuilding that governs the whole industry. It is prosperous where it is protected; it is a failure where it is unprotected.

ONLY ONE WAGE SCALE.

"To-day I may be employed at American wages in the building of a vessel for the coastwise trade. Do you think that to-morrow I will accept the foreign rate of wages because my employer puts me on a ship building for the foreign trade that will be compelled to compete under free-trade conditions with foreign ships? Certainly not. Do you think in one shipyard on one set of ways there will be a gang employed in building a ship for the coastwise trade at the American rate of wages and on another set of ways another gang will be employed in building a ship for the foreign trade at the foreign rate of wages? Of course you do not. Do you think that in a boiler shop one set of men will work for foreign wages in building a boiler to be put into a ship for the foreign trade and right next to them another set of men will receive American wages for building a boiler to be put into a ship for the coastwise trade? The condition you have created in our coastwise trade conforms to the general conditions that obtain in all of our land industries, a protective condition, and it is impossible to expect that you can establish a successful branch of the same industry under free-trade conditions. The result of such efforts has been to exclude from our shipyards the building of ships for our foreign trade.

CONGRESS HAS FAILED OF ITS DUTY.

"Rather than extend the protective principle uniformly to our shipbuilding and shipowning interests, Congress has evaded its plain duty, and the men of my craft who are seeking work at their trade are the sufferers for it.

"What is there about our coastwise and domestic trade that justifies Congress extending and maintaining the protective system that it has so long maintained and at the same time justifies the denial of protection to our ships engaged in the foreign trade? How can you look upon our prosperous protected coastwise and domestic shipping and watch its growth and not realize why it is that our shipping in the foreign trade, which is subject to free-trade competition, has shrunk and declined? If you look for a prosperous American shipping upon the seas in free trade and unprotected competition with foreign shipping, under the protective conditions you have created in our coastwise trade and our land industries, you are looking for the impossible.

A PLEA FOR AMERICAN SAILORS.

"Face to face with these facts, as you must have been during the course of your investigations, perhaps some of you are considering why you may not import foreign ships and place them under American registry. You may think that you can by this method at least overcome the higher first cost of building ships in American shipyards. But as you reflect upon that line of policy its impracticability must be manifest. It must be clear that you can not, by increasing the free-trade conditions of competition, establish in a protective country a prosperous industry. It will be no more possible by free ships to establish an American shipping in the foreign trade than it will be to make oil and water mix. Even if you had free ships you would still be confronted with the obstacles of higher cost of operation under the American flag. To overcome this would you advocate allowing aliens to command and officer the ships? Would you diminish the quantity and consent to an impairment of the quality of the food served on board American ships? Would you conform the food scale to that of the most poorly fed of all of the ships with which our own compete? And yet can you contemplate with favor the idea of protecting American officers and seamen on board American ships and at the same time deny protection to our workmen in the shipyards? Are the men who officer and man our ships any more deserving of protection than those who build them?

LABOR'S INTEREST GREATER THAN CAPITAL'S.

"Look at this problem as you may, gentlemen, it must be clear to you that there is but one course for you to pursue. You must devise a method of protection that shall be practical and effective; which will overcome the adverse conditions under which ships are built in the United States and operated under the American flag in competition with foreign ships. Until you completely abandon the protective policy there is no other way by which you can have an American merchant marine in the foreign trade than by protection. You have free-trade competition between American and foreign ships now in the foreign trade, and that competition has been destructive of American shipping.

Protection, therefore, is the only remedy applicable to existing conditions in the United States in the shipping industry.

"Finally, it must be clear to you all that American labor is more deeply concerned in the successful conclusion of your investigation than any other class of citizens. Capital can find innumerable ways for safe and profitable investment, and you need not concern yourself with its needs. When you are told that those who are seeking protection for our shipping in the foreign trade are seeking to still further enrich those who are already wealthy, that the demand for protection comes from capitalists and corporations, remember that the statement is untrue; that so long as you deny protection to American shipping in the foreign trade, so long you deny employment in American shipyards for American labor. If you fail, if you do not apply a remedy that will be successful, remember that your failure will continue and perpetuate the protection the aliens who now control the building and operation of the shipping in our foreign trade have so long enjoyed. The issue is distinctively and only one between foreign and American labor." [Applause.]

Mr. VAN DRUVER. I thank you very kindly, gentlemen.

Statement of A. D. Porter.

Mr. A. D. Porter appeared before the Commission at Chicago, Ill.

The CHAIRMAN. Mr. Porter, will you state to the Commission what line of business you are engaged in?

Mr. PORTER. I represent the Boiler Makers and Iron Ship Builders in California, and I am one of the officers of the lodge.

Would you mind if the section of the constitution and by-laws to which I refer is read into the record?

The CHAIRMAN. We would be pleased to have it read.

Mr. PORTER. I read from the "Constitution and by-laws of the Brotherhood of Boiler Makers and Iron Ship Builders of America. Revised and adopted by referendum vote, January, 1903."

RESOLUTIONS.

The following resolution was unanimously adopted as the sentiment of this brotherhood:

"Whereas the Brotherhood of Boiler Makers and Iron Ship Builders of America believe that Government aid is necessary to induce citizens of the United States to build and operate on the ocean merchant vessels to carry our foreign trade in competition with the vessels of foreign nations, which now monopolize said trade to the almost entire exclusion of vessels of our own country; and

"Whereas the interest of the whole country, the reinforcement of our Navy, the enlargement of foreign markets for our surplus products, the increased employment of our workmen in the mine, factory, shipyard, and boiler shop, and the training of able seamen would all be promoted by the restoration of our merchant marine to its former position on the seas of the world: Therefore, be it

"Resolved, That in our opinion it is the duty of Congress, at the earliest day possible, to enact legislation to secure such restoration by the payment of subsidies to American-built mail carriers and freighters sufficient to enable them to compete successfully with the subsidized and bounty-fed merchant ships of foreign countries in the carrying of our imports and exports."

The CHAIRMAN. Mr. Porter, does that represent the views of your entire brotherhood?

Mr. PORTER. Yes, sir.

(P. 712, Vol. II, Report of Merchant Marine Commission.)

Statement of J. J. Fitzgerald.

Mr. J. J. Fitzgerald appeared before the Commission at Chicago, Ill.

The CHAIRMAN. Mr. Fitzgerald, will you state to the Commission in what line of business you are engaged?

Mr. FITZGERALD. I am secretary of the Brotherhood of Boiler Makers and Iron-Ship Builders of America. I have held that position for about ten years now.

The CHAIRMAN. Is your headquarters in Chicago?

Mr. FITZGERALD. Yes, sir.

I wish to say to the Commission that our organization has for a number of years agitated this ship question, and that we adopted in our convention held in Cleveland, Ohio, in 1896, when this subject came up, a request that all locals would petition the Government to appoint a commission to take evidence and get information that will help the shipbuilders of the country.

MECHANICS MORE INTERESTED THAN SHIPOWNERS.

We also believe that legislation for the upbuilding of American shipping will not be nearly so helpful to capital in the United States as it will be to labor; that there are plenty of avenues always open for the profitable investment of American capital, but only a slight item for the employment of labor. American capital is at liberty at any time to purchase foreign-built ships, while under this proposed law we could employ American capital and at the same time give employment to American mechanics.

Representative GROSVENOR. Your idea is that American capital can go and buy a steamship line if it wants to do it and run it under a foreign flag.

Mr. FITZGERALD. That is the idea.

Representative GROSVENOR. But your labor will have to be used in America and under American institutions?

Mr. FITZGERALD. And the ships will have to be manned by American seamen.

I wish to say that in 1896 we started in a small way to agitate this question, and in 1903, by a referendum vote, we adopted as a part of our constitution a resolution indorsing subsidies to American ships.

Representative GROSVENOR. Did the whole association adopt that resolution?

Mr. FITZGERALD. It was carried almost unanimously by our 60,000 or less members.

I wish to thank you gentlemen for the privilege of addressing you. I am glad we had a small part in having this Commission appointed.

Representative MINOR. We feel honored by your presence, sir, representing, as you do, so many good and intelligent men.

(P. 720, Vol. II, Report of Merchant Marine Commission.)

THE AMERICAN MERCHANT MARINE.

[Printed by order of the Chamber of Commerce of the city of Newport News, Va.]

A healthy merchant marine is important to the due growth of nations.

It is an indispensable factor of sea power.

These principles were recognized in the early history of this country.

Profiting by the teachings of Jefferson and Madison, our merchant marine grew to greatness—forsaking these principles it has fallen to decay.

In 1826 98 per cent of our sea commerce was carried in American vessels. In 1905 only about 9 per cent of our sea commerce was so carried.

We pay annually \$200,000,000 to foreign freight carriers. In the face of this reckless dissipation of national wealth, continued indifference is criminal.

It is time to return to the faith of our fathers.

This pamphlet contains excerpts from the works, the speeches, and the debates of statesmen whose names are recalled with reverence and gratitude, not only by the Democratic party, but by the American people.

The collection has been printed in the hope that it may serve to arouse new interest in the American merchant marine.

BENJAMIN FRANKLIN.

Our early statesmen believed in "fair commerce," which was thus stated by Benjamin Franklin:

"Fair commerce is where equal values are exchanged for equal, the expense of transportation included. Thus if it cost A in England as much labor and charge to raise a bushel of wheat as it costs B in France to produce 4 gallons of wine, then are 4 gallons of wine the fair exchange for a bushel of wheat, A and B meeting at half distance with their commodities to make the exchange. The advantage of this fair commerce is, that each party increases the number of his enjoyments, having, instead of wheat alone, the use of both wheat and wine." (American Navigation (Bates), p. 55.)

THOMAS JEFFERSON.

"Every rational citizen must wish to see an effective instrument of coercion, and should fear to see it on any other element but the water. A naval force can never endanger our liberties, nor occasion bloodshed; a land force would do both." (Letter to James Monroe, Paris, August 11, 1786. Writings of Thomas Jefferson, vol. 4, p. 265. Paul Leicester Ford.)

"Paul Jones is invited into the Empress's service with the rank of rear-admiral, and to have a separate command. I wish it corresponded with the views of Congress to give him that rank from the taking of the *Serapis*. I look to this officer as our great future dependence on the sea, where alone we should ever think of having a force. He is young enough to see the day when we shall be more populous than the whole British dominions and able to fight them ship to ship. We should procure him then every possible opportunity of acquiring experience." (Letter to Edward Carrington, Paris, May 27, 1788. Writings of Thomas Jefferson, vol. 5, p. 22. Paul Leicester Ford.)

"I am not a Federalist, because I never submitted the whole system of my opinions to the creed of any party of men whatever in religion, in philosophy, in politics, or in anything else where I was capable of thinking for myself. Such an addiction is the last degradation of a free and moral agent. If I could not go to heaven but with a party, I would not go there at all." (Letter to Francis Hopkinson, Paris, March 13, 1789. Writings of Thomas Jefferson, vol. 5, p. 76. Paul Leicester Ford.)

GEORGE WASHINGTON.

"We should not overlook the tendency of a war, and even of preparations for a war, among the nations most concerned in active commerce with this country, to abridge the means, and thereby at least to enhance the price, of transporting its valuable productions to their proper markets. I recommend it to your serious reflection how far, and in what mode, it may be expedient to guard against embarrassments from these contingencies by such encouragements to our own navigation as will render our commerce less dependent on foreign bottoms, which may fail us in the very moments most interesting to both of these great objects. Our fisheries and the transportation of our own produce offer us abundant means for guarding ourselves from this evil." (George Washington's message, December 8, 1790.)

THOMAS JEFFERSON.

"It is not to the moderation and justice of others we are to trust for fair and equal access to market with our productions or for our due share in the transportation of them, but to our own means of independence and the firm will to use them." (Report on the privileges and restrictions on the commerce of the United States in foreign countries, Secretary of State, 1793: Writings of Thomas Jefferson, vol. 6, p. 483.)

"But should any nation, contrary to our wishes, suppose it may better find its advantage by continuing its system of prohibitions, duties, and regulations, it behooves us to protect our citizens, their commerce, and navigation, by counter prohibitions, duties, and regulations also. Free commerce and navigation are not to be given in exchange for restrictions and vexations, nor are they likely to produce a relaxation of them.

"Our navigation involves still higher considerations. As a branch of industry it is valuable, but as a resource of defense, essential.

"Its value as a branch of industry is always enhanced by the dependence of so many other branches on it. In times of general peace it multiplies competitors for employment in transportation, and so keeps that at its proper level; and in times of war—that is to say, when those nations who may be our principal carriers shall be at war with each other, if we have not within ourselves the means of transportation—our produce must be exported in belligerent vessels, at the increased expense of war freight and insurance, and the articles which will not bear that must perish on our hands.

"But it is as a resource of defense that our navigation will admit neither negligence nor forbearance. The position and circumstances of the United States leave them nothing to fear on their landward and nothing to desire beyond their present rights; but on their seaboard they are open to injury, and they have there, too, a commerce which must be protected. This can only be done by possessing a respectable body of citizen seamen and of artists and establishments in readiness for shipbuilding.

"Were the ocean, which is the common property of all, open to the industry of all, so that every person and vessel should be free to take employment wherever it could be found, the United States would certainly not set the example of appropriating to themselves exclusively any portion of the common stock of occupation. They would rely on the enterprise and activity of their citizens for a due participation of the benefits of the seafaring business, and for keeping the marine class of citizens equal to their object. But if particular nations grasp at undue shares, and more especially if they seize on the means of the United States to convert them into aliment for their own strength, and withdraw them entirely from the support of those to whom they belong, defensive and protecting measures become necessary on the part of the

nation whose marine resources are thus invaded, or it will be disarmed of its defense, its productions will lie at the mercy of the nation which has possessed itself exclusively of the means of carrying them, and its politics may be influenced by those who command its commerce. The carriage of our own commodities, if once established in another channel, can not be resumed in the moment we may desire. If we lose the seamen and artists whom it now occupies, we lose the present means of marine defense, and time will be requisite to raise up others, when disgrace or losses shall bring home to our feelings the error of having abandoned them. The materials for maintaining our due share of navigation are ours in abundance. And as to the mode of using them we have only to adopt the principles of those who put us on the defensive or others equivalent and better fitted to our circumstances."

(Report on the Privileges and Restrictions on the Commerce of the United States in Foreign Countries. Secretary of State, 1793. Writings of Thomas Jefferson, vol. 6, pp. 480-481. Paul Leicester Ford.)

"To force shipbuilding is to establish shipyards, is to form magazines, to multiply useful hands, to produce artists and workmen of every kind, who may be found at once for the peaceful speculations of commerce and the terrible wants of war. * * * For a navigating people to purchase its marine afloat would be a strange speculation, as the marine would always be dependent on the merchants furnishing them. Placing as a reserve, with a foreign nation or in a foreign shipyard the carpenters, blacksmiths, calkers, sailmakers, and the vessels of a nation would be a singular commercial combination. We must, therefore, build them for ourselves." (Thomas Jefferson, Secretary of State, 1794.)

JAMES MADISON.

"To allow trade to regulate itself is not, therefore, to be admitted as a maxim universally sound. Our own experience has taught us that, in certain cases, it is the same thing with allowing one nation to regulate it for another. Were the United States, in fact, in commercial intercourse with one nation only and to oppose no restrictions whatever to a system of foreign restrictions, they would, of necessity, be deprived of all share in the carriage, although their vessels might be able to do it cheapest, as well as of the only resource for defense on that side where they must always be most exposed to attack. A small burden only in foreign ports on American vessels, and a perfect equality of foreign vessels with our own in our own ports, would gradually banish the latter altogether."

"The subject was not a novel one; it was coeval with our political birth, and has at all times exercised the thoughts of reflecting citizens. As early as the year succeeding the peace, the effects of the foreign policy, which began to be felt in our trade and navigation, excited universal attention and inquietude. The first effort thought of was an application of Congress to the States for a grant of power for a limited time, to regulate our foreign commerce, with a view to control the influence of unfavorable regulations in some cases, and to conciliate an extension of favorable ones in others. From some circumstances then incident to our situation, and particularly from a radical vice in the then political system of the United States, the experiment did not take effect."

"Out of this experience grew the measures which terminated in the establishment of a Government competent to the regulation of our commercial interests and the vindication of our commercial rights."

"As these were the first objects of the people in the steps taken for the establishment of the present Government, they were universally expected to be the first fruits of its operation." (Speech of Mr. Madison in Congress, 1794. American Navigation (Bates), pp. 43-44.)

MR. NICHOLAS.

"It is a commonly received opinion that trade should be intrusted to the direction of those immediately interested in it, and that the actual course of it is the best which it could take. This principle is by no means a safe one, and, as applied to the trade of America, is extremely fallacious. It can never be just, where the beginning and growth of a commerce has not been free from all possible constraints, as to its direction; as that can never be called a business of election which has been created under foreign influence. The manner in which America was first peopled, and the nurture she received from Great Britain, afford the most striking contrast to the requisite before mentioned. The same effects are by no means to be expected from the greatest commercial wisdom in individuals, which are in the power of the general concert of the community."

"The interest of the whole community, not only those who are carriers, but those also who furnish the object of carriage, positively demands a domestic marine, equal to its whole business; and that, even if it is to exist under rates higher than those of foreign navigation, it is to be preferred." (Mr. Nicholas, of Virginia, in Congress, 1794. American Navigation (Bates), p. 99.)

THOMAS JEFFERSON.

"Yet this is the real object of the drawback system—it enriches a few individuals, but lessens the stock of native productions by withdrawing from them all the hands thus employed; it is essentially interesting to us to have shipping and seamen enough to carry our surplus produce to market, but beyond that I do not think we are bound to give it encouragement by drawbacks or other premiums." (Letter to Benjamin Stoddert, Washington, February 18, 1809. Writings of Thomas Jefferson, vol. 9, p. 245. Paul Leicester Ford.)

"In so complicated a science as political economy no one axiom can be laid down as wise and expedient for all times and circumstances and for their contraries. Inattention to this is what has called for this explanation, which reflection would have rendered unnecessary with the candid, while nothing will do with those who use the former opinion only as a stalking horse to cover their disloyal propensities to keep us in eternal vassalage to a foreign and unfriendly people." (Letter to Benjamin Austin, Monticello, January 9, 1816. Writings of Thomas Jefferson, vol. 10, p. 10-11. Paul Leicester Ford.)

"With respect, however, to so much of my letter of January 9 as relates to manufactures, I have less repugnance, because it is perhaps a degree of duty to avow a change of opinion called for by a change of circumstances, and especially on a point now become peculiarly interesting." (Letter to Benjamin Austin, Monticello, February 9, 1816. Writings of Thomas Jefferson, vol. 10, p. 11. Paul Leicester Ford.)

JAMES BARBOUR.

"Before he commenced the proposed investigation he would make a preliminary remark. He took it for granted that it was the settled policy of the nation to become a naval power. Perhaps there is no one question upon which there is more unanimity. From one extremity of the nation to the other there is but one sentiment, but one wish, everywhere expressed, and that is, that it may go on to increase; and in fond anticipation, judging from the luster of its achievements

during the war, they see, in its increase, an increase corresponding with the resources of the nation, the guaranty of our safety and glory. But these fond hopes are illusory, unless wisdom directs our councils. Vain, foolish, your resolutions to build ships, unless you protect your navigation. It is not to the superior fixtures of your vessels, or the ampleness of their supplies you are to look to victory, but to the number and experience of your sailors. If you suffer the power who looks with jealousy on your rising commerce and with envy on the glory of your navy to exclude you from the participation of those advantages which of right as being derived from nature belong to you, abandon all thoughts of an efficient marine and withdraw from the ocean." (James Barbour, of Virginia, 1818. American Navigation (Bates), pp. 214-215.)

THOMAS NEWTON.

"This war (1812) opened an era which raised and gave reputation to the arm destined to protect its rights; and that arm will be able to protect its rights, if the navigation of the United States, the nursery of its strength and efficiency, shall not be sacrificed by a vacillating policy." (Thomas Newton, Representative in Congress from Virginia, and chairman of the Committee on Commerce, 1822.)

JAMES K. POLK.

President Polk, in the annual message to Congress in which he recounted the steps that had been taken in pursuance of the ocean mail legislation of the previous session, said:

"The enlightened policy by which a rapid communication with the various distant parts of the world is established, by means of American-built steamers, would find an ample reward in the increase of our commerce and in making our country and its resources more favorably known abroad; but the national advantage is still greater of having our naval officers made familiar with steam navigation and of having the privilege of taking the ships already equipped for immediate service at a moment's notice, and will be cheaply purchased by the compensation to be paid for the transportation of the mail, over and above the postage received. A just national pride, no less than our commercial interests, would seem to favor the policy of augmenting the number of this description of vessels." (President Polk, message to Congress, 1845. The American Merchant Marine (Marvin), p. 242.)

THOMAS BUTLER KING.

In advocating his ocean mail legislation, Senator Thomas Butler King, of Georgia, said:

"It is sufficient to show that they (British statesmen) are resolved, as far as practicable, to monopolize the intercourse between these two important points. This movement shows clearly that the time has arrived when we must decide whether we must yield this essential branch of navigation and this indirect means of extending our naval armaments to our great commercial rival, or whether we shall promptly extend to our enterprising merchants the necessary means to enable them to bring American energy, enterprise, and skill into successful competition with British sagacity and capital. Of all the lines of sailing packets which cross the Atlantic, not one is owned in Europe, and it is not to be doubted that American merchants, properly encouraged, will assuredly excel in them (steamship lines) as they have done in sailing vessels; and when we reflect that this may be accomplished to the mutual advantage and advancement of our commercial and military marine, it would seem that no statesman ought to hesitate for a moment to give his support to a measure which is demanded alike by prudence and the necessities of our position." (Senator Thomas Butler King, 1845. The American Merchant Marine (Marvin), p. 241.)

OPPOSED PROGRESS.

"American packet owners finding their trade slipping out of their hands, raised an outcry against the employment of steam, and little thinking how futile was such an opposition, prevailed upon the American Government to withdraw its mail subsidy from their own steamers, which left the field clear for British opponents. This is another clear instance of the futility of opposing scientific progress. The immediate effect was the investment of American money in many lines of steamers sailing under the English flag, which rounded to the profit of British masters and crews, as well as that of the steamship managers in Britain, and gave an immense spurt to her nominal tonnage." (Charles Griffin & Co.'s Nautical Series. The British Mercantile Marine, p. 91. 1897.)

INFLUENCE OF SEA POWER.

"When the day comes that shipping again pays, when the three sea frontiers find that they are not only militarily weak, but poorer for lack of national shipping, their united efforts may avail to lay again the foundations of our sea power. Till then, those who follow the limitations which lack of sea power placed upon the career of France may mourn that their own country is being led, by a like redundancy of home wealth, into the same neglect of that great instrument." (The Influence of Sea Power Upon History. Period 1660-1783. (Mahan) p. 39. 1898.)

"For example, formerly and up to the end of the great wars following the French revolution, the population of France was much greater than that of England, but in respect of sea power in general, peaceful commerce as well as military efficiency, France was much inferior to England. In the matter of military efficiency this fact is the more remarkable, because at times, in point of military preparation at the outbreak of war, France had the advantage; but she was not able to keep it. Thus in 1778, when war broke out, France, through her maritime inscription, was able to man at once fifty ships of the line. England, on the contrary, by reason of the dispersal over the globe of that very shipping on which her naval strength so securely rested, had much trouble in manning forty at home; but in 1782 she had 120 in commission or ready for commission, while France had never been able to exceed seventy-one. Again, as late as 1840, when the two nations were on the verge of war in the Levant, a most accomplished French officer of the day, while extolling the high state of efficiency of the French fleet and the eminent qualities of its admiral, and expressing confidence in the results of an encounter with an equal enemy, goes on to say: 'Behind the squadron of twenty-one ships of the line which we could then assemble there was no reserve. Not another ship could have been commissioned within six months.' And this was due not only to lack of ships and of proper equipments, though both were wanting. 'Our maritime inscription,' he continues, 'was so exhausted by what we had done [in manning twenty-one ships] that the permanent levy established in all quarters did not supply reliefs for the men, who were already more than three years on cruise.'

"A contrast such as this shows a difference in what is called 'staying power,' or 'reserve force,' which is even greater than appears on the surface; for a great shipping afloat necessarily employs, besides the

crews, a large number of people engaged in the various handicrafts which facilitate the making and repairing of naval material, or following other callings more or less closely connected with the water and with craft of all kinds." (The Influence of Sea Power Upon History. Period 1660-1783. (Mahan.) Pp. 45-46. 1898.)

"Though the treatment of the subject has been somewhat discursive, it may be admitted that a great population following callings related to the sea is, now as formerly, a great element of sea power; that the United States is deficient in that element, and that its foundations can be laid only in a large commerce under her own flag." (The Influence of Sea Power Upon History. Period 1660-1783. (Mahan.) P. 49. 1898.)

ADMIRAL MELVILLE.

"The doom of that nation is sealed which does not possess some foreign markets, and as this trade can only be retained when once secured by a merchant marine and a powerful navy, the question of relative naval strength is one that concerns the commercial, maritime, and military interests of the country." (Rear-Admiral Melville, United States Navy.)

OUR MERCHANT MARINE.

[From the Philadelphia Press, February 5, 1905.]

The letter of Mr. Theodore Justice, printed in another column, is a strong and effective discussion of the question of an American merchant marine. It was drawn out by the objections of a Southern man to the pending bill, and it answers those objections with great cogency. But while it meets sectional criticism from the standpoint of sectional interests, it is broadly national in its view and its argument.

Mr. Justice clearly shows that the highest welfare of the nation demands the upbuilding of a merchant marine. It is needed as the recruiting ground for the Navy. Its construction would greatly enhance the prosperity of the country, like railroad building. It would create a large demand for labor and material. It is vital to the development of commerce, and with the vast increase of our productive capacity more foreign outlets must be found. England, Germany, and France have built up their marine and their commerce by unhesitating aid, and we should do the same thing. We should apply the policy of protection on the sea as on the land.

There is no national question that is more important. We have established our agricultural and our industrial supremacy, and now we ought to achieve commercial supremacy. The development of a merchant marine ought to be made our next great national policy. We are just entering on the expenditure of two or three hundred millions for the construction of the Panama Canal, which under present conditions would be used chiefly by foreign vessels. With such a vast outlay for a commercial waterway connecting the two oceans, it is folly to be deterred from spending eight to ten millions a year to build up the national marine which the canal would serve. Sooner or later we shall apply common sense to this subject.

A GREAT MERCHANT'S ARGUMENT—SHOWS VITAL NEED OF SHIP SUBSIDIES—THEODORE JUSTICE ANSWERS OBJECTIONS TO THE PROPOSED LAW—POINTS OUT HOW PLAN HAS HELPED OTHER NATIONS.

[From the Philadelphia Press, February 5, 1906.]

In view of the vital importance of the ship-subsidy bill to the country at large, the Press prints a letter from Mr. Theodore Justice, written to Mr. Francis B. Reeves, discussing the question of ship subsidy in all its varied bearings. This letter of Mr. Justice was elicited by a letter from Mr. Reeves, which communicated the objections of a Southern Senator to ship subsidies.

Mr. Justice, intaking up this phase of the case, in meeting the objections of the southerner, at the outset holds that the chief reason for supporting the subsidy bill is "patriotism," and he then continues as follows:

"We need to build up a mercantile marine to furnish auxiliary ships and seafaring men to supplement our splendid Navy, without which the United States are very much in the position of the Russian navy that collapsed in its first contact with the Japanese fleet, because those splendid Russian ships, equal to any in the world, were manned by inexperienced seamen.

"Russia, like the United States, has no school for its officers and men outside the naval establishment. Japan's preeminent advantage arose largely from the fact that her mercantile marine furnished an unlimited supply of auxiliary vessels and trained seamen, and it is doubtful if any European nation, with the single exception of Great Britain, could have successfully competed with her. The American merchant marine, by national aid, can be built up in a very few years to exceed that of Japan.

WHY THE SOUTH SHOULD SUPPORT IT.

"Our southern people are justly proud of our splendid young Navy, and in so far as they understand it, seem as anxious as citizens from any other part of the country to make it efficient; but they do not seem to comprehend that without a mercantile marine in case of conflict with any first-class navy ours would be in the position of a man with one hand tied behind him, for we have practically no mercantile marine to act as auxiliary to the Navy.

"The American nation should build this up regardless of its cost, and if the southern people could see the importance of it their unquestioned patriotism would impel them to make the matter a national rather than a sectional one.

"As an illustration of the extent of our present weakness, I call attention to the report of Admiral Sampson, who stated that although we were victorious in every conflict in the war with Spain, at the close of the Spanish war we had completely exhausted our auxiliary resources, so that if we had had a single defeat on the ocean, or if the war had continued longer, this weakness would have been brought painfully to the attention of every patriot, whether he be a descendant of the heroes who fought at Yorktown or Cowpens in the South, or of those in the North who aided in the defeat of Burgoyne.

PROFIT THAT GOES ABROAD.

"Our present tariff has enormously developed our internal resources, and we bring our exports to our seacoast and transfer them to transportation lines flying foreign flags, whose annual profit is estimated at over \$200,000,000, every dollar of which is spent abroad, whereas if it were earned by Americans, as it can be if this bill is passed, this immense sum would be spent at home, and every section of the United States would be benefited by this addition to our income.

"Besides this, think of the hundreds of millions of dollars that would be spent in building up a navy. As \$1,000,000,000 in 1906 is being expended by American railroads in new construction, some idea

may be formed of what additional sums would be spent among our people in building a mercantile marine.

"It has been estimated that the labor and material for this would amount to \$1,000,000,000, so that when the cost of building an adequate mercantile marine is added to the sums now earned by foreign carriers of our commerce, we would have a total of \$1,200,000,000, which, distributed among the American people, would be about \$14.50 per capita.

"Can any of our people from either the South or West say that this would be of no benefit to all of the people living in the South or the West?"

JEFFERSON FOR SHIP SUBSIDY.

"Thomas Jefferson, a southern patriot, advocated ship subsidy in the early part of the history of this nation, which built up our commerce so that at the time of the breaking out of the civil war, when so many of our ships were swept from the sea by Confederate cruisers, 80 per cent of our commerce was conducted under the American flag.

"About this time the iron ship was substituted for the wooden vessel, and in the beginning Great Britain had an immense advantage over us in building the vessels that carried American commerce, as the tariff had not then built up this infant industry with us, which now is a giant that is ready to build up a new mercantile marine that will beat the world. France and Germany had no protective tariff on ships as they now have, and this permitted the import of free ships, and these nations bought their ships in Great Britain.

"The result was that their commerce continued to dwindle, and it was not until they followed the British example and heavily subsidized their ships sailing to almost all parts of the world that they began to build up a mercantile marine which now carries the greater part of their commerce, and to-day German ships carry half the passengers that a few years ago sailed mainly in British ships. For the result of this commerce you must look at the enormous profits spent among their own people which have accrued to them from their ship-subsidy bills.

"These have given them the building at home of some of the finest steamers in the world, distributed millions of money for material and labor among the German people, as well as trained thousands of seamen, who furnish an auxiliary naval reserve for these fighting ships, an element that we lack.

"One decade of the German policy would make us second only to Great Britain, and two decades of it would make us master of the maritime power of the globe, with the Stars and Stripes floating over magnificent steamers on the high seas. Does this not appeal to the pride of the South?"

THE RESULT OF NEGLECT.

"To-day, owing to our neglect to do what the leading nations of Europe have done in subsidizing ships, 90 per cent of our commerce, amounting to \$2,500,000,000 annually, is carried under foreign flags, and less than 10 per cent of it under the American flag.

"Foreign ships come to our shores bringing \$1,000,000,000 of merchandise, which does not give them a full cargo, so part come here in ballast in order to get a full cargo, amounting to \$1,500,000,000 of exports.

"If foreign vessels find it profitable to come here for our immense commerce, and if they are kept alive by subsidies, it follows that we are grossly negligent if we fail to follow this example of Great Britain, Germany, and France. We need to investigate only the example of the latter two. When they had laws permitting them to buy free ships in England, their foreign commerce dwindled away, but when they subsidized their ships it responded with prompt expansion. Thirty years ago German commerce was insignificant—to-day Germany is second only to England in foreign trade and prestige, and the United States in time can exceed them both.

"We are asked if we could expect foreign people to trade with us when we do not do some trading with them. Foreign people buy merchandise of us only when they can buy it cheaper than they can get it elsewhere, and the fact that we are selling 50 per cent more than we annually buy, selling to foreign nations \$1,500,000,000 and buying of them only \$1,000,000,000, effectively answers this question.

THE SUBSIDY BUGABOO.

"The trouble with some of our southern and western people is this: They think that when they appropriate money for a ship subsidy they are making a present of national cash to some one. This charge was made against the National Government by the South when the Government granted 200,000,000 acres of land, now worth \$1,000,000,000, to the transcontinental railways.

"Without those grants their roads could not have been built when they were, and the Indian and the buffalo would still hold sway in some parts of the middle of our continent. But by reason of those grants we have developed the interior of the continent until its value has increased beyond computation.

"I am now selling wool grown on ranches over which I chased the buffalo in 1868. The presentation of these grants, estimated to be worth \$1,000,000,000, to the transcontinental railways was one of the best investments 'Uncle Sam' ever made. Yet they were made against the same kind of opposition and from the same side of the country that now opposes the ship-subsidy bill.

WHAT MAY BE ACCOMPLISHED.

"Our shipbuilding industry once placed in a position of comparative independence through the equalization of competitive subventions—a condition to which it is richly entitled for these many years of patient waiting and neglect, past Congresses having permitted every other nation to carry our great commerce—American shipping lines will again be able to compete successfully with formidable foreign rivals that have attained their present power through the same agencies, subsidies, and our mercantile marine during the lives of men who are only now in middle life will be the pride of all the American people.

"From patriotic motives alone, however, every Senator and Member of Congress and their constituents as well should enthusiastically support the building up of a mercantile marine as an auxiliary to our Navy, even if every dollar of the cost came out of the Public Treasury and brought no immediate or direct return, but like the granting of land to the transcontinental railways the money spent on a mercantile marine, independent of the military view of it, will return a thousandfold in wealth to the American people.

NOT A SECTIONAL ISSUE.

"A friend has asked if it is right and just to give Mr. Cramp a million dollars out of public funds and not give the same amount to some struggling industry in the South. Would this friend allow those splendid shipyards in the South, at Newport News and elsewhere, to rust into scrap iron, as they surely will without the assistance which European governments give their shipping?"

"In the first place anything that represses our national industries, no matter where they are located, assists in repressing the struggling industries in the South, but aside from this view experience in the Spanish war showed that it was impossible to purchase abroad ships of war. Straining international laws to the breaking limits, we were able to secure only a few old tubs that were of very little assistance to us, and if we had been in conflict with a nation whose navy was very superior to that of Spain our young Navy would have been wiped off the seas; and it is absolutely essential to our national safety that we have more shipyards like those of Cramp's or Newport News.

"There seems to be an idea in some men's minds that all public grants should be withheld if any individuals make any profit out of them. To show the narrow-mindedness of such a view, we simply have to apply to this idea as an illustration the action of the Government in regard to the transcontinental railways spoken of above. The parallel is perfect. The two situations are similar.

"It was argued then that it was wrong to give away these millions of acres that the money might go into the pockets of the few. We all know that a group of men who had the courage to risk their capital in transcontinental railway building were enormously enriched thereby, but that wealth which you might say was taken out of the pockets of one man to put into the pockets of another was but an infinitesimal fraction of the amount by which the national wealth was thereby increased, and it is simply beyond human foresight to estimate its future value; in fact, our country has to either strangle or have these highways of commerce and intercourse.

"France and Germany could not get ships to haul their goods without subsidies, but when the subsidy was granted both their ships and their commerce increased enormously. The expansion of their foreign commerce would be small in comparison with that which would come to the American people, for we have such wonderful resources that with liberal ship subsidies the expansion of our commerce would be so great as to fairly stagger the imagination.

"WORLD MARKET AND HOME MARKET.

"In looking at the history of the decline in American ships it is said that the main cause was the lack of a world's market. The home market is worth more to the American nation than all others put together, but the time is approaching when we will produce so much more than our home market can absorb that we shall be reaching out for foreign markets. To do this we must have ships, and the object of the subsidy bill is to create lines of transportation to markets which are now supplied by other nations.

"In fact, in my business we have commerce with Australia and South America, and, instead of having American vessels to bring our merchandise here, it has sometimes to go to London in British bottoms and then be reshipped to the United States, whereas, if the plan of the ship-subsidy bill was carried out, the profit of this commerce would go to Americans. The merchandise that we are buying in foreign markets would come here in our own ships, which would take back merchandise of American production.

"Outside of all these considerations, however, we come back again to the feelings of patriotism that glow within the breast of every American citizen, and any man from any part of the country who will take the trouble to inform himself and who will divest his mind of sectional prejudice that is blinding him will see clearly that it is our duty to our great progenitors, to ourselves, and to our children to provide for the national defense upon which depends our national life, by supplementing our Navy with an adequate auxiliary mercantile marine.

"A bounty to native-born or naturalized American citizens that would give the Government a claim upon their services in case of war, and sufficient in amount to provide for the comfort and support of aged parents or a widowed mother or sisters, would attract hundreds of thousands of young American boys to a seafaring life.

"Congress, if it is broad-minded and patriotic enough, can provide the ways and means for building up, through a ship-subsidy bill, a satisfactory mercantile marine, which is the only important American industry now neglected.

"In spending millions of dollars for irrigation our National Government is lending its powerful aid to the commendable purpose of making productive great tracts of what is now practically waste land in the West, but the benefit to be derived here pales into insignificance in comparison with that which would accrue to our nation if an equal amount of money were spent to protect and stimulate our mercantile marine, now stifled by the competition of foreign subsidized shipping."

THE AMERICAN IRON AND STEEL ASSOCIATION,
Philadelphia, March 30, 1906.

Hon. CHARLES H. GROSVENOR,
Chairman Committee on the Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.

DEAR SIR: Inclosed you will find the promised additional information concerning the prices of ship plates and beams and channels at Pittsburg. You will notice that the tables sent give the prices of ship plates from October, 1900, to March, 1906, and of beams and channels from January 1, 1904, to the end of March, 1906. I hope that the prices sent will fill your wants.

Very truly, yours,

JAMES M. SWANK.

AVERAGE MONTHLY PRICES OF STEEL SHIP PLATES AT PITTSBURG.

The following table gives the average monthly prices per gross ton of steel ship plates free on board at Pittsburg from October 1, 1900, to March 26, 1906:

1900.	
October	\$24.64
November	28.00
December	30.24
1901.	
January	31.36
February	31.36
March	33.15
April	35.84
May	35.84
June	35.84
July	35.84
August	35.84
September	35.84
October	35.84
November	35.84
December	35.84

1902.	
January	\$35.84
February	35.84
March	35.84
April	35.84
May	35.84
June	35.84
July	35.84
August	35.84
September	35.84
October	35.84
November	35.84
December	35.84
1903.	
January	35.84
February	35.84
March	35.84
April	35.84
May	35.84
June	35.84
July	35.84
August	35.84
September	35.84
October	35.84
November	35.84
December	35.84
1904.	
January	35.84
February	35.84
March	35.84
April	35.84
May	35.84
June	35.84
July	35.84
August	35.84
September	32.48
October	31.36
November	31.36
December	32.37
1905.	
January	33.60
February	35.35
March	35.84
April	35.84
May	35.84
June	35.84
July	35.84
August	35.84
September	35.84
October	35.84
November	35.84
December	35.84
1906.	
January	35.84
February	35.84
March 26	35.84

The average annual price of steel ship plates was \$34.87 in 1901, \$35.84 in 1902, \$35.84 in 1903, \$34.52 in 1904, and \$35.61 in 1905.

SUBSIDIES AND BOUNTIES ALWAYS FORCE LOWER FREIGHT CHARGES.
[Published by the Merchant Marine League of the United States, organized at Cleveland November 21, 1904.]

SUBSIDIZED SHIPPING MEANS LOWER FREIGHT RATES.

That a subsidized American merchant marine would cause an immediate and permanent reduction in ocean freight rates most people would not, at first thought, believe. Upon reflection, however, the logic of such a consequence, in theory, and its actual effect in concrete operation would be demonstrated. The law of supply and demand is immutable. If there are a few carriers, the rates of freight are high; if there are many, the rates are low. With an increased number of ships offering for the cargoes that are to be carried, as would follow the creation of American ships under subsidy legislation, inevitably and immediately there would be a reduction in the rates made by the American ships in order to secure the carrying from the foreign ships now enjoying that carrying. The idea that American ships would demand, and that exporters and shippers would pay, greater freight rates to American ships for carrying cargoes than foreign ships would do the carrying for is, manifestly, absurd. And yet, if there has been one thought more than another hammered into the minds of the American people by the people and the press who are opposed to subsidies to American ships it is that obvious fallacy.

THE PROOF IS ABUNDANT AND CONVINCING.

All over the United States to-day the people find that when a new railroad parallels an existing line a reduction in rates of transportation follows. If the price of a certain staple agricultural product is high it attracts farmers into planting their soils with that staple and the increased competition reduces the cost. A manufacturer is successful in his particular line and a competitor arises and shares the profits, but only by reducing the cost to the consumers. The result is an increased product, a more liberal purchase by consumers, and subsequent profit to two where but one profited before. The same is true afloat. Where but one ship offers for two cargoes the rate of freight is fixed by the shipowner, and it is high; where there are two ships offering for one cargo the rate of freight is fixed by the shipper, and the rate is low. These facts are fundamental.

GERMANY'S EXPERIENCE WITH SUBSIDIES.

In 1886, for example, the German Government began subsidizing the North German Lloyd Steamship Company. The first year the total expense of the operation of the ships exceeded the receipts from all sources for the carriage of passengers and freight by 1,601,039 marks, but the Government subsidy, which amounted to 1,571,712 marks, reduced the net loss for the year to but 29,327 marks. The second year, with the increased number of ships required and put into operation, the steamship company lost 5,778,034 marks more than it received from freight and passenger transportation, the subsidy from the Government still falling short, by 1,388,034 marks, of making good this loss. The third year the net loss to the company was 419,907 marks, although the receipts of the company included 4,355,446 marks in subsidy from the German Government. The fourth

year the total of receipts, subsidy included, fell short 571,663 marks of meeting the expense. The fifth year the loss to the company amounted to 1,937,604 marks net, above all receipts from freight, passengers, and Government subsidy, the latter alone amounting to 4,390,317 marks. The loss to the company in the three succeeding years in expenses over receipts, the latter including the subsidies received from the Government, was 2,434,933 marks, although in the same period the company received subsidies from the Government amounting to 12,936,201 marks. In the entire eight years that the company operated its ships at a loss it received from the Government 32,036,545 marks in subsidies, and it lost a net sum of 6,781,468 marks—it paid out the last-named sum in excess of what it received in freight, passenger, miscellaneous receipts, and in Government subsidies.

EFFECT OF SUBSIDIES UPON GERMAN EXPORTERS.

In the first year there was no trade between Germany and the Orient, the part of the world to which the subsidized ships were to run. The second year (1881) the freight totaled 58,477 tons, valued at 74,515,000 marks, and in 1896, ten years after the line had been established under subsidies, the freight totaled 166,575 tons, valued at 160,430,000 marks—the freight increased threefold at a double valuation. Since that time the German Government has been so well pleased with the results, in increased oriental markets for German products, that it has increased the subsidies, the steamship company increasing the number of its ships and the frequency of their sailings, with the result that there has been an enormous increase in German trade with the Orient, so great an increase, in fact, wholly due to the subsidies given to the German steamship line by the German Government, as to alarm Great Britain and to lead her manufacturers and her shipowners to suggest some measure of protection for Britons against the ruinous effects of this German competition. The ruinous effects are due to the lower freight rates made to German manufacturers by the subsidized German steamship line, freight rates far lower than competing subsidized British ships are able to make, and, were it not for the subsidies paid to the British competing line, it would be driven out of existence by the subsidized German line. The rivalry and the competition between the British and the German steamship lines inure to the advantage of German and British exporters, in that markets in distant parts of the world are opened for their products that would be closed to them were the lines not aided by the subsidies of their governments and thus able to make lower rates of freight than ever before.

EARLY DAY EFFECTS OF SUBSIDIES TO AMERICAN STEAMSHIPS.

The first subsidies given to American steamships were provided for in an act passed over sixty years ago, during the Administration of James K. Polk. Under that law, as amended in 1847, three lines of American steamships were established, two of which operated between Atlantic ports and northern Europe. The immediate effect of the establishment of the American lines was an enormous reduction in freight rates. They were at first cut in two by the competing subsidized British steamships, and subsequently they were cut in two again, so fierce was the rivalry, so determined was the competition. American ships first cut the rates, and then the British ships still further reduced rates, the advantage accruing to the American exporters. American producers were able to send abroad products that they had been denied a foreign market for, because of the high rates of ocean transportation. It is but little known in these days that three years preceding the civil war American steam tonnage was greater than that of Great Britain. American steamships made the run between the United States and England in a day less than their swiftest competitors made it. American ships had the preference, were in the lead, were superior in every respect to their foreign competitors, and all the while American exporters were reaping great advantages in low freight rates from the operation of the competing subsidized steamships.

OUR TRADE ACROSS THE PACIFIC INCREASING.

In expectation of the passage of an American ship-subsidy act, Americans a few years ago built quite a number of fine steamships in the United States, and these are being operated more largely upon the Pacific, their owners each pocketing large losses, but making rates of freight much lower to American shippers than they have ever before enjoyed, with the result that there has been a great increase in the volume of our exports to Japan, China, Australia, and New Zealand. The fine line of swift American steamships running from San Francisco to Australia, although now enjoying an annual mail subsidy of \$283,000, is suffering an annual loss of \$371,000 in operating its ships, and its owners have stated that they will be forced to the wall, to give up their line, or to possibly sell out to the more enterprising Japanese, if some legislative relief in the way of increased compensation is not given. Meanwhile the losses suffered by the owners of the line are favoring American exporters, who are finding increasing markets for their products, due to the low rates of freight made by the subsidized but unprofitable American steamship line. The abandonment of this line by its present owners would unquestionably greatly curtail if not wipe out our entire trade with Australia by way of Pacific ports. The increased freight rates exacted would put an end to the profit in the exportation, and the trade would cease, as far as we are concerned. These are matters well worthy the consideration of the American people, from a trade point of view, if from no other.

RETURN TO THE GOVERNMENT FROM SUBSIDIZING SHIPPING.

Some people think that there would be a dead loss if our Government were to subsidize its shipping. This is far from the truth. There would be a great gain, as has been shown, to the business men of the country. But where would the Government come in? may be asked. The return to the Government would come in through the usefulness of the ships, their trained and experienced shipmasters, officers, and men in time of need. In 1793, in a great state paper, Thomas Jefferson said: "Our navigation involves still higher considerations; as a branch of industry it is valuable, but as a resource of defense, essential."

Note the significance of the last word in the quotation—"essential." That is the view held by all nations that subsidize their shipping—and the nations that do not subsidize their shipping have none. The ships and the men are an essential resource of the national defense, and on this ground alone, if for no other, our Government is justified in making any expenditure that may be necessary to secure merchant ships and seamen of our own. Very recently it has been pointed out by the chief officers of our Army and our Navy that a large number of ships, of varying sizes and speed, are essential to the successful prosecution of war, should we unhappily become involved in one across the seas. To leave ourselves without the essential means, the needed instrumentalities, for carrying on the war successfully, and with our commerce carried in their ships, arming and equipping our possible adversaries with those means which we have denied to ourselves the possession of, is to ignore our peril and court disaster.

It is said that Japanese shipowners are negotiating for the purchase of all of the American steamships plying across the Pacific. Is there a state or a sinister objective in this proposed purchase? Lacking ships of our own, might Japan not wrest from us the control of the Philippines, if it be true that she envies us our possession of those islands? As Jefferson truly said much more than a hundred years ago, but equally true to-day: "Our navigation involves still higher (than economical) considerations." Let us neither ignore nor forget these considerations.

CLEVELAND'S INDORSEMENT OF THE SHIPPING BILL.

[Published by the Merchant Marine League of the United States, organized at Cleveland November 21, 1904.]

Several hundred enthusiastic members of the Cleveland Chamber of Commerce, at its monthly meeting on the evening of February 20, unanimously adopted the following resolutions, that had received the unanimous indorsement of the board of directors, after extended discussion:

"Resolved, That due consideration for the broad development of our foreign commerce and for the better safety of the nation demands the restoration of a foreign merchant marine under our flag.

"Resolved, That the same purpose is being striven for and accomplished steadily by other nations in their own behalf.

"Resolved, That we regard the work of the Congressional Merchant Marine Commission as having been done with industry, fairness, and discrimination; and, therefore,

"Resolved, That we recommend the prompt enactment and careful trial of the plan evolved by the Commission and embodied in the 'Gallinger bill,' so called, which has recently passed the Senate; and

"Resolved, That copies of these resolutions be forwarded to the Senators and Representatives of Ohio in Congress."

At the request of the president, Mr. Harvey D. Goulder, president of the Merchant Marine League of the United States, presented the resolutions. Mr. Goulder very tersely and lucidly explained the existing condition and needs of our deep-sea shipping, the appointment of the Merchant Marine Commission, its labors in behalf of our marine, and explained the bill the Commission had prepared, which had but just passed the United States Senate. Mr. Goulder quoted from speeches made in the Senate, especially those of Senators GALLINGER and FRYE, and instanced many evidences of the serious consequences of our lack of a foreign-going marine. He especially pointed out the conservative and moderate features of the shipping bill and the feeling entertained by some as to the possibility of the provisions of the bill being insufficient to induce capital to enter extensively into the building of ships for our foreign trade. He pointed out that the bill had escaped in discussion in the Senate the charge of undue liberality, the opposition suggesting as reasons for their position their doubts as to the efficacy of so moderate a measure. The unanimous determination of the Commission to make provision only for cargo-carrying rather than swift steamships was explained by Mr. Goulder as conforming to the very general recommendations to that effect made to the Commission by those who had attended its public hearings.

At the conclusion of his speech Mr. Goulder was asked a number of questions regarding the features of the Commission's shipping bill, all of which he answered satisfactorily. One question was as to whether or not the subsidies provided in the Commission's bill were larger than those paid by other countries, and Mr. Goulder answered that they were not; on the contrary, in many cases they were less. He explained the enormous power exerted by England, small territorially, but potential commercially, as due to her maritime development. That the wise Emperor of Germany had discovered that through a marine under the German flag he would be able, as his people had been, to successfully compete with England for a part of her vast foreign commerce, Germany's success in the Orient proving the wisdom of Germany's large subsidies to her great steamship lines.

Following Mr. Goulder, Mr. F. F. Prentiss, a manufacturer and president of the Cleveland Twist Drill Company, who has traveled around the world, referred to the almost utter absence of the American flag in its different ports. In a trip from Marseille, by way of the Suez Canal, to Bombay, Calcutta, Singapore, Hongkong, Shanghai, Yokohama, and Hawaii, the American flag was seen but twice—once in Hongkong, floating over an American war vessel, and next in Honolulu, at the peak of an American schooner. He said that, while abroad, he had met a number of American manufacturers who, like himself, were seeking new markets for their products, and that all whom he met had stated that they had become convinced that the United States must give its aid to the building up of its foreign-going shipping, as a means for the development of foreign markets for our increasing surplus products. In a voyage to South America, which he was compelled to go to London to begin, and which included stops in Brazil and Argentina, over the mountains to Chile, and up the west coast, he had never once seen the American flag. He strongly favored subsidies for our marine development and warmly favored the adoption of the resolutions.

Mr. Harry Couby next spoke, and his remarks were both pithy and practical. Mr. Couby is president of the Pittsburg Steamship Company, which owns a lake fleet of 100 steamships of from eight to nine thousand tons carrying capacity each, which do an enormous iron ore and coal carrying business. He pointed out that the development of our lake marine was due to Government aid, in the deepening of channels and harbors, and yet he had never heard anyone object to such improvements because the dredge owners might make a profit from the dredging. When he came to Cleveland, twenty years ago, the cost of carrying ore from the Lake Superior region was \$1.50 a ton, and the cost of carrying coal up was 74 cents a ton; now if they could get 75 cents for their ore and 30 cents for their coal they were well satisfied. The benefits following the deepening of lake channels and harbors, he pointed out, had not gone to the vesselmen alone, their share had been small; the whole country had benefited in it; the farmer who put a wire fence around his farm, or the woman who used a needle, in any part of the United States, had been benefited equally with the iron-ore owners, the lake carrier, the railroads, the furnaces, and the mills. The same would be true of an American ocean-going merchant marine, he said; the whole country would benefit by it, not the vessel owners alone, but everybody. Mr. Couby thought the provisions of the pending bill were too moderate, and he would, if he could, increase them; if they were too generous, he said there would be plenty of American ships built to compete with each other, and force rates down, and if they were insufficient, then the passage of the bill would cost the country nothing except the losses incident to the lack of a deep-sea shipping.

Col. J. J. Sullivan, president of the Central National Bank and of the Superior Trust Company, of Cleveland, who is also an ex-president of the National Board of Trade, was the last speaker, and he was both eloquent and earnest. He thought the resolutions, like the Commis-

sion's bill, were far too moderate, besides which he deplored the evident feeling of timidity with which the necessities of the situation were discussed. The time had passed when we could longer disregard the need of a deep-sea shipping, and it was time that such intelligent, such influential, and such practical organizations as the Cleveland Chamber of Commerce should express themselves with vigor and determination in demanding of Congress the fulfillment of the pledges that had so often been made in behalf of a revived American merchant marine. We needed a merchant marine; we could not get it, he explained, without the Government's assistance. It was the right of the people to receive that assistance, in order that we might quickly have a merchant marine of our own.

The remarks of the several speakers evoked frequent and spirited applause, and it was manifest that the audience was deeply interested as well as in the fullest sympathy with the purposes of the resolution. The resolutions were adopted with a ringing "aye," and there was not a dissenting vote when the "noes" were called for.

Immediately following the adoption of the shipping resolutions it was moved that a committee of three be appointed by the president to proceed to Washington and in person present to the chairman of the House Merchant Marine and Fisheries Committee the resolutions adopted by the Cleveland Chamber of Commerce in favor of the passage of the so-called "Gallinger shipping bill." This suggestion was unanimously approved of, and in a few days the resolutions will be formally presented to Congress, and if the expressions in Washington in favor of the bill's early passage are as vigorous and as earnest as those made at the meeting of the chamber of commerce, there can be no doubt that its influence will be strongly felt.

If there remained any doubt as to where the middle western section of the United States stands on the shipping bill, the action of the Cleveland Chamber of Commerce, with its membership of 1,500 of its leading business citizens, perhaps the most active and powerful organization of its kind in the West, should go far to remove it. When similar action, as is expected, is taken in other leading middle western cities, possibly Congress will realize the insistent demand throughout the country for the passage of the shipping bill, and give proper heed to it. It is manifest that the feeling in Cleveland is very strong, and the influence of the chamber of commerce resolutions upon the Representatives in Congress from that city and from the State of Ohio can not be decisive.

AMERICAN LABOR WILL BENEFIT MOST.

[Published by the Merchant Marine League of the United States, organized at Cleveland, November 21, 1904.]

American labor will be the chief beneficiary of the shipping bill if it is enacted. Its defeat would be a greater blow to American labor than to any other American interest. Existing conditions all favor the foreigner. They are all against the American. To keep them as they are is to favor the foreigner. To alter them would be to benefit Americans. Ships built by foreigners, of foreign materials, made by foreign workmen, commanded, officered, manned, and managed by aliens now carry 90 per cent of our imports and exports. The annual value of our foreign commerce now approximates closely to \$3,000,000,000.

AMERICAN CAPITAL MAY INVEST IN FOREIGN SHIPS.

American capital is free, if it chooses, to invest in foreign-built ships, and to run them with alien masters, officers, and men, under alien flags, in our foreign trade. Our laws make no discrimination whatever in our ports as between our own and foreign ships in the carrying of our foreign commerce. Every privilege that our ships enjoy under our laws in that trade is as freely given to competing foreign ships.

A "FREE-SHIP" LAW WOULD NOT BE USED.

The mere fact that an American citizen may not place under the American flag a foreign-built ship which he purchases cuts no figure. None of the many thousand tons of foreign-built ships, now officered, manned, and managed by foreigners and sailing under foreign flags, would be placed under the American flag by their owners even if our laws permitted it. The reason for this is that the cost of operating such ships would be greater under the American than it is now under an alien flag. And the cost would be greater because the labor employed on board the American ship is far better paid and much better fed than it is on competing foreign ships.

AMERICAN CAPITAL NOW IN FOREIGN SHIPS.

A great many millions of dollars of American capital are to-day invested in ships under foreign flags, commanded, officered, manned, and managed by aliens. The only possible benefit to this country from such American ownership is that the owners' net earnings from such investment, a possible 5 per cent of the vessel's total earnings, might be expended in the United States. Foreigners enjoy all of the benefits arising from the expenditure of the remaining 95 per cent.

HOW LABOR WOULD BENEFIT IF SHIPS WERE BUILT HERE.

Were the ships built in the United States, of American materials, and commanded, officered, manned, and managed by Americans, \$200,000,000 now annually paid to aliens for doing our foreign carrying would remain in the United States, affording employment for American labor in every part of the country. The money would first go to the shipowner; he would pay part of it to the shipbuilder; he would pay another part to those who outfitted and repaired his vessel; he would pay some to the men who command, officer, and man his vessel; some to those who victual the vessel; and he would retain a moderate profit for himself. The money paid to the shipbuilder would, by him, be paid in part to his workmen; some would go to makers of materials and shapes, and he would retain a profit for himself; the money paid the outfitters, to the dry docks and repairers, would, in turn, by them be paid to their workmen, in each case the employer retaining a fair profit.

SHIPS' EARNINGS WOULD REPEATEDLY EMPLOY OUR PEOPLE.

And thus the money would work back to the merchants from the hands of the workmen, and from the merchants back to the manufacturers, and from them to their workmen. Some of the earnings would go to farmers to pay them for the food they raised and the materials they produced from which clothing is manufactured. The whole sum would percolate throughout the country, alternating between employer and employee, back and forth, over and over again.

FROM RAW TO FINISHED MATERIALS LABOR WOULD BENEFIT.

From the trees standing in the forests until they were felled, logged to mills, sawn into timbers, turned into manufactures and shapes, and fitted into ships, American labor, skilled and unskilled, would benefit. From the iron ore in the mine and the coal in the mine to the finished steel product, manufactured into the different shapes required for shipbuilding, beams, angles, tees, frames, plates, bolts, nuts, rivets, American labor would benefit. The question is almost wholly one of American labor; the benefits would accrue almost wholly to American labor. The losses due to existing conditions fall almost wholly upon American labor.

THE SUBSIDY WILL GO TO LABOR, NOT TO CAPITAL.

If the Government subsidizes the ships under the American flag the money will go first to the owner, to be sure, but by him it will be paid out to American labor in increased wages in the shipyards and on board the ships. The capitalist receives the subsidy only to pay it over to the workmen whose higher wages necessitate the subsidy being paid. The subsidy is not granted to give owners a profit, but to maintain unimpaired the American standard of wages and of living. Were American ships to-day able to compete with foreign ships without Government aid, there would be no need of a subsidy, and our ships would be doing the larger part of our foreign carrying. But American ships, unaided by our Government, can not compete.

SUBSIDY MEASURES DIFFERENCE BETWEEN AMERICAN AND FOREIGN WAGES.

The pending shipping bill fixes as the amount of the aid the difference in the sum that the American owner has to pay out for his ship, when having it built in an American shipyard, as compared with its cost in a foreign shipyard; and the further amount of difference in the wages paid to those employed on board American ships, as compared with the wages paid on competing foreign ships; and the difference in the cost of the food supplied to American, as compared with the cost of food supplied to foreign crews. Still, again, there is the difference in the subsidies and bounties and other forms of aid foreign ships receive from their governments, to the disadvantage of the American ship. The measure of all of these, and only the measure, is the sum fixed in the subsidy. So that, when the American owner of the American-built ship, which is commanded, officered, and manned by Americans, has received the subsidy from our Government, he has merely received back the excess he has expended in wages for the building and running of his ship in competition with foreign ships. His profits are about the same as those enjoyed by his foreign competitors.

WELL-PAID AMERICAN OR ILL-PAID FOREIGN LABOR—WHICH?

American labor is denied employment in our shipyards and on board of our ships, and foreign labor is employed in the building and running of ships for our foreign trade, only because the former is well paid and the latter is ill paid. If our imports and exports could only be carried in American-built ships, officered, and manned by Americans, then they would be built in this country and run by our citizens. But such is not the case. The foreigner steps in and does the work because the American workmen employed in the shipyards and on board the ships will not accept the foreign rates of wages.

PLEA FOR LABOR—NOT FOR CAPITAL.

Every claim upon which the demand for subsidies is based is because of the exactions of high-priced, well-paid American labor. The American workman will not lower the American wage standard; he will not consent to accept the foreign standard of wages or of living. If he would, capital would build ships in this country from American materials; Americans would command, officer, and man them. Until the Government makes good to American capital the higher cost of building ships in this country and of operating them under our flag, as compared with the cost of building and operating foreign ships, the alien, with his low wage and his lower standard of living, will build and run the ships to carry our foreign commerce.

NO SUBSIDY, NO EMPLOYMENT FOR AMERICAN LABOR.

With no subsidy to make good these differences to the American owner there will be no employment of American workmen in our shipyards in building ships for our foreign trade, and there will be no employment for American shipmasters, officers, and seamen in running them. American labor will not succumb to the foreign standard, and American capital will not be willing to suffer the losses incident to the building of ships in this country and running them with Americans. In short, neither capital nor labor will accept a loss. Capital finds investment elsewhere and labor remains unemployed.

THE GOVERNMENT'S INTEREST IN SHIPS AND MEN.

The Government's justification for the payment of subsidies to American vessel owners lies in the fact that the ships and their trained and experienced men are essential to, and would be protective of, the United States in time of trouble. The ships and the men are essential to the national defense. Lacking merchant ships and trained men, the nation is in peril. This justifies the expenditures in the way of subsidies and bounties by our Government, in order that the Government may have the ships and the men. It is the chief ground upon which they are justified by foreign governments that pay, in the aggregate, upward of \$27,000,000 annually to foreign ships in the way of subsidies, bounties, and other aids.

BRITISH STEAMSHIP CONTRACTS—COPIES OF AGREEMENTS BETWEEN THE BRITISH ADMIRALTY AND THE INTERNATIONAL MERCANTILE MARINE COMPANY OF THE UNITED STATES; ALSO, BETWEEN THE BRITISH ADMIRALTY AND THE CUNARD STEAMSHIP COMPANY, 1903.

[From the Summary of Commerce and Finance for July, 1903.]

The following is a copy of the agreement made on August 1, 1903, between the British Admiralty and Board of Trade, as party of the first part, and the International Mercantile Marine Company of the United States, as party of the second part, with reference to the relation which British-owned vessels, controlled by that company, shall hold to the British Government; also, the agreement made on July 30, 1903, between the British Government and the Cunard Steamship Company relative to future services and the construction of two modern swift steamers for mail and parcel service between Liverpool and New York.

These copies of agreements were presented in Parliament and published by the British Government, and are herewith reproduced in the form so published.

Copy of an agreement (dated August 1, 1903) between the Admiralty and the Board of Trade and the International Mercantile Marine Company and the Oceanic Steam Navigation Company (Limited), Frederick Leyland & Co. (1900) (Limited), the British and North Atlantic Steam Navigation Company (Limited), the Mississippi and Dominion Steamship Company (Limited), the Atlantic Transport Company (Limited), and the International Navigation Company (Limited).

An agreement made the 1st day of August, 1903, between the commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland and the Board of Trade (for and on behalf of His Majesty's Government), of the first part; the International Mercantile Marine Company (formerly known as the International Navigation Company), being a corporation incorporated and registered under the laws of the State of New Jersey, in the United States of America, which company is hereinafter referred to as "the American company," of the second part, and the Oceanic Steam Navigation Company (Limited), Frederick Leyland & Co. (1900) (Limited), the British and North Atlantic Steam Navigation Company (Limited), the Mississippi and Dominion Steamship Company (Limited), the Atlantic Transport Company (Limited), and the International Navigation Company (Limited), of the third part.

Whereas the party of the second part owns a controlling interest in the shares of the International Navigation Company (Limited), which owns a majority of the shares of the other companies, parties of the third part;

And whereas the term "the association," hereinafter used, means the parties hereto of the second and third parts, and also includes any other company, corporate or unincorporate, partnership, body, or person, whether British, American, or other foreign, which by any arrangement is admitted to or brought under the control of the association or any of its constituent parts for the time being;

And whereas the parties hereto of the third part are hereinafter referred to as "the British companies included in the association";

And whereas in the month of September, 1902, an agreement substantially to the effect of the provisions hereinafter contained was negotiated and made by and between His Majesty's Government and the American company, acting on behalf of the association;

And whereas it is considered desirable that such agreement as last aforesaid shall be embodied in a formal instrument, to be executed not only by the American company, but also by the British companies included in the association;

Now, these presents witness that in consideration of the stipulations hereinafter contained on the part of the American company and the British companies included in the association, the parties of the first part hereby undertake as follows:

1. The British companies included in the association shall, so long as the stipulations on their part and on the part of the American company hereinafter contained are duly observed, continue to be treated as heretofore on the same footing of general equality with other British companies in respect of any services, naval, military, or postal, which His Majesty's Government may desire to have rendered by the British mercantile marine; provided that nothing in this agreement contained shall extend to vessels of uncommercial speed which His Majesty's Government may specially require to be constructed and which are primarily designed for service in time of war.

And these presents also witness that in consideration of the undertaking hereinafter contained on the part of the parties hereto of the first part the American company and the British companies included in the association hereby agree as follows:

2. The British companies included in the association shall be and continue to be British companies, qualified to own British ships, and a majority at least of their directors shall be British subjects.

3. No British ship in the association, nor any ship which may hereafter be built or otherwise acquired for any British company included in the association, shall be transferred to a foreign registry (without the written consent of the president of the board of trade, which shall not be unreasonably withheld) nor be nor remain upon a foreign registry. Nothing shall be otherwise done whereby any such ship would lose its British registry or its right to fly the British flag.

4. British ships in the association, and ships that may hereafter be built or otherwise acquired for any British company included in the association, shall be officered by British subjects, and as regards their crews shall carry the same proportional number of British sailors of all classes as His Majesty's Government may prescribe or arrange for in the case of any other British line engaged in the same trades.

5. Subject to the existing agreement between the Admiralty and the Oceanic Steam Navigation Company (Limited), and without prejudice to the provisions therein contained, the American company and any British company included in the association shall sell or let on hire at any time during the continuance of this agreement to the Admiralty, when required so to do by the Admiralty, any British ship in the association, and any ship hereafter to be built or otherwise acquired for any British company included in the association which the Admiralty may from time to time select. The terms of purchase or hire, if not otherwise agreed on, shall be similar to those contained in the existing agreement aforesaid.

6. At least a moiety of the tonnage built and at least a moiety of the tonnage otherwise acquired for the association in each successive period of three years (commencing from the date of this agreement), including a reasonable proportion of the faster classes of vessels, shall be built or acquired, as the case may be, for British companies included in the association and shall be registered as British ships. There shall not be reckoned in ascertaining the moiety of the tonnage so built or otherwise acquired: (a) Vessels of the exceptional class referred to in article 1, which are to be constructed by special arrangement with the Government of the United States of America; (b) any vessel not already in the association purchased for the association from owners other than British subjects or American citizens or subjects or companies or bodies subject to a British or American jurisdiction, provided that such last-mentioned vessels are existing ships which have been running for at least two years prior to the contract for purchase and have not been built or acquired directly or indirectly for the association.

7. If at any time hereafter any British company (not being a party hereto), or any British partnership, body, or person, shall be admitted to or brought under the control of the association or any of its constituent parts for the time being, then, and in every such case, subject and without prejudice to any agreement then existing between such company, partnership, body, or person and His Majesty's Government, and subject and without prejudice to any agreement which may be made in view of such admission or inclusion between the American company, or other person or body acting for the association, on the one hand, and His Majesty's Government on the other hand, all the

provisions of these presents shall inure for the benefit of and bind such company, partnership, body, or person, as the case may be, in like manner as if such company, partnership, body, or person had been a party hereto of the third part, and had been comprised in the expression "the British companies included in the association," as used in this agreement, and, except with the consent of His Majesty's Government, no such British company, partnership, body, or person as aforesaid shall be admitted to or brought under the control of the association or any of its constituent parts for the time being otherwise than upon the terms specified in this clause.

8. If at any time hereafter during the continuance of this agreement any other company, whether corporate or unincorporate, partnership, body, or person, whether British, American, or other foreign, shall be admitted to or brought under the control of the association or any of its constituent parts for the time being the association shall give notice thereof to His Majesty's Government, and shall furnish all such particulars with regard to terms, parties, or otherwise as the Government may reasonably require.

9. The American company and the British companies included in the association and any British company, partnership, body, or person hereafter admitted to or brought under the control of the association, or any of its constituent parts, for the time being, will forthwith and from time to time do and cause to be done all such further acts, and execute or cause to be executed all such further documents and take all such steps as may be necessary to give full legal and binding effect to this agreement.

And these presents lastly witness that it is hereby mutually agreed as follows:

10. This agreement shall have effect for twenty years from the 27th of September, 1902, and shall continue in force thereafter subject to a notice of five years on either side (which may be given during the continuance of this agreement), provided that His Majesty's Government shall have the right to terminate this agreement at any time if the association pursue a policy injurious to the interests of the British mercantile marine or of British trade.

11. This agreement shall be construed and take effect as a contract made in England and in accordance with the law of England. The American company hereby irrevocably appoints the chairman for the time being of the British committee of the association, or if there be no such chairman, then each and every British company in the association to be the agent or agents in England of the American company for the purpose of accepting service on behalf of the American company of any process, notice, or other document in respect of any matter arising out of this agreement, and service of any such process, notice, or document on such chairman or company, as aforesaid, shall be deemed to be good service on the American company. Any notice or document sent by registered post addressed to the American company at No. 22 Old Broad street, London, or to the registered office of any British company in the association shall also be deemed to have been duly served on the American company.

12. In case of any difference as to the intent and meaning of this agreement, or in case of any dispute arising out of this agreement, the same shall be referred to the lord high chancellor of Great Britain for the time being, whose decision, whether on law or fact, shall be final.

As witness the hands and seals of two of the before-mentioned commissioners and the seal of the board of trade, parties hereto of the first part, and the corporate seals of the parties hereto of the second and third parts.

Copy of an agreement between the Admiralty, the Board of Trade, and the postmaster-general and the Cunard Steamship Company (Limited) (dated July 30, 1903), with Treasury minute thereon (dated July 31, 1903), together with copies of memorandum and articles of association of the Cunard Steamship Company (Limited) and draft trust deed for securing debenture stock.

[Treasury minute, dated July 31, 1903.]

My Lords have had before them Part II of an agreement dated the 30th July, 1903, between His Majesty's Government and the Cunard Steamship Company (Limited) providing for the conveyance of His Majesty's mails between Liverpool and Queenstown on the one hand and New York on the other hand.

Part II of this agreement is in substitution for an agreement dated the 31st of July, 1899, between the postmaster-general and the company, providing for the conveyance of mails from Liverpool and Queenstown to New York, and of parcel mails from as well as to New York, the payments being made according to the weight of mails carried and the agreement being terminable by twelve months' notice. The new agreement substitutes for payments by weight a fixed annual payment of £68,000 during the currency of the contract, the natural term of which will be twenty years from the date of the first sailing of the second of two new steamships which are to be provided under Part I. Under the old agreement the payments have increased from £58,000 in the first year to £62,000 in the latest (round figures), and in view of the further increase which might reasonably have been expected the subsidy has been fixed at £68,000 a year. Under the new agreement the mails will be carried at a higher average speed than at present, as the company will be bound to use their best ships in the service, including the two swift steamers to be provided under Part I. The subsidy is to cover the conveyance of parcel mails (at present paid for separately) up to a limit of 100 tons measurement in each direction and in each week. Under the old agreement no penalties were provided, but under the new agreement a proportionate deduction from the subsidy is to be made if the company fails to perform the stipulated services.

My Lords approve of the terms of this agreement.

[An agreement with His Majesty's Government and the Cunard Steamship Company (Limited).]

An agreement made the 30th day of July, 1903, between the commissioners for executing the office of Lord High Admiral of the United Kingdom of Great Britain and Ireland (hereinafter referred to as "the Admiralty"), the Board of Trade, and the Right Honorable Joseph Austen Chamberlain, M. P., His Majesty's postmaster-general (hereinafter called "the postmaster-general," in which expression his successors in office, His Majesty's postmaster-general for the time being, are respectively intended to be included), for and on behalf of His Majesty, of the one part, and the Cunard Steamship Company (Limited) (hereinafter referred to as "the company"), of the other part.

Whereas the company was registered on the 23d day of May, 1878, with a capital of £2,000,000, divided into 100,000 shares, of £20 each, and there have been issued of such shares 60,000, upon which the sum of £20 per share has been paid and 40,000 upon which the sum of £10 per share has been paid;

And whereas since the registration of the company alterations have

from time to time been made in its articles of association, and the print of the memorandum and articles of association hereunto annexed is a true copy of the memorandum and articles of association of the company now in force;

And whereas the company has since its formation maintained lines of steamships running between (1) Liverpool and New York; (2) Liverpool and Boston, in the United States of America; (3) Liverpool and Mediterranean ports, and (4) Liverpool and Havre, and the vessels engaged in such services, or some of them, have been employed and are under the provisions of an agreement dated the 31st day of July, 1899, and made between the then postmaster-general, of the one part, and the company, of the other part, now employed by the postmaster-general in the carriage of mails;

And whereas the company is the absolute owner of the steamships particularized in the first schedule hereto, free from incumbrances; and it has been agreed for the purposes of this agreement that such steamships were on the 29th day of September, 1902, of the respective values set opposite to their names respectively in the said schedule;

And whereas the company has in contemplation the building of two steamships of large size and having a speed of from 24 to 25 knots per hour, to be run in its line between Liverpool and New York, or between other ports in Great Britain and the United States of America;

And whereas by an agreement bearing date the 24th day of October, 1902, and made between the Admiralty (for and on behalf of His Majesty), of the one part, and the company, of the other part, the company agreed for the considerations therein appearing to hold at the disposal of the Admiralty for the purpose of either hire or purchase certain vessels the property of the company upon the terms and conditions therein appearing;

And whereas His Majesty's Government is desirous that the company's lines should be maintained under the British flag and British management and to the best advantage, and that they should be further improved by the addition of the two contemplated steamships;

And whereas His Majesty's Government is further desirous of securing the right to acquire at any time during the term of this agreement, either on hire or by purchase, all or any of the steamships for the time being the property of the company;

And whereas it has been arranged that His Majesty's mails shall be conveyed by the steamships of the company during the term of this agreement in manner and upon the terms hereinafter specified;

And whereas for the considerations herein appearing the parties hereto have agreed to enter into the agreements on their parts respectively herein contained;

Now it is hereby agreed between the parties hereto—

PART I.—Special arrangements.

1. (1) All references to His Majesty's Government in this agreement shall be deemed to be references to the Admiralty, the board of trade, and the postmaster-general acting jointly, and all acts and notices which may under this agreement be done or given by His Majesty's Government shall be done or given jointly by the Admiralty, the board of trade, and the postmaster-general, and all notices to be given to His Majesty's Government under this agreement shall be given to or served on the Admiralty, the board of trade, and the postmaster-general, respectively.

(2) All references to vessels substituted for the two steamships referred to in clause 3 hereof, or either of them, shall be deemed to include a reference to any vessel substituted for any vessel already so substituted.

2. This agreement is conditional on the company's articles of association being altered by special resolution in the terms set forth in the second schedule hereto.

3. (1) The company shall forthwith cause to be built for it in the United Kingdom, with all due dispatch, two steamships of large size, capable of maintaining a minimum average ocean speed of from 24 to 25 knots an hour in moderate weather, suitable in all respects to maintain and develop the company's line between Liverpool and New York or other ports in Great Britain and the United States of America.

(2) The company shall, before the building of such steamships is started, submit the plans and specifications to the Admiralty, and, if requested so to do by the Admiralty within one month from the date of the submission of such plans and specifications, shall modify the same to meet the reasonable requirements of the Admiralty; and each such steamship shall be constructed in accordance with such plans or modified plans to the satisfaction of such inspector as may from time to time be agreed on by the Admiralty and the company, or in default of agreement appointed by the president of the chamber of shipping for the United Kingdom, for the time being such inspector as aforesaid being employed at the joint expense of the Admiralty and the company; provided that such joint employment shall not affect or diminish the liability of the company in the event of such steamship not fulfilling the conditions of this agreement.

4. (1) The company shall at all times during the term of this agreement hold all and every the vessels for the time being the property of the company (including the steamships particularized in the first schedule hereto and the two steamships referred to in clause 3 hereof, and all other vessels built for or purchased or otherwise acquired by the company as and when the same shall have been built, purchased, or otherwise acquired, and so long as such steamships or vessels or any of them shall remain the property of the company) at the disposal of His Majesty's Government, to be hired or purchased upon the terms and conditions set forth in the third schedule hereto.

(2) His Majesty's Government shall have the right, on giving notice in writing to the company of their intention so to do, to take possession of any vessel which they require to purchase or hire under the provisions of this agreement immediately on the arrival of such vessel at her port of discharge from the voyage on which such vessel shall be engaged at the time of the receipt by the company of such notice and after the discharge of her inward cargo; provided that in case such vessel at the time of such notice has been let out on a charter party by the company in accordance with subclause (8) of the next following clause hereof, then and in that case His Majesty's Government shall be only entitled to take possession of such vessel subject to such charter party.

5. The company agree at all times during the term of this agreement as follows:

(1) The registered and head office of the company shall be in Great Britain, and the business of the company shall be carried on there.

(2) His Majesty's Government may determine the next following clause hereof and withhold the payment to be made thereunder if the memorandum and articles of association of the company shall, after the same shall have been altered in accordance with clause 2 hereof and the second schedule thereto, be altered so far as affects the provisions

referred to in the said last-mentioned clause and the said second schedule without the previous consent in writing of His Majesty's Government, or if the company shall persistently fail to observe the provisions of articles 2, 23a, and 30a of the said articles of association, when altered as aforesaid, or if the company makes default in observing or performing any of the provisions of subclauses (8), (13), and (14) of this clause.

(3) To carry on its business to the best advantage.

(4) Not to unduly raise the freights or charges for the carriage of goods in any of its services.

(5) In the fixing of such freights and charges to give no undue preference as against British subjects.

(6) To submit to the Admiralty the plans of any new vessels, other than the two steamships referred to in clause 3 hereof, which the company may intend to build to attain a speed of 17 knots or upward, and if requested so to do by the Admiralty within one month from the date of the submission of such plans, to modify such plans to meet the reasonable requirements of the Admiralty, but so that (except in the case of vessels to which the following proviso relates) the company shall not be bound to modify such plans to meet the requirements of the Admiralty when in the bona fide opinion of the company such modifications would be incompatible with the use of the vessel in question for mercantile purposes or for the purposes of the company's business; provided that in the case of any such intended vessel as aforesaid being built in substitution for either of the two steamships referred to in clause 3 hereof, such vessel shall be constructed in accordance with such plans or modified plans to the satisfaction of such inspector as may from time to time be agreed on by the Admiralty and the company, or in default of agreement, appointed by the president of the chamber of shipping for the United Kingdom, for the time being such inspector as aforesaid being employed at the joint expense of the Admiralty and the company; provided that such joint employment shall not affect or diminish the liability of the company in the event of the vessel which is being built in substitution as aforesaid not fulfilling the conditions of this agreement.

(7) To afford to the Admiralty at all reasonable times every facility for fitting on board all or any of the vessels forming the fleet for the time being of the company such fittings and arrangements for their armament in the event of their being taken for use as armed cruisers as the Admiralty may think fit, but not so as to interfere with the vessels in their ordinary employment or use for the purposes of the company's business, and, if required, without charge, to keep and maintain in clean order any racers, fittings, and mountings that may be provided by the Admiralty in the company's storehouse at Liverpool, ready to be immediately fitted on board by the Admiralty at their own expense; provided that the company shall not be required to provide more than 15,000 cubic feet of space, with 1,000 square feet of floor space, in such storehouse.

(8) Not to let out on a charter party (except to the Indian government) any vessel for the time being the property of the company of a speed of 17 knots or upward unless the company shall have previously given seven days' notice of its intention so to do to His Majesty's Government, accompanied by such evidence of the bona fide nature of the contemplated charter as shall be reasonably satisfactory to His Majesty's Government; provided that the company shall be at liberty at any time after the expiration of such seven days to enter into such charter for any period not exceeding six months unless His Majesty's Government shall in the meantime have signified to the company, in writing, that it exercises its right, under clause 4 hereof, to either purchase or hire such vessel; provided also that the company shall not, without the consent, in writing, of His Majesty's Government, let out on a charter party any vessel (whether or not of the speed of 17 knots or upward) which is or has at any time during the previous twelve months been ordinarily employed as a mail ship under this agreement; but this proviso shall not extend to a vessel whose place in the ordinary mail service has been taken by a newly built or acquired faster vessel if the company has, at the time of entering into the charter, a sufficient number of fast vessels efficiently to maintain the mail service.

(9) To secure (a) that on all vessels for the time being the property of the company, including the two steamships referred to in clause 3 hereof, the master, officers, and engineers in charge of a watch on board shall always be British subjects, and that three-fourths of the crew shall be British subjects, unless in the case of the crew the company is prevented from fulfilling this obligation owing to strikes, lockouts, or other labor disturbances; and (b) that on the *Campania*, *Lucania*, and *Umbria*, so long as neither of the two steamships referred to in clause 3 hereof shall have started on its first voyage, and thereafter on the *Campania* and *Umbria* and the steamship which has so started, until the second of the said steamships shall have started on its first voyage, and thereafter on the two steamships referred to in clause 3 hereof, or any vessels or vessel which may under the provision hereof be substituted therefor for the time being, all certificated officers, other than engineers, and not less than one-half of the crew carried (unless in the case of the crew the company is prevented from fulfilling this obligation owing to strikes, lockouts, or other labor disturbances), shall belong to the royal naval reserve or the royal naval fleet reserve; provided that in the event of any vessel to which this provision applies being lost His Majesty's Government may by notice in writing make this provision applicable to such other vessel of the company's fleet for the time being as His Majesty's Government may select in lieu of the vessel so lost.

For the average deficiency (if any) in each year in the number borne in any such vessel as aforesaid below the proportion of men belonging to the royal naval reserve or royal naval fleet reserve in this subclause mentioned, unless it shall be determined by arbitration under clause 35 hereof that such deficiency has not been due to any default or neglect on the part of the company, liquidated damages at the rate of £12 a head shall be payable by the company to His Majesty's Government, and such damages may be deducted from any monthly installment of the annual sum payable by His Majesty's Government under the next following clause hereof, or from any money payable under the agreement of the 24th day of October, 1902, or may be otherwise recovered as His Majesty's Government shall think fit.

The company shall furnish in each year to the Admiralty a return showing the numbers of royal naval reserve or royal naval fleet reserve officers, engineers, and men borne in each vessel during the preceding year, distinguishing the classes of seamen and firemen. The return shall also show the total number of officers, engineers, crew, and firemen borne during the period.

For the purposes of this subclause the expression "crew" shall not include persons exclusively employed in the engine department or in attending to the passengers and their wants, such as stewards, etc.

As regards the complement of the engine department in the vessels to which the foregoing provisions relate and the crews (including the

complement of the engine department) of all other vessels of a speed of 17 knots and upward for the time being the property of the company, the company will use their best endeavors and do all that is reasonably possible to secure the employment of the largest possible proportion of members of the royal naval reserve and the royal naval fleet reserve.

(10) To keep the vessels for the time being the property of the company (except such vessels as may for the time being be at the risk of the Admiralty) in a thoroughly seaworthy condition and good repair throughout, and to use their best endeavors to maintain the steamships constructed under clause 3 hereof, and any vessels or vessel substituted for such steamships, or either of them, under the provisions of this agreement, in such condition as to be capable of maintaining a minimum average ocean speed of 24½ knots an hour in moderate weather, and to permit His Majesty's Government at all reasonable times (but so as not to interfere with the regular employment of the vessels) to inspect all vessels for the time being the property of the company whenever they desire to do so, in order to see that such vessels are kept in such condition as aforesaid. In the event of His Majesty's Government being of opinion on any such survey that the said vessels or any one or more of them are not in such condition, His Majesty's Government may give notice in writing to the company to that effect and require the company to put such vessels or vessel in such condition, and the company shall forthwith at the cost and charge of the company comply with such notice.

(11) Within three months after the expiration of every year, calculated from the date when the vessel as to the speed of which proof is required under this subclause starts on her first voyage, to adduce to His Majesty's Government such reasonable proof from the actual running of the vessels as His Majesty's Government may require that each of the two steamships mentioned in clause 3 hereof, or any vessel built under the provisions of this agreement in substitution for either of such steamships, has during the preceding year been capable of maintaining a minimum average ocean speed of 24½ knots an hour in moderate weather.

(12) To permit the Admiralty to make at their own cost all reasonable provision (but not so as to interfere with the gangways of the vessels in their ordinary employment, or otherwise to interfere with the use of the vessels for mercantile purposes or for the purposes of the company's business) for the fitting of such pillars and supports, or the making of such other arrangements, as to enable guns to be carried on any vessel for the time being the property of the company if and when the same shall be purchased or hired by the Admiralty under this agreement.

(13) To register and keep registered all vessels the property for the time being of the company under the British flag, and not by any act or omission to lose or endanger the British registry or the right to fly the British flag.

(14) To sell no vessel of the speed of 17 knots or upward for the time being the property of the company without the previous consent in writing of His Majesty's Government; provided that such consent shall not be unreasonably withheld, particularly in the case of vessels which shall no longer be suitable by reason of age, depreciation, or otherwise for the company's business; provided that if any dispute arise as to whether any such consent is or is not being unreasonably withheld then in the case of a proposed sale of either of the two steamships mentioned in clause 3 hereof, or of any vessel built in substitution for either of such steamships, or of the *Campania* or *Lucania*, the decision of His Majesty's Government shall be final and conclusive, but in any other case the matter shall be referred to arbitration under clause 35 hereof; and in making his award the arbitrator shall take into consideration all the then existing obligations of the company toward His Majesty's Government; provided, also, that the company shall not, without the consent in writing of His Majesty's Government sell any vessel (whether or not of the speed of 17 knots or upward) which is or has at any time during the previous twelve months been ordinarily employed as a mail ship under this agreement; but this proviso shall not extend to a vessel whose place in the ordinary mail service has been taken by a newly built or acquired faster vessel if the company has at the time of sale a sufficient number of fast vessels efficiently to maintain the mail service.

(15) To sell no vessel of the speed of 17 knots without giving seven days' previous notice in writing to His Majesty's Government, and allowing His Majesty's Government the option of purchasing such vessel under clause 4 of this agreement.

6. His Majesty's Government shall, subject in all respects to the provisions of the next two following clauses hereof, pay to the company during the term of this agreement, out of such aids or supplies as may for the time being be provided or appropriated by Parliament for the purpose, the sum of £150,000 per annum, as to £75,000, part thereof, as from the date upon which the first of the two steamships referred to in clause 3 hereof shall sail on her first voyage, and as to £75,000, the balance thereof, as from the date upon which the second of such steamships shall sail on her first voyage. Such annual payments shall be made by equal monthly installments on the first day of the month; provided that only a proportionate part of the annual payment calculated from the date upon which each of such steamships shall sail on her first voyage shall be paid on the first day of the month next succeeding the day upon which the steamship (upon the sailing of which such installment shall become payable) shall sail on her first voyage.

7. If in the case of either of the two steamships mentioned in clause 3 hereof, or any vessel substituted therefor, the company shall, before such steamship sails on her first voyage, fail to adduce to the satisfaction of the Admiralty reasonable proof from trials that such vessel will be capable of maintaining a minimum average ocean speed of 24½ knots an hour in moderate weather, but shall prove to the like satisfaction that such vessel will be capable of maintaining an average ocean speed of not less than 23½ knots an hour under such conditions as aforesaid, then such deduction shall be made from the annual payment of £150,000 to be made by His Majesty's Government under the last preceding clause hereof as shall be agreed upon, or failing such agreement, shall be determined by arbitration by an arbitrator appointed by the lord chief justice for the time being, and the decision of such arbitrator shall be final.

And whereas the amount of the said annual payment mentioned in the last preceding clause of this agreement has been arrived at upon consideration (1) of the special value to the Admiralty of the provision by the company of two steamships of the high rate of speed mentioned in clause 3 hereof; and (2) of the fact that the present fleet of the company consists of the vessels specified in the first schedule hereto; and (3) of the other obligations and services to be undertaken and rendered by the company toward His Majesty's Government under this agreement. Now it is hereby agreed and declared that if either of the said two new steamships referred to in clause 3 hereof, or any vessel substituted therefor, shall not before such vessel sails on her first

voyage be proved to the reasonable satisfaction of the Admiralty to be capable of maintaining a minimum average ocean speed of 23½ knots an hour in moderate weather, then the special value of such vessel to the Admiralty, so far as regards speed, shall be deemed not to exist, and the annual payment of £150,000 shall be reduced to such an amount as in default of agreement may be determined by arbitration by an arbitrator appointed by the lord chief justice for the time being in manner aforesaid; provided that in fixing the reduced amount of such payment, under the provisions of this paragraph, the arbitrator shall have regard to the fact that an annual payment of £10,000 has been accepted by the company under clause 6 of the agreement hereinbefore mentioned, dated the 24th day of October, 1902, in respect of a vessel having an average continuous ocean speed in ordinary weather of not less than 21 knots an hour; and in fixing, either under this or the first paragraph of this clause, the amount to be paid the arbitrator shall take into consideration as well the additional cost of building and running a vessel capable of maintaining a higher speed than 21 knots an hour under the conditions aforesaid, as also the obligations and services undertaken and rendered by the company by virtue of this agreement; provided also that the amount fixed under the provisions of this clause shall not be liable to reduction under the provisions of the next following clause hereof unless the said vessels or either of them shall fail to maintain as an average ocean speed in moderate weather the speed in respect of which the arbitrator has fixed such reduced amount; and provided further that if the company shall subsequently to any arbitration satisfy the Admiralty that the speed of the said vessels or either of them has been increased, and that the said vessels or either of them can maintain an average ocean speed in moderate weather exceeding 23½ knots, the amount of the said annual payment shall be proportionately increased to an amount to be agreed between the Admiralty and the company, or failing agreement, to be settled by arbitration by an arbitrator appointed by the lord chief justice for the time being in manner aforesaid, it being the intention of the parties that if and so soon as the company shall satisfy the Admiralty that they have remedied in every respect their initial failure to comply with the obligations of this agreement with respect to the two steamships referred to in clause 3 hereof, or any vessel substituted therefor, the said annual payment shall, subject to any deductions to be made under the next ensuing clause hereof, be increased to £150,000, but shall in no event exceed that sum.

8. And in view of the considerations recited in the last preceding clause hereof it is hereby further agreed and declared that if at any time during the continuance of this agreement (a) there be a total loss, actual or constructive, or capture of either of the two steamships mentioned in clause 3 hereof, or of any vessel built in substitution therefor; or (b) either of such steamships or any vessel built in substitution as aforesaid be not shown in manner provided by clause 5 (11) hereof in any year by actual running to be capable of maintaining as aforesaid a minimum average ocean speed in moderate weather of 24½ knots an hour, or become less efficient (reasonable wear and tear excepted) than the same was when constructed, and steps be not forthwith taken to make good such loss of efficiency; or (c) the company's fleet (other than the two steamships mentioned in clause 3 hereof, or any vessel built in substitution as aforesaid) become less efficient than the same now is (reasonable wear and tear excepted) and steps be not forthwith taken to make good such loss of efficiency; or (d) the other obligations and services to be undertaken and rendered by the company as aforesaid be not duly observed and rendered, then and in every such case the annual payment to be made by His Majesty's Government under clause 6 hereof shall be reduced by such a sum as shall be agreed upon between His Majesty's Government and the company, or, failing such agreement, shall be fixed by arbitration under clause 35 hereof; provided that if the company shall with all due dispatch after either of the said two steamships or any vessel built in substitution therefor shall have been lost or captured as aforesaid proceed to build in substitution therefor a vessel fulfilling in all respects the conditions of this agreement, with respect to the vessel so lost or captured, and shall with regard to such vessel observe the provisions of clause 5 (6) hereof, the annual payment under clause 6 hereof shall not, during the building of such vessel, be reduced by reason of the loss or capture of the vessel in substitution for which the same is being built; provided also that if His Majesty's Government purchase either of the said two steamships or any vessel built in substitution therefor the purchase shall for the purpose of this clause be equivalent to a total loss of the steamship or vessel purchased, except that the company shall not be at liberty without the written request of His Majesty's Government to build a vessel similar to the steamships referred to in clause 3 hereof in substitution for the steamship or vessel so purchased; but nothing herein contained shall limit the right of the company to use the purchase price for the purpose of building or purchasing any vessel or vessels suitable for the purposes of the company.

In any arbitration held under the provisions of this clause the arbitrator shall give special consideration to any diminution in value for Admiralty purposes of the fleet of the company or any vessel thereof by reason or default in or breach of any of the provisions of this agreement in relation to the speed of any vessel or otherwise.

9. Up to the date upon which the first £75,000 shall become payable under clause 6 hereof, all sums which but for this agreement would be payable by His Majesty's Government to the company under the provisions of the hereinbefore recited agreement of the 24th day of October, 1902, shall continue to be paid, and as from that date until the second £75,000 shall become payable under the said last-mentioned clause hereof, one moiety of all sums which but for this agreement would be payable by His Majesty's Government to the company under the said agreement on the 24th day of October, 1902, shall continue to be paid. Except for the purpose of this clause, the said agreement of the 24th day of October, 1902, is hereby terminated.

10. His Majesty's Government shall advance to the company a sum equal to the cost to the company of the two steamships referred to in clause 3 hereof, but not exceeding in any event £2,600,000, upon the terms and conditions following:

(a) The loan shall be secured by a charge upon the whole of the company's assets, including the steamships particularized in the first schedule hereto and the two steamships referred to in clause 3 hereof, and all other vessels built for or purchased or otherwise acquired by the company, so long as such steamships or vessels or any of them shall remain the property of the company.

(b) Such charge shall be secured by the company by a trust deed and by mortgages on the steamships particularized in the first schedule hereto and on the two steamships referred to in clause 3 hereof, and otherwise as more particularly provided by the trust deed, and such trust deed shall be framed in the terms of the draft hereunto annexed,

which, for the purpose of identification, has been subscribed by the president of the board of trade and the chairman of the company.

(c) The loan shall be advanced by installments, on the inspector referred to in clause 3 hereof certifying that the provisions of such clause have been complied with up to the date of such certificate as and when the installments to be paid by the company on account of the cost of the two steamships referred to in clause 3 hereof shall become payable, and to a like amount.

(d) The loan shall carry interest (and without regard to the dates of the actual payment of the several advance installments) as from the following dates; that is to say, on one-half part thereof as from the day upon which the first of the two steamships referred to in clause 3 hereof shall sail on her first voyage, and on the other half part thereof as from the day upon which the second of such steamships shall sail on her first voyage.

(e) The interest payable on so much of the loan as shall for the time being be due shall be at the rate of 2½ per cent per annum.

(f) The loan shall be repaid by the company by annual installments, each of which shall be equal to one-twentieth of the total amount of the advance. The first of such installments shall be payable at the expiration of one year from the date upon which the second of the steamships referred to in clause 3 hereof shall sail on her first voyage.

11. The company shall, as soon as the articles of association of the company shall have been altered as aforesaid, issue to two nominees of His Majesty's Government one £20 share of the company, carrying the same voting power and other rights and privileges as an ordinary £20 share of the company, but for the purpose of demanding a poll in respect of and voting against any special resolution involving any alteration of the company's articles of association so far as respects the provisions referred to in clause 2 hereof and the second schedule hereto, also carrying the following additional rights and privileges; that is to say, (a) the right to demand a poll upon the occasion of any such special resolution as aforesaid, and (b) the right to give against any such special resolution as aforesaid additional votes equal in number to one-fourth of the number of votes possessed by the company's share, stock, or debenture holders for the time being.

PART II.—Carriage of mails.

12. For all the purposes of this agreement the term "mails" means and includes all bags, boxes, baskets, or other packages of letters and other postal packets, including parcels, without regard either to the country or place to which such packages may be addressed or to the country or place in which they may have originated, and also all empty bags, boxes, baskets, or other receptacles, and all stores and other articles used or to be used in carrying on the post-office service.

The term "postal packet" means any article for the time being transmissible by post.

The term "parcel" means a postal packet which by the regulations of the Treasury made in pursuance of the post-office acts is defined to be a parcel, and the term "parcel mails" means mails (as hereinbefore defined) consisting of receptacles containing parcels only and of empty receptacles.

The term "mail ship" means a steamship provided for the performance of the weekly mail service to which this agreement relates.

The term "month" means a calendar month.

13. The company shall, during the term of this agreement, convey by means of mail ships from Liverpool (via Queenstown) or from Queenstown to New York, once in every week, on such day as hereinafter provided, all such mails as shall for the purpose of such conveyance be tendered or delivered at Liverpool and Queenstown, respectively, to the company, or any of their agents, officers, or servants, by the Postmaster-General or any of his officers or agents.

14. Each of the mail ships shall on every Saturday, as soon as possible after the advertised sailing hour and after the mails are embarked (or at such other time as the company, with the consent of the Postmaster-General, may fix), put to sea from Liverpool and proceed direct to Queenstown, and shall remain at Queenstown until the mails to be there embarked have been received on board, and shall thence and without unnecessary delay proceed direct to New York, and the company and their officers and servants shall use their best endeavors to complete the voyage of each such mail ship between the said places, respectively, within the shortest possible time consistent with prudent navigation.

15. (1) The mail ships shall be in all cases good, substantial, and efficient steam vessels, of adequate capacity, power, and speed, and shall be provided and kept by the company seaworthy and in complete repair and readiness to the satisfaction of the postmaster.

(2) Without prejudice to the generality of the foregoing provision, and subject to the other provisions of this agreement, the company shall employ as mail ships the fastest of the steamships for the time being belonging to or chartered by the company.

(3) If any of the fastest of the company's steamships (a) shall be disabled for the conveyance of the mails, or (b) shall be hired by His Majesty's Government under the provisions of this agreement for some purpose other than the conveyance of mails, or (c) shall be temporarily withdrawn for the purpose of the usual annual overhauling requisite for the maintenance of efficiency, the company shall employ for the mail service the steamship or steamships ranking next in rate of speed among the available steamships for the time being belonging to or chartered by the company: *Provided*, That the company shall so arrange for the annual overhaul of their fastest steamships as to detract in the least possible degree from the rapidity of the mail service and its continuous and efficient performance.

16. The company shall at their own cost and to the satisfaction of the postmaster-general provide on each of the mail ships a separate room or rooms for the convenient and secure deposit and custody of the mails (other than parcel mails) under lock and key, and shall keep the parcel mails in a place of safety and take all reasonable precautions for their safe custody.

17. If the postmaster-general shall at any time desire that the mails be sorted on board the mail ships the following provisions shall apply; that is to say:

(1) The company shall provide on each of the mail ships, for the purpose of sorting and making up the mails, a separate and convenient room or rooms of such dimensions as the postmaster-general may from time to time reasonably require.

(2) Every such room shall be provided by the company with all such furniture, lamps, fittings, and other conveniences as shall be necessary or convenient for the purpose of sorting and making up the mails, and all such furniture, lamps, fittings, and other conveniences shall be from time to time cleansed and kept in repair, and the oil or other means of illumination for the lamps shall be supplied by and at the cost of the company.

(3) The services of the crew shall, subject to the directions of the

master of the ship from time to time, be given in the conveyance of the mails between the mail room and the sorting room or rooms.

(4) The company shall also receive and allow to remain on board each of the mail ships on her voyage between Liverpool and New York, and also while stopping at Queenstown, and whether such mail ship shall be with or without mails on board, such number of officers of the British or United States post-office as shall be required for the purpose of sorting and making up the mails, and shall provide suitable accommodation and victualling for such officers, either as first-cabin passengers or as second-cabin passengers, at the option of the postmaster-general.

(5) In respect of the accommodation for sorting and making up the mails as aforesaid, and in respect of the accommodation and victualling of the said officers, the postmaster-general shall pay to the company, in addition to all sums payable for the conveyance of the mails under this agreement, such sum of money as may be agreed upon between him and them, or failing such agreement, as shall be determined by arbitration under clause 35 hereof, on the basis of a fair payment for the accommodation given.

18. The master or commander of each mail ship shall (unless otherwise requested by the postmaster-general) without any payment other than the sums payable to the company under this agreement, take charge of the mails; and every such master or commander shall make the usual oaths or declarations now or hereafter required by the postmaster-general in such and similar cases, and furnish to the postmaster-general abstracts of the log and such certificates showing the due delivery of the mails and such other information respecting the mails as the postmaster-general or his officers or agents may require; and every such master or commander shall himself, or by one of his officers, immediately on the arrival of the mail ship at New York deliver the mails into the hands of the proper officer of the United States post-office, or such other person as the postmaster-general shall authorize to receive the same.

19. The company shall not, nor shall the master or commander of any mail ship, without the consent of the postmaster-general, receive or permit to be received on board any mail ship any letters for conveyance from Liverpool or Queenstown other than those comprised in the mails conveyed under this agreement or such as are for the time being exempted by law from the exclusive privileges of the postmaster-general.

20. (1) The company shall, during the continuance of this agreement (in addition to conveying mails by the mail ships as herein provided), convey by any steamship of the company (except as hereinafter provided) performing any service undertaken by the company for their own purposes (a) all parcel mails from New York to Queenstown and Liverpool, and (b) all mails from the United Kingdom to the United States of America, which the postmaster-general or any of his officers or agents shall from time to time require to be conveyed: *Provided*, That, if in consequence of additions to its fleet, the company shall at any time establish a new fast weekly midweek service between Great Britain and the United States of America (that is to say, a service performed by vessels of a speed of 18 knots and upward per hour), and the postmaster-general shall, under the powers conferred by this clause, send by means of such new service a regular mail to the United States of America which shall be equal in weight, on an average of twelve months, to not less than 10 per cent of the average weight of the mail sent each week by a mail ship under this agreement, then the postmaster-general shall make such additional payment to the company for the advantage thus obtained as (regard being had to the other payments to the company under this agreement) may be agreed upon, or falling agreement, settled by arbitration under clause 35 hereof.

(2) All such mails as in this clause mentioned shall be delivered by the master or commander of the steamship at the ship's side to the proper officer or agent of the post-office at any port or place to which such steamship shall sail and for delivery at which such mails are tendered.

21. So long as the postmaster-general shall deem it expedient to maintain a special service by railway and mail packet from London to Queenstown on Saturday afternoons for the conveyance of mails to be embarked by the company at Queenstown, the company shall pay to the postmaster-general one-third of the cost of so much of the said special service as relates to the conveyance of mails between London and Dublin (Island Bridge), and the certificate of the comptroller and accountant-general of the post-office as to the cost of such service shall be accepted by the company as conclusive evidence of such cost.

22. The company shall undertake and make all necessary and proper arrangements in connection with any statutory regulations of the local government board relative to public health or in connection with quarantine which may be required in respect of the mail ships, and no deductions shall be made from the subsidy payable under this agreement, nor shall the company be otherwise liable for or by reason of any delay in the landing, embarkation, delivery, or conveyance of any mails arising from the observance of any such regulations or the imposition of quarantine.

23. The company shall not attempt to exercise any lien upon the mails for or in respect of a general average contribution.

24. (1) Nothing in this agreement shall exempt the company or any ship of the company from the operation of any act of Parliament, order in council, by-law, or other provision of the law in relation to explosives.

(2) The company shall not convey in any steamship conveying mails any article which in the opinion of the postmaster-general is likely to endanger the mails.

25. The company shall be responsible for the loss or damage of any parcel or of any registered postal packet of any kind conveyed or tendered for conveyance under this agreement (unless such loss or damage be caused or occasioned by act of God, the King's enemies, pirates, restraints of princes, rulers, or people, jettison, barratry, fire, collision, or peril or accidents of the seas, rivers, and steam navigation; provided, nevertheless, that the expression "barratry" shall not be deemed to include any unlawful act in respect of the mails on the part of the master or officer having charge thereof; and in the event of any such loss or damage (except as aforesaid) the company shall be liable to pay to the postmaster-general in respect of each parcel or registered postal packet so lost or damaged (subject to the proviso hereinafter contained) such sum of money as shall be equal to the amount which may have been awarded and paid by the postmaster-general at his sole option and discretion (and although not under any legal obligation) to the sender or addressee of such parcel or registered postal packet as compensation for the loss or damage thereof; provided that such sum shall not in any case exceed £1 per parcel or £2 per registered postal packet of any kind; provided, also, that the aggregate amount of the sums payable by the company under this clause shall not exceed the sum of £500 in respect of any one voyage.

26. In consideration of the covenants and agreements in this part of this agreement contained, and on the part of the company to be observed and performed, and of the due and faithful performance by the company of all the services in relation to mails provided for by this agreement, there shall be payable to the company during the term of this agreement (out of such aids or supplies as may from time to time be appropriated by Parliament for that purpose)—

(1) A yearly sum after the rate of £68,000 per annum, or (in the event of any such default or failure as hereinafter mentioned) so much of the said sum as shall remain payable in respect of any year after making such deductions therefrom (if any) as hereinafter in that behalf mentioned in respect of any such default or failure as hereinafter mentioned.

(2) Whenever in any one week more than 100 tons measurement (that is to say, 4,000 cubic feet) of parcel mails (exclusive of empty receptacles) in the aggregate are conveyed in either direction from Liverpool and Queenstown to New York or from New York to Queenstown and Liverpool (whether by the mail ships or by any other steamships of the company) a further sum of 26 shillings and 3 pence for every complete ton measurement (that is to say, 40 cubic feet) of parcel mails (exclusive of empty receptacles) conveyed in that direction in excess of 100 tons measurement; provided that in lieu of the further sum last hereinbefore mentioned the postmaster-general may at his option pay the rates of freight for the time being charged by the company on similar parcels to other companies or firms whose business it is to carry parcels; but all parcels for which the said rates of freight are paid by the postmaster-general shall be carried by the company subject to terms and conditions similar to those upon which the parcels of such other companies or firms are carried and not under the terms and conditions of this agreement.

27. And whereas the said annual payment of £68,000 to be made by His Majesty's Government has been fixed, having regard to the obligations and services to be undertaken and rendered by the company to His Majesty's Government under Part II of this agreement, now it is hereby agreed that if at any time during the continuance of the agreement—

(1) The company fail to provide at Liverpool one of the fastest of the steamships for the time being belonging to or chartered by the company and available for the conveyance of the mails in accordance with the provisions of this agreement ready to put to sea on and at the appointed day and hour; or

(2) If such steamship fails (a) to put to sea on and at the appointed day and hour or immediately after the mails are embarked, or (b) to proceed direct to Queenstown, or (c) to remain at Queenstown until the mails to be there embarked have been received on board, or (d) immediately upon the receipt of such mails to proceed direct to New York; or

(3) If the company makes default in the performance of any other of the services undertaken to be rendered by the company under Part II of this agreement—

Then and so often as any such default shall happen (unless such default arose wholly or in part from any cause or causes beyond the control of the company) there shall be deducted from the annual payment which would in the absence of any such default be payable to the company such a sum as shall be agreed upon between the postmaster-general and the company, or, failing such agreement, be fixed by arbitration under clause 35 hereof, as representing the proportionate value of the service in which default has been made, having regard to the aggregate services covenanted to be performed by the company and the total sum payable under this part of this agreement.

28. (1) The said yearly sum of £68,000 shall be payable by monthly instalments, and all accounts in relation to the payments to be made by the postmaster-general to the company as hereinbefore provided, and any deductions therefrom as hereinbefore provided, shall be made out and settled monthly up to and on or as soon as conveniently may be after the end of each month, and the amount (if any) which shall be due to the company on each such monthly account shall be paid by the postmaster-general at the general post-office in London out of such aids or supplies as aforesaid upon the settlement of each such account.

(2) All such several payments as aforesaid shall be received by the company in full satisfaction and discharge of all claims and demands by them for or on account of the services hereby contracted to be performed in relation to the conveyance of mails or any damages, losses, or expenses which may be sustained by the company in respect thereof.

(3) For the purpose of the accounts and payments referred to in this clause the said yearly subsidy of £68,000 shall be deemed to accrue from day to day, subject to the liability of the same to be altered by such deductions as aforesaid.

29. If on the determination of this agreement any mail ship or other steamship shall have started with the mails on board in conformity with this agreement, but shall not have delivered such mails, such voyage or voyages shall be continued and performed and such mails shall be conveyed and delivered in all respects as if this agreement had remained in force with regard to such ship and services, and in such case this agreement shall accordingly be deemed to terminate upon the due delivery of the said mails.

30. The company shall not assign, underlet, or dispose of the benefit of this part of this agreement or of any of the provisions thereof without the consent of the postmaster-general signified by an instrument in writing.

31. In case of any great or habitual breach of this part of this agreement, or of any covenant, matter, or thing therein contained, on the part of the company, its officers, agents, or servants, the postmaster-general may, if he shall think fit, but notwithstanding there may or may not have been any former breach of this part of this agreement, by an instrument in writing determine this part of this agreement, and the company shall not be entitled to any compensation in respect of such determination, and such determination shall not deprive the postmaster-general of any right or remedy to which he would otherwise be entitled by reason of such breach or any prior breach of this part of this agreement.

32. (1) Any notice to determine this part of this agreement shall be served by being delivered at or transmitted by post to the company at its principal office for the time being.

(2) All other notices and all directions or requisitions which the postmaster-general or his officers or agents are hereby authorized to give to the company, its officers, servants, or agents, may at the option of the postmaster-general, his officers or agents, either be delivered to the master or commander of any steamship or other officer or agent in charge or management of any steamship or left for or forwarded by post to the company at any office of the company, and any notices,

directions, or requisitions so given or left shall be binding on the company.

33. As from the date when this agreement comes into force the said agreement dated the 31st day of July, 1899, in relation to the carriage of mails shall be deemed to be determined.

PART III.—Term of agreement and incidental provisions.

34. This agreement shall come into force on the date hereof, and shall remain in force until the expiration of twenty years as from the date upon which the second of the two steamships referred to in clause 3 hereof shall sail on such first voyage as is described in clause 6 hereof, and the period during which this agreement is in force is in this agreement referred to as the "term of this agreement."

35. In the event of any difference or dispute arising between His Majesty's Government or the admiralty or the board of trade or the postmaster-general on the one hand and the company on the other hand regarding this agreement, or any matter or thing therein contained or relating thereto, every such matter in difference or dispute except as herein otherwise provided shall be settled and determined in manner provided by the arbitration act 1889 or any acts amending the same.

36. In pursuance of the provisions contained in the House of Commons (disqualification) act 1782 no member of the House of Commons shall be admitted to any share or part of this agreement or to any benefit to arise therefrom contrary to the true intent and meaning of the said act.

37. Having regard to the standing orders of the House of Commons this agreement shall not be binding until it has been approved by a resolution of the House of Commons.

38. So soon as the special resolution referred to in clause 2 hereof and the second schedule hereto shall have been confirmed, the directors of the company shall forthwith proceed to execute and do all such instruments, acts, and things as may be necessary or proper for giving full effect to this agreement, and in particular, if necessary or proper or if required so to do by His Majesty's Government, they will cause the seal of the company to be reafixed hereto or to be affixed to a supplementary document confirming this agreement.

39. The schedules to this agreement shall be deemed to be part of this agreement in all respects as if the same had been incorporated therein.

40. The marginal notes hereto shall not affect the construction hereof.

In witness whereof two of the commissioners for executing the office of lord high admiral of the United Kingdom of Great Britain and Ireland and the postmaster-general have hereunto set their hands and seals, the board of trade have hereunto caused their seal to be affixed, and the company has hereunto caused its common seal to be affixed, the day and year first before written.

Prosperous British shipyards.

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF NAVIGATION,
Washington, February 16, 1906.

Hon. C. H. GROSVENOR,
House of Representatives.

MY DEAR GENERAL: I inclose herewith a copy of H. E. Moss & Co.'s steamship circular for February 6, 1906. This firm is one of the largest engaged in selling and chartering ships in the world, and their statements always attract considerable attention. I desire to call your attention to the passage in which they refer to the increase in the cost of building ships in England within the past few months, say from 15 per cent to 20 per cent. The statement illustrates the difficulty in making precise comparisons between the relative cost of building here and abroad.

Sincerely yours,

E. T. CHAMBERLAIN,
Commissioner.

[H. E. Moss & Co.'s steamship circular.]

LIVERPOOL, February 6, 1906.

Since the issue of our last semiannual steamship circular, the year just closed has become memorable in history by the termination of the greatest war that ever was fought, the greatest naval engagement since Trafalgar, and the greatest number of orders placed for new steamers, mostly contracted for in August and September, on the eve of the termination of the Russo-Japanese war, when prices were about at their lowest, and within the space of six weeks most of the builders were filled up with work, many until 1907.

We have to record that in 1905 there were launched from British yards 823 vessels, including war ships, amounting to about 1,752,960 tons, or 1,623,168 tons of merchant shipping, being 418,000 tons more than in 1904 and 100,000 tons more than the previous highest record of 1901. The output from foreign shipbuilding yards was equally as large in proportion.

We do not say that freights warranted so many orders being placed, but the low prices quoted and the prospects of better business carried most people along, the result being that the amount of steam tonnage under construction in this country on the 31st December, 1905, was 487 steamers, of about 1,355,756 tons, compared with 371 steamers, of about 1,049,756 tons, on 31st December, 1904.

With all this work on order it is only natural that prices for building should have advanced rapidly—we may say fully 15 to 20 per cent—and for tramp steamers of 6,000 or 7,000 tons dead weight from £5 10s. to about £6 15s. per ton dead weight, according to size and specification.

For instance, steamers of 6,000 tons, costing some months ago £25,000 to £26,000, could not be contracted for to-day at less than £40,000 to £41,000.

Most of the tramp steamers ordered were from 6,000 to 7,000 tons, whereas in previous years they were from 4,000 to 5,000 tons dead weight.

Unfortunately freights have not advanced proportionately, and as a result steamers contracted for at the bottom of the market are being offered for sale at prices below what they can be presently built for, and many owners have been able to sell their vessels at very handsome profits, with the result that very few new orders for tramp steamers have recently been given out.

Prices of second-hand steamers have advanced considerably, though not in the same proportion as for new steamers.

With the large amount of tonnage building, most owners are naturally anxious as to the future prospects, and some predict a speedy reaction; but seeing there are few steamers presently unemployed, although the Baltic is closed and most Russian trades dislocated on account of the terribly disturbed condition of that country; also that

our board of trade returns for 1905 show an increase in exports over 1904 of nearly £30,000,000, and in imports of over £14,000,000, being £44,000,000 in a total of £880,000,000; that the trade of this and all other countries is rapidly improving; that the expansion in the Pacific is still in its infancy; while we can not think that there will be any very great improvement in freights in 1906, we believe we will see much better times in 1907, and although it is difficult to foretell the immediate future we are not pessimistic in our views and look for a gradual improvement. In any case it will be some considerable time before prices can again reach the low level of last year.

We are, gentlemen, yours, respectfully,

H. E. MOSS & Co.

THE SHIPPING BILL OF THE MERCHANT MARINE COMMISSION. (S. 529.)

An act to promote the national defense, to create a naval reserve, to establish American ocean mail lines to foreign markets, and to promote commerce.

Be it enacted, etc., That there shall be enrolled, in such manner and under such requirements as the Secretary of the Navy may prescribe, from the officers and men now and hereafter employed in the merchant marine and fisheries of the United States, including the coastwise trade of the Atlantic and Pacific and the Great Lakes, such officers, petty officers, and men as may be capable of rendering service as members of a naval reserve, for duty in time of war, and who are willing to undertake such service, to be classified in grades and ratings according to their capacity as shown at time of enrollment. No man shall be thus enrolled who is not a citizen of the United States, either by birth or naturalization. These members of the Naval Reserve shall be enrolled for a period of four years, during which period they shall be subject to render service on call of the President in time of war. They shall also possess such qualifications, receive such instruction, and be subject to such regulations as the Secretary of the Navy may prescribe. The Secretary of the Treasury is hereby authorized and directed, upon proper audit by the Auditor for the Navy Department, to pay, out of any money to be annually appropriated therefor upon estimates to be annually submitted to Congress in the Book of Estimates, to each officer, petty officer, or man thus enrolled and employed in the merchant marine or fisheries, including the coastwise trade of the Atlantic and Pacific and the Great Lakes as hereinafter provided, an annual retainer, as follows: For each officer of the line or Engineer Corps, having the rank of lieutenant of the Naval Reserve, \$110; for each officer of the line or Engineer Corps, having the rank of lieutenant (junior grade) in the Naval Reserve, \$90; for each officer of the line or Engineer Corps, having the rank of ensign in the Naval Reserve, \$80; for each man with a rating of chief petty officer, \$70; for each man with a rating of petty officer, first class, \$60; for each man with a rating of petty officer, second class, \$48; for each man with a rating of petty officer, third class, \$40; for each seaman, first class, \$36; for each seaman, second class, \$30; for each seaman, third class, \$24. Such retainer shall be paid at the end of each year of service on certificate, by the Secretary of the Navy, that the member of the Naval Reserve has satisfactorily complied with the regulations, and on certificate by the Secretary of Commerce and Labor that such member has served satisfactorily for at least six months of the preceding twelve months on vessels of the United States in the merchant marine or in the deep-sea fisheries. The total number of officers, petty officers, and men enrolled in the Naval Reserve shall not at any time exceed 10,000.

Sec. 2. That in the interest of the national defense and for the performance of the public services hereinafter specified, after July 1, 1907, the Secretary of the Treasury is hereby authorized and directed to pay, subject to the provisions of this act, out of any money in the Treasury to be annually appropriated therefor upon estimates to be annually submitted to Congress in the Book of Estimates to the owner or owners of any steam vessel of over 1,000 gross tons, and of any sail vessel of over 200 gross tons, and fishing vessel of over 20 gross tons hereafter built and registered in the United States or now duly registered by a citizen or citizens of the United States (including as such citizens any corporation created under the laws of the United States or any of the States thereof), engaged exclusively as a common carrier for the service of the public, subventions as hereinafter provided; that is to say, (a) the sum of \$5 per gross registered ton for each vessel which has been engaged in the foreign trade by sea or the deep-sea fisheries for a period of twelve months, including time necessarily consumed in receiving or discharging cargo, or not to exceed two months in making annual or extraordinary repairs; (b) the sum of \$4 per gross registered ton for each vessel which, during any twelve consecutive months, has been engaged in the foreign trade by sea or the deep-sea fisheries for a period of nine months or over, but less than twelve months, including time necessarily consumed in receiving or discharging cargo or not to exceed one month in making extraordinary repairs; (c) the sum of \$2.50 per gross registered ton for each vessel which during any twelve consecutive months has been engaged in the foreign trade by sea or the deep-sea fisheries for a period of six months or over, but less than nine months, including time necessarily consumed in receiving or discharging cargo or not to exceed one month in making extraordinary repairs.

The subventions provided for in this section shall not be paid to: (a) A vessel for a voyage on which the principal part in bulk of her cargo shall have been transported from one port of the United States to another port of the United States, as provided in section 4347 of the Revised Statutes as amended by the acts of February 15, 1893, and February 17, 1898.

(b) A vessel while exclusively employed in carrying between foreign ports.

(c) A vessel for a voyage extending only to a foreign port less than 150 nautical miles from her last port of departure in the United States, or from a foreign port less than 150 nautical miles from her first port of arrival in the United States.

Sections 1 and 2 of an act approved April 15, 1904, entitled "An act to regulate shipping in trade between ports of the United States and ports or places in the Philippine Archipelago, between ports or places in the Philippine Archipelago, and for other purposes," shall not take effect until July 1, 1909, and until that date a vessel of the United States employed in trade between the United States and the Philippines shall receive for the period of its employment in such trade an additional subvention of 30 per cent of the rates provided in this section. After that date a vessel of the United States so engaged shall receive no subvention under this section.

A vessel receiving a subvention under this section shall not receive any other subvention, subsidy, or bounty from the Treasury of the United States.

Sec. 3. That before receiving any subvention under the provisions of

section 2 of this act the owner or owners of any vessel shall contract, in writing, with sufficient sureties, with the Secretary of Commerce and Labor to fulfill each and all of the following obligations:

First. That said vessel may be taken and used by the United States, for the national defense or for any public purpose, at any time, upon payment to the owner or owners of the fair actual value of the same at the time of the taking, or a fair rate of hire to be agreed upon. And if there shall be a disagreement as to such fair actual value or fair rate of hire between the United States and the owner or owners of such vessel, the United States is hereby authorized and empowered to take the vessel at once, leaving the fair actual value or fair rate of hire to be determined thereafter by two impartial appraisers, one to be appointed by each of said parties, they to select a third, who shall act in such appraisal in case the two shall fail to agree, and the provisions of this subdivision shall be embodied in every contract between the vessel owner or owners and the United States.

Second. That said vessel shall carry, free of charge, the mails of the United States, when the Postmaster-General shall so require, for the whole or any part of a voyage for which subvention shall be claimed.

Third. That until July 1, 1912, upon each departure of said vessel from the United States at least one-sixth, and after July 1, 1912, one-fourth of the crew shall be citizens of the United States, or men who have declared their intention to become citizens, and of the navigating force on deck, excluding licensed officers, at least one-half shall be able seamen, who are hereby defined to be men who have had two years' or more experience on deck at sea or on the Great Lakes.

Fourth. That a vessel employed in the foreign trade shall maintain, during the period so employed, at least class A 1 if a steam vessel, and at least class A 1½ if a sail vessel, as such classes are now established by either the Record of American and Foreign Shipping or the United States Standard Owners, Builders, and Underwriters' Association, or equivalent classification in any other register of shipping of at least equal merit.

Fifth. That all ordinary repair or overhauling of said vessel shall be made in the United States, except in cases where dry docking is necessary and no American dry dock of sufficient capacity shall be within a distance of 500 miles of the location of the ship when the repairs shall be needed.

Sixth. A vessel shall not be entitled to the subvention above provided for unless during the period of employment in the foreign trade or deep-sea fisheries the following proportions of the crew of the vessel after the dates specified shall have been enrolled in the naval reserve: After July 1, 1908, one-eighth; after July 1, 1912, one-sixth; after July 1, 1917, one-fourth. *Provided*, That if the foregoing stated proportions of naval reserves can not be obtained at a foreign port with reasonable effort, as certified by the consul, other persons may be substituted until the first return of said vessel to the United States, without forfeiture of the subvention.

Sec. 4. That the contracts provided for in section 3 shall be for a period of one year, and shall be renewed from time to time. At the expiration of each annual contract the owner of the vessel shall be required to prove to the satisfaction of the Secretary of Commerce and Labor, in such manner as the said Secretary shall prescribe, that its obligations, each and all, have been satisfactorily complied with. The Secretary of Commerce and Labor shall thereupon certify to the Secretary of the Treasury the amount of subvention to which said owner shall be entitled in fulfillment of said contract and of the provisions of this act, and the Secretary of the Treasury upon proper audit shall thereupon pay the subvention due.

Sec. 5. That the Postmaster-General is hereby authorized and directed to enter into contracts, for a term not less than five nor more than ten years in duration, with citizens of the United States for the carrying of mails on steamships hereafter built and registered in the United States, or now duly registered by a citizen or citizens of the United States (including as such citizens any corporation created under the laws of the United States or any of the States thereof), between ports of the United States and ports on the routes and for the amounts prescribed in section 6 of this act. All the provisions of the act of March 3, 1891, entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce," are hereby made applicable in all respects to the services provided for in section 6 of this act: *Provided*, That the specific rates of compensation provided for in section 5 of said act shall not apply to the services provided for in section 6 of this act, and that all ordinary repair or overhauling of a steamship employed and paid for carrying mails under sections 5 and 6 of this act shall be made in the United States, except in cases where dry docking is necessary and no American dry dock of sufficient capacity shall be within a distance of 500 miles of the location of the ship when the repairs shall be needed; and that such a steamship shall not, except as provided in section 6 of this act, receive any other subvention, subsidy, or bounty from the Treasury of the United States.

Sec. 6. That as soon as may be practicable the Postmaster-General shall establish, in the manner prescribed in section 5, the following ocean mail services:

First. From a port of the Atlantic coast of the United States to Brazil, on steamships of the United States of not less than 14 knots speed, for a monthly service at a maximum compensation not exceeding \$150,000 a year, or for a fortnightly service at a maximum compensation not exceeding \$300,000 a year.

Second. From a port of the Atlantic coast of the United States to Uruguay and Argentina, on steamships of the United States of not less than 14 knots speed, for a monthly service at a maximum compensation not exceeding \$187,500 a year, or for a fortnightly service at a maximum compensation not exceeding \$375,000 a year.

Third. From a port of the Atlantic coast of the United States to South Africa, on steamships of the United States of not less than 12 knots speed, for a monthly service at a maximum compensation not exceeding \$187,500 a year, or for a fortnightly service at a maximum compensation not exceeding \$375,000 a year.

Fourth. From a port of the United States on the Gulf of Mexico to Brazil, on steamships of the United States of not less than 12 knots speed, for a monthly service at a maximum compensation not exceeding \$137,500 a year, or for a fortnightly service at a maximum compensation not exceeding \$275,000 a year.

Fifth. From a port of the United States on the Atlantic coast, south of Cape Hatteras, and from a port on the Gulf of Mexico to Cuba, on steamships of the United States of not less than 14 knots speed, for a weekly service, at a maximum compensation not exceeding \$75,000 a year, or for a semiweekly service at a maximum compensation not exceeding \$125,000 a year.

Sixth. From each of two ports of the United States on the Gulf of Mexico and from New Orleans to Central America and to the port of Cristobal on the Isthmus of Panama, on steamships of the United

States of not less than 12 knots speed, for a weekly service at a maximum compensation not exceeding \$75,000 a year.

Seventh. From a port of the United States on the Gulf of Mexico to Mexico, on steamships of the United States of not less than 12 knots speed, for a weekly service at a maximum compensation not exceeding \$50,000 a year.

Eighth. From a port of the Pacific coast of the United States via Hawaii to Japan, China, and the Philippines, on steamships of the United States of not less than 16 knots speed, for a monthly service at a maximum compensation not exceeding \$300,000 a year, or for a fortnightly service at a maximum compensation not exceeding \$600,000 a year.

Ninth. From each of the two ports, namely, Puget Sound and the Columbia River of the North Pacific coast of the United States to Japan, China, and the Philippines, on steamships of the United States of not less than 13 knots speed, for a monthly service at a maximum compensation not exceeding \$210,000 a year; or for a fortnightly service, at a maximum compensation not exceeding \$420,000 a year.

Tenth. From a port of the Pacific coast of the United States via Hawaii and the Samoan Islands to Australasia, on steamships of the United States of not less than 16 knots speed, for a service once in three weeks at a maximum compensation not exceeding \$217,000 a year in addition to the compensation now provided pursuant to contract under the act of March 3, 1891, entitled "An act to provide for ocean mail service between the United States and foreign ports, and to promote commerce."

Eleventh. From a port of the Pacific coast of the United States to Mexico, Central America, and Port La Boca on the Isthmus of Panama, on steamships of the United States of not less than 12 knots speed, for a fortnightly service at a maximum compensation not exceeding \$120,000 a year: *Provided*, That the requirements of this section as to the rates of speed shall be deemed to be complied with if said rates are developed during a trial of four hours' continuous steaming at sea in ordinary weather in water of sufficient depth to make the test a fair and just one, and if the vessels are maintained in a condition to develop such speed at any time while at sea in ordinary weather. This trial shall be made under the direction and supervision of a board of naval officers which the Secretary of the Navy shall appoint upon the application of the owner or owners of the vessel to be tested.

Sec. 7. That all contracts hereafter made pursuant to the act of March 3, 1891, before mentioned, or pursuant to sections 5 and 6 of this act, shall provide that on each voyage the following proportion of the crew shall be enrolled in the Naval Reserve: After July 1, 1908, one-eighth; after July 1, 1912, one-sixth; and after July 1, 1917, one-fourth: *Provided*, That if the foregoing stated proportions of naval reserves can not be obtained at a foreign port with reasonable effort, as certified by the consul, other persons may be substituted until the first return of said vessel to the United States, without forfeiture of the compensation.

Sec. 8. That on proof to the satisfaction of the Commissioner of Navigation that a vessel of the United States has on any foreign voyage carried a boy or boys, a citizen or citizens of the United States, under 21 years of age, suitably trained during that voyage in seamanship or engineering, in the proportion of one for such vessel, and in addition one for each 1,000 tons of her net registered tonnage, there shall be paid to the owner or owners of the vessel, out of any money in the Treasury not otherwise appropriated, an allowance equivalent to 80 per cent of the tonnage duties paid in respect of the entry in the United States of that vessel from that voyage: *Provided*, That such payment shall not be made after July 1, 1908, except in respect of any boy who is enrolled as seaman, third class, in the Naval Reserve, or is an apprentice indentured in accordance with law.

Sec. 9. That this act shall take effect on July 1, 1906.

Sec. 10. That Congress reserves the right to alter, amend, or repeal this act, in whole or in part, whenever in its judgment the public interest shall so require, without, however, impairing in any wise the obligation of any specific contract then in force which shall have been entered into under the provisions of sections 2, 3, 5, and 6 of this act.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. FASSETT having taken the chair as Speaker pro tempore, a message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. BARNES, one of his secretaries.

AGRICULTURAL APPROPRIATION BILL.

The committee resumed its session.

Mr. LEVER, Mr. Chairman, the bill under consideration carries the annual appropriation for the support of the Department of Agriculture. It is the only specific legislation by Congress in which the farmer has a direct interest. It is the sole contribution of the Government in aid of the greatest industry of the nation.

Agriculture has always been, and will continue to be, of supreme and first importance to all the nations of earth. It is the most ancient and important of all the professions. Upon it as a foundation the earliest civilization of the world rested, and it is to-day the bedrock of our national greatness.

If the student of the human family would get an accurate measure of its progress, he must first get a correct measure of the development of agriculture in the different periods to which his research is directed. The progress of the one is measured by the progress of the other. Such an investigation will prove that agriculture has always been, and will ever be, the basic industry of the world, supporting and vitalizing every other.

Everyone must recognize that upon the prosperity of the man who walks in the furrow, upon the happiness and comfort and well-being of "the man with the hoe," must depend the prosperity, happiness, and well-being of all classes and industries. Bountiful harvests to the farmer bring a wealth of prosperity to all other occupations. When disaster comes to him every other

industry suffers; when he prospers, the nation likewise prospers. Whatever helps him helps the world, and vice versa. From his skill and energy, from his success in getting bountiful responses from nature, is drawn the lifeblood which, circulating through the arteries of every other industry, vitalizes them into agencies of happiness and wealth. He is the breath of life of all of the other occupations of mankind and the moving cause of every step forward in the march of progress. Upon him depends directly or indirectly every industry, and upon his broad shoulders rests the burden of feeding and clothing the world, while at the same time he is the chief customer for the products of all other industries. Back of all progress, back of every forward movement in the history of the world, stands this unpretentious man—earth's most modest, but best prince. [Applause.]

The statesmanship of every age has recognized the prime importance of agriculture and in some way undertaken to do justice to this most potent agency in the industrial development of the world.

The great Corsican, when in the very fullness of his power, with that almost inspired wisdom which marked his every act, wrote in the civil code of the French nation as a fundamental doctrine:

First, agriculture, the soul and basis of the Empire; second, industry, the comfort and happiness of the population; third, trade, the superabundance and proper application of the surplus of agriculture and industry.

To the wisdom of this doctrine the French Republic owes, in a large measure, the industrial achievements which have given her place among the nations of earth.

Our own Department of Agriculture traces its origin to the practical wisdom of the "Father of his Country," and the active efforts of that wise old philosopher, Benjamin Franklin, the celebration of whose birthday we are about to make, and rightly, an occasion of national importance. In his last message to Congress President Washington, recognizing that a neglected agriculture meant ultimate ruin for his country, urged upon that body the importance of agriculture to the nation in these words:

In proportion as nations advance in population, the cultivation of the soil becomes more and more the object of public patronage.

This strong, practical, patriotic old hero looked far into the future and with clear vision foresaw the important relationship that agriculture would bear to the progress and prosperity of the country to whose service he had given so many years of his life. He directed the attention of Congress to the necessity for the creation of some kind of governmental agency which should be charged with the duty of stimulating enterprise and experiment along agricultural lines and whose function it would be to collate these experiments and observations and disseminate them among the people. This is the kernel around which has grown our present efficient and valuable Department of Agriculture, a Department which affects more people and does better work within the limitations provided by the small appropriations for it than any Department of this Government, and I say this, not in disparagement of the efficiency of other Departments, but in justice to this, whose work I know is adding enormously to the happiness of the people and the wealth of the nation.

The suggestions of General Washington did not bring from Congress any affirmative legislative response, but at the same time they were met with favor by the wisest and best statesmanship of that period. It is interesting to know that the response of the Senate to these suggestions was written by a South Carolina, Senator Read. The truth is, from the very earliest days of the Republic the South has been vitally interested in every effort to better the condition of the agricultural classes, and to-day no section of the Union is more concerned in agriculture than the South, nor is there a section of the country which gives heartier support to the present administration of the Department of Agriculture, which has a firmer faith in its integrity or a greater confidence in its wisdom than the section from which I have the honor to come. We believe in Secretary Wilson the man; we believe in him as the friend of agriculture. We are more than satisfied that we can always get from him at least a square deal. His Department is doing a great work in the South in many ways, and I confidently expect from it a great revival in southern agriculture. If he can successfully demonstrate to our people the advantage of diversified agriculture over our present one-crop system, the result in that one undertaking will be a return in increased taxable property to the nation a hundredfold greater than the appropriation carried in this bill for the whole country.

Our Government is not an exception in extending aid to its agricultural classes. Every nation with any prominence in the affairs of the world assents to the idea of government aid for

agriculture and makes annual appropriations to that end. Germany, France, Austria, Hungary, Spain, and even benighted Russia and young Japan expend large sums for conserving, promoting, and encouraging those of their people engaged in agriculture. The fact is that these nations evince a deeper concern in the welfare of their agricultural classes than we do in ours.

It may sound somewhat out of joint when I assert it, but the truth is that our Government was not only tardy in extending to this most potent agency in our industrial development that recognition to which its great importance to the country entitled it, but that even now, in this very year, when the crowded condition of our cities and the world's increasing demands for breadstuffs and clothing necessitates such a great increase in the productiveness of our farms, we are pursuing a policy with respect to this industry which almost amounts to parsimony. [Applause.]

The first affirmative legislative action looking to governmental aid for agriculture was not had until 1839, when the insignificant sum of \$1,000 was appropriated to buy and distribute "rare and valuable seed" among the farmers. The appropriation was grudgingly increased from year to year as the demand for aid grew more and more insistent until under President Lincoln's first Administration the Department of Agriculture, with functions no greater than that of an ordinary bureau, was created. The Department did not receive that enthusiastic support and encouragement from Congress which were necessary to make it of any special consequence to the country. It was regarded rather as a "sop" to the farmer than the evidence of a serious intent to aid him. Little was expected from it, and little was received. It was not until 1889, one hundred years after the signing of the Constitution, when the nation began its real life, that any serious and purposeful effort to aid agriculture was undertaken by this Government. In that year an act was passed raising the Department of Agriculture from a bureau class to that of an Executive Department of the Government, with added duties and enlarged jurisdiction. This was the first time in our history of a hundred years that the farmer, as a class, was accredited a distinction to which he was entitled above every other class in the country if regard is to be had for the relative importance to the Government of the various classes and occupations in which our people are engaged. That this great industry should have been denied so long this consideration at the hands of the Government does not do credit for impartiality and fairness and patriotic foresight to the Congresses which have gone before us. [Applause.]

Be it said to the glory of the Democratic party that the present Department of Agriculture is the creation of Democratic wisdom. The burden of the fight for the American farmer was borne by a Missouri Democrat (Hatch) and the act was signed by a Democratic President, and from that day until this the Government has been committed most thoroughly to the policy of aiding agriculture, and the wonderful development, the increased production, the enhanced value of farm property, and the general well-being and prosperity of the farmer bear convincing testimony to the fact that the appropriations for this purpose have not been wasted, but, on the contrary, have been seed sown in fertile soil. [Applause.]

Mr. Chairman, who is this man, and what has he done and is he doing to merit the consideration of the Government, even in so small a way as is shown in this annual appropriation act? Who is he that a representative of his calling should have a seat at the Cabinet table of the President with rank equal to that enjoyed by every other occupation? He is the unpretentious, unassuming citizen, who is not found constantly knocking at the doors of the American Congress for the loaves and fishes, nor crowding the lobbies of this Capitol, pleading and begging for special legislation in his own behalf. He brings more of support in the way of wealth and good citizenship to the Government than any other class, and in return asks less of it and gets less from it. He is the one man of all men who is unpampered, unpetted, unprotected by legislative favoritism. We find no Federal laws to protect him against honest competition, nor to enable him to feed upon the toil of others. Unaided by special enactment, he goes into the markets of the world, competes with every condition of labor everywhere, and conquers them through the merit of the products he offers for sale, and his sagacity as a trader. [Applause.]

He depends absolutely upon his own effort to win that success which comes to so many others through the special favor of the Government. He has in him all the elements which enter into the making of the highest type of citizenship, yet we do not find him laying claim to any special virtues, nor does he believe himself better than other men. He looks upon integrity of character as the true measure of men, and an abiding faith in the ulti-

mate triumph of the institutions of his country as the true standard of patriotism. Honest labor he regards as the first duty of an American citizen, and work has no aversion for him. Sober-minded and earnest, he takes a serious view of life, and the dash and dazzle of things unreal do not appeal strongly to him. Law-abiding himself, he is quick to defend and uphold the majesty of the law, because he sees in the orderly conduct of affairs and men the real safety of the nation. [Applause.] For him lawlessness and idleness receive no sympathy. His contribution to the civic and political virtue of the country is perhaps greater than that of any other class, and he is to-day the great conservative force in American politics. [Applause.] And when the day shall come that the cherished institutions of our country are threatened by the rapidly rising tide of radicalism and unrest, when the fierce struggle between the forces of labor and capital shall begin in real earnest, when the day of chaos shall come, this American farmer, so unpretentious of his patriotism will stand as a rock of ages against the onrushing forces of political, social, and economic revolution and destruction. In such a day he will be the bulwark of civil and religious liberty—the Ark of the Covenant of our system of government. [Prolonged applause.]

Mr. Chairman, I now desire to direct the attention of the House to the farmer's contribution to our national wealth, and to prove from the most reliable statistics that he not only contributes more to that wealth than does any other class, but at the same time correct the false impression that as a class he is wanting in business sagacity.

The statistician, Mulhall, in his Dictionary of Statistics, gives to the United States the first place among the nations in wealth. This very valuable publication makes the wealth of this country more than one and one-third times greater than that of Great Britain, about one and two-thirds greater than that of France, more than twice as great as that of Germany, almost three times as great as that of Russia, four times as great as that of Austria, and nearly twice as great as that of Italy and Spain combined. It is estimated that the aggregate wealth of this country to-day approximates the enormous total of \$100,000,000,000, and this stupendous sum, too great for the comprehension of human intellect, is the result of only a little more than a century of national endeavor. It is a marvelous record for the youngest of the nations, and a splendid tribute to the productive genius of the American people. To this achievement all industries have contributed, but no single one has contributed to it even half so much as agriculture. [Applause.]

More than one-fifth, approximately \$23,000,000,000 of the nation's wealth, must be credited to the brain and brawn, the productive capacity, and business ability of the farmer. Unaided by class legislation, without special favors from the Government, he has done more to swell the aggregate of national wealth than all the railroads and manufacturing establishments of the country combined, notwithstanding the fact that these two industries rank second and third in importance as wealth contributors.

By a few comparisons let us endeavor to get some conception of what \$23,000,000,000, the amount invested in agriculture, means. All the gold and silver in coin and bullion in the United States makes but a mere bagatelle in comparison to this amount, and the combined banking power of the world, exclusive of the United States, is less than the capital invested in agricultural pursuits. The farmer, if he desired it, could buy every railroad in this country and still have a bank account of \$10,000,000,000, a sum larger by \$1,000,000,000 than the total capital invested in all the manufacturing establishments of the country.

Not only is agriculture the largest contributor to the wealth of the country, but it employs over 36 per cent of its total population engaged in productive and gainful occupation. According to the census of 1900, the farms in the United States numbered 5,739,000, and embraced an acreage of 841,201,546. Employed in the cultivation of this vast empire were approximately 10,500,000 persons, representing 36,000,000 of our total population. It is thus seen that over one-third of the people of this country are directly and vitally concerned, to say nothing of the vast millions indirectly interested, in everything that affects agriculture. The mind is too limited in its scope to grasp the full significance of these figures. If we should divide the total agricultural population by 5, we would have an army of over 7,000,000 men—an army greater in number than was ever marshaled even in the imagination of the wildest dreamer. [Applause.]

It is common to assert, and it has been reiterated so much until the statement has come to be accepted as a fact by those who do not know, that the farmer, as a class, is deficient in business ability, that he fails to measure up to the standard of the average citizen in productive capacity, and lacks genius for the ac-

cumulation of wealth. This belief is far from the truth, and I shall undertake to show it. In proportion to his opportunities, no class of our population has shown more skill and shrewdness in the management of his own affairs than has the farmer, and no class has collected a larger dividend from the capital invested than he. An examination of the records establishes this fact beyond a doubt and proves my contention that there is no more shrewd or capable business man on earth than the American farmer. What are the facts?

In 1850, a half century ago, the number of farms in this country was a little less than a million and a half. To-day there are more than five million and a half contributing their daily bounty to the nation's comfort and wealth. Fifty years ago there were in cultivation only 290,000,000 acres of land, as against the more than 841,000,000 acres in cultivation to-day.

In 1850 the total value of all farm property in the United States was less than \$4,000,000,000. That capital has been increased by the business capacity of the farmer until to-day it exceeds the grand total of \$23,000,000,000. This is the farmer's record as a business man. Within the memory of most of those who do me the honor to give their attention to this statement he has brought under his sovereign authority and subjected it to his will an empire from which he levies the tributes which have added so much to his own well-being and the happiness of mankind. In this short period he has increased his capital six times over and brought to the aggregate of national wealth more than twice as much as have the railroads of the country and three times as much as have the manufacturing interest, notwithstanding the fact that these last-named industries have always been peculiarly favored by the protecting and patronizing arm of the Government. The farmer has received of the Government little of its care. He has not sought it, nor has he complained, or is he complaining now. [Applause.]

The farmer does not take the view that the Government owes him anything. He does not believe in the idea that the Government is called upon to grant special favors. His idea is that the people must support the Government and not the Government the people. He regards, and his friends likewise, the appropriation annually made by the Government for the support of the Department of Agriculture not as a gift to himself, but as an investment from which the Government expects, and does actually receive, large profits. It is not the function of the Government to give either to the farmer or to any other class. [Applause.] The fact is the Government has nothing to give, for every dollar that goes into the Treasury of the United States is a trust fund and must be expended with that scrupulous care which is required of the management of such a fund. The farmer understands this, and hence you never hear of the spectacle of the farmer making a raid upon the Federal Treasury. He does expect, however, that in the investment which the Government makes of its funds for the benefit of all the people his securities, the best and soundest, should not be overlooked.

This is the position I take in reference to the bill under consideration. I do not regard it as a gift to the farmer, and if I did so regard it and then voted for it I would be unworthy the confidence which I believe my people repose in me. I look upon this appropriation as a business undertaking upon the part of the Government; and to point out to the farmer the best methods of farming, to demonstrate to him the value of seed selection, to show him by soil survey the kinds of crops best adapted to each particular community, and to explode for him by actual demonstration the almost countless vagaries respecting agriculture I regard as a duty which the Government owes to itself and to the farmer as a class which constitutes over one-third the population of the country. An appropriation for this purpose, I repeat, is not a gratuity to the farmer, but an investment upon the part of the Government, and the fact has been demonstrated time and time over that as an investment it brings back to the Government in profits and in improved farm conditions far more than any appropriation made by Congress for any other purpose. [Applause.]

I doubt not that the saving to the farmer through the work of the Department of Agriculture in exposing fallacious ideas with respect to farm methods in the last five years will more than doubly refund the annual appropriation for this Department, to say nothing of the benefits which have come to him through the efforts of the Department in pointing out to him the most improved methods in farm management and the like. Farming is no loose-jointed, haphazard business, which can be successfully run without regard for business methods. Agriculture is becoming a science, and it takes as much brain to run a farm successfully as it does to conduct a bank or defend a suit in court. [Applause.] The Department of Agriculture is doing a great work in its efforts to bring the farmer and the

country to a realization of this fact, and every dollar we spend which has this for its ultimate object will return to us burdened with a wealth of profit. [Applause.]

But, Mr. Chairman, I have wandered away from the purpose of my remarks. Let us get back on the track.

I want to bring the record to a point within the memory of the youngest of us, and again prove by it the falsity of the idea that the farmer is wanting in business capacity, and to show from it by incontrovertible figures that as a producer of wealth, as a contributor to our national well-being, the farmer as a class is without equal. [Applause.]

Sixteen years ago, according to the census reports, the annual value of the products of the farm amounted to \$2,400,000,000. This is an enormous sum, but it does not approach the achievement of the farmer as a wealth producer in the year just closed, when our farms yielded a wealth valued at \$6,415,000,000. In this short period the farmer has trebled the productiveness of his capital and in one year wrung from the soil products the aggregate of whose money value is only a third less than the total capital accumulated by manufactures during the entire existence of the country. The earning capacity of the farmer during last year was more than three times as great as the earning capacity of the railroads of the country for the same time, and the value of his crop for that year was sufficient to cancel the mortgaged indebtedness of the United States in 1890. It was enough to pay three times over the national debt of the country and to bear the burden of conducting the Government for a period of eight years. Does this look like the farmer is not a good business man? He is the most productive agent of our country. [Applause.]

The record is not complete. Secretary Wilson, in his annual report, in speaking of the increase in farm values—that is, the additions to the permanent capital invested in agricultural pursuits—said: "Every sunset during the past five years has registered an increase of \$3,400,000 in the value of farms in this country; every month has piled this value upon value until it has reached \$102,000,000." In other words, the farmer has added the stupendous sum of \$6,133,000,000 to his capital in the last five years. Does this bear out the assertion that he is a business drone? Where is the industry that can show a like accumulation of wealth in the same period of time? The fact is that his achievements in producing and accumulating wealth are unparalleled by any people of any nation on earth engaged in any of the occupations of man. [Applause.]

But this is not all the American farmer has accomplished in the last sixteen years. In addition to adding over \$6,000,000,000 to his capital and growing in one year products valued at over \$6,000,000,000, he has been doing a little international trading and some national-debt paying. The Secretary of Agriculture says of him, in his report, that he has—

reversed an advance international balance of trade and has been building up one favorable to this country by sending to foreign nations a surplus which in sixteen years has aggregated \$12,000,000,000, leaving an apparent net balance of trade during that time amounting to \$5,092,000,000, after an adverse balance against manufactures and other products not agricultural, amounting to \$543,000,000 has been offset.

These figures show, Mr. Chairman, that the farmer, aside from feeding and clothing the people of this great nation, and our home markets consume 86 per cent of our products, has sold \$12,000,000,000 worth of products in foreign markets in competition with the cheap labor of the world and to a people whose standard of living is not so high as our own, and whose necessities are, therefore, not so great. He supplies one-third of the grain, one-fifth of the wheat, and three-fourths of the cotton used by the entire world. It is thus seen that this unpretentious American farmer, unaided by the favoritism of the Government, sets the table, provides the meals, and furnishes the clothing for the greater portion of mankind. [Applause.] But this is not all.

The farmer has not only contributed more than any other class to the aggregate wealth of the nation, but his skill and energy have secured to us immunity from debt in our international trade relations. But for the products of the farm there would have been charged up against us during the last sixteen years a foreign debt of \$543,000,000, the adverse balance against manufactures and other products not agricultural. The farmer has not only paid this international debt, but, in addition to that, has brought to our shores to swell the aggregate of our national wealth more than \$5,092,000,000. He has not only saved us from becoming a debtor nation, but has made us the world's greatest creditor. [Applause.]

During the last fiscal year our farms, after fully meeting the demands of the home market, supplied our foreign customers with products valued at \$827,000,000. As an international trader, the farmer secured to himself and his country a

net balance amounting in one year to \$285,000,000. He has been correctly named "the international paymaster" of the country, for this net balance means that he has not only paid for all he has bought, but in his trading has made his customers debtors to him in this sum, which becomes available as an offset to foreign debts which have been incurred by other industries.

This is not all of the farmer's splendid record. He is to-day the main support of the manufactures of this country and the world. It is estimated that 2,154,000 persons in this country alone are dependent for their living directly upon manufacturing industries, which in turn depend solely upon the products of the farm for the raw material which goes to make their finished product. These establishments, thus dependent directly upon the farm, employ 38 per cent of all persons engaged in manufacturing and are capitalized at over \$4,000,000,000. Suppose, Mr. Chairman, some great disaster should come to the farms of our country, the effect would be a complete paralysis of these great establishments, and to the millions of their employees would come actual want and suffering. So intimately associated with the well-being of the nation and for that matter, the world, is the prosperity of our farmer, that any disaster to him is immediately and acutely felt by every other industry. If the boll-weevil should invade the cotton fields of the South and reduce their yield to any considerable extent, despair and panic would seize upon millions of people in this country, England, and Germany, and dire want would enter the homes where happiness and contentment now dwell as the result of the generous bounty of King Cotton, of which Grady eloquently said:

The trespass of a little green worm on its leaf is more to England than the advance of the Russian army on her Asian outposts.

[Loud applause.]

An industry of first place in importance to the well-being of the nation and having in it such great possibilities for future development, we naturally presume would take first rank in the consideration of the Government. To aid in its promotion and development we would reasonably expect to find the Government making the most liberal and unstinted appropriations. Such would be the policy dictated by practical wisdom and sound business foresight upon the part of the lawmaking power. That a contrary policy has been pursued by Congress, that the appropriations for agricultural purposes have been small in amount and grudgingly made, I wish to prove by official statistics and a few comparisons.

I wish to show, in the first place, that in proportion to the amount of land devoted to agricultural purposes and to the number of people engaged in agricultural pursuits, we do less as a nation in aid of this industry than any other people. I do not know to what it is due, whether to the farmer's lack of organization, or his modesty in seeking aid at the hands of the Government, or to our failure to appreciate the great importance of agriculture, but the fact remains that our appropriations for this purpose, as compared to the appropriations of other civilized nations for the same purpose, are strikingly discreditable to our statesmanship. [Applause.]

Our annual expenditure for agricultural purposes is less than \$7,000,000. Russia, which does less for its people than any nation on earth, with an area only a little more than double that of ours, recognizing that the full development of agriculture must mean increased wealth to her as a nation, appropriates \$25,000,000 annually for this purpose; the Republic of France, following the course pointed out by her great Napoleon, with an area less than that of the State of Texas, annually expends in aid of this industry over \$9,000,000, while Austria gives \$9,275,000, Hungary \$9,400,000, and Japan, the youngest of the world powers, nearly \$4,000,000 to bring about the highest development of their agricultural interests. To put us on a parity with other nations in appropriations for agriculture, population and area considered, the bill now under discussion would call for an expenditure approximating \$100,000,000. We are asking for less than a twelfth of that amount.

In this comparison we must not forget the fact that in the countries mentioned centuries of experience and experimentation and demonstration have practically solved every problem that could possibly arise with respect to agriculture. With them these large appropriations are made not so much with a view of further developing the industry as with a purpose of conserving it. The first duty has already been performed, and they now are only concerned in holding intact what they have already done.

With us the conditions are entirely different. Comparatively, ours is a new country, and with us agriculture is in its infancy and in the process of growth. We are called upon not only to conserve the \$23,000,000,000 invested in agriculture, but we must also provide the means of solving the thousands of problems incident to our great variety of soil and climate, which give rise to constant and expensive experimentation. In proportion to

the necessity for it, we should appropriate a greater sum for agriculture than any nation on earth. [Applause.]

Let us carry the comparison further. To aid in increasing in productiveness and its value as an asset to the nation, every acre of land devoted to agriculture in France receives an appropriation of 9.8 cents; while Austria appropriates 13.3 cents per acre; Hungary, 12.4 cents, and Russia, approximately, 4 cents; while we, so generous in our care of every other industry, expend less than 2 cents for each acre of land in cultivation. And in doing even this much for the nation's greatest industry, we must run the gantlet of the so-called "economists" and meet the charge of extravagance in dealing with the money of the people. [Applause.]

The Government expenditure per capita of agricultural population for the Republic of France amounts to 52 cents; for Austria, 69 cents; Hungary, 90 cents, and for the United States, which owes more to its agriculture than any of these nations, the expenditure is 16 cents.

The per capita tax for agricultural purposes for the United States is about 7 cents. To encourage the most liberal contributor to the nation's wealth, to stimulate him to a more scientific cultivation of the soil that its productiveness may be increased, to aid him in producing the food and clothing for a population of 83,000,000 people, to help him in his efforts to sell \$850,000,000 worth of his products in foreign markets, to cooperate with him in his yearly task of overcoming an adverse balance of trade amounting to millions of dollars—incurred by other industries in their trade with foreign nations—we give the stupendous sum of 7 cents per capita each year. [Laughter.] Mr. Chairman, such extravagance as this, such downright partiality to the farmer is enough to throw into spasms every so-called economist in this House, and to bring dreams of national bankruptcy to every so-called guardian of the National Treasury in the land. [Laughter.] The thought is soul-harrowing! To burden ourselves to the extent of 7 cents per capita annually in aid of agriculture, while we tax ourselves only twenty times as much for the Navy in a period of profound peace, is sufficient to drive into madness the world-power dreamers and big-stickers of the country. [Laughter and applause.]

How much wiser it would be in the minds of these gentlemen who see so much of glory to the nation in its magnificent Navy and splendid Army, while failing to realize how much greater would be the glory in the happiness and well-being of her great agricultural class [applause], to take the entire appropriation of the Department of Agriculture and with it add one more battle ship to the Navy, or increase the Army by one more regiment. Ah, gentlemen, our policy toward the agricultural interests of our country, our stinginess and illiberality in dealing with it, are a travesty upon our good sense and statesmanship. [Applause.]

Mr. Chairman, I have shown by statistics, which I regard as reliable, that as a nation we do less for agriculture than any other nation which takes equal rank with us in the affairs of mankind. I wish to show now by equally reliable figures that the charge upon the Treasury for agricultural purposes is less than any other charge for any other undertaking for which appropriation is made by the Government. I want the country to know exactly what we are expending for agriculture in comparison with our expenditures for other purposes. I want to shut the mouths of the so-called "economists" who seem to find a special delight in finding fault with any extravagance in the administration of the Department. I want to direct their attention to expenditures which ought to furnish work and thought for the genuine reformer. [Applause.]

I have prepared a table which shows the aggregate appropriations for all purposes for the past six fiscal years, together with a statement showing the average annual expenditure for that time, the aggregate for each specific purpose, and the annual average for each specific purpose. I take the figures from the statement of Senator ALLISON, made just prior to the adjournment of the Fifty-eighth Congress.

Purpose of appropriation.	Total for 6 years.	Annual average.
Appropriation for all purposes	\$4,594,225,362	\$749,037,663
Post-Office Department	882,986,168	147,161,028
Pensions.....	846,791,090	141,131,843
Army.....	545,740,106	90,957,884
Navy.....	502,317,683	83,719,615
Sundry civil expenses.....	327,401,735	54,566,956
Legislative expenses.....	159,456,711	26,576,118
River and harbor.....	115,743,785	19,290,636
Indians.....	52,777,576	8,796,263
Fortifications.....	43,501,095	7,250,182
Agriculture.....	32,545,080	5,424,180

Diplomatic and consular service, District of Columbia, and Military Academy not included.

This statement shows that for the six years 1901-1906 the total expense of conducting the affairs of this nation reaches the enormous total of \$4,594,000,000, in round numbers, and that the average annual expense for that period is approximately \$750,000,000, an average which has been increasing each year until a total of \$818,000,000 is reached for the present fiscal year.

These figures argue both the bigness and the richness of this nation. [Applause.] Only the productive genius of the American people could sustain such a tremendous drain upon their earning capacity, and yet, Mr. Chairman, the energies of our agricultural classes alone during the last year produced a crop whose money value was greater by a million and five hundred thousand dollars than the grand total of the expenses of this Government for six years.

A glance at this table brings out another interesting fact—that the industry, agriculture, which stands first in importance to the nation in the capital invested in it, first in the number of people engaged in it, first in earning capacity, first in yearly contributions to national wealth, second to none in the civic and political virtue of those engaged in it, stands last in the amount of appropriation devoted by the Government to its encouragement and development.

Let us somewhat analyze these statements.

The largest expenditure, about one-fifth of the total, is used in the conduct of our postal system. Every class and condition of our population shares the benefit of this burden, and while there may be need for reform in this service, correction of abuses, and reduction of expenses, there is no cause for general complaint.

Next to expensiveness and holding it a close second comes the appropriations for pensions, with its annual drain upon the Treasury of \$141,000,000. The policy of caring for the soldiers and sailors of the nation is well settled, but the haste with which we pass this pension bill, the lack of consideration which we give it, is not calculated to encourage the most economic administration of the service. The looseness with which we consider this bill must inspire in the administrative officer of this service an idea that no laxity of administration will find rebuke at the hands of Congress. I am confident that a thorough overhauling of our pension system would bring about a substantial decrease in the appropriation for that service.

For legislative expenses, the appropriation with which we run ourselves, entail a burden of over \$26,000,000 a year. Here, too, there is place for reform. Caruncles have grown up all over us, and the right use of the economist's knife would work an undoubted benefit. [Laughter and applause.]

For sundry civil expenses we appropriate over \$54,000,000 each year. The pruning knife would not be amiss in this service.

To the opening up and improving of our rivers and harbors—the arteries of our commerce and the agencies of our cheapest and best transportation—we appropriate only \$19,000,000 per year. This is a line of work which has been woefully neglected to the hurt of the commerce and general well-being of the nation. Each year ought to find us appropriating \$50,000,000 for the improvement of our waterways, in order that the people might escape the tyranny of noncompetitive rates; but with this as with every other appropriation which looks to the improvement of the general welfare we find a policy of parsimony and niggardly neglect. [Applause.]

To the education of the Indian, for the improvement of his condition, we annually expend nearly \$9,000,000; while for the diffusion of scientific knowledge among the farmers, to the improvement of agricultural conditions, to the solution of the thousands of problems arising out of that occupation, to the increased productiveness of the soil, to the introduction of new crops, to the testing of new theories in the crucible of demonstration, to experiments in seed selection and plant breeding, to all of the various phases of farm life and the betterment of it, we have appropriated an average of \$5,424,000 per annum for the last six years. To a few thousand dusky redskins roving over the western plains we give more in the way of support by nearly two to one than is given in aid of the greatest industry of the nation. [Applause.]

I have purposely left for the last the greatest burden upon the taxpayers of the country—the military arm of the Government. The appropriation for the support of the Army and Navy, including fortifications, for the past six years, aggregates the stupendous total of \$1,091,000,000, a sum equal to one-fourth of the aggregate appropriation for all other purposes. One out of every four dollars gathered from the people, and appropriated, it is presumed, in their interest must be used for the maintenance of these establishments in this era of peace. For the Navy alone we are spending this fiscal year over

\$100,000,000—over \$8,000,000 per month, \$280,000 per day, \$770 per minute. The expense for the Army is not so great, but it is large enough to attract the attention of those who really want reform in expenditure. Why these enormous appropriations for the military establishments of the nation? Is there any danger of invasion? Is there any reason to expect any breach in our friendly relations with any of the nations of the world?

I concede the necessity for reasonable appropriations for Army and Navy purposes, but I deny the necessity for an everlasting increase in this direction. Forty-two million dollars of the people's money were appropriated for the construction of new battle ships this fiscal year. This sum would bear the expenses of the Agricultural Department for six years. Why this burden? It is said the safety of the nation lies in its Navy and Army. I concede them their place as contributors to our protection, but I assert it without a fear of contradiction that the ultimate safety of the nation must rest in the prosperity and happiness, the patriotism and virtue of the great mass of its population. [Applause.] We measure the fighting strength of a nation not by the number of its fighting battalions, as shown in its permanent naval and army organizations, but by the love of its people for its institutions, and the courage with which they are willing to fight for them. [Applause.] We might with safety wipe from the face of the earth both our Army and Navy without endangering the national interest, for in every American home there is at least one boy ready to fly to the defense of his country, at the first alarm of danger. [Applause.]

I want economists of this House to direct their efforts to a reduction of these appropriations, which, beyond a reasonable limit, can have no other purpose than the glorification—yes, the deification—of that miserable spirit of militarism rampant in the country. [Applause.] If these gentlemen have designs upon this modest bill carrying the appropriation for the support of the Agricultural Department, I want them to dismiss them in order that their undivided abilities may be directed to the reduction of the Navy bill, which will take from the Treasury more in one month than we appropriate for agriculture in an entire year. I want them to whet their knives for the next Army bill, which does the same thing. I want them to know that agriculture stands at the foot of the ladder in the consideration of this House, and burdens the taxpayers with the least appropriation made by Congress. I want them to focus their efforts to the accomplishment of real reforms. I want them to know that it is an unwise statesmanship which economizes at the expense of agriculture, and that every dollar carried in this bill is an investment which will return to the enrichment of the nation, rather than an expenditure. [Applause.]

We could well afford to double the amount which we are appropriating for the Department of Agriculture in this bill, and even then the charge of partiality to the farmer could not lie against us. There never was a time when there was greater demand for the products of the farm nor when the task of supplying them was harder. Investigators tell us that the demand for breadstuffs is gradually outgrowing the capacity for supplying them. We know that the drift of our population is toward the cities and towns, and that each hour increases the number of people employed in occupations other than agriculture, while there is a corresponding decrease in the number employed in that occupation. Each minute adds to the number who must be fed and clothed by the products of the farm. These conditions, necessitating increased farm productiveness, furnish the strongest possible reasons for us to redouble our efforts to stimulate and encourage agriculture.

It is said that "the Congress has certainly dealt most liberally with the Department of Agriculture." I deny it. This bill carries the sum of \$7,200,000 for the support of that Department of our Government which deals with the greatest industry in the land. Can we say that we are dealing "liberally" with this Department when we give to it only one out of every \$150 appropriated by this Congress? Does it lie in our mouths to say that we are dealing "liberally" with the Department of Agriculture when we appropriate for the Navy \$15, to the Army \$10, and for pensions \$20, while appropriating only \$1 for this Department? Is it "liberality" to the Department of Agriculture to appropriate for it a sum less than that given to any other Department of the Government? If so, then I confess my ignorance of the meaning of the term "liberality."

The truth is, we have been anything but liberal in dealing with this Department of the Government; we have been parsimonious, if not actually stingy. I would like to see double the amount carried in this bill put into the hands of that most honest, capable, and patriotic man, Secretary Wilson [applause], who has the unique distinction of representing the nation's greatest industry at the Cabinet table of the President

of the United States, and who, I am sure, would expend every dollar of it wisely, economically, and in such a manner as to bring about the climax of our country's agricultural possibilities. [Prolonged applause.]

Mr. CANDLER. Mr. Chairman, I desire to congratulate the gentleman from South Carolina [Mr. LEVER] who has just taken his seat upon his magnificent argument in favor of larger appropriations for the Agricultural Department and for the development of the agricultural areas of our country. It is a source of regret to me that the appropriations for this great Department of the Government which involves benefit to so many of the people of our great country, are not more liberal than they have been in the past, and I trust that the patriotism of the Representatives on the floor of this House will inspire larger appropriations for agricultural interests in the future, because, as has been so well said by the gentleman from South Carolina [Mr. LEVER], the appropriations which are made for the benefit of the agricultural interests of our country are simply an investment made by the Government, which brings back to the country and to the people, as well as the Government, greater returns than appropriations which are made for any other Department of the Government. The amount appropriated by this bill for the ordinary and regular routine work of the Department of Agriculture is \$6,692,650, showing only a net increase of \$187,610. The committee has added "emergency," or "temporary" appropriations, amounting to \$320,000, for the purpose of combating the cotton boll weevil in the cotton States, the gypsy and brown-tail moths in some of the New England States, and the Texas cattle-fever tick in the South. The total amount carried by this bill is, therefore, \$7,200,300.

Mr. Chairman, this is a very conservative bill, and the appropriation "a drop in the bucket" as compared with the appropriations which are made for the other Departments of the Government. I dare say that we have not stopped to consider the difference in the appropriations made for the other Departments and the appropriations made for this, the greatest of any which we support by appropriations made by the Government. I want, for the sake of comparison, to call attention to the difference in appropriations made for the people that develop this country, for the people that maintain its prosperity, and the appropriations which are made for mere show and the purpose of maintaining not only upon the sea but upon the land the "big stick" idea which is so prominent throughout the United States of America. [Applause.] In order that I might do so accurately I took occasion to ask for absolute official figures from the Departments of the Government, so that I might give the House the benefit of them without mere speculation. The first appropriation made for the Agricultural Department was in 1839, and the small sum of \$1,000 was appropriated for that year. From that year until this different appropriations have been made, and from 1839 to 1906 the total amount appropriated is \$65,737,272.12. As has been suggested by the gentleman from South Carolina [Mr. LEVER] it seems to me that the consideration of that total appropriation should arouse the Representatives upon the floor of this House to do more for the agricultural interests of the country, and cause them to see that the amount of the appropriations for the greatest interests that we have in this country are more liberal. In order to find out the expenditures in the Navy Department, for instance, I asked for official figures from that great Department, and I want it understood that I am not criticising anything that has been done for that Department in view of the emergencies which have arisen and in view of the necessities by which it is surrounded; but when we make an appropriation so out of proportion for one Department in comparison with another, then it seems to me we should stop and consider and see whether or not our partiality is not running wild in one direction and our parsimony "going to seed" in another direction.

I asked for a statement in reference to the Navy Department covering the period of time only from the close of the Spanish-American war. I did not want included in this statement anything which was incurred by reason of the extraordinary expense which devolved upon us by reason of carrying on successfully the war with Spain, and hence I asked only for a statement subsequent to the time of the close of the Spanish-American war down to date. What do you suppose the total expenditure for the Navy Department has been from then until now? It amounts to \$687,865,636.04. Over \$637,000,000 for ships and the paraphernalia of war and \$65,000,000 for the toilers of this land from 1839 to 1905! Now, let us take the expenditures which have been made for the Army from the close of the Spanish-American war down to the present time, because it is that period only that I propose to compare with all the time for which appropriations have been made for the De-

partment of Agriculture, and we find the total appropriation for the Army—and this includes the insular possessions, and that is the trouble with us. The policy of the Republican party has resulted absolutely in robbing our own people in this country in order that we might take care of some possessions 10,000 miles away, for a people who have no sentiments or ideas in common with our own, for the sake of saying that we are a world power. We have been appropriating enormous sums to spread abroad into unknown seas and unknown territory, and have expended our money for the benefit of those people, while our own people in this country have been refused money for the development of our internal commerce, our waterways, and necessary public buildings. [Applause.]

We find the total appropriations for the Army, from 1900 down to 1905, is the enormous sum of \$840,680,883.04. In other words, we have spent for the implements of warfare in this country the enormous sum of \$1,528,546,519.08 since the close of the Spanish-American war, while we have spent for the agriculturists of this country, the ones who protect and take care of us when it comes to our foreign trade and the settlement of our international books of exchange, the comparatively insignificant sum of \$65,000,000 from 1839 to 1905, a period of sixty-six years. I say, weighing the words as I use them, that it is a shame that the representatives of the people of this country have no more appreciation of the development that is being made throughout the country by "the man behind the plow," by "the man with the hoe," than to deny to them necessary appropriations to develop the agriculture of this country, and spend enormous sums in our foreign possessions on Malays, Indians, Chinese, Japanese, negroes, and what not, for God only knows who and what they are. [Applause.] When we wake up to the importance of giving to our own people the benefits of our own revenues and the money that is taken from their pockets by means of taxation; when we wake up to the necessity of developing our country here at home, within our own borders, among our own people, to benefit them and our native land, then we will have arisen to that standard we ought to occupy as representatives of the greatest people beneath the shining canopy of God Almighty's heaven. [Applause.] Now, gentlemen and Mr. Chairman, I want to call your attention to some remarks made in the report of the Secretary of Agriculture, to demonstrate what the agriculturists of this country are doing for the country. The Secretary opens his annual report with this significant statement:

The well-being of the American farmer is a matter of profound interest to the entire country. It is, therefore, in the highest degree gratifying to present to your consideration the following evidence of the unprecedented prosperity that has in this and recent years rewarded the diligence of the farmer and the efforts of this Department in his behalf.

All that is true when we take into consideration the fact the farmer has accomplished what he has accomplished without the aid of the National Government largely, but by his own efforts, by the brawn of his own arm and by the sweat of his own face. But let us see just for a moment what he has actually accomplished:

Out of the enormous productions of the farms of this country the wants of 83,000,000 people have been supplied, and there remains a surplus large enough to become a generous contribution to the other nations of the earth and unparalleled among them as a national agricultural surplus.

During the last fiscal year (ending June 30, 1905) the exported domestic farm products were valued at \$827,000,000. This was \$51,000,000 below the annual average of the five preceding years, although it was \$132,000,000 above the average of the five years 1895-1899, and \$157,000,000 above the average of 1890-1894.

During the last sixteen years the domestic exports of farm products have amounted to \$12,000,000,000, or \$1,000,000,000 more than enough to buy all the railroads of the country at their commercial valuation, and this with a mere surplus for which there was no demand at home.

While the farmer has been a producer and a trader, he has also been an international paymaster. In his foreign trade of 1905 he had a net balance in his favor amounting to \$285,000,000; in the preceding five years this favorable balance averaged \$461,000,000; during the five years 1895-1899 it averaged \$328,000,000, and in the five years preceding that the average was \$271,000,000.

During the sixteen years past the farmer has secured a balance of \$5,635,000,000 to himself in his international bookkeeping, and out of this he has offset an adverse balance of \$543,000,000 in the foreign trade in products other than agricultural, and turned over to the nation from his account with other nations \$5,092,000,000.

Not content with his other achievements, the farmer lends his strong shoulder to the support of the manufactures of the country by furnishing raw materials. Computations based upon census information disclose the fact that farm products, to some extent obtained from other countries, constitutes 56.4 per cent of the total products, and 86.8 per cent of the total materials, of the industries utilizing agricultural products as materials, and these industries produce 34.3 per cent of all manufactured products and use 42 per cent of all materials employed in manufacturing.

At the same time these industries using agricultural materials employed 37.8 per cent of all persons engaged in manufacturing, and the capital of these industries is 42.1 per cent of the capital of all manufacturing establishments.

Restated in absolute terms, during the last census year the farm products employed in manufactures were valued at \$2,679,000,000; the value of all materials, including the preceding amount, was \$3,087,000,000; and the products of the industries using these materials were valued at \$4,720,000,000. These industries employed 2,154,000 persons and had a capital of \$4,132,000,000.

Such are the enormous interests, not engaged in agriculture, but in industries that could not maintain themselves without the farmer and his extraordinary productive ability.

I want to say that if it had not been for the farmers of this country this Government could not have spent \$637,000,000 for the Navy, and could not have spent the \$867,000,000 for the Army, and by doing so you place upon the backs of the laborer and the tiller of the soil in this country these great burdens; and when you do so you should be mindful of their interest, and they should have your highest consideration. [Applause.]

Now, in view of the fact that the farmer has been so kind to the country, I want to see how the Republican party, into whose keeping every branch of the Government is committed, has been treating him. I have taken some trouble in order to get together some facts and figures, which I desire to present to you for your consideration. We boast to-day of our great prosperity, and indeed we have prosperity. Nobody denies that, and we are all proud of it; but we have the prosperity concentrated largely in the hands of the few and the favored classes. Still it is claimed that our protective tariff is what brings to us all the prosperity which we enjoy. Now, permit me for a while to examine this high tariff as it affects the agriculturists of the country and see if he is not entitled to revision of the tariff, which practically from every section of the country he is demanding.

China has its Great Wall, isolating that Empire from the rest of the world. It is solid, masterful, material. The United States has a still more sacred wall than has China. This is the protective-tariff wall, worshipped by the rich, guarded by "stand-pat" politicians, and upheld for the benefit of a class of our citizens at the expense of the great mass of our people.

It has been said that this wall permits 3,000 immigrants a day to pass through it without realizing its existence; that it is impassable to some kinds of goods, a barrier to others, and offers no resistance to others. On the average, economists tell us that it costs more to get goods over or through it than it takes to get them over the highest mountain range or the widest ocean. In fact, calculations have been made which show that clothing, hardware, sugar, and many other necessities of life can be carried three or four times around the world for less than it costs to get them through this American tariff wall. It is claimed that this wall was built to develop infant American industries; in other words, to make all workers in the United States not manufacturers contribute in higher prices for home-made goods a sufficient amount to establish and maintain a great home manufacturing interest. The device used in the original construction of the wall was the pauper-labor shibboleth. We were told that our home manufacturers could not compete with the pauper labor manufacturing interests of Europe, and that a barrier should be erected to keep out all undue foreign competition. The census of 1900 shows that of our then 76,000,000 population about 29,000,000 were employed for gain. Of these workers about 7,000,000 were found in the manufacturing column, so that we had about 22,000,000 workers contributing in higher prices for manufactured goods to make possible the existence of a home manufacturing interest numbering 7,000,000. In other words, 22,000,000 workers support themselves, and then contribute indirectly a percentage of their profits to the support of the other 7,000,000 manufacturing workers. Of the 29,000,000 employed for gain, about 10,000,000 belong to agriculture. To be accurate I submit the following:

Census table of workers.

1. Agricultural pursuits.....	10,438,219
2. In professional service.....	1,264,737
3. In domestic and personal service.....	5,691,746
4. In trade and transportation.....	4,778,233
5. In manufacturing and mechanical pursuits.....	7,112,987
Total.....	29,285,922

It is evident that the first four classes have no direct interest in the tariff, and if time would permit I could show by strict analysis that they have very little indirect interest. These four classes number 23,172,935 workers.

Nor are all of the fifth class directly interested in any protective tariff, much less the high protective tariff taxes imposed by the Dingley tariff law now in force and which is considered so sacred that the "stand-patters" will not permit it to be changed. [Applause.]

The census divides this class into constituent parts, and it is fair to say that the following elements are not benefited at all:

Carpenters and joiners.....	1,205,382
Masons.....	322,696
Painters.....	555,971
Paper hangers.....	44,008
Plasterers.....	71,412
Plumbers.....	195,768
Roofers.....	27,573
Fishermen and oystermen.....	73,810
Miners, gold and silver.....	59,095
Coal miners.....	344,292
Other miners.....	133,010
Quarrymen.....	34,598
Bakers.....	79,407
Butchers.....	114,212
Butter and cheese makers.....	19,261
Confectioners.....	31,242
Millers.....	40,576
Other food preparers.....	32,442
Blacksmiths.....	227,076
Cabinetmakers.....	35,641
Coopers.....	37,226
Saw and planing mill employees.....	161,687
Dressmakers.....	347,076
Milliners.....	87,881
Seamstresses.....	151,379
Total.....	4,432,721

In addition to these there are whitewashers, well borers, turpentine drillers, straw workers, gas works employees, electric light and power company employees, cotton ginners, candle, soap, and tallow makers, photographers, soldiers and sailors, and others, which I omit for want of time.

It is enough to say that at least 4,432,721 of the 7,112,987 assigned to the manufacturing class by the census of 1900 are not benefited by the tariff. It is well to say, also, that the largest part of the preceding list belongs to the building trades, the very workers whose wages, the highest of all workers, is attributable, not to the tariff, but to the labor unions, of which they form the backbone. [Applause.]

There are left, then, 2,680,266 workers who may be in some degree indirectly benefited by the tariff, but this is not conceded save for this general argument.

The protective tariff, then, takes money out of the pockets of 26,605,656 workers to put it into the pockets of 2,680,266. That is to say, nine-tenths of the workers pay an unwarranted part of their profits to make possible the large profits of the other tenth. And the largest part of this inequitable assessment falls upon the 10,438,000 primary workers and producers who constitute the agricultural class. [Applause.]

The protective tariff affects injuriously both farmer and wage-earner, and to about the same extent, yet because of the different products which each has to sell, and the protectionist's claim as to each class, they will be considered separately, and I will discuss only the results as they affect the farmers, who are the producers.

Every article a farmer buys represents three distinct parts:

1. The natural sale price.
2. The increased price due to the tariff.
3. The increased price due to the trusts.

The wholesale dealer collects all these, with his profit, when he sells to the retail dealer, and the retail dealer collects all with his additional profit when he sells to the consumer, upon whom the whole burden falls.

The farmer never sees the tariff collector nor the tariff-trust-tax collector in person, but they are more fatal to him than rust, blight, boll weevil, locusts, or grasshoppers.

There are appropriations in this bill to take care of the boll weevil, the gypsy moth, and the brown-tail moth. Let me appeal to you in the name of God to revise the tariff and take care of the farmers in this country. [Applause.]

Take a pound of sugar bought from the merchant for 5½ cents. Its distribution is: To the merchant, 3 cents; to the Government, 2 cents; to the trusts, ½ cent.

In a pound of borax the Government would get nothing, the merchant 3 cents, and the trust 6 cents.

The average farmer's tariff taxes for each year have been calculated by economists and appear to be as follows:

Article.	Purchases.		Tariff taxes.		Total.
	Quantity.	Cost.	To United States.	To trusts.	
Sugar.....	300 pounds.	\$18.00	\$6.50	\$1.50	\$8.00
Woolen goods.....	20.00	1.50	5.00	6.50
Cotton goods.....	12.00	.50	2.75	3.25
Silk goods.....	4.00	.50	1.00	1.50
Linen goods.....	2.00	.25	.25	.45
Leather goods.....	12.00	.40	1.60	2.00
Hardware.....	8.00	.05	.95	1.00

Article.	Purchases.		Tariff taxes.		Total.
	Quantity.	Cost.	To United States.	To trusts.	
China ware.....		\$2.00	\$0.10	\$0.60	\$0.70
Furniture.....		10.00	.20	1.50	1.70
Farm implements.....		30.00	.25	5.00	5.25
Window glass.....	1/2 box.....	1.20	.10	.40	.50
Other glass.....		1.50	.15	.45	.60
Lead, in paints.....	30 pounds.....	2.00	.15	.35	.50
Chemicals.....		2.50	.30	.90	1.20
Tin plate.....	50 pounds.....	2.40	.05	.85	.90
Wire and other nails.....	100 pounds.....	3.00		.75	.75
Barb and other wire.....	80 pounds.....	3.00		1.00	1.00
Tobacco.....		10.00	.60	1.90	2.50
Miscellaneous.....		99.75	6.45	10.35	16.80
Total.....		238.35	18.00	37.10	55.10

These averages of consumption per family are found by dividing the entire consumption of the country by the number of families. The average consumption of sugar per family is 360 pounds, at a cost of \$20. The retail value of cotton goods per family is \$30; woolens, \$25; silks, \$12; furniture, \$15; miscellaneous articles, \$70. It will be seen that the table has made fair allowances for the consumption of the average farmer's family. As this farmer is as industrious as the head of other families he ought to have full share of all the necessities, as well as of the luxuries. And he would have but for the tariff, which enables some families to have luxuries, while others have only necessities.

The estimates of this farmer's expenditures are conservative. That \$15 per family for tariff taxes paid the Government is reasonable is evident from the fact that an average of \$3.17 per capita, or \$15.85 per family of five, actually reached the Treasury of the United States in 1904. Of course several profits were added to these taxes on their way from the factory to the farmer. That \$41 per family for tariff trusts is not an exaggeration is evidenced from the fact that 800 trusts, with \$8,000,000,000 capital, were published in a table prepared by the distinguished gentleman from Maine [Mr. LITTLEFIELD] in 1903, and that the net profits of one of these—the United States Steel Corporation—were \$133,000,000 in 1904, of which at least \$75,000,000 were tariff taxes. If one trust collects \$5 per family, it is reasonable to argue that the other 799 trusts collect the remaining \$36 per family.

For every \$238 expended by the average farmer's family the Government receives \$18 and the trusts \$37. The 10,000,000 farmers' families then contribute \$180,000,000 to the Government and \$370,000,000 by reason of the tariff to the 800 or more trusts made possible by the tariff. One-sixth of the average farmer's expenses, or 16 per cent, goes not to the Government, but to fatten the unlawful trusts.

The protectionist argues that farm products are all protected, and that protected mills give more work and a larger home market to the farmer, and, therefore, better prices.

Corn, wheat, barley, potatoes, hay, eggs, etc., do have tariff duties, but they are not effective. Prices for these things are not fixed in the home market, but in the market of the world. Besides protection does not furnish a market for wheat and cotton. One-third of our wheat and three-fifths of our cotton must be sold abroad, and until all of our products are consumed at home the home market can not fix the prices. Every year the home market becomes less and less able to consume the home productions, and the farmer is thus made more and more dependent upon the foreign field.

If grain prices are averaging rather high for the last few years, cotton prices have averaged rather higher still. But cotton is on the free list. The protective schedules can not claim credit for any of these advanced prices for farm products. The prices have gone higher because of bad crops in Europe, a change in the economics of Europe, and a decline in the value of gold. The profits which these high prices ought to insure the farmer are unlawfully diverted from his pocket to the pockets of the trusts under the operation of a tariff which precludes the farmer from expending his profits in the same market which created them. He gets high prices from abroad, and pays these profits away in exorbitantly high prices to trusts, who have a monopoly of the home field. [Applause.]

Hon. Benjamin Butterworth on May 14, 1890, said:

The manufacturers and the trusts get the protection and the profits of the tariff—the farmer gets the husks and the humbug.

The tariff on but two farm products is effective, viz, sugar and wool. The tariff on sugar is effective because we are importers and not exporters. Every farmer who raises sugar gets a protection of \$1.80 on each 100 pounds. Few farmers

raise sugar, and therefore the argument is not materially changed. In the matter of wool it is evident that protection has not built up the industry. Once the principal field for it working was East of the Mississippi River. In this region less than half as many sheep are to be found now as were there thirty-five years ago. Besides, all the sheep in the country are only five-sixths of what they were twenty years ago. It is said that Muhlhauser's shoddy mill in Cleveland, Ohio, turns out more pounds of old rags ground into "shoddy" than there are pounds of wool gathered from all the sheep of Ohio. The tariff is responsible for this "shoddy." Coarse wools are dutiable from 4 to 7 cents and fine wools from 11 to 12 cents. Fine wools are therefore dear and the price of woolen goods expensive. There are about 42,000,000 sheep in the country, from which 280,000,000 pounds of wool are taken. Each family is therefore entitled to 5 sheep and 33 pounds of wool. Protection may therefore be of advantage to the farmer of about 3 cents per pound on the wool account or about \$1 a year.

On all other articles, as barley, potatoes, etc., economists say a most liberal allowance for tariff benefit would be \$2. The tariff benefits the farmers, or a part of them, to the extent of \$1.80 on sugar, \$1 on wool, and \$2 on other products, or \$4.80 per family. He pays \$55.10 into the tariff juggle and gets back \$4.80, or a clear loss per family of \$50.30. Counting what he pays to the Government—\$18—with this benefit, he puts in \$55.10 and indirectly gets the benefit of \$22.80, and is therefore forced to make a clear gift to the trusts of \$32.30 per family, or \$323,000,000 per annum for the entire farming class.

THIS IS THE DIRECT LOSS OF THE FARMER.

What is his indirect loss? He pays high freights on his products. Manufacturers and large dealers pay lower freights. Were it not for the high freights of the farmer, which are generally local rates, the lower freight rates could not and would not be given to the large shipper.

In 1898 the Atlantic Seaboard Line made the published rate on wheat for export from the Mississippi River the same as the rate from Chicago; in 1899 they lowered the Mississippi River rate to 85 per cent of the Chicago rate. Under that arrangement grain for export paid 13½ cents per 100 pounds from the Mississippi River and 16 cents from Chicago, while grain for consumption in the East paid 17½ cents from Chicago, 20½ cents from the Mississippi if it came from west of the river, and 24½ cents if it originated at the river. These are mere juggling expressions of the burden designed to be cast upon agriculture by transportation companies. If they could carry wheat for export at a low rate, they could carry wheat for the home consumption at the same rate. Thus, notwithstanding our free trade between States, the transportation companies put upon wheat raisers for the two-thirds crop for home consumption a tax of nearly 25 per cent more than they charged upon a third of the crop for export. Wheat grown west of the river was carried farther and at 25 per cent less. What they professed to lose on export wheat they recouped on home wheat and other farm products. It is safe to say that the prices on home products, being a monopoly, will always be used by transportation companies, through their traffic association agreements, to recoup all losses to trusts for cheap transportation of trust-made goods when exported for sale at prices to foreigners less than they are sold to our own people. The great home market is a monopoly for the manufacturer, and also a monopoly for the transportation company.

The Interstate Commerce Commission, upon complaint against these foreign export rates, said:

The American producer has not been materially benefited by them. The millions sacrificed by the railroads has been a donation to the foreigner.

A MEMBER. Ain't it the truth?

Mr. CANDLER. The railway profits were so great on the home trade as to permit this sacrifice of millions to the foreigner.

In the matter of cotton, the low through rates to northern manufacturers are kept up by the high local rates. These all fall on the farmer. To carry cotton from Memphis to New York, as was done in 1900, for 55½ cents, and from Memphis to the Carolina mills at 59½ cents, not only discriminated against the farmers, but against southern mills. The railroads in the South would not reduce the through rate to the Carolina mills from 59½ to 55½ cents, because they said this would force them to lower the local rates in Georgia, the Carolinas, Alabama, Mississippi, and Tennessee.

Four gigantic railroad traffic associations parcel out the through freight and make lower rates thereon, leaving the local rates untouched. The through rates are in the interest of jobbers and exporters, and the local rates fall on the producers and enable the railroads to recoup what it loses on these rates

through higher local rates paid by the farmer and men along the local line.

On through-rate rules Mobile and New Orleans are basing points, hence it is cheaper to ship goods from New York through Montgomery to Mobile and then back to Montgomery, 175 miles, than it is to ship from New York direct to Montgomery.

Again, through the contracts made by railroads with steamship lines, it is possible for New York merchants importing goods from abroad to have them shipped from Liverpool through New York to Chicago and then back to New York for less money than they would pay to ship direct from Liverpool to New York. The reduction in rates on imported goods on through bills of lading often offset the customs duty. Salt is shipped from Liverpool via New Orleans to Chicago cheaper than salt can be shipped from New Orleans to Chicago. When the Vermont State Grange complained against the Central Vermont Railway Company that it was charging less from Boston to Detroit than from Boston to St. Albans, Vt., Judge Cooley held that there was no justification for the increased charge over the shorter line, and that in all such cases the long-haul cheaper rate was only made possible by the short-haul higher rate. [Applause.]

From one of the leading colleges of America, a college built upon the philanthropy of that most gigantic monopoly, Standard Oil, whose rise and growth is but a record of commercial dishonor, duplicity, and crime—from the pen of a professor in that institution, Professor Myer, at the call and behest probably of transportation companies, comes this defense of discrimination:

Discrimination—the result of the exercise of discretion—was the keystone of the situation. That discrimination was not the result of caprice; it was the result of meeting with intelligence and courage the needs of trade and industry. The effect of that discrimination was a heterogeneous mass of railroad rates that knit the different producing, distributing, and consuming sections of the country into a more compact trading unit than was to be found elsewhere in the world, and carried the exploitation of our resources further than has been carried the exploitation of the resources of any other country.

In other words, according to this learned college professor, discrimination has been the keynote of our progress. Discrimination as a result of discretion has exploited the United States as no other nation has ever been exploited. Discrimination has built up a series of trusts which are the wonder, but not the envy, of the world; discrimination has enabled the manufacturing class to subjugate the agricultural class and the consuming class, and from the plethora of their means to make itself the marvel, but not the envy, of the world; discrimination based upon discretion has given our transportation system the power and the right to destroy cities and towns, to wipe out fortunes and honestly acquired wealth, to invade any and every territory and impose its laws at will, to collect such local tolls from the entire people as will enable it to obey the behests of favored interests and the kings of finance, to transfer to itself such an aggregate of wealth as is accountable for on no theory other than that it has the discretion to steal and the right to select its victims. [Loud applause.]

Discrimination based upon discretion has enabled Standard Oil to throttle all competition and to exploit its unlawfully acquired products, by means of the stolen gains, in such way as no honestly acquired products in other climes have ever been exploited before. Discretion alone has turned our vast insurance system into a charnel house of dishonest, corrupt, and criminal exploitation, which has made it a stench in the nostrils of the world. Well may the learned professor in his defense of this monstrosity say that it was not the result of caprice. No; caprice has moments of remorse; caprice has moments when the golden reflection of reason exercises sway over the errant instincts; caprice at times rests from its iniquitous toil. [Applause.]

Discrimination, backed by intelligence without an iota of moral scruple and blazoned by a fierce rapacity which only an advocate could call courage, has given the world in the rise and growth of these enumerated institutions of the United States a set of examples which it refuses to imitate, and which we, the representatives of the people, thank God, are now making an effort to destroy. The heterogeneous mass of railroad rates that filches from one class of producers to build up another must be destroyed. The discrimination, the discretion, the intelligence, and the courage which enable the distributing class to enrich itself by unjust tolls on all classes of producers and consumers have aroused the slumbering lion of resistance, and despite the learning of paid professors, despite the zeal of paid lobbyists, and the advocacy in some instances of a subsidized press, and despite the gigantic power of the interest itself, the day of their overthrow and control is at hand. [Applause.] These discriminations have put upon the average

farmer's family an additional expense of not less than \$20 per annum, and very possibly \$40. Had this sum been kept in the farmer's pocket it would have given the class to which he belongs each year the enormous sum of \$200,000,000, which in a decade would have added to the rural wealth the still greater sum of \$2,000,000,000.

The farmer loses an enormous amount because of the lack of canning factories throughout the country to save the tens of millions of bushels of fruit and vegetables which rot and waste because the tariff duties on sugar, glass, and tin plate about double the cost of these articles and make canning unprofitable. The tariff, which keeps out canning factories, costs the farmers hundreds of millions of dollars each year in wasted products. He loses through this waste not less than \$10 per annum, and his class loses \$100,000,000 per annum, or \$1,000,000,000 in a decade. The farmer loses again through the restricted output of manufacturers of tariff-protected trusts. The trusts maintain high prices by limiting the output, employing fewer laborers, and paying less wages. These laborers have less to spend with the farmer, and the farmer must also pay the trust the higher price for the restricted goods. Protection many years ago may have given the farmer a home market for his goods; to-day it certainly restricts that market and costs him not less than \$8 per annum, \$80,000,000 to him and his fellow-producers every year, and \$800,000,000 every ten years.

Taking his direct and indirect losses each year, they will certainly reach \$75, and possibly \$100. A saving of only \$60 a year for twenty years for each farmer would more than double the farmer's wealth. If the farmers could have kept the \$37 a year for the last twenty years in their pockets instead of being forced to pay it to the trusts they would now be from \$6,000,000,000 to \$7,000,000,000 better off and the trusts that much worse off, a consummation devoutly to be wished. [Applause.]

These are big figures, but they are correct figures. How can any man account for the billions of difference between rural and urban wealth, as disclosed by the last census, unless he accepts this explanation. Let us look at the table:

Urban and rural wealth of the United States.

Year.	Urban.	Rural.
1850	\$3,160,000,000	\$3,967,000,000
1860	8,180,000,000	7,980,000,000
1870	15,155,000,000	8,800,000,000
1880	31,538,000,000	12,104,000,000
1890	49,055,000,000	15,980,000,000
1900	73,786,000,000	20,514,000,000

During the tariff-for-revenue years—1850-1860—rural wealth doubled. It barely doubled in the next thirty years of high protection. In 1850 the farmers owned more than one-half the country; in 1900 they owned but little more than one-fifth. The average per capita of the farmers remained practically stationary from 1860 to 1900, while the urbanites increased sixfold. Of the \$78,000,000,000 increase in wealth from 1860 to 1900 less than one-sixth went to the farmers, who make about half of the population, while of the \$9,000,000,000 increase during the low-tariff era from 1850 to 1860 more than 44 per cent went to the farmers. All wealth doubled from 1850 to 1860, a thing which has never happened in any other decade. [Applause.] For all practical purposes the urban wealth may be taken as the manufacturing wealth. A glance at the classes making up the list of manufacturing and mechanical pursuits will show that they are not producers. The figures show that the manufacturing element is possessed of billions of dollars in actual wealth that have been unjustly put into their pockets by the protective tariff, and the agricultural class is short by many billions, because they have received no special benefits and have borne the "heat and burden of the day." Nor has this resulted because agriculture has lost its vigor.

Let us see. Take the exports of 1904, the last fiscal year:

	Amount.	Percent.
Agriculture	\$853,643,073	59.48
Manufactures	452,415,921	31.52
Mining	45,981,213	3.20
Forest	68,906,956	4.80
Fisheries	8,543,676	.60
Miscellaneous	5,688,178	.40
Total	1,435,179,017	-----

This export of agriculture is at the world's price, and the export of manufactures is at prices abroad, which are less than at home. One is natural, the other artificial.

Eight hundred and fifty-three million six hundred and forty-three thousand and seventy-three dollars, the agricultural export being a surplus, more nearly represents what should be agricultural profits than any other standard. Deducting 10 per cent for charges, we have \$768,278,766 that should have gone into the increase of rural wealth for that year. And these figures fairly represent the totals for ten years preceding. The decade ending in 1904 ought to show an increase of urban wealth of about \$7,682,787,000. By reason of the unequal distribution of this money after it reaches home, the rural wealth for the decade will fall below \$5,000,000,000 increase.

Farm values in sixty years have increased 600 per cent; manufacturing values, 1,300 per cent. A tariff for revenue would so distribute these values as to about reverse these increases, decade for decade.

Estimated loss, direct and indirect, by reason of the tariff, to the agricultural class of 10,000,000 workers.

Description.	Each family.	Farming class per year.	For ten years.
To trusts.....	\$37	\$370,000,000	\$3,700,000,000
To railroads.....	20	200,000,000	2,000,000,000
Canning factories.....	10	100,000,000	1,000,000,000
Restricted output.....	8	80,000,000	800,000,000
Total.....	75	750,000,000	7,500,000,000

I have shown how we treat the producers, the wealth producers, of our country; but that is not all. While under the Republican tariff we are piling up on the farmers especially, and our other citizens, "burdens grievous to be borne," we are actually lightening the burdens on foreigners, and, as a direct result of our protective-tariff system, selling to foreigners cheaper than to home folks. Let us see. [Applause.]

Now listen and lend me your ears, that you may hear and not forget.

During the year ending June 30, 1905, the sale of American manufactured products to foreigners amounted to \$543,607,975, of which fully 85 per cent, according to the estimates of well-informed exporters, was sold at cheaper prices than are charged for precisely the same goods sold to Americans. The average price of these goods in the foreign market, according to published tables made up from discount lists sent out by various exporting houses, is 20 per cent less than the selling price in the home market. On some goods, such as paints and varnishes, the price to foreigners is only 5 per cent less than to Americans; on agricultural implements, 10 to 50 per cent; on wire, more than 100 per cent; on such articles as wire rope and borax, 200 per cent.

These export prices are advertised in journals which have a strictly foreign circulation, and every effort is made to prevent these export trade journals from falling into the hands of American buyers. In 1902 the Democratic Congressional committee offered a reward of \$100 for one of these export price journals, and in their efforts to place the advertisement were turned down by several prominent New York papers. The New York World, however, took the advertisement and published it, and the committee succeeded in obtaining several copies of these journals. In 1904 the same committee secured a much larger number of these journals, also an expert familiar with the export business who visited the selling offices of exporting manufacturers and obtained from them in their own handwriting many of the export prices published on the ten pages of the Democratic campaign book for that year.

Among the manufacturing firms represented in these lists as selling cheaper abroad than at home were the Russell & Erwin Manufacturing Company, Snell Manufacturing Company, John S. Fray & Co., Enterprise Manufacturing Company, A. M. Hayden & Russell, Burdall & Ward Bolt and Nut Company, Bridgeport Chain Company, Covert Manufacturing Company, Beamis & Call Hardware Company, Pike Manufacturing Company, Henry Disston's Sons, and Stanley Rule and Level Company, all first-class companies, whose discount lists were published by Arkell & Douglas, 5 to 11 Broadway, in issue of June 18, 1904. From Exporters and Importers' Journal of same date, published by Henry W. Peabody, 17 State street, New York City, in addition to the firms named above, Andrew B. Hendrix & Co., Collins & Co., Cleveland Twist Drill Company, Boston and Lockport Lock Company, Charles Parker Company, and Millers Falls Company, all offer goods to foreigners at discounts ranging from 8 to 60 per cent greater than the discounts offered to American jobbers. Time and space forbid the multiplication of these companies, as a reference to the detailed exhibit of the said committee in the Campaign Book of 1904, where thousands of discounts are noted, and which have never been seri-

ously denied, will furnish all the information desired in the most detailed form.

The Republican party has never denied the fact of sales abroad cheaper than at home, but has contented itself with denying the extent of these sales as charged by the Democratic party. Secretary Shaw, in a published speech, said:

It is useless to deny, and, in my judgment, unwise to apologize, and a little short of foolishness to attempt to remedy the assumed evil.

[Applause.]

Senator GALLINGER limited the amount of these cheaper foreign goods to about \$4,000,000 per annum. The Industrial Commission, on page 626 of volume 19 of its findings, said:

In about 20 per cent of the cases covered by the Commission returns the export prices have ruled lower than those charged to home consumers.

On this basis the amount of goods sold cheaper abroad, instead of amounting to \$4,000,000, would amount to about \$109,000,000.

But the returns referred to by the Commission were most inadequate. Of 2,000 schedules only 416 replies were received, and these only from corporations not popularly known as trusts. If one-fifth of the replies received indicated a percentage of 20 per cent, it is safe to say that the other four-fifths, representing to the greatest degree the trusts of the country, will furnish the additional 65 per cent, making 85 per cent of the total export of manufactured goods sold abroad at prices cheaper than at home.

Henry Russell & Co., of Sheffield, England, represent that 4-inch flat files, which sell in the United States at 92 cents a dozen, sell in England at 34 cents, a difference of 170 per cent; half round 4-inch files, to Americans, \$1.20, to Englishmen, 34 cents; difference, 250 per cent. From these figures we see that the American File Association, from November 1, 1890, to date, has been charging Americans from two to three times as much as it charges Englishmen. The Iron Age of December 17, 1903, showed that the shovel trust sold shovels in South Africa at 36 cents apiece and charged Americans 90 cents apiece for the same goods. The same paper on November 12 showed that American steel beams, plates, angles, channels, and rivets steel were being sold in Canada at from \$9 to \$11 per ton less than was charged at home. The same paper showed that the steel trust were offering steel billets in England at \$14 per ton, while its price on the same date to Americans was \$23 per ton.

When the Congressional Merchant Marine Commission, the father of the present subsidy bill, which has just passed the Senate, was sitting in Cleveland, Mr. James E. Wallace, of the American Shipbuilding Company, said that American steel was being sold at Belfast at \$24 per ton, while the same steel in Pittsburg was sold for \$32 per ton. The chairman of the Commission exclaimed, "If that's so it is an outrage and ought to be remedied." [Applause.] His remedy appears to be not a revision of the tariff rate, which would make such a condition impossible, but a subsidy to shipbuilders by which the American people may be taxed to make up the outrageous loss occasioned by this difference in price to the American shipbuilder.

When the Commission sat in New York, J. J. Hill stated that Canadian railroads were buying steel rails of the steel trust at \$10 a ton cheaper than his road could buy them. Mr. James T. Wright, vice-president and general manager of the Macon, Dublin and Savannah Railroad Company, in a letter to Senator BACON, which was published in the CONGRESSIONAL RECORD on April 25, 1904, said that he was forced to pay \$29 a ton for 5,000 tons of steel rails for American use, while the same company offered to sell him rails delivered on board steamer for Honduras at \$20 a ton.

The report of the Chamberlain tariff commission (a commission made up of about sixty business men of Great Britain) is brim full of instances showing that the policy of selling American goods abroad cheaper than at home, instead of being exceptional, is the rule. The tariff of the United States is high enough not only to monopolize the home market but to sell all the surplus manufactures to foreigners at rates averaging from 30 to 50 per cent less than the same goods are sold at home.

In view of these facts is it strange that the producers throughout the country are demanding a revision of the tariff and the regulation of the railroad rates? The issue is up to the Republican party. You have every branch of the Government, the House of Representatives, the Senate, and the President. Will you grant relief? If not the people will and ought to hurl you from power and take the Government from your control and restore it to the control of the party of the people, the Democratic party. The eyes of the country are upon you, and you can not longer satisfy the people with promises to revise the tariff and promises to control and regulate the corporations. Will you meet the issue and give the people relief, or will you "stand pat" before the gathering cyclone and be destroyed?

Time will tell, and I leave the issue with you for your consideration, and for your account to be rendered to the American people. [Prolonged applause.]

I append herewith, as part of my remarks, the communications from the Department of Agriculture, the Navy Department, and the War Department to which I have referred:

EXHIBIT A.
DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D. C., February 17, 1906.

Hon. E. S. CANDLER, Jr.,
House of Representatives.

SIR: In compliance with your request of February 14, 1906, I inclose herewith a statement of the appropriations for the Department of Agriculture by fiscal years from the date of its organization to the present time.

Very respectfully,
W. N. HAYS,
Acting Secretary.

Appropriations for the Department of Agriculture since its organization to the present time.

1839	-----	\$1,000.00
1840	-----	
1841	-----	
1842	-----	1,000.00
1843	-----	
1844	-----	2,000.00
1845	-----	2,000.00
1846	-----	3,000.00
1847	-----	3,000.00
1848	-----	4,500.00
1849	-----	3,500.00
1850	-----	5,500.00
1851	-----	5,500.00
1852	-----	5,000.00
1853	-----	5,000.00
1854	-----	10,000.00
1855	-----	50,000.00
1856	-----	30,000.00
1857	-----	75,000.00
1858	-----	63,500.00
1859	-----	60,000.00
1860	-----	40,000.00
1861	-----	60,000.00
1862	-----	64,000.00
1863	-----	80,000.00
1864	-----	119,770.00
1865	-----	150,004.05
1866	-----	167,787.82
1867	-----	199,100.00
1868	-----	279,020.00
1869	-----	172,593.00
1870	-----	156,440.00
1871	-----	188,180.00
1872	-----	197,070.00
1873	-----	202,440.00
1874	-----	257,690.00
1875	-----	337,380.00
1876	-----	249,120.00
1877	-----	194,686.96
1878	-----	198,640.00
1879	-----	206,400.00
1880	-----	199,500.00
1881	-----	275,460.31
1882	-----	363,011.05
1883	-----	456,396.11
1884	-----	416,641.13
1885	-----	655,930.25
1886	-----	677,973.22
1887	-----	657,641.81
1888	-----	1,027,219.06
1889	-----	1,134,480.60
1890	-----	1,170,139.11
1891	-----	1,372,049.21
1892	-----	2,478,655.75
1893	-----	2,540,060.72
1894	-----	2,603,855.58
1895	-----	2,507,148.74
1896	-----	2,584,013.22
1897	-----	2,448,763.53
1898	-----	2,468,551.56
1899	-----	2,856,861.60
1900	-----	3,009,727.73
1901	-----	3,303,500.00
1902	-----	3,862,420.00
1903	-----	4,503,960.00
1904	-----	5,258,160.00
1905	-----	5,942,040.00
1906	-----	7,112,690.00
Total	-----	65,737,272.12

EXHIBIT B.
NAVY DEPARTMENT,
Washington, February 20, 1906.

SIR: Replying to your letter of the 14th instant, requesting to be advised as to the amount of the appropriations for the Navy Department since the Spanish-American war to date, giving the amount of the appropriation each year, I have the honor to inclose herewith a statement prepared by the Bureau of Supplies and Accounts of this Department, containing the desired information.

Very respectfully,
TRUMAN H. NEWBERRY,
Acting Secretary.

Hon. E. S. CANDLER, Jr., M. C.,
House of Representatives, Washington, D. C.

Appropriations for the naval establishment from July 1, 1898, to June 30, 1906.

[Fiscal year, act, and date.]

1899.	
May 4, 1898, naval (immediately available)-----	\$56,021,058.68
July 7, 1898, deficiency-----	44,541,261.66
January 3, 1899, deficiency-----	260,975.00
March 3, 1899, claims-----	243,819.77
March 3, 1899, deficiency-----	1,430,668.20
March 3, 1899, naval (immediately available)-----	290,400.00
Indefinite appropriations (covered by warrant)-----	55,458.96
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102,843,640.27	
1900.	
March 3, 1899, naval-----	47,809,569.58
February 9, 1900, deficiency-----	2,755,000.00
March 30, 1900, deficiency-----	645,000.00
June 6, 1900, deficiency-----	227,463.09
March 3, 1899, relief-----	3,200.00
May 12, 1900, relief-----	32,823.00
June 5, 1900, relief-----	3,500.00
June 7, 1900, naval (immediately available)-----	1,126,500.00
Indefinite appropriations (covered by warrant)-----	55,996.83
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52,659,052.50	
1901.	
June 6, 1900, river and harbor-----	10,000.00
June 7, 1900, naval-----	60,014,416.67
January 4, 1901, deficiency-----	10,000.00
March 3, 1901, deficiency-----	5,270,933.34
March 3, 1901, joint resolution-----	25,000.00
Indefinite appropriations (covered by warrant)-----	80,688.12
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65,411,038.13	
1902.	
March 3, 1901, naval-----	77,629,736.68
February 4, 1902, deficiency-----	5,965,157.12
April 7, 1902, deficiency-----	3,189.39
May 27, 1902, relief-----	701.25
May 27, 1902, claims-----	5,063.75
Indefinite appropriations (covered by warrant)-----	84,420.21
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83,688,268.40	
1903.	
July 1, 1902, naval-----	78,858,761.07
July 1, 1902, deficiency-----	233,739.80
March 3, 1903, deficiency-----	2,693,083.22
March 3, 1903, naval (immediately available)-----	90,100.00
February 5, 1903, relief-----	4,000.00
March 3, 1903, relief-----	1,951.01
Indefinite appropriations (covered by warrant)-----	38,099.09
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81,919,734.19	
1904.	
March 3, 1903, naval-----	81,786,691.43
February 18, 1904, deficiency-----	3,181,145.16
April 27, 1904, deficiency-----	2,468,222.55
April 27, 1904, naval (immediately available)-----	761,000.00
March 11, 1904, relief-----	63,620.59
May 27, 1902, claim-----	203,219.33
Indefinite appropriations (covered by warrant)-----	113,988.72
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88,578,487.78	
1905.	
April 27, 1904, naval-----	96,743,540.94
March 3, 1905, deficiency-----	15,078,504.01
February 24, 1905, claims-----	470,556.20
January 5, 1905, relief-----	3,753.45
January 12, 1905, relief-----	760.00
Indefinite appropriations (covered by warrant)-----	131,530.23
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112,428,589.83	
1906.	
March 3, 1905, naval-----	100,336,824.94
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RECAPITULATION.	
1899-----	\$102,843,640.27
1900-----	52,659,052.50
1901-----	65,411,038.13
1902-----	83,688,268.40
1903-----	81,919,734.19
1904-----	88,578,487.78
1905-----	112,428,589.83
1906-----	100,336,824.94
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Total-----	687,865,636.04

EXHIBIT C.
WAR DEPARTMENT,
Washington, February 16, 1906.

SIR: In response to the request contained in your letter of 14th instant, I transmit herewith a statement showing the amount of War Department appropriations since the conclusion of the Spanish-American war, embracing the civil establishment, military establishment (support of Army and Military Academy), public works (including fortifications and river and harbor improvements), and miscellaneous objects, also the amount of appropriations each year since the conclusion of the Spanish-American war for the maintenance of the military establishment (support of Army and Military Academy).

It would be impossible to separate and show the exact amounts expended from these appropriations for insular possessions without en-

tailing an amount of work too large to be undertaken with the present clerical force, especially during this very busy season.

Very respectfully,

ROBERT SHAW OLIVER,
Acting Secretary of War.

Hon. E. S. CANDLER, Jr.,
House of Representatives.

Amount of War Department appropriations since conclusion of the Spanish-American war, embracing civil establishment, military establishment (support of Army and Military Academy), public works (including fortifications and river and harbor improvements), and miscellaneous objects.

1900	\$119,235,266.23
1901	166,434,660.36
1902	142,141,949.26
1903	192,913,660.63
1904	112,436,177.67
1905	107,519,168.89
Total	840,680,883.04

Amount of appropriations each year since conclusion of the Spanish-American war, for the maintenance of the military establishment (support of Army and Military Academy).

1900	\$93,993,815.16
1901	118,346,687.94
1902	117,436,831.80
1903	96,473,528.10
1904	74,392,029.34
1905	77,355,162.80
Total	577,998,055.14

Mr. DAWSON. Mr. Chairman, I do not enjoy the honor of being a member of the Committee on Agriculture, and yet I desire to trespass upon the time of the House for a few minutes this afternoon in supplementing the remarks of the gentleman from South Carolina [Mr. LEVER] and the gentleman from Mississippi [Mr. CANDLER] in calling the attention of this House somewhat in detail to the work which has been accomplished by the Department of Agriculture during the past nine years. We of Iowa regard the Department of Agriculture as something of an Iowa institution, and we are proud of it. A simple recital of the facts of the accomplishments of this Department during the past nine years is proof positive that the money appropriated in this bill brings to the country far greater returns in the production of wealth and multiplication of industries than from any other money expended by the National Government.

THE WEATHER BUREAU.

I need not discuss at length the work of the Weather Bureau, as that is quite familiar to all, although it may not be generally remembered that this Bureau, through its experiments, has developed one of the best wireless telegraph systems now in use. The Weather Bureau is a great system, with thousands of agents and observers in every State in the Union and in the outlying possessions, who make a business of studying conditions and forecasting the weather, and issuing daily forecasts, storm warnings, and flood signals for the benefit of agriculture, commerce, and navigation.

The Bureau keeps a record of the weather, temperature, and rainfall in every part of the country, and this information is invaluable not only for the homeseeker, but in the development of arid and semiarid regions through irrigation.

All in all, the results accomplished by the Weather Bureau for the benefit of the farmer, the mariner, the shipper, the manufacturer, and the seeker after health or pleasure prove that there is no weather service in the world to compare with it.

BUREAU OF ANIMAL INDUSTRY.

But there are other bureaus in that Department which appeal more to the imagination and to the interest of the public. There is the Bureau of Animal Industry, whose work is of great value to the country, dealing as it does with the study of the contagious diseases of live stock and making original investigations as to their control and prevention.

As an example of the efficient work in this line, they stamped out a dangerous epidemic of "blackleg" which prevailed among the cattle of the Southwest a few years ago, entailing heavy losses. At that time the Bureau, after a series of experiments, discovered a vaccine which produced immunity by a single vaccination. This vaccine was generously distributed, with the result that the loss from "blackleg" of 10 to 20 per cent has been rapidly reduced, until now this dread disease has almost disappeared, thus saving millions of dollars to the cattle raisers of the country.

In like manner they eradicated an outbreak of the "foot-and-mouth" disease among the cattle, hogs, and sheep, which appeared in New England and threatened to spread over the entire country. By most energetic measures, which involved the slaughter of infected animals, this contagion was completely

stamped out, after a campaign which stands unrivaled in celebrity, economy, and satisfactory results.

Two years ago disaster faced the cattle herds of the whole country from mange. Infection on the western ranges threatened to spread over the entire country, many infected animals having been found in the important central markets. The Department stepped in with regulations preventing interstate shipments of infected cattle. In 1904 it made an inspection of 4,000,000 head and last year of over 14,000,000. By this plan of inspecting and by prescribing dipping for those affected, the ravages of this disease have been effectively checked. They are now making investigations and experiments with regard to Texas fever, hog cholera, and tuberculosis, and from the discoveries already made it seems likely that knowledge will be acquired that will eventually result in the control and prevention of these diseases.

But this Bureau, Mr. Chairman, has charge of another phase of work which is of the very highest importance to the meat producers of the country. It has built up a system whereby our herds are being protected against the importation of infected animals from abroad. And what is of still greater importance, it has full charge of the subject of the inspection of dressed meat. Upon the success of this branch of the work depends a foreign trade worth many millions of dollars annually to our stock raisers. Our meat products would be barred from many of the markets of the world if it were not that these meats bear the certification of Government inspection, and foreign countries have confidence that this inspection is thorough and efficient.

Mr. HILL of Connecticut. Will the gentleman allow me a question?

Mr. DAWSON. Certainly.

Mr. HILL of Connecticut. I am reading now a book called "The Jungle," by Mr. St. Clair, giving a description of the work and life in the packing-house district in Chicago, and he states plainly and squarely that, while the export meats of this country are inspected, the diseased cattle are slaughtered for home consumption, and that rejected cattle are slaughtered and put on the domestic market. Does the gentleman know anything in regard to that?

Mr. DAWSON. I do not. I understand this is a book of fiction, and should be treated as such.

Mr. WADSWORTH. I want to say to the gentleman from Connecticut that that information is absolutely erroneous.

Mr. HILL of Connecticut. The statement is emphatically made in the book.

Mr. WADSWORTH. Well, it is emphatically wrong.

Mr. HENRY of Connecticut. I will refer the gentleman to the hearings before the committee. Doctor Melville is explicit upon that point. As the chairman of the committee has said, absolutely there is no opportunity for diseased meat to be sold to the American people.

Mr. MURDOCK. Will the gentleman allow me?

Mr. DAWSON. I will yield to the gentleman.

Mr. MURDOCK. Isn't this true, that local slaughterhouses may kill beef for sale without inspection?

Mr. DAWSON. I believe that is true.

Mr. MURDOCK. And such meat possibly might be diseased.

Mr. WADSWORTH. It is absolutely impossible to inspect every little slaughterhouse in the country.

Mr. MURDOCK. Yes; and meat might be sold from that local slaughterhouse which might be infected, but no meat could be exported except that which was inspected.

Mr. DAWSON. Mr. Chairman, I was alluding to the importance of this service as regards the exportation of meats. The foreign countries have such confidence in the efficiency and excellence of this service that our meats are admitted without question. Such a high standard has been fixed for the inspection of cattle and dressed meats that we are able to sell annually more than \$200,000,000 worth abroad. The importance of this inspection service can not be too highly estimated and, as Secretary Wilson points out in his report, "the withdrawal or even the restriction of our ability to supply such certification would mean the utter annihilation of our foreign trade in cattle and meat products."

BUREAU OF ENTOMOLOGY.

There is another bureau of the Department of Agriculture that has a great interest to me, at least, and that is the Bureau of Entomology, sometimes referred to as the "Bureau of Bug-ology." Some sneers have been directed against this bureau, but I believe the House will better appreciate its importance when I call their attention to the fact that the annual loss to our staple crops from destructive insects is estimated at \$500,000,000. It is the business of this bureau to study these pests and to apply this information to limit and prevent them.

Their greatest task now is to conquer the boll weevil, an insect which attacks the pod of the cotton plant, and whose ravages threatened to deprive the United States of its lead as the greatest cotton-producing country in the world. A vigorous campaign is being waged against this pest, and its ravages have in a large measure been overcome. They have bred new types of the cotton plant that will resist the damage of the weevil, and they have brought from Central America an ant which destroys this destructive insect.

During recent years this bureau has brought a beetle from Asia to destroy the San Jose scale, which threatened the destruction of the apple orchards in the United States; and a parasite from Africa which has practically conquered the black scale, the worst enemy of the orange and lemon trees of California. Now they are bringing from Europe and Japan a natural enemy of the gypsy moth and the brown-tail moth, of which we will hear more, I believe, before this discussion ends. They brought the fig-fertilizing insect from southern Europe and established it in California, with the result that the growing of Smyrna figs has now become a new and profitable industry. They are now making elaborate investigation of the Hessian fly, the chinch bug, grasshoppers, cutworms, and other insects affecting wheat, corn, clover, and similar crops, and in a few years we may hope to lessen the enormous damage done by this class of pests.

BUREAU OF SOILS.

Through the Bureau of Soils it has added uncounted millions to the wealth of the country. By surveys in various sections it has shown what soils are best adapted for the growth of tobacco, apples, sugar beets, alfalfa, rice, corn, cotton, and numerous special crops. Through its work the worn-out soil in many Southern States has been rejuvenated and increased in value many fold. It has designated throughout the country the soils best adapted to special crops, and it has worked out methods whereby the fertility of the soil can be restored and maintained. As an example of the value of this work, I call attention to the fact that the Norfolk sand, which was formerly worth from \$5 to \$10 an acre, is now worth \$100 to \$200 per acre, and in some parts of the country soil especially adapted to the growing of grapes has increased in value twenty to thirty fold.

Mr. GILBERT of Kentucky. What do they do with the Norfolk sand?

Mr. DAWSON. By soil survey covering that particular sand, they discovered that it was particularly adapted to the growing of sweet potatoes, melons, and small vegetables.

The soils of the United States constitute the greatest asset of the people, and the Department is teaching the people how to obtain from that soil the largest amount of food products.

BUREAU OF FORESTRY.

Through the Forestry Service of the Department a work of great magnitude and benefit to the country is being accomplished. Our country was suddenly brought to a realization of the fact that the destruction of the forests had reached a point where the end was in sight. The country was rapidly approaching a dangerous crisis in a vital industry—that of the production of lumber. Six years ago the Forestry Service attacked the problem, and through its practical efforts the whole situation has changed. A healthy public sentiment has been created against the wanton destruction of forests. Millions of acres of public lands have been set apart in forest reserves. Practical methods of reforestation have been set in motion, and a continuation of the policy which now prevails will preserve and maintain the timber supply for future needs. In the past seven years this Service has saved enormous wastes and has enriched the country by many millions of dollars by additions to our forest resources.

MISCELLANEOUS BUREAUS.

There are a number of other bureaus of the Department into whose work I can not go in detail. There is a Bureau of Statistics, which issues impartial crop reports, besides collecting and disseminating information concerning foreign markets. Through the work of its special agents abroad much information has been obtained whereby we have been able to largely increase our exportation of agricultural products.

It has accomplished a great practical work on the subject of public-road building, by disseminating expert information as to the construction of roads, by building object-lesson roads, and by the testing of road materials.

Through the Bureau of Chemistry an important work is being done in the inspection of imported foods and in the creation of food standards. All of this varied and valuable information acquired by the Department through the agencies at its command has been widely disseminated throughout the

country. Agricultural education has been extended through the agricultural colleges and much information has been diffused through the medium of the Farmers' Institutes. In addition to this, the Division of Publication last year disseminated more than 12,000,000 copies of the Department's reports.

BUREAU OF PLANT INDUSTRY.

One of the most interesting bureaus of the entire Department is the Bureau of Plant Industry. It was here that the navel orange was born several years ago, and only recently they have produced a type of sweet orange hardy enough to withstand the frosts almost as far north as Washington. By the magic science of plant breeding it has produced a long-staple cotton that will rival the Egyptian and the lower grades of sea island; it has brought forth several new varieties of citranges and tangelos; it has produced a pineapple which can be cultivated in Florida. It has bred sugar-beet seed with a single germ in each ball, which will make a profound saving in cultivation. Heretofore beet-sugar seeds contain from one to five germs, which necessitated thinning out the plants. Through the experiments of the Department a ball has been produced which contains the germ of a single beet seed, and when a sufficient quantity of this seed is obtained the cultivation of beets will be almost as simple as the cultivation of corn.

The work of this Bureau has changed the United States from a buyer into a seller of rice. A few years ago we imported many million bushels of rice. Last year we produced in our own country 13,000,000 bushels, enough to supply our own home needs and have some left for export. In like manner the Department is inaugurating and fostering the manufacture of beet sugar, with the result that last year we produced 308,000 tons, ten times as much as we produced ten years ago.

What is true of beet sugar and rice will, in my judgment, ultimately be realized as to tea. We are now paying foreign countries \$16,000,000 a year for tea. Experiments conducted by the Department have proved that this can be successfully grown in the United States. Last year the station at Summerville, S. C., produced 9,000 pounds of tea, and before many years have passed I look to see the growing of tea become a great American industry. In like manner the silk industry is being slowly but surely developed. Steps are being taken to produce in our own country the silk for which we are now paying \$60,000,000 a year to foreign countries. The activity of the Department has been extended to our insular possessions, where the people are being instructed and encouraged in the production of tropical fruits, nuts, spices, etc., for which we are now paying to foreign nations \$200,000,000 a year.

The remote corners of the earth have been searched for new and useful seeds and plants, and by adapting them to particular localities in the United States many new and profitable industries have been developed. It has brought new grasses to the denuded ranges of the Rockies and forest plants to the alkali wastes of the West; it has enabled the semiarid regions of the Northwest to produce last year 20,000,000 bushels of macaroni wheat; it has introduced successfully the growing of rushes for the manufacture of matting, which we are now importing in large quantities; it has started the production of American dates on the desert of Arizona; it has brought the citron from Corsica, and the hard-shell almond from Spain; it has obtained hardy corn and oats suited for our northern climate, and improved varieties of potatoes and tobacco; new kinds of barley which will thrive upon the alkali lands of the Southwest; new types of cotton adapted to various conditions in the South, and a thousand other results which are enriching our country, and enabling us to grow at home many things which we have heretofore been buying abroad.

SECRETARY WILSON.

Mr. Chairman, the people of Iowa take a special pride in the fact that the man who for the past nine years has been the directing head of this Department, which has brought such great and far-reaching benefits to all parts of our country, is the Hon. James Wilson, formerly of Iowa [applause], but now of the whole United States. [Applause.] The entire country shares with the people of Iowa in unwavering faith in the ability and the single-minded devotion of Secretary Wilson to the cause of American agriculture. The man who has so increased the productivity of the land, who has made millions of plants grow where none grew before [applause], and who has so increased the national wealth will be set down in history as one of the greatest public benefactors of his age.

Secretary Wilson came into office on March 4, 1897, at the close of four of the leanest and hungriest years that American agriculture has experienced in the present generation. [Applause.] During the nine years from that time until now there has been a steady advance in the well-being and pros-

perity of American agriculture, as well as all other industries, which is unparalleled in the history of this or any other country. During those years agriculture, our greatest productive industry and the very foundation of the whole prosperity, has gone forward by leaps and bounds, culminating in 1905 with a year of unprecedented production and value.

VALUE OF FARM CROPS.

The crop values for last year are almost past comprehension. King Corn reached its highest production with 2,708,000,000 bushels, a gain of 184,000,000 bushels over the next lower year, 1902. The value of last year's corn crop was \$1,116,000,000—a sum equal to the capital stock of all the State and national banks in the United States.

Cotton, including seed, stood second with a production valued at \$575,000,000—a sum larger than the total expenditures of the National Government last year.

Third in value is wheat. The wheat crop of last year was the second in size that this country has ever produced and the highest in value, being worth \$518,000,000—a sum which exceeds the annual output of all the coal mines of the country by \$80,000,000.

Next after wheat comes the hay crop, the value of which amounted to nearly \$516,000,000—a sum equal to all the gold coin of Great Britain. The oat crop of last year amounted to \$277,000,000—a sum large enough to meet the total annual expenditure for public schools in the United States. The potato crop was worth almost \$161,000,000, and the barley crop \$55,000,000 more. To this must be added the value of the dairy products of the United States, which amounted last year to \$665,000,000—greater in value than any crop but corn.

Mr. GAINES of Tennessee. Will the gentleman yield for an interrogation?

Mr. DAWSON. Very gladly.

Mr. GAINES of Tennessee. In what way and how much money is employed in this bill to benefit the dairy division of farming?

Mr. DAWSON. Well, I will have to refer your inquiry to the chairman of the committee.

Mr. GAINES of Tennessee. Well, I would like to ask him while I am on my feet.

Mr. WADSWORTH. I will answer that when we reach it in the bill.

Mr. GAINES of Tennessee. I want to know how much money is used in this bill to look after the dairy business.

Mr. WADSWORTH. I think for the Bureau of Animal Industry—and the dairy division is included in the Bureau of Animal Industry—the apportionment of money is about \$25,000 for that purpose.

THE AMERICAN HEN.

Mr. DAWSON. Mr. Chairman, as Secretary Wilson says in his annual report, the American hen is becoming a worthy companion to the cow. As everybody on this floor knows, the raising of poultry is largely incidental to the general business of the farm. And yet the annual production of eggs has reached more than a score of billions, and the poultry products have mounted to place of more than half a billion dollars in value.

We hear a great deal on this floor about the glory of the American eagle, and artists in the past have painted the beauties of the birds of plumage, but, Mr. Chairman, the American hen is entitled to a modest tribute for her industry, her usefulness, and productivity. [Applause.] Why, Mr. Chairman, the American hen can produce—

The CHAIRMAN. The time of the gentleman has expired.

Mr. DAWSON. May I have ten minutes more?

Mr. HENRY of Connecticut. Mr. Chairman, I yield ten minutes more to the gentleman, that he may finish his remarks.

Mr. DAWSON. Mr. Chairman, the American hen can produce wealth equal to the capital stock of all the banks in the New York Clearing House in three months and have a week to spare. [Laughter.] In less than sixty days she can equal the total annual production of all the gold mines in the United States. More than that, the United States proudly boasts of its production of pig iron—far greater than any country in the world—and yet the American hen can produce as much wealth in six months as all the iron mines in the country can produce in a year. Give the American hen one year and ten months and she will pay off the interest-bearing debt of the United States. [Applause.]

Mr. Chairman, these figures of the production of wealth from farm crops, large as they are, tell but little more than half the story. When we add to these the crops which I have not enumerated, the wealth production on the farms of the United States last year reached the stupendous sum of \$6,415,000,000, a sum nearly two and one-half times as great as all the money in circulation in our country.

DOMESTIC ANIMALS.

The number of horses in the country on January 1 last was the highest ever known, reaching 18,700,000, with a value of \$1,510,000,000, more than \$300,000,000 over the next lower year.

Mules increased last year more than 500,000 in number and more than \$80,000,000 in value over the preceding year.

Last year broke the record in the number of cattle, and the value reached the enormous total of nearly one and one-third billion dollars.

The value of sheep and swine reached a sum slightly in excess of \$500,000,000, thus making the total value of farm animals on January 1 last \$3,675,000,000.

INCREASE IN LAND VALUES.

To the wealth produced from farm crops and domestic animals there is still one more item which we must add if we are to tell complete this story of prosperity and happiness. That is the increase in the value of land. The Secretary of Agriculture has gone into this carefully, and he has ascertained that in the grand aggregate of all farms the increased value during the past five years amounted to \$6,133,000,000. As he so aptly says in his annual report:

Every sunset during the past five years has registered an increase of \$3,400,000 in the value of the farms in this country. Every month has piled this value upon value until it has reached \$102,000,000.

If we add up the value of last year's farm crops, the value of domestic animals on the farms on January 1 last, and the increase in the value of land during the year 1905, we have the stupendous total of \$11,316,000,000 as one year's wealth—enough money to buy outright all the railroads in the United States.

Mr. Chairman, marvelous as is this story of the production of the American farms, the disposition and the consumption of these products is also a matter of wonder. Besides supplying the wants of our own 80,000,000 people, the American farmer during the last fiscal year exported farm products to the value of \$827,000,000. During the past sixteen years the domestic exports of farm products have amounted to \$12,000,000,000, a sum more than \$5,000,000,000 in excess of the total imports of all kinds from all countries to the United States during the same period.

During the last census year the raw material which the farmers supplied to the manufacturers of this country amounted to \$2,679,000,000—supplied to industries employing 2,154,000 persons. Such are the enormous interests in industries that we could not maintain this without the farmer and his extraordinary productive ability.

What has the American farmer done with this tremendous wealth? If we turn to the banking statistics of the country, we find a large increase in the number of small banks organized throughout the agricultural States. Nearly 2,000 national banks have been organized during the past six years. If we turn to the statistics of the deposits of the country, we read another chapter in this wonderful story. In my own State of Iowa the deposits increased last year 15 per cent, and the same is true of practically all of the States in the North Central division. In the South Central division the figures are even greater, reaching 22.8 per cent. For the first time in the history of the South the banks of that region contain deposits upward of \$1,000,000,000. This remarkable increase in bank deposits in agricultural States is due directly and indirectly to the profits which the farmers have taken from the soil.

The progress in production and value during the past nine years is shown by the following tables, compiled from the official records of the Government:

Production of leading farm crops.

	1897.	1905.
Corn.....bushels..	1,902,967,933	2,707,993,540
Cotton.....bales..	8,706,000	13,654,400
Wheat.....bushels..	530,149,168	692,979,489
Hay.....tons..	60,664,876	60,531,611
Oats.....bushels..	698,767,809	953,216,197
Potatoes.....do....	164,015,964	260,741,294
Barley.....do....	66,685,127	136,651,020

Value of leading farm crops.

	1897.	1905.
Corn.....	\$501,072,952	\$1,116,696,738
Cotton.....	319,491,412	575,000,000
Wheat.....	428,547,121	518,372,727
Hay.....	401,380,728	515,959,784
Oats.....	147,974,719	277,047,537
Potatoes.....	89,643,659	160,821,080
Barley.....	25,142,139	55,047,163

Number and value of domestic animals.

NUMBER.		
	1897.	1906.
Horses.....	14,364,667	18,718,578
Mules.....	2,215,654	3,404,061
Cattle.....	46,450,135	66,861,522
Sheep.....	36,818,643	50,631,619
Swine.....	40,600,276	52,102,847
Total.....	140,449,375	191,718,627

VALUE.		
	1897.	1906.
Horses.....	\$452,649,396	\$1,510,889,906
Mules.....	92,302,000	384,680,520
Cattle.....	877,169,414	1,328,960,301
Sheep.....	67,030,942	179,056,144
Swine.....	166,272,770	321,802,571
Total.....	1,655,414,612	3,675,389,442

Estimated production of wealth on farms.

1899 (census).....	\$4,717,000,000
1900 (Department of Agriculture).....	5,017,000,000
1901 (Department of Agriculture).....	5,317,000,000
1902 (Department of Agriculture).....	5,617,000,000
1903 (Department of Agriculture).....	5,917,000,000
1904 (Department of Agriculture).....	6,159,000,000
1905 (Department of Agriculture).....	6,415,000,000

The following table, compiled from the Official Crop Reporter, shows the difference in the prices of farm products in March, 1897, and March, 1906:

	1897.	1906.
Wheat, No. 1, Chicago, per bushel.....	\$0.71 to \$0.76	\$0.73 to \$0.80
Corn, No. 2, Chicago, per bushel.....	.22½ to .24½	.40 to .40½
Oats, No. 2, Chicago, per bushel.....	.16 to .17	.29½ to .30½
Rye, No. 2, Chicago, per bushel.....	.32 to .34	.60
Baled hay, Chicago, per ton.....	8.00 to 8.50	10.50 to 11.00
Potatoes, St. Louis, per bushel.....	.21 to .30	.52 to .55
Wool, washed, New York, per pound.....	.17½	.35 to .38
Butter, Elgin, per pound.....	.19 to .20	.27
Eggs, St. Louis, per dozen.....	.07 to .11½	.14 to .21
Live hogs, Chicago, per hundredweight.....	3.35 to 4.25	5.90 to 6.52

Mr. Chairman, this simple recital of the facts surpasses the wildest dreams of wealth production, and history can furnish nothing to compare with it as a record of progress and development. It is a record which places the American farmer in the front rank of our energetic and progressive citizens. But great as the achievements of the past few years have been, I believe our country will march steadily forward to still greater successes in agricultural production, under the stimulus of increased demand for home consumption and the broadening and extension of our markets abroad.

I thank you. [Loud applause.]

Mr. HENRY of Connecticut. Mr. Chairman, the free distribution of rare and valuable seeds among the people was, in earlier years, a wise and beneficent measure, but perverted from its original purpose it has become one of the most contemptible grafts permitted under the administration of the Federal Government. It is a striking object lesson, showing how easily a good thing can be converted into a cherished abuse, in this instance firmly entrenched in the average Congressional mind and believed to be a useful gratuity calculated to conciliate and flatter susceptible constituents, although usually frankly acknowledged to be a burden and nuisance.

The origin of this monstrosity as it now exists was most humble. In 1839 Congress was persuaded to appropriate the almost ridiculous sum of \$1,000 "to enable the Commissioner of Patents to purchase and distribute new varieties of seeds and publish agricultural statistics." To this small appropriation, infinitesimal when compared with the present appropriation for like purposes of over \$7,000,000 annually, both the Department of Agriculture and the free-seed distribution may trace a common parentage. The good and the evil, the benefaction and the parasite, have grown strong together until one is deservedly recognized by a seat in the Cabinet of the President and the other has successfully dominated Congress.

Successive Commissioners and Secretaries of Agriculture have emphatically expressed their disapproval of a Congressional distribution of cheap and common seeds, notably Secretary J. Sterling Morton, of estimable memory, who, finding that a free-seed distribution through Senators and Representatives was not mandatory, and believing it an unwarranted expenditure of public money, ordered that the Department building then occupied

for seed distribution be used for other purposes, effectually abolishing the abuse for a time. Secretary Morton firmly adhered to his determination until Congress intervened and ordered the distribution continued, even largely increasing the quantity of seeds distributed.

Secretary Wilson, who, in administering his great Department, has done more for the industrial interests of the United States than any other man of his generation, while loyally complying with the directions of Congress, has not hesitated to condemn the absurdities of the Congressional seed distribution as now conducted. Especially in his annual report for 1903 the present Secretary forcibly expressed his disapproval in words which at this time may well be repeated:

With regard to the securing and distributing of miscellaneous garden and flower seed, the fact remains that this work does not accomplish the ends for which the law was originally framed. There are collected, put up, and distributed now, on Congressional orders, nearly 40,000,000 packets of miscellaneous vegetable and flower seeds each year. These seeds are the best that can be obtained in the market, but from the fact that large numbers of packets are wanted, the seed obtained can be of standard sorts only, such as are to be found everywhere for sale in the open market. As there is no practical object to be gained in distributing this kind of seed, it seems very desirable that some change be made. To this end it would seem wise to limit our work entirely to the securing and distributing of seeds and plants of new and rare sorts. There is still much to be done in the way of securing seeds, plants, etc., of this kind from abroad, but still more to be accomplished in careful investigations of our own possibilities in this direction. There are many valuable plants scattered all over this country which are still little known outside of their respective localities. These should be collected, tested, and distributed. There are also great possibilities of improving agricultural industries by distributing specially bred seeds and plants.

As the plant-breeding work of the Department increases, opportunities for securing seed of this nature will accumulate. The Department has a well-organized force of scientists who are thoroughly familiar with the general conditions of soil and climate in nearly all parts of the country. Special crops could be selected for special purposes, and with the advice and cooperation of Members of Congress such crops could be placed where they would do the most good. This is a line of work that would result in very much more value to individual districts throughout the country than the distribution of a large quantity of common varieties of garden seed which have no particular merits, so far as newness or promise are concerned.

Mr. GAINES of Tennessee. Will the gentleman permit me to ask him a question?

Mr. HENRY of Connecticut. I yield to the gentleman.

Mr. GAINES of Tennessee. You say that these seeds are common?

Mr. HENRY of Connecticut. Secretary Wilson says so.

Mr. GAINES of Tennessee. His son, who is his private secretary, this morning said to me that a large portion of these seeds were raised, by direction of the Secretary of Agriculture, by certain individuals over the country and bought and distributed as we are distributing seed.

Mr. HENRY of Connecticut. I say they are common, because they can be purchased by anybody at any retail store.

Mr. GAINES of Tennessee. I am very sure the Secretary would not direct the raising of common seed that he might buy and distribute them over the country.

Mr. HENRY of Connecticut. I have given you what Secretary Wilson says in his report as to common seeds.

Mr. GAINES of Tennessee. I give you what his son said to me; a very large portion of them are raised by direction of the Secretary of Agriculture.

Mr. MURDOCK. If the gentleman will permit me, each package of seed that is now sent out by Congressmen or Senators has on it a request to the recipient that he give it a trial, and if the trial is successful or otherwise that he report to the Department. Are any such reports made by the recipients of seed?

Mr. HENRY of Connecticut. I have never known of such a report in my experience.

Mr. MURDOCK. Neither have I.

Mr. GAINES of Tennessee. I have received several letters recently—I have some of them on file now—asking if the report is to be made to me or to the Secretary of Agriculture. They are from the very best men in Tennessee, men who are running fine farms and some who are running farms that are not fine, asking whether they shall report to the Secretary of Agriculture or myself on this seed.

Mr. MURDOCK. Did they report?

Mr. GAINES of Tennessee. The seed has not come up yet. They have only been planted a short time, and I do not know what their character will be yet.

Mr. SCOTT. Mr. Chairman, I happen to have, if the gentleman from Connecticut will permit me to make a suggestion, an official statement in regard to the question now propounded by my colleague, and it is that out of something over 7,000,000 packages sent out last year about 1,000 reports were returned to the Department.

Mr. HENRY of Connecticut. I might add that some four

years ago the Secretary did secure some small quotas of rare seeds. I think every Member of the House four years ago had 500 packages of really rare seed. I was very much pleased to send mine out. I do not send out my usual quota, but I was told at the expiration of the year, when the suggestion was made that the quantity be increased, that Members declined to send out these really rare and valuable seeds because it was an unfair discrimination between their constituents, and for that reason the Department had thousands of packages of these seeds remain on their hands.

Mr. GAINES of Tennessee. And the Secretary is authorized after the 1st of April to distribute them, and he sent me some packages, and I am glad to get them and send them to everybody, without regard to race or color or previous condition of servitude, which I have always done, and will continue to do, if I get the chance.

Mr. HENRY of Connecticut. I hope not, but you may.

Mr. GAINES of Tennessee. I hope to get it, for I want the farmers to have a little chance.

Mr. HENRY of Connecticut. Now to proceed:

It should be understood that even if the House approves of the recommendations of the Committee on Agriculture the distribution of really valuable seeds will not be affected.

The Government seed collection and distribution covers an extensive field of work, extending over the entire habitable globe, and is classified by the Department in three distinct groups:

First. The securing, handling, and distributing of miscellaneous garden and flower seeds, grapevines, strawberry plants, ornamentals, etc.

Second. The securing and distributing of comparatively new or little-known kinds of various field and forage crop seeds, such as cotton, corn, alfalfa, etc.; the improvement of the same by breeding and selection, and the general upbuilding of agricultural industries through such work.

Third. The introduction and dissemination of new and promising seeds and plants from foreign countries and the building up of new industries as the result of the work.

Only the first-named group will be affected by the proposed legislation. For this group alone your committee refuse to stand sponsors. Group 2, which includes all important investigations in breeding new plants and disseminating valuable types of cotton, tobacco, corn, cereals, forage crops, etc., as well as group 3, embracing the discovery and introduction of promising foreign fruits, vegetables, plants, grasses, etc., will still continue to receive the attention of the trained experts of the Bureau of Plant Industry, under the able supervision of Dr. B. T. Galloway.

Mr. GAINES of Tennessee. Can the gentleman tell how long we have been raising corn in the United States?

Mr. HENRY of Connecticut. I think it was one of the things our forefathers found when they came here. We are told that the pilgrim fathers lived partly on parched corn during their first winter after landing on Plymouth Rock.

Mr. GAINES of Tennessee. And yet that is one of the things that you would have the Secretary spend our money on and distribute throughout the country.

And if we had had Uncle Sam and he had any garden seed, they would have been asking for us to give it to them, as we are giving them to our people. Now, I want to say, my friend, nearly everybody in my country has seed corn, and they are willing to trade seed corn for garden seed.

Mr. HENRY of Connecticut. No, I would not distribute corn, and I am glad there is one thing my distinguished friend believes Uncle Sam does not need to purchase and distribute.

Mr. GAINES of Tennessee. I am a strict constructionist. I will say that seed is about all the farmer gets; under the laws you have made it all goes to the trusts. The trusts have got everything in the United States by the throat except the sale of seed.

Mr. WADSWORTH. Except GAINES. [Laughter.]

Mr. GAINES of Tennessee. And they never will get him, and if they did get him by the throat, hand, or feet he would give them what Paddy gave the drum.

Mr. HENRY of Connecticut. Perhaps I may now be allowed to continue my remarks and say that all that is of real value in seed collection and distribution will be retained and only the comparatively valueless will be eliminated, should the recommendation of your committee be approved by the House. The reform will be attended with slight injury to the farmer or purchaser of seeds, and it will give material encouragement to the great seed-producing industry of the country. Moreover, it is an all around equitable deal, which certainly will meet with popular approval.

I have received from the Secretary of Agriculture a care-

fully compiled report in detail of expenditures made and required during the fiscal year ending June 30, 1906, for purchasing, handling, and distributing seeds classified in the three designated groups to which I have referred.

I will, for the information of the House and of the country, attach this statement to my remarks, to be printed in the CONGRESSIONAL RECORD.

It will be observed that an annual saving of over \$130,000 in the cost of seeds alone can be made if the House approves the recommendation of its committee. In addition to this not inconsequential sum, an economy of more than \$30,000 will be effected in the postal revenues should the free distribution of common varieties of seeds be abandoned.

That the distribution of this class of seeds is not approved or desired by a majority of the farmers throughout the country is demonstrated by numerous resolutions, adopted by national, State, and local granges, protesting against a continuance of what is called a "fraud" in copies of some of these resolutions received by members of the Committee on Agriculture.

Should further evidence be required of the unpopularity of the cheap-seed distribution, it may be found in the general symposium of protests made by the press in all parts of the country.

Mr. GAINES of Tennessee. You can put in one from my State, if you want to.

Mr. HENRY of Connecticut. Probably the gentleman knows more about the wishes of his State than I do.

Mr. GAINES of Tennessee. I can read that editorial and get more votes on every position that I have taken in this House than anyone who reads it and disagrees with me.

Mr. HENRY of Connecticut. I hope the gentleman will read the editorial and secure the votes. We should miss his genial presence in this body, which he graces and adorns.

Mr. GAINES of Tennessee. I do not care whether I secure any votes by any position I take on this question. I do what I think is right, and in this case I am going to vote for seed to help down this infamous trust business that is in this country. This is the only thing that is not in a trust.

Mr. HENRY of Connecticut. I am glad to learn that the free distribution of seed is killing the trusts. There ought to be some good in what appears to me to be a graft.

Mr. GAINES of Tennessee. Exactly. The Government gives away a few seeds in this country, and it has kept down the seed trust at least partially if not entirely.

Mr. HENRY of Connecticut. I wish the gentleman will now allow me to finish; my time is promised.

Mr. GAINES of Tennessee. All right.

Mr. HENRY of Connecticut. With the permission of the House, I will also insert in the CONGRESSIONAL RECORD a few quotations from leading newspapers in widely separated localities. A careful reading of these clippings seemingly ought to convince even the most obdurate Representative that his constituents are not all demanding free seeds, but rather that a healthy public sentiment is insisting upon a much-needed reform.

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Connecticut asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HENRY of Connecticut. Mr. Chairman, I reserve the balance of my time, yielding half an hour to the gentleman from Iowa [Mr. DAWSON].

The matter referred to is as follows:

Memorandum of expenditures from the appropriation for the purchase and distribution of valuable seeds, 1906, as shown by financial statements to March 12, and estimates to June 30, 1906.

1. THE SECURING, HANDLING, AND DISTRIBUTION OF MISCELLANEOUS GARDEN AND FLOWER SEEDS, ETC.	
Cost of seed:	
Congressional vegetable and flower seed only-----	\$63, 072. 67
Other seeds and plants entering into regular quotas, such as cotton, tobacco, lawn grass, etc-----	6, 915. 00
Seeds and orange trees not in regular quotas, but purchased for distribution through Congressmen-----	3, 685. 00
Plants, chiefly ornamentals, not in regular quotas, but to be distributed through Congressmen-----	5, 704. 50
Total-----	79, 377. 17
Contract for all work connected with the packeting and mailing of 35,815,000 packets of miscellaneous vegetable and flower seed, including making the packets, printing and filling the same, putting on franks, assembling, and filling packages with packets, at contract price of \$1 per 1,000 packets-----	36, 000. 00
Salaries of superintendent, bookkeepers, and frank counters-----	7, 645. 33
Trial grounds, to test and determine the quality of seeds-----	2, 540. 00
Miscellaneous, including freight on all seeds, rent, telegraph, telephone, gas and electric lighting, fuel, etc-----	7, 192. 23
Total-----	132, 754. 73

2. THE SECURING AND DISTRIBUTING OF COMPARATIVELY NEW OR LITTLE-KNOWN KINDS OF VARIOUS FIELD AND FORAGE CROP SEEDS AND THE IMPROVEMENT OF SAME BY BREEDING.

Purchase of seeds, expense of experimental work, including travel for inspection and supervision.....	\$13,450.33
Maintenance of propagating houses, trial grounds, cooperative work with State experiment stations and private growers throughout the country in establishing new plant industries, and necessary expenses connected therewith of a miscellaneous character.....	11,049.00
Salaries:	
Botanist in charge of entire seed work and assistants.....	\$9,272.17
Experts and laborers required in connection with seeds and plants for experimental work.....	8,419.67
Experts and gardeners for propagating work, trial grounds, and cooperative investigations.....	8,306.00
Miscellaneous, including fuel, gas and electric lighting, stationery, and general office expenses.....	25,907.84
Balance, not allotted to date, but will probably be required to meet unforeseen expenses before the end of the fiscal year.....	10,394.33
	6,493.77
Total.....	72,385.27
Total domestic seed work.....	205,140.00

3. THE INTRODUCTION AND DISSEMINATION OF NEW AND PROMISING SEEDS AND PLANTS FROM FOREIGN COUNTRIES.

Purchase of seeds and plants in foreign countries, including travel expenses of explorers and special agents in connection therewith.....	\$16,312.31
Salaries of explorers, experts, special agents, clerks, and laborers in connection with foreign introductions.....	13,049.00
Preliminary tests of foreign introductions in cooperation with State experiment stations and private growers.....	3,176.00
Miscellaneous, including telegraph, express, storage, packing, etc.....	1,000.00
Balance not yet specifically allotted, but which will probably be required for unforeseen expenses.....	4,242.69
Total foreign seed introductions.....	37,780.00
Total appropriation for seed and plant introduction and distribution.....	242,920.00

Summary of principal items of interest.

	Amount.	Per cent of total.
Cost of seeds and plants, including freight.....	\$118,767.16	48.8
Packeting, assembling, and mailing under contract.....	36,000.00	14.8
Salaries: Botanist in charge, explorers, experts, special agents, clerks, gardeners, laborers, messengers, etc.....	46,692.17	19.2
Testing, trial grounds, cooperative tests of new plants with experiment stations and private growers, including travel expenses.....	16,765.00	6.9
Miscellaneous, including telegraph, telephone, fuel, gas and electric lighting, stationery, and general office expenses.....	13,959.21	5.8
Balance yet to be allotted.....	10,736.46	4.5
Total.....	242,920.00	100.0

From the foregoing it will be seen that approximately 49 per cent of the total appropriation is actually expended for the purchase of seeds, 15 per cent for packing and mailing, 19 per cent for salaries, 7 per cent for testing and trial work, and 6 per cent for miscellaneous and office expenses, leaving a balance of 4 per cent for emergencies. The combined cost of all salaries, miscellaneous and general office expenses, including telegraph, amounts to \$60,651.88, or approximately 25 per cent of the total, leaving \$182,268.12, or 75 per cent of the entire appropriation as the net amount to be expended for the purchase of seeds, testing, and distribution.

In addition to the foregoing, attention should be called to the appropriation for salaries on the statutory roll of the Bureau of Plant Industry (Estimates of Appropriations, 1907, p. 87). The entire appropriation under this item is \$162,480, of which \$42,040, or approximately 25 per cent, is chargeable to the seed work. These salaries were formerly paid from the lump fund, but last year the Committee on Agriculture decided to make them statutory. Following is a list of all these clerks, together with their salaries and the line of work to which they are directly chargeable:

1. The securing, handling, and distribution of miscellaneous garden and flower seeds, etc.

Designation.	Number.	Rate.	Amount.
Clerks:			
Class 4.....	2	\$1,800.00	\$3,600.00
Class 3.....	1	1,600.00	1,600.00
Class 2.....	1	1,400.00	1,400.00
Class 1.....	2	1,200.00	2,400.00
Clerks.....	3	1,000.00	3,000.00
Clerk.....	1	840.00	840.00
Clerks.....	5	720.00	3,600.00
Clerk.....	1	600.00	600.00
Plant packer.....	1	600.00	600.00
Skilled laborer.....	1	600.00	600.00
Messengers.....	2	480.00	960.00
Total.....	20		19,320.00

2. The securing and distributing of comparatively new or little known kinds of various field and forage crop seeds and the improvement of same by breeding.

Designation.	Number.	Rate.	Amount.
Clerks:			
Class 2.....	1	\$1,400.00	\$1,400.00
Class 1.....	3	1,200.00	3,600.00
Clerks.....	2	1,000.00	2,000.00
Clerk.....	1	900.00	900.00
Clerks.....	3	840.00	2,520.00
Do.....	5	720.00	3,600.00
Clerk.....	1	600.00	600.00
Gardener.....	1	900.00	900.00
Do.....	1	600.00	600.00
Skilled laborer.....	1	600.00	600.00
Skilled laborers.....	4	600.00	2,400.00
Messenger boy.....	1	360.00	360.00
Total.....	24		19,540.00

3. The introduction and dissemination of new and promising seeds and plants from foreign countries.

Designation.	Number.	Rate.	Amount.
Clerk, class 1.....	1	\$1,200.00	\$1,200.00
Clerk.....	1	720.00	720.00
Gardener.....	1	600.00	600.00
Skilled laborer.....	1	600.00	600.00
Total.....	4		3,180.00

Total statutory salaries connected with seed work..... \$42,040.00

From the foregoing it appears that the total cost of the seed work, including the regular appropriation and the amount expended for statutory salaries, is \$284,960, or \$5,040 less than the amount appropriated for the same purpose last year. The combined lump fund and statutory salaries this year amount to \$88,732.17, or approximately 31 per cent of the entire cost of the seed work.

To properly handle such subjects we have a number of testing stations where crops when first brought in are grown for a time, and if found valuable are propagated extensively and distributed. The men in charge of these stations must be experts and must be thoroughly familiar with the propagation of plants and the necessary requirements for making such plants successful in other regions.

This statement in reference to the manner in which the work is handled seems desirable and necessary in order that a better understanding may be had of the accompanying summarized table of expenditures.

Very respectfully, JAMES WILSON, Secretary.

[State, Columbia, S. C., March 8, 1906.]

SEEDS FOR THE DEAR PEOPLE.

Is it possible that the present wave of anti-graft sentiment is to sweep from the face of the earth that dearest of old grafts and humbugs, the free distribution of seeds by Congress? We can scarcely believe it, and yet if the House does not reverse the action of the Committee on Agriculture this tie that binds the Congressman to his dear people will be rudely severed.

[Post, Washington, D. C., March 14, 1906.]

GOVERNMENT SEEDS.

One of the earliest abuses to spring up under the sway of the Federal Government was the distribution of seeds. The country at the time was much more agricultural, as a whole, than it is now, and very few politicians held their positions without the votes of farmers. It was the fashion, and still is to some extent, to set them apart in a class by themselves as especially worthy of consideration and as entitled to privileges and immunities accorded to none other. Needless to say, there have been every year bushels of worthless seed distributed that never came to anything, still other bushels that were never planted, and that there have never been any benefits to anyone at all commensurate with the vast expense involved. Not only so, but there has never been under our system of government any possible justification for such expenditure. There is just as much reason why every farmer should be furnished with a fresh stock of cattle in the spring to improve the breed, or a new set of tools, or every lawyer be presented with the statutes, or everyone else supplied with the implements of his trade or profession as that a farmer should be given his garden seeds. There have been attempts made from time to time to do away with the practice, and this year, at last, the Committee on Agriculture, by one majority, has voted to leave any provision for seed out of the appropriation bill. There is little reason to believe that the farmers of the country will regret or resent the nonarrival of the few seed packages they have been accustomed to receive, and it is a matter of congratulation that at least one heary and time-honored abuse has been abolished.

[American Agriculturist, March 21, 1906.]

If proper action is taken right now, the free-seed humbug will be killed. It hasn't a leg to stand on, nor has there been a single argument in many years for a continuance of this miserable graft upon the people. Nobody really wants its perpetuity. The Secretary of the Department of Agriculture is utterly opposed to it, the National Grange has thundered against it time and again, various other farmers' organizations have made commendable effort to have it abolished. Finally, the self-respecting farmer has no use for the system. Instead, he very properly resents the cheap effort of his Congressman to curry favor by sending a measly package of the most ordinary kind of seeds, hoping in this way to win a vote. The Government has no more business to furnish free seeds than free overcoats or free horseshoes.

[Traveler, Boston, Mass., March 7, 1906.]

Free seeds are one of the last petty perquisites of Members. Each year they receive a vast quantity for distribution among their constituents. Many of the seeds sent out are never planted, while in some instances farmers and gardeners have got to depend on the annual contribution from the Government. The annual seed distribution has been one of the most vexatious problems of many a Congressman's career. Generally the Member does not receive enough seeds to go around, and if his predecessor was enough of a trader he has established the precedent of sending some to all his constituents. Secretaries to Congressmen will welcome the abolition of free seeds, as it will save them from having to address each year from 4,000 to 10,000 slips to be pasted on seed packets.

[The Sun, New York City, March 11, 1906.]

The House Committee on Agriculture has struck out the item for free seed distribution from the agricultural bill. It is contended that the distribution by Congressmen of free seeds is used to uphold the political fabric of their households. Originally the idea was a good one, as it gave opportunities to experiment with the growing of vegetables of new varieties in various soils and climates and find out their actual value and their adaptation to varying conditions. Each grower was requested to make report to the Department of his success. Instead the thrifty and practical farmer grabbed the free seed and neglected to inform the generous Department at Washington as to the results.

[Statesman, Austin, Tex., March 20, 1906.]

THE FREE-SEED MEASURE.

The present trouble confronting Congress as to whether or not we should have any free-seed distribution at the hands of that body seems to have terminated in a universal verdict that the free seeds must go and that the people shall be spared this expense. The Government has no business furnishing free seeds, and the evils arising from this practice are self-evident to anyone who gives the matter any thought and attention. The granges and other farmers' organizations have invariably passed strong resolutions against this measure. Certainly heed should be given all this clamor. If not in the interest of the public in general, then in the interest of the taxpayer in particular. Reform is most certainly needed here as well as in many other departments of the Government.

[Journal, Providence, R. I.]

All Congressmen are not demagogues, of course; in fact, it is safe to say the majority of them are not, but yet they are very careful not to miss a trick, especially in an election year like this, by relinquishing in the slightest degree the hold they may have upon the voters of their respective districts. * * * It is not so much the amount of money that the honest-minded people of the country care for as the principle involved in the cheap method of vote getting. Let the Congressmen attend to the legitimate duties for which they are sent to Washington and let the farmer buy his seed.

[News, Buffalo, N. Y., March 17, 1906.]

THE FUSS ABOUT FREE SEEDS.

The free-seed distribution was an excellent idea in its origin. It has been of vast service to the people. If it is carried too far now for the best results, the thing to do is to bring the practice back to its first intent and habit. In that way the admirable purpose of those who began the policy of seed distribution may be carried out with general approval. Let us restore the primary policy of the Government before we get too far away from it.

[Advertiser, Montgomery, Ala., March 15, 1906.]

ABOLISH THE FARCE.

The truth of the matter is that this free-seed business is something of a humbug. It has outlived its usefulness, if it ever really had any. Any kind of seeds, rare or common, good, bad, or indifferent, are gathered in by the Department of Agriculture and turned over to the Members of Congress to be sown among the people. The Congressmen do not know what kind of stuff they are sending out and the people who get the seeds care very little about them. It is high time this useless waste of the public money was stopped. We hope Alabama's Congressmen will join with those who are trying to relieve the Government.

[Journal, Kansas City, Mo., March 10, 1906.]

DISTRIBUTION OF SEEDS.

As a matter of fact, the free distribution of seeds has outlived its original purpose and usefulness, and probably not half a dozen Congressmen in the whole House have any idea what they are sending to the farmers. And the farmers themselves have long since ceased to rely upon this governmental gratuity for any real benefit. The custom is only a survival of an antiquated practice that is a needless expense to the Government and of no material good to the farmers. The appropriation for free seeds could be used to better advantage in other directions, and thus bring some real benefit to agriculture. With the money that could be saved by cutting off this ancient custom really "new and valuable" seeds could be imported from foreign countries, and, better still, the products peculiar to localities in this country could be distributed to districts of similar soil and climate for propagation there.

[Tribune, Sioux City, Iowa.]

A CONGRESSIONAL EXTRAVAGANCE.

The action of the Department of Agriculture in opposing the purchase and free distribution of flower and garden seeds is something to be noticed. The Department of Agriculture sends them out through the post-office deadhead, but the post-office has to pay the railroads and pay the clerks and mail carriers who handle the innumerable packages. The real farmers of the country, strange as it may seem, are not those who demand these little bunches of free seeds. In their farm organizations the free-seed extravagance has been generally condemned. Amateur farmers and gardeners may harass Congressmen for them, but the genuine farmer has little use for them and can not but regard the whole expenditure as of little practical value.

[Republic, St. Louis, Mo., March 17, 1906.]

THE FREE-SEED HUMBUG.

In the crude days of agricultural development there may have been a shadow of utility in the practice of sending out free seeds from Washington to the constituents of Senators and Congressmen. Now there is nothing but the persistence of a foolish old habit. The Government buys seeds which a farmer can buy anywhere, and distributes them in little lots to people who usually care nothing about them. It is not much better than a cheap farce, maintained only under a theory that such a petty artifice of sop satisfies the farmer vote. The United States Government should get rid of the antiquated nonsense.

[Herald, Titusville, Pa., March 10, 1906.]

TO DISCONTINUE FREE SEEDS.

The free-seed distribution, looked upon by many as a species of petty graft, seems to be doomed. There have been sporadic attempts to do away with the free-seed distribution, but these efforts have always failed, not because Members of Congress favor the practice, but on account of the objections which it was feared might be raised by their constituents. The present action of the committee has been very largely in response to resolutions adopted by the State Grange of Illinois, New York, and Connecticut, urging that the free-seed distribution be stopped.

[Chronicle, Houston, Tex., March 16, 1906.]

THE FREE-SEED GRAFT.

For many years the press paragraphers, the people's sharpshooters, have attacked that form of petty graft known as the "Congressional free-seed distribution." Many a paper pellet of the brain, witty, ironical, keenly sarcastical, has been fired at the solons responsible therefor, who have forgotten the story of Diogenes and his lantern. The free-seed distribution doesn't do any good. The farmers do not want it. Many men, women, and children throughout the country get these free seeds who do not plant them. The free-seed distribution is part graft and part waste. It is, besides, a postal evil.

[Illinois State Register, Springfield, Ill., March 20, 1906.]

FREE-SEED FOLLY.

This free-seed outrage is being generally condemned, and justifiably so. This thing of sending out little packages of seeds, which, in nine out of ten cases, perhaps, go to people who never use them, is an antiquated and very foolish habit. We do not believe that the farmers, or anyone else, receive sufficient benefit from this costly and unnecessary department to warrant the expenditure of the vast sums of money it involves.

[The Hour, Norwalk, Conn., March 17, 1906.]

THE FREE-SEED GRAFT.

As a matter of fact, the free distribution of seeds is one of the most expensive and most unnecessary of the Government's extravagances. The benefit derived from the distribution of seeds, even those of good quality and for the purpose of introducing new and useful varieties of vegetables and plants, does not in any degree justify the expenditure that the Government makes, and which should certainly be discontinued.

[Courier, Evansville, Ind., March 7, 1906.]

NO MORE SEED DISTRIBUTION.

The absurdities of the system are well illustrated by the fact that a Congressman from a Bowery district in New York City is allowed an equal share of seeds for distribution with a Congressman hailing from a purely agricultural region. The free-seed distribution is therefore a useless expense to the Government. It is a form of class legislation that is pernicious and inflicts distinct injury on the very worthy and important seed trade of the country.

[Union, New Haven, Conn., March 13, 1906.]

WILSON ON FREE SEED.

Secretary Wilson compares the "graft" seed distribution with that which is recognized as legitimate and proper. "There is no doubt," he says, "but that although the amount that is expended distinctly for this work of introducing and developing new crops is relatively but a small proportion of the entire appropriation, the relative amount of good done by this branch of the work is far in excess of that accomplished by the mere distribution of miscellaneous standard varieties of vegetable and flower seeds, which can be purchased from any seedsman."

[Richmond (Va.) Times Dispatch, March 11, 1906.]

The free seed distribution is an outrageous perversion of the original act, which provided that, as a means of promoting the agricultural interests of the country, new and valuable seeds and plants should be distributed in limited quantity. This enactment was not designed, as everybody knows, and none better than Congressmen themselves, to authorize the free distribution of all sorts of ordinary seeds, which farmers can either grow themselves or purchase from dealers. It is an abuse of privilege, a species of graft, and it should be abolished.

[Toledo Blade.]

NO HALFWAY MEASURES.

Congressmen who insist on continuing the Government seed distribution, to be consistent, should also see that their constituents are furnished free hoes and garden rakes.

Mr. LAMB. I yield twenty-five minutes to the gentleman from Tennessee.

Mr. GAINES of Tennessee. Mr. Chairman, as an original proposition I feel satisfied that I could not see my way clear to agree that the Government of the United States go into what you might term the "business" of supplying its citizens with garden and farm seed. I propose to fight the formation of a seed trust by continuing the free distribution of seed to the

farmers. That is the major point I have in mind, and I shall discuss it later on. I shall not stop to discuss why I am opposed to the Government giving out these seeds as an original proposition. I have not time, and it would not do any good if I had. I want to get down to the issue before me. I feel I am forced to fight the devil with fire. Free distribution of seed will deter a seed trust. That is my main point.

The committee has reported a bill here wholly unlike any bill that has been reported for a number of years. I believe the report states that the appropriation has been "tolerated," and "without authority of law." It is a remarkably late hour, Mr. Chairman, for Congress to say that Congress has no power to make this appropriation. Are you short of money again?

I do not understand, Mr. Chairman, why the committee comes so squarely out against the proposition, and all at once. I do not think, in the nine years that I have been a Member of Congress, I have ever heard of the committee leaving out this appropriation. I think possibly it has been increased since I have been a Member of Congress; and why are you abruptly dropping the seed question? I can not understand. Now, the gentleman from Virginia [Mr. LAMB], who is the senior member in service on the Democratic side of the Agricultural Committee, has just informed me that there was no one before the committee against free seed. And I presume by that, my friend [addressing Mr. LAMB], nobody came before the committee and requested you to drop this provision for seed out of the bill. Yet, gentlemen, here it comes all at once. How did you get it out? How did this proposition become so vulnerable all at once? What is the matter?

Ah, they say, they want "rare seed;" and my good friend from Connecticut [Mr. HENRY] says we must furnish corn and tobacco seed free. Why, my dear friend, we have had tobacco and corn ever since we have had civilization on American soil. He may have not had corn bread to eat, and, if not, I am very sorry for him. If he had been fed on corn bread, as I was very largely, I am glad to say, he would stand very much nearer to the farmer in this matter than he does.

Mr. HENRY of Connecticut rose.

Mr. GAINES of Tennessee. I know you are a good friend to the farmer, and I said so in your country, in February last—some complimentary things of you that will help you to be reelected. [Laughter.]

Where does the Department get these seeds? It appears in the hearings of the Agricultural Committee, on page 232, that this question is answered. Somebody was asking, I think the gentleman from Mississippi [Mr. CANDLER] started the inquiry about how the Department got these seeds, and Mr. Galloway, the faithful writer of many letters to me and others upon the question of seed, answered and said:

I do not see how anyone who took the ordinary precautions with the seed we send out could help from getting good results. We send out seed that must necessarily be better than the ordinary seed that the seedsmen can secure.

That reminds me of a noted lawsuit that occurred in my State. By the way, one occurred of the same kind in Connecticut, and, strange to say, the Connecticut court decided one way and the court in Tennessee decided the other way, and they both thought they were right. They reached different conclusions.

A man in Connecticut went to a potato store to buy, and thought he did buy, Early Rose potatoes, and took them home and found that they were "late potatoes," and they "all went to vine." That is the only thing I ever heard of in Connecticut that "went to vine." The court allowed damages in that case. We had the same kind of a case in Tennessee. Some of my neighbors called for and bought some Early Rose potatoes, and they turned out to be late potatoes, and these "all went to vine," and the supreme court of Tennessee decided that the damages, if any, were "speculative damages," and dismissed the case.

Now, sir, I have not heard of that sort of a suit or loss for years and years. Some one has improved seed potatoes that much, and we have taken the question of a farmer being outraged by bad seed out of the hands of the courts and put it in the hands of the Secretary of Agriculture and the farmer with his rake and his hoe. We have done that much good. Now, what else did Mr. Galloway say? I believe the gentleman from Kansas [Mr. SCOTT] asked Mr. Galloway, Why are the seeds sent out by the Department better than the ordinary seed? Listen, gentlemen:

For the reason—

Says Mr. Galloway—

that we buy our seed in this way: In the first place, a considerable portion of the seed is grown for us out of what we call our own stock. We know the full history of the stock.

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Now, that corroborates the statement I made a while ago about young Mr. Wilson, if he needs any corroboration. He needs none. Young Mr. Wilson, the Secretary's son, said to me this morning that a large portion of the seeds we send out were grown by direction of Secretary Wilson; that they employed people over the country to raise this seed, and from this we get the seed to send around over the country.

Mr. HENRY of Connecticut. Does the gentleman mean to say that the Department of Agriculture is in the business of raising these seeds that are distributed?

Mr. GAINES of Tennessee. I state to the gentleman that I am so informed; and Doctor Galloway so states, as I am trying to show.

Mr. HENRY of Connecticut. They are bought.

Mr. GAINES of Tennessee. They have gardens, a horticultural garden down here which supplies the White House with flowers and supplies the gentleman from Connecticut with flowers, and so forth, and so on.

Mr. HENRY of Connecticut. I do not happen to receive any.

Mr. GAINES of Tennessee. Well, you are "the flower" of your delegation anyway. [Laughter.]

Mr. HENRY of Connecticut. But if the gentleman will allow me a moment, the Department of Agriculture has not the facilities for raising 1 per cent of the seeds that are distributed. They are bought in the open market, and are bought abroad, many of them, imported.

Mr. MURDOCK. Does the gentleman from Tennessee get potatoes to send to his constituents?

Mr. GAINES of Tennessee. No; but a negro man who ran against me for Congress some years ago sent to me for some "seed frogs" last fall. Do you need any in your district? I can get some from my old home if you do.

Mr. MURDOCK. I would go to the Fish Commission for that.

Mr. GAINES of Tennessee. I sent to the Department, out of respect to the man, a good citizen, a negro, too, who made the inquiry. He had bought him a farm with a pond on it. I had told him previously that I knew the Department had no seed frogs. Now, why does Mr. Galloway say these Department seeds are better? He says:

For the reason that we buy our seed in this way: In the first place, a considerable portion of the seed is grown for us out of what we call our own stock. We know the full history of the stock. We get, for example, a pound of lettuce seed of a high quality, and it is true to name. We can take that pound of lettuce seed and turn it over to a reliable man in California and get 100 pounds that is absolutely true to stock, and in order to make it true we send a man into the field where that lettuce seed is grown and have him rove the field—that is, we eliminate all of the lettuce before the seed have gotten away from the desirable characters.

Now, that corroborates what young Mr. Wilson has said, although he is against this seed proposition, I want to say. I took issue with him, under the circumstances—I fear a seed trust—and I am going to tell you why in a few minutes. Mr. Galloway further says:

We have for that work a man who has had more experience than any other man in the United States—Mr. W. W. Tracy, sr. His special business is to keep track of our stock. That is the stock we start with. That is done for the greater portion of our seed, and the other we buy out of stock or in the open market under these conditions: We buy to-day, for example, a lot of onion seed. That onion seed, we provide in the contract, must not only be true to name, but must have a certain standard of vitality. It is sent here, and more or less of it is tested in our laboratory, and if it does not come up to our standard it is rejected.

If it is found it is not true to name—and we can only determine that after our field tests are made the following summer—we always withhold a certain amount of pay to cover that; but then during the following summer we make field tests at the Arlington farm and six or seven other places, in cooperation with the experiment stations, of all the seed that enters into the Congressional distribution. We test it for vitality in the laboratory, and we test it for trueness to name in the field.

Mr. SCOTT. Where is your seed grown?

Mr. GALLOWAY. The seed is grown all over the United States.

Mr. SCOTT. Do you make contracts in advance—that is, a year in advance?

Mr. GALLOWAY. We must do that. We are now making provision for the seed for next year. We have to do that in order to be perfectly safe; otherwise we could not secure the seed. We buy all the seed we can in the open market—that is, seed that is now available. We secure it now and have it delivered next August or September; but when it is delivered it must come up to these standards.

Mr. CANDLER. All of them are tested?

Mr. GALLOWAY. All of them are tested.

Mr. CANDLER. Every one when they come in?

Mr. GALLOWAY. When they come in.

Now, gentlemen, I sent for this report of these hearings a few minutes ago, and that is all I see in these hearings on the subject. I know that the quality of seed has been bettered, and I want to say, furthermore, that every one of the packages of seed that has come to me I have sent them out through my district, regardless of politics, regardless of race, color, or previous condition, except when I would get a large

quantity upon special request from Secretary Wilson to send to charitable organizations in Nashville and Clarksville, where there are thousands of poor people who are not able to buy seeds and have a little garden or yard they raise vegetables in. I sent some to Miss Fannie Battle, the daughter of General Battle, a great lover of charity and doer of good things. I sent some to Clarksville. I sent all these seed conditioned that the distributors should not give seed to any man, woman, or child who is able to buy it.

So you see, gentlemen, when you get down to the ground floor, this money does the poor man, whether black or white, a good deal of good. It enables him to have his little onion patch, his little lettuce patch, and a pea patch, and thus we aid many a poor man to raise vegetables, which helps him to round out his flat stomach. [Laughter.]

Mr. SIMS. Will the gentleman from Tennessee allow me a question?

Mr. GAINES of Tennessee. Certainly.

Mr. SIMS. Has the gentleman any reply from any farmer or gardener in his district or any statement to the effect that they did not want these seeds, and that they were not appreciated?

Mr. GAINES of Tennessee. Not a single one; not one. I sent my last letter to-day to William or John D. Parks, of Port Royal, who wanted some seed to give to the poor. Mine were all sent out. I couldn't get any from Secretary Wilson, as he said his stock was all gone. For the first time I received that kind of a reply from the Secretary, and therefore he couldn't send any to Mr. Parks. He is the only one that I have been unable to send seeds in sufficient amount to satisfy.

Mr. SIMS. Let me ask the gentleman another question. In all the literature, newspaper clippings, and arguments that have been sent to him, has one of them ever come from a farmer or anyone who used seeds?

Mr. GAINES of Tennessee. Never. I haven't received a protest from any mortal man.

Mr. SMITH of Kentucky. I would like to ask the gentleman a question right there.

Mr. GAINES of Tennessee. I will listen to the gentleman.

Mr. SMITH of Kentucky. Have any of the gentleman's constituents forwarded to him a letter sent them by a seed house, asking them to write to you?

Mr. GAINES of Tennessee. Not a single man.

Mr. SMITH of Kentucky. I have letters from my constituents, sending letters which have been sent to them by the seed men, and my constituents have sent them to me saying they didn't know anything about the business, but they would leave it to me to do what was right.

Mr. SIMS. The country has been flooded with them.

Mr. GAINES of Tennessee. Well, my constituents don't have to write me to do what is right; they know that I will do it anyway [laughter], and so it is with my friend from Kentucky; but these farmers sent these letters as a favor to these seed men and left the matter to your good sense.

Mr. SIMS. The seed men seem to think that we are fools, and that we can be fooled by them.

Mr. GAINES of Tennessee. I see that no one appeared before this committee to get this seed proposition knocked out. Now, how did it get out? I will say to the gentlemen of the committee, and I want to say it respectfully, that "there is a colored man in the chip pile," as you easterners say, or, as I would say down south, "there is a nigger in the wood pile." [Laughter.] Gentlemen, these great seed-growing people in the United States met here in Washington a few weeks ago at the Willard Hotel to fight this matter.

Mr. LAMB. They did not come here until after we had voted on this proposition.

Mr. GAINES of Tennessee. Ah, gentlemen, did they come before your committee and ask you in a decent way to drop this proposition? If they had done so, the committee would have welcomed them, and none quicker than my friend from Connecticut; but, Mr. Chairman, they met in this city, in Washington—

Mr. HENRY of Connecticut. Oh, the gentleman from Tennessee is off altogether. [Laughter.] There was no pressure brought to bear upon the committee; there was no appearance before the committee; nobody asked for it, but it was a conviction of the committee as expressed.

Mr. GAINES of Tennessee. How did the committee stand on the proposition, six to six?

Mr. HENRY of Connecticut. The committee had no aye-and-no vote.

Mr. SIMS. I should like to ask the gentleman from Connecticut if he was communicated with by these seed men who met here?

Mr. HENRY of Connecticut. No, sir.

Mr. SIMS. They knew you were all right, and you didn't need any argument. They wrote to all the rest of us.

Mr. HENRY of Connecticut. The letters that have been referred to were written subsequent to the action of the committee.

Mr. SIMS. And they never wrote any before?

Mr. HENRY of Connecticut. No.

Mr. SIMS. Why, they have been writing these letters ever since I have been in Congress.

Mr. HENRY of Connecticut. It was in February that this vote was taken.

Mr. KEIFER. Will the gentleman allow me a question?

Mr. GAINES of Tennessee. I will listen to the gentleman.

Mr. KEIFER. I understand the gentleman from Tennessee to say that nobody but the seed men are opposed to this.

Mr. GAINES of Tennessee. No; I didn't go that far. There may be other people who are opposed to it. I have not heard a single protest from my people.

Mr. KEIFER. I understand that all the grangers, national and State, that have acted on the subject have declared that they are opposed to the distribution of seeds through appropriations by Congress.

Mr. SCOTT. Will the gentleman from Tennessee yield to me?

Mr. GAINES of Tennessee. For a question.

Mr. SCOTT. The gentleman from Tennessee has intimated, to use a mild word, very strongly that the action of the committee followed, if it was not caused by, the meetings here of the big seed men.

Mr. GAINES of Tennessee. I said that I acquitted the committee of any evil purpose.

Mr. SCOTT. I do not want the intimation of the gentleman to go into the Record without a protest, and if he will yield to me—

Mr. GAINES of Tennessee. The gentleman has no need to protest against anything I say. [Laughter.] If he will let me make my statement complete—

Mr. SCOTT. If the gentleman will yield, I want to make one statement.

Mr. GAINES of Tennessee. Go ahead.

Mr. SCOTT. The gentleman from Tennessee has several times asked the question why this item was "suddenly" dropped. As a matter of fact during the five years during which I have been a member of this committee it has been a matter of discussion before the committee each year, and a motion has been made to drop this item. It has been voted down each time until this year, and it is only now that that motion has carried.

Mr. GAINES of Tennessee. Mr. Chairman, I can not yield any further. I can not give up all of my time to the gentleman to make a speech.

Mr. KEIFER. Mr. Chairman, will the gentleman yield to one more question?

Mr. GAINES of Tennessee. Yes.

Mr. KEIFER. I would ask the gentleman if it is not true that every agricultural paper in the United States, or a publication of that kind published in the interests of the farmer, has opposed this free distribution of seeds?

Mr. GAINES of Tennessee. I really do not know, because I have not the distinction of the gentleman from Ohio [Mr. KEIFER] of reading every newspaper in the United States, nor do I know, Mr. Chairman, how many of these newspapers are controlled by the seed people by advertising, etc., with them. Neither do I know how many of these newspaper correspondents hire out their services to write anything about anybody, nor how many of them have been employed to write these great long pieces that we see in the newspapers on the subject. I know—I do not know as a fact, but I have strong faith in my belief—that they have been employed in the city of Washington here to send these writings throughout the United States to "their" papers and get their "write ups" printed. I have seen some of these miserable little pencil pushers nosing around I thought then to get the job. Let me go a step further, and I am sure my friend from Kansas [Mr. SCOTT] will then say that his criticism of my language is entirely unnecessary. Bear in mind that nobody went before this committee to get this proposition knocked out. No one went there and asked to have it done. What "right" have these seed people to oppose this appropriation? They have every right of "petition." What does "petition" mean? It is an instrument of writing; it is not lobbying in the Willard Hotel, nor in the corridors of the splendid old temple, nor in the highways and the byways of Washington, or of Nashville, Tenn., or elsewhere.

They have the right of petition. That means a piece of writing which is publicly filed before some public officer, so that the other side may have their day in court to answer it.

Did the seed men file any petition? Did this great wilderness of millionaire seed men petition Congress or this committee? Where are their petitions? No; they worked the newspapers, and the newspapers are trying to terrorize Congress. Why didn't they come before your committee? They had a right under the law of the land. "Petition" is defined by Bouvier—of course we all know what it is, but I want to put this definition in the RECORD, so that we can all read it, and so that some of my constituents can read it to whom I send the CONGRESSIONAL RECORD. [Laughter.] Oh, all of my RECORDS go out, and I have requests for them all, and more besides; so you see my people are reading and progressive people—otherwise I would not be here, of course. [Laughter and applause.] Now, what does "petition" mean?

Petition.—An instrument of writing or printing, containing a prayer from the person presenting it, called the "petitioner," to the body or person to whom it is presented, for the redress of some wrong or the grant of some favor which the latter has the right to give.

By the Constitution of the United States the right "to petition the Government for a redress of grievances" is secured to the people. (Amendment, Art. I.)

Petitions are frequently presented to the courts in order to bring some matters before them. It is a general rule in such cases that an affidavit should be made that the facts therein contained are true as far as known to the petitioner, and that those facts which he states as knowing from others he believes to be true.

Why must it be in writing, gentlemen? So that everybody can go to the court-house, can go to the committee room, can go to the CONGRESSIONAL RECORD and read it, and file a reply if they desire. "Meetings" at the Willard Hotel, the Ebbitt House, uptown or downtown lobbying, and is no man's legal right. It is not a proper or legitimate way to propose or prevent legislation, and ought to be condemned and repudiated, and I do it here and now.

Mr. KEIFER. Mr. Chairman, will the gentleman yield to a question?

The CHAIRMAN. Does the gentleman yield?

Mr. GAINES of Tennessee. Yes.

Mr. KEIFER. I want to ask the gentleman from Tennessee what the standing is of the paper called the "Southern Agriculturist"?

Mr. GAINES of Tennessee. Where is it published?

Mr. KEIFER. Nashville, Tenn.

Mr. GAINES of Tennessee. I never heard of it before. [Laughter.] I am honest in that, and I do not mean to speak disrespectfully of the paper, and I want to say here and now that I do not allow newspapers to control my politics. [Applause and laughter.]

Mr. KEIFER. Oh, there is no politics in this.

Mr. GAINES of Tennessee. Nor do I allow any man in this world to control my politics. [Applause.] I allow every man in this fair land to petition me as a lawmaker. I allow no man to lobby with me. [Applause.]

Mr. KEIFER. Oh, I am not objecting to that, but I would like to know if the gentleman knows anything about the newspapers in his district.

Mr. GAINES of Tennessee. I do, and many outside; and I say to the gentleman that I don't know the one to which he refers, and if I did I don't care if it is against this appropriation, I am still for it. Its editor is a free man; so am I.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LAMB. Mr. Chairman, I will yield the gentleman ten minutes more.

Mr. GAINES of Tennessee. Mr. Chairman, I yielded to a question from the gentleman from Ohio and not to an argument.

Mr. KEIFER. I would like to make this request, to have the gentleman allow me to put in the RECORD here the statement from the editor of the Southern Agriculturalist, who pretends to know all about this.

Mr. GAINES of Tennessee. Oh, the gentleman can do that in his own time. I do not want to consume my time that way. I am on the side of the people in this fight and not on the side of the newspapers [applause] and am fighting for this appropriation to keep killed off a seed trust. That is my aim.

Mr. KEIFER. But I wanted to read you something from Nashville.

Mr. GAINES of Tennessee. Mr. Chairman, I am asked by my colleague [Mr. SIMS] to read Gen. D. B. Henderson's speech on this subject. This speech was made on January 13, 1898. Mr. WADSWORTH, who is the chairman of this committee, was the chairman then, and he is a big dairyman, and you notice there is some dairy money in this bill. There is no onion-seed money, and there is no lettuce money in this bill. [Applause.] An appropriation in this bill seems to depend on whose ox is gored, or whose butter-making Jersey is to be fed thereby. [Laughter and applause.]

I will read this:

Mr. HENDERSON. Mr. Chairman, my text this afternoon is "seed." I have been honored with a great many communications about seeds, some of them signed and several of them unsigned. I had a letter yesterday from a seed dealer in my own State, in which he broadly intimated that Members of Congress were interested in this seed business for the purpose of "buying the votes of farmers." He very clearly intimated that in the letter. And I have here three anonymous postal cards, which I intend to read for the edification of the House, as bearing upon my text.

Mr. GREENE and others. We have all got them.

Mr. HENDERSON. Here is number one:

"Free seeds keep Congressman in touch with his constituents."

"Congressman in touch"—that is in quotations. That would seem to be quoted, probably from some of us.

It goes on:

"Why not let up on seeds for a while and send jackknives? Everybody could use them, and there would not be so much waste."

"In that case, radish seeds would not come up poor turns, and the Congressman would be saved much ridicule which he now often gets."

Mr. MURDOCK. Who said that?

Mr. GAINES of Tennessee. That is on the postal card.

Now, this is postmarked at Washington, showing that some lobbyist posted it here, gentlemen. General Henderson goes on to say, "And I am not honored with the signature of the writer." Think of that. Think of a dirty little whipper-snapper writing to a Member of Congress such a communication as that. No man who writes a letter to his Representative and fails to sign his name to it is worthy of the privilege of sending it through the mail. I do not care who he is, black or white, old or young, Republican or Democrat.

General Henderson goes on:

That is postmarked "Washington," and I am not honored with the signature of the writer.

Here is another specimen:

"If the farmer must be made an object of charity, do not do it with 'free seeds,' but send him a hand organ and monkey—"

[Laughter.]

and start him in the business right.

"Good government is treating all of its subjects alike. That kills the 'free-seeds' idea completely."

This is postmarked "Philadelphia," and is unsigned.

Of course, Philadelphia is a great city, where they raise everything, even raise Cain over there sometimes. Her people got on the side of the law recently, under Mayor Weaver—thank God for that! But is Philadelphia an agricultural field? What do her people know or care about these seeds?

I read:

Here is number three:

"John's influence can't be got with 15 cents' worth of 'free seeds,' but if you'll send me a box of hairpins, I'll look after him."

"HIS WIFE."

"P. S.—I'd rather not have crooked ones."

Mr. STEELE. How is that postmarked?

Mr. HENDERSON. This is postmarked "Washington;" one postmarked "Philadelphia" and one postmarked "Washington."

Who is sending these postal cards to Members of Congress? I find that I am not the only one honored with these communications, but other gentlemen here seem to be recipients of the same kind of cards.

Mr. MAGUIRE. Will the gentleman permit me to ask him a question?

Mr. HENDERSON. Oh, certainly.

Mr. MAGUIRE. Did you send the hairpins?

Mr. HENDERSON. I am not that kind of a hairpin. [Laughter.]

Who are sending these insulting cards to the American Congress? Not one of them comes from farmers, because their interests are not that way. They must come from some one interested in prejudicing our minds against the distribution of seeds; and I know of no one interested but dealers in seeds. Therefore, I believe that these are a part of the seed dealers' programme to affect our minds against seed distribution. Whoever they came from, they came from small, contemptible, mean people, who did not know how to present a question to men with fairly disposed minds. Now, I want to say this about the seed business and our buying up the farmer vote with seed. The fellow that makes that charge is an ass—

And I presume there is an appropriation in here to take care of the ass—

"I say that measuring my words," to use an often-used expression.

Now, we get, I believe, 6,000 packages of seeds. I have 9 counties, with over 200,000 people in my district. I can not give a package of seeds to 1 in 50 in my district. Personally I am not interested in the seed distribution as a politician, and that is what they are hinting at with respect to you and me. Why? I send my seeds addressed directly to farmers. In doing this I try to distribute them in equal proportion among the counties of my district and without respect to politics. John Smith gets a package of seeds from Representative Henderson, and John Jones has an adjoining farm. John Smith tells him about the package of seeds he got from Mr. Henderson. John Jones says: "Well, I know I am as good a man as Smith, and I have not got a package of seed. I will just keep this thing in mind for Mr. Henderson."

He feels hurt; he feels offended; and the same is true of the agricultural reports. We do the best we can to carry out the law, but we can not get around among our constituents. I have repeatedly bought at the book stores as high as 1,500 additional agricultural reports, paying 10 and 12 cents apiece for them, and once as high as 15 cents, and I believe they cost about 65 cents. I have done the best I could to distribute them equitably among my people, but I can not get round. I have wounded the feelings of many a good farmer in my district because I could not reach him. The interest of each Member of Congress on this floor is against seed distribution and against the distribution of agricultural reports if he is to look solely at his own individual interest. But I say that privileges once given

to the people, once enjoyed by them, are dangerous things to take away from them.

We have a farmer now at the head of the Agricultural Department—an Iowa farmer. He is not a kid-glove farmer like my friend from Brooklyn [Mr. Fischer], who was smiling at my assertion a few minutes ago. We call him "Tama Jim," because he was from Tama County. He has turned up the soil in Iowa; he has husked the corn with his own hands until they were bleeding and cracked from that work. He has been speaker of the Iowa legislature and a Member of this House. He has also been a professor in the Ames Agricultural College. So long as Tama Jim recommends these distributions I will stand by him, all these dirty documents to the contrary notwithstanding. [Applause.] Now, this is not a party speech; but from reading these dirty documents and from receiving letters written from the standpoint and from the belief that we are the fellows interested in this business, I wanted to make these few sincere observations on the two propositions. I return to the honorable chairman of the committee the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GAINES of Tennessee. Mr. Chairman, I ask for three minutes more.

Mr. LAMB. I will yield to the gentleman three minutes more.

Mr. WADSWORTH. Mr. Chairman, I yield to the gentleman from Ohio [Mr. KEIFER] three minutes.

Mr. GAINES of Tennessee. The gentleman from Virginia [Mr. LAMB] yielded three minutes to me.

Mr. WADSWORTH. How much time does the gentleman want?

Mr. GAINES of Tennessee. He has given me three minutes.

Now, Mr. Chairman, we have a trust in everything that the farmer uses except seed, and just as certain, I believe, as God reigns and the Democratic party still survives [laughter].

Mr. GROSVENOR. Is the gentleman equally certain on those two different propositions?

Mr. GAINES of Tennessee. Absolutely certain, Mr. Chairman. I believe if we stop the pouring out of these few little seed to the farmer throughout this great Republic, thus preventing the seed trust concern from conspiring against the farmer like the beef trust has done, in spite of Attorney-General Moody and Commissioner Garfield and the President, I believe we will have a seed trust. But this keeps it down. It is free trade in seed. That is what it is, gentlemen—it is free trade in seeds. That used to be good Republican doctrine and it is good Democratic doctrine to-day. It is the only thing to hold off a seed trust. That is the main point and is why I speak thus to-day. Look at Moody on the "Truth about Trusts," a splendid book, and you will find everything on God's earth that the farmer uses, except the air and agricultural seeds, is in a confessed trust. Why is it, gentlemen, that there is not a trust in these seeds? Because the Government prevents it by buying this seed and putting it into the lap of the honest yeomanry of this country. [Applause.] This is the milk in the coconut, gentlemen, even if there is nothing else to the proposition. If there is nothing else in the proposition, I will vote for seed, and more seed and better seed, to prevent the awful pall of a seed trust falling upon the shoulders of the bending, toiling, drooping masses of my country known as the farmer. [Loud applause.]

The Washington Post of about the 8th, 9th, or 10th of March last published the following:

CALL IT POLITICAL GRAFT—DEALERS OBJECT TO FREE DISTRIBUTION OF SEEDS BY CONGRESS.

Representatives of seed dealers from various cities throughout the country met in convention at the New Willard yesterday afternoon and last night to consider ways and means of preventing the House of Representatives from putting back into the appropriation bill the clause providing for the free distribution of seed by the Agricultural Department, which was recently stricken out by the Agricultural Committee.

No definite action was taken yesterday, but influence will be brought to bear on the Representatives favoring the continuance of the giving out of seed to the farmers.

The stand taken by the seedsmen is that the Government is coming directly in competition with them in furnishing seed and is doing great harm to their business.

They hold further that the intelligent farmers of the country are opposed to the distribution, and would prefer to buy their seed in open market, where, it is claimed, they get a superior article and what they want, while the seed sent by the Department rarely fits the needs of the planter.

It is further held that the free distribution of seed is favored by many Congressmen merely because it can be used as a means of courting popularity with the more ignorant element among the farmers. The practice is styled a mere method of petty political graft.

The following are the firms represented in the convention: J. M. Thorburn & Co., New York; J. Breck & Sons, Boston; Schlaegel & Toltier, Boston; Comstock, Ferre & Co., Weathersfield, Conn.; J. B. Rice Seed Company, Cambridge, N. Y.; Peter Henderson Company, New York; Robert Buisst & Co., William Henry Maule, W. A. Burpee, Johnson & Stocke, and the D. Landreth Seed Company, all of Philadelphia; J. M. McCullough & Sons, Cincinnati; Griffith & Turner, Baltimore; F. W. Bolgiano, Washington, and Northrop & King, Minneapolis.

The meeting will be continued to-day, morning and afternoon, when a more definite campaign will probably be mapped out and the meeting adjourned.

The New York Sun of March 11 last publishes this:

The House Committee on Agriculture has struck out the item for free seed distribution from the agricultural bill. This, it is asserted, is a

tribute to the incessant labors of the National Seedmen's Association. Last year the free seed appropriation was \$242,920, of which \$202,000 was allotted for Congressional distribution. It is contended that the distribution by Congressmen of free seeds is used to uphold the political fabric of their households. Originally, it is added, the idea was a good one, as it gave opportunities to experiment with the growing of vegetables of new varieties in various soils and climates and find out their actual value and their adaptation to varying conditions. Each grower was requested to make report to the Department of his success. Instead the thrifty and practical farmer grabbed the free seed and neglected to inform the generous Department at Washington as to the results.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Ohio [Mr. KEIFER] is recognized for three minutes.

Mr. KEIFER. Mr. Chairman, I rise to help out the distinguished gentleman from Tennessee [Mr. GAINES] in the matter of obtaining some information from his constituents and from that class of them who know what their views are upon this subject. I now ask the Clerk to read a letter which I have sent to him.

The Clerk read as follows:

SOUTHERN AGRICULTURIST AND HOME,
Nashville, Tenn., March 15, 1906.

Mr. W. W. COCKS.

DEAR SIR: The Southern Agriculturist is certainly in favor of abolishing the useless expenditure of several hundred thousand dollars by the Federal Government for common seed. Congressmen are using this law to popularize themselves among their constituency. This paper reaches over 50,000 farmers, and they will indorse its sentiments on the seed bribe.

Repeat the law and save that amount for putting locks and dams in our small rivers.

Yours,

THOS. J. KEY, Editor.

Mr. KEIFER. Mr. Chairman, I need to do nothing further. I take it that this is a very respectable editor, and I know it to be a very respectable paper. It has a wide circulation, and it undoubtedly expresses the views of the agricultural people who take it in the gentleman's district and in other portions of the country.

Mr. GAINES of Tennessee. Will the gentleman yield?

Mr. KEIFER. I have only three minutes.

Mr. ELLERBE. Will the gentleman yield just for one question?

Mr. KEIFER. Yes.

Mr. ELLERBE. I would like to ask the gentleman from Ohio how many seed houses have advertisements in that paper?

Mr. KEIFER. I can not tell, but I know that this man is talking for his people.

Mr. GAINES of Tennessee. He is talking for his paper, too.

Mr. KEIFER. And his paper is getting no protest, I understand, from the people. The State granges, so far as I know, in my own State, and the local granges, all made up of agriculturists, are opposed to this free distribution of seeds. It is not free trade in seed. It is an appropriation of the public money for the purpose of buying seeds and sending them out to people who are willing to buy what they want and get the right kind.

Now, this idea of getting seed for the purpose of improving the varieties of different kinds was the original one, and so far as I am concerned I am in favor of keeping that up. But this sending out 12,000 or 14,000 packages of garden seed and flower seed free has grown to be a great incumbrance to the country, and it is ridiculed by the very people who are supposed to have the advantage of it.

Mr. WADSWORTH. I move that the committee do now rise.

Mr. LAMB. I have agreed to yield one minute to one gentleman and five minutes to another, and I ask that the gentleman will not make that motion now.

Mr. WADSWORTH. Will the gentleman agree to rise after six minutes?

Mr. LAMB. Yes.

Mr. WADSWORTH. Then I withdraw the motion.

Mr. LAMB. I yield one minute to the gentleman from Tennessee [Mr. SIMS].

Mr. SIMS. Mr. Chairman, I want to say, in reply to the editorial just read, and say of the writer of the editorial, that my colleague [Mr. GAINES of Tennessee] can run for Congress against him and beat him a hundred thousand to one. There is not a farmer in that district or within the circulation of that paper that is in favor of the statement just read; not one. [Applause.]

Mr. KEIFER. That represents the best paper in the town, and less than 100,000 are permitted to vote.

Mr. GAINES of Tennessee. I wish the gentleman would stop trying to dig up dead men's bones. The curtain was drawn years ago on your contention.

Mr. FITZGERALD. Mr. Chairman, on the 4th of April I made some remarks upon what is known as the "Kiowa pasture bill." The Commissioner of Indian Affairs has called my

attention to what I said on that occasion, and he believes that I did him an injustice in my statement. I requested the Commissioner to write a letter, stating the facts as he believed them to be, and I stated that I would have that letter printed in the RECORD. I should have done it before this time, but, unfortunately, when I had the opportunity I did not have the letter with me. I think it but fair to myself to say that I was in error in stating that the bill had been reported favorably by the office of the Indian Commissioner. It seems that was not the fact; but my statement, made somewhat hurriedly, was to the fact that, while I was a member of the Committee on Indian Affairs in the Fifty-seventh Congress, the predecessor of the present Commissioner was present in the committee room of the Committee on Indian Affairs on one occasion when several amendments to a similar bill were suggested, and, in answer to an inquiry whether the bill in the amended form would be satisfactory to the Indian Office, he stated that it would not be objectionable. My recollection in that respect is confirmed by the gentleman from Kansas [Mr. CURTIS]. So, that there may be no injustice done to the present Commissioner of Indian Affairs, however, and in order that his statement of the facts about the bill may be put into the RECORD, I ask unanimous consent that his letter be printed in the RECORD.

Mr. WILLIAMS. Reserving the right to object, I wish to make a statement, if the gentleman will yield to me. I want to state that I have not intended to carry the rule of objecting to unanimous consent to the extent of refusing unanimous consent for Members to extend their remarks, or to insert matter or documents in the RECORD as part of their remarks. I want that understood.

Mr. FITZGERALD. I simply wish to add that I would not intentionally, nor do I desire unintentionally, to misstate anybody's position on any question, or to be unfair in statements to the House, and so I ask that the Commissioner's letter be printed in the RECORD in connection with what I have said, so that whatever injustice may have been done him may be in the same manner corrected.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The letter is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE COMMISSIONER OF INDIAN AFFAIRS,
Washington, April 6, 1906.

MY DEAR MR. FITZGERALD: In obedience to your request during our conversation last evening, when I drew your attention to an error into which you had slipped in the haste of Wednesday's extemporaneous debate in the House on the bill for opening the Kiowa pastures, I send you this memorandum of the record of the case, which you can verify at your convenience.

You said on Wednesday:

"This bill in its original form was reported from the Committee on Indian Affairs in several sessions of Congress. Before it was reported from the Committee on Indian Affairs it had been referred to the Indian Office and had been reported on by the Commissioner of Indian Affairs and the details of the bill approved before the Committee on Indian Affairs unanimously reported it. After the bill went to the President, this same office, which had several times approved of the details of the bill, found, not that Congress, but that the Executive Department of the Government had been derelict in its duty. When this was ascertained, the President did not perform his constitutional duty. * * * In some mysterious way, in some way not expressed in the Constitution, some Members became aware of the fact that the President would do what was eminently proper under the conditions disclosed—veto this bill as originally presented to him and state in a respectful manner his reasons for so doing. Had that been done the Congress would have had an opportunity to exercise its constitutional powers and determine whether, in spite of the President's objections, the bill should be enacted into law by the concurrence of two-thirds of the Members of the Senate and House of Representatives. The Congress has been in this instance and in other instances deprived of this constitutional right by resort to the extraordinary procedure already mentioned."

The fact is that in past years the Department of the Interior has opposed, both by written reports and at committee hearings, the passage of the Kiowa pastures bill in the form in which it originally passed both House and Senate and went to the President. It has insisted that the pastures should remain in possession of the Indians, who were deriving from them an income which, capitalized on a 4 per cent basis, gave these lands an average valuation of nearly \$8 an acre in spite of every effort on the part of sundry adverse interests to prevent the advantageous leasing of them.

This year no report was made by the Office of Indian Affairs on the bill before Congress, but the bill went through both Houses and was sent to the President, who, as usual, referred it to the Department. In my response, I expressed my objections to the measure in the form in which it had been passed, on the double ground that it made no provision for the allotment on the pastures of the children born since the general allotment of 1901, and that the minimum price, which was fixed at \$1.50 an acre, was too low—two points on which the more intelligent members of the affiliated tribes were a unit in sentiment. Before the expiration of the ten days' period fixed by the Constitution for the approval or disapproval of the President, the leading advocates of the bill, ascertaining informally the nature of the objections of the Department, procured the passage through both Houses of a resolution requesting the return of the bill, with the intention of amending it by inserting provisions which would meet those objections. The bill was accordingly returned, thus far at least following the course commonly pursued in such circumstances, if my memory serves me aright.

The only criticism I had to make on the history of the case as you gave it in debate was as to the attitude of the Department and of this Office toward the measure. Knowing your unwillingness, if in possession of all the facts, to let your inadvertent error stand uncorrected, I called your attention to it in conversation and found you, as I knew I should, not only ready, but glad to give the other side a fair hearing. With thanks for your characteristic courtesy, I am,

Sincerely, yours,

F. E. LEUPP, Commissioner.

Hon. JOHN J. FITZGERALD,
House of Representatives, Washington, D. C.

Mr. WADSWORTH. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FOSTER of Vermont, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the agricultural appropriation bill and had come to no resolution thereon.

DELEGATE FOR ALASKA.

Mr. BRICK. Mr. Speaker, I desire to present a conference report, for printing, on the Alaskan Delegate bill.

The Clerk read as follows:

A bill (S. 956) providing for the election of a Delegate to the House of Representatives from the Territory of Alaska.

The SPEAKER. The conference report and statement will be printed in the RECORD.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 5648. An act to amend section 12 of the act approved February 2, 1901, "An act to increase the efficiency of the permanent military establishment of the United States"—to the Committee on Military Affairs.

S. 352. An act for the relief of the heirs of Fernando J. Moreno, deceased—to the Committee on Claims.

S. 2355. An act to reorganize the corps of dental surgeons attached to the Medical Department of the Army—to the Committee on Military Affairs.

S. 5581. An act to provide for the purchase of a site and the erection of a public building at Passaic, N. J.—to the Committee on Public Buildings and Grounds.

S. 5572. An act to amend section 4348 of the Revised Statutes, establishing great coasting districts of the United States—to the Committee on Interstate and Foreign Commerce.

Also the following resolution:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 2325) for the relief of James D. Vernay—

To the Committee on Military Affairs.

ENROLLED BILLS SIGNED.

Mr. WACHTER, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles; when the Speaker signed the same:

H. R. 18025. An act to regulate shipping in trade between ports of the United States and ports or places in the Philippine Archipelago, between ports or places in the Philippine Archipelago, and for other purposes;

H. R. 18217. An act to amend an act entitled "An act to establish a Code of Law for the District of Columbia," regulating proceedings for condemnation of land for streets; and

H. R. 11490. An act granting the Edison Electric Company a permit to occupy certain lands for electric-power plants in the San Bernardino, Sierra, and San Gabriel forest reserves, in the State of California.

PORT ANGELES, WASH.

The SPEAKER laid before the House the bill (H. R. 16954) to provide for the reappraisal of certain lots in the town site of Port Angeles, Wash., with Senate amendment, which was read.

Mr. CUSHMAN. I move that the House concur in the Senate amendment.

The motion was agreed to.

DAMS ACROSS ROCK RIVER, ROCK ISLAND COUNTY, ILL.

The SPEAKER laid before the House the bill (H. R. 14508) permitting the building of dams across the north and south branches of Rock River, adjacent to Vandrufts Island, and Carrs Island, and across the cut-off between said islands, in Rock Island County, Ill., in aid of navigation and for the development of water power, with Senate amendment, which was read.

Mr. MCKINNEY. Mr. Speaker, I move that the House concur in the Senate amendment.

The motion was agreed to.

REBUILDING GOVERNMENT STRUCTURES IN SAN FRANCISCO.

The SPEAKER laid before the House the following message from the President of the United States; which was read, ordered to be printed, and, with accompanying papers, referred to the Committee on Appropriations:

To the Senate and the House of Representatives:

I herewith inclose communications from the Navy Department and the War Department in reference to communications from Mayor Schmitz, of San Francisco, and from other representatives of California. With a courage and self-reliance of which we can not as Americans be sufficiently proud, the people of San Francisco have already started in orderly and resolute fashion to rebuild the city. Immediate aid in this enterprise should be given by the Federal Government. One of the crying needs of the situation is employment for the scores of thousands of men who have lost everything. If the appropriation of \$300,000 for the Mare Island Navy-Yard be at once passed, over 2,000 men will immediately be put to work, for this appropriation will be expended only in employing labor. The appropriation is urgently needed as a means of contributing toward the reestablishment of affairs in San Francisco; it will also be of material use to the Navy.

Furthermore, I recommend that the Congress act on the recommendations of the War Department and appropriate the money necessary to establish a building as a general supply and storage depot for the supply departments of the Army and the transport service on a part of the military reservation of Fort Mason. This project is set forth in Senate bill 4475 of the present session.

I have requested the Treasury and Post-Office Departments to prepare their estimates for replacing or repairing the other Government buildings in San Francisco. These estimates will be ready in a short while and will then be laid before you.

THEODORE ROOSEVELT.

THE WHITE HOUSE, April 25, 1906.

Mr. WADSWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred as follows:

A letter from the Acting Secretary of the Treasury, submitting an estimate of appropriation for an ocean-going tug for saving life and property on the Pacific coast—to the Committee on Appropriations, and ordered to be printed.

A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination at Port Bolivar, Tex.—to the Committee on Rivers and Harbors, and ordered to be printed.

A letter from the Acting Secretary of the Treasury, transmitting a copy of a letter from the Secretary of War submitting an estimate of appropriation for San Antonio Arsenal, Tex.—to the Committee on Appropriations, and ordered to be printed.

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the conclusions of fact and law in the French spoliation cases relating to the brig *Abby*, Harding Williams, master—to the Committee on Claims, and ordered to be printed.

A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Indiana Harbor, Indiana—to the Committee on Rivers and Harbors, and ordered to be printed.

A letter from the Acting Secretary of the Treasury, submitting a revised estimate of distinctive paper required for printing currency—to the Committee on Appropriations, and ordered to be printed.

A letter from the Acting Secretary of the Treasury, transmitting, in further response to the inquiry of the House, certain papers relating to accounts of Postal Agents Goodnow and Rodgers, at Shanghai, China—to the Committee on Expenditures in State Department, and ordered to be printed (essential matter only).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions of the following titles were severally reported from committees, delivered to the Clerk, and referred to the several Calendars therein named, as follows:

Mr. ESCH, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the Senate (S. 5683) to provide for the removal of derelicts and other floating dangers to navigation, reported the same with amendment, accompanied by a report (No. 3589); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. BARTLETT, from the Committee on Interstate and Foreign Commerce, to which was referred the bill of the House (H. R. 18204) to authorize the Northampton and Halifax Bridge

Company to construct a bridge across Roanoke River at or near Weldon, N. C., reported the same without amendment, accompanied by a report (No. 3591); which said bill and report were referred to the House Calendar.

Mr. SMITH of Arizona, from the Committee on the Public Lands, to which was referred the bill of the House (H. R. 18600) to amend section 10 of an act of Congress approved June 21, 1898, to make certain grants of land to the Territory of New Mexico, and for other purposes, reported the same without amendment, accompanied by a report (No. 3610); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CONNER, from the Committee on the Library, to which was referred the bill of the Senate (S. 333) in regard to a monumental column to commemorate the battle of Princeton, and appropriating \$30,000 therefor, reported the same with amendment, accompanied by a report (No. 3612); which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions of the following titles were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. HULL, from the Committee on Military Affairs, to which was referred the House joint resolution (H. J. Res. 145) for appointment of members of Board of Managers of the National Home for Disabled Volunteer Soldiers, reported the same without amendment, accompanied by a report (No. 3588); which said joint resolution and report were referred to the Private Calendar.

Mr. DICKSON of Illinois, from the Committee on Pensions, to which was referred the bill of the House (H. R. 13809) granting an increase of pension to James Tucker, reported the same with amendment, accompanied by a report (No. 3592); which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 14490) granting an increase of pension to Martha A. Kenney, reported the same with amendment, accompanied by a report (No. 3593); which said bill and report were referred to the Private Calendar.

Mr. LONGWORTH, from the Committee on Pensions, to which was referred the bill of the House (H. R. 15032) granting a pension to Milton Diehl, reported the same with amendment, accompanied by a report (No. 3594); which said bill and report were referred to the Private Calendar.

Mr. MACON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 15206) granting an increase of pension to Peter G. Thompson, reported the same with amendment, accompanied by a report (No. 3595); which said bill and report were referred to the Private Calendar.

Mr. McLAIN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 15886) granting an increase of pension to John Misner, reported the same with amendment, accompanied by a report (No. 3596); which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 16528) granting an increase of pension to Catherine Price, reported the same with amendment, accompanied by a report (No. 3597); which said bill and report were referred to the Private Calendar.

Mr. MACON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 17229) granting an increase of pension to J. T. Jean, sr., reported the same with amendment, accompanied by a report (No. 3598); which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 17654) granting an increase of pension to Hannah J. K. Thomas, reported the same with amendment, accompanied by a report (No. 3599); which said bill and report were referred to the Private Calendar.

Mr. MACON, from the Committee on Pensions, to which was referred the bill of the House (H. R. 17796) granting an increase of pension to T. C. Alexander, reported the same with amendment, accompanied by a report (No. 3600); which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill of the House (H. R. 17890) granting an increase of pension to J. T. Baudy, reported the same with amendment, accompanied by a report (No. 3601); which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was

referred the bill of the House (H. R. 17971) granting an increase of pension to James G. Wall, reported the same without amendment, accompanied by a report (No. 3602); which said bill and report were referred to the Private Calendar.

Mr. BENNETT of Kentucky, from the Committee on Pensions, to which was referred the bill of the House (H. R. 18188) granting an increase of pension to David D. Guthrie, reported the same with amendment, accompanied by a report (No. 3603); which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill of the House (H. R. 18393) granting an increase of pension to David F. Crouch, reported the same without amendment, accompanied by a report (No. 3604); which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 18406) granting an increase of pension to Andrew Jackson, reported the same with amendment, accompanied by a report (No. 3605); which said bill and report were referred to the Private Calendar.

Mr. McLAIN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 18465) granting an increase of pension to Abby B. Cloud, reported the same without amendment, accompanied by a report (No. 3606); which said bill and report were referred to the Private Calendar.

Mr. AIKEN, from the Committee on Pensions, to which was referred the bill of the House (H. R. 18506) granting an increase of pension to Mahala Jones, reported the same with amendment, accompanied by a report (No. 3607); which said bill and report were referred to the Private Calendar.

Mr. LOUDENSLAGER, from the Committee on Pensions, to which was referred the bill of the Senate (S. 5515) granting an increase of pension to Matilda C. Frizelle, reported the same without amendment, accompanied by a report (No. 3608); which said bill and report were referred to the Private Calendar.

Mr. HOLLIDAY, from the Committee on Military Affairs, to which was referred the bill of the House (H. R. 13245) to remove the charge of desertion against Henry Gude, reported the same with amendment, accompanied by a report (No. 3609); which said bill and report were referred to the Private Calendar.

ADVERSE REPORTS.

Under clause 2 of Rule XIII, adverse reports were delivered to the Clerk, and laid on the table, as follows:

Mr. SLAYDEN, from the Committee on Military Affairs, to which was referred the bill of the House (H. R. 14778) for the relief of James J. Elliott, reported the same adversely, accompanied by a report (No. 3590); which said bill and report were ordered laid on the table.

He also, from the same committee, to which was referred the bill of the House (H. R. 2130) for the relief of C. W. Biese, reported the same adversely, accompanied by a report (No. 3611); which said bill and report were ordered laid on the table.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. MANN: A bill (H. R. 18588) to provide for a site for a public building at South Chicago, Ill.—to the Committee on Public Buildings and Grounds.

By Mr. WALDO: A bill (H. R. 18589) for the relief of sufferers by earthquake and fire at San Francisco, Cal.—to the Committee on Ways and Means.

By Mr. SLEMP: A bill (H. R. 18590) to authorize the South and Western Railway Company to construct bridges across the Clinch River and the Holston River, in the States of Virginia and Tennessee—to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 18591) to authorize the South and Western Railroad Company to construct bridges across the Clinch River and the Holston River, in the States of Virginia and Tennessee—to the Committee on Interstate and Foreign Commerce.

By Mr. DAWSON: A bill (H. R. 18592) relating to the United States Naval Academy Band—to the Committee on Naval Affairs.

By Mr. BEDE: A bill (H. R. 18593) permitting the building of a dam across the Mississippi River in Beltrami County, Minn.—to the Committee on Interstate and Foreign Commerce.

By Mr. GUDGER: A bill (H. R. 18594) to provide for payment to Confederate soldiers for horses or other property, and so forth—to the Committee on War Claims.

By Mr. RODENBERG: A bill (H. R. 18595) to amend sec-

tion 4386 of the Revised Statutes of the United States—to the Committee on Interstate and Foreign Commerce.

By Mr. BRUNDIDGE: A bill (H. R. 18596) to enable the Secretary of War to permit the erection of a lock and dam in aid of navigation in the White River, near Batesville, Ark., and for other purposes—to the Committee on Rivers and Harbors.

By Mr. POU: A bill (H. R. 18597) for the protection of patrons of the rural free-delivery service—to the Committee on the Post-Office and Post-Roads.

By Mr. TAYLOR of Alabama: A bill (H. R. 18598) to authorize the Mobile Railway and Dock Company to construct bridges across Dog River and Fowl River, in Mobile County, Ala.—to the Committee on Interstate and Foreign Commerce.

By Mr. KNOWLAND: A bill (H. R. 18599) authorizing the Secretary of the Navy to employ additional laborers and mechanics at the navy-yard, Mare Island, Cal.—to the Committee on Appropriations.

By Mr. SMITH of Arizona, from the Committee on the Public Lands: A bill (H. R. 18600) to amend section 10 of an act of Congress approved June 21, 1898, to make certain grants of land to the Territory of New Mexico, and for other purposes—to the Union Calendar.

By Mr. COOPER of Wisconsin: A bill (H. R. 18602) for the erection of a monument to the memory of Edwin M. Stanton—to the Committee on the Library.

By Mr. MURPHY: A joint resolution (H. J. Res. 143) to provide for the printing of 50,000 copies of the Special Report on the Diseases of Horses—to the Committee on Printing.

Also, a joint resolution (H. J. Res. 144) to provide for the printing of 50,000 copies of the Special Report on the Diseases of Cattle—to the Committee on Printing.

By Mr. HULL, from the Committee on Military Affairs: A joint resolution (H. J. Res. 145) for appointment of members of Board of Managers of the National Home for Disabled Volunteer Soldiers—to the Private Calendar.

By Mr. BOWERS: A memorial from the State of Mississippi, requesting Congress to enact legislation tending to broaden the market for cotton and cotton goods—to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. AMES: A bill (H. R. 18601) granting an increase of pension to Edward A. Barnes—to the Committee on Invalid Pensions.

By Mr. BEDE: A bill (H. R. 18602) granting an increase of pension to James E. Netser—to the Committee on Invalid Pensions.

By Mr. BENNETT of Kentucky: A bill (H. R. 18603) granting an increase of pension to Lindsay Adkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18604) granting an increase of pension to Thomas M. Luman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18605) granting an increase of pension to William Lawrence—to the Committee on Pensions.

By Mr. BRADLEY: A bill (H. R. 18606) granting an increase of pension to Maria A. Maher—to the Committee on Invalid Pensions.

By Mr. BROOKS of Colorado: A bill (H. R. 18607) for the relief of John R. Monteith, reimbursing him for improvements placed on lands included within the Navajo Indian Reservation by Executive order of January 6, 1880—to the Committee on Indian Affairs.

By Mr. BURLESON: A bill (H. R. 18608) granting an increase of pension to Mary E. Stickland—to the Committee on Pensions.

By Mr. BURKE of South Dakota: A bill (H. R. 18609) granting an increase of pension to Henry Delong—to the Committee on Invalid Pensions.

By Mr. CALDER: A bill (H. R. 18610) granting an increase of pension to Emile H. Brie—to the Committee on Pensions.

Also, a bill (H. R. 18611) granting an increase of pension to Samuel C. Tompkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18612) granting an increase of pension to John J. Duff—to the Committee on Invalid Pensions.

By Mr. CAMPBELL of Ohio: A bill (H. R. 18613) granting an increase of pension to Joseph M. Gaston—to the Committee on Invalid Pensions.

By Mr. CASSEL: A bill (H. R. 18614) for the relief of the Columbia National Bank, of Columbia, Pa.—to the Committee on War Claims.

By Mr. CHANEY: A bill (H. R. 18615) for the relief of

Joseph Kerchner, sr., and others—to the Committee on War Claims.

By Mr. CURTIS: A bill (H. R. 18616) granting an increase of pension to John H. Johnson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18617) granting an increase of pension to John Neddo—to the Committee on Invalid Pensions.

By Mr. DRESSER: A bill (H. R. 18618) granting an increase of pension to Daniel B. Mulholland—to the Committee on Invalid Pensions.

By Mr. GAINES of Tennessee: A bill (H. R. 18619) for the relief of the estate of Bird Sands, deceased—to the Committee on War Claims.

Also, a bill (H. R. 18620) granting an increase of pension to L. L. Tothacer—to the Committee on Invalid Pensions.

By Mr. GARDNER of Michigan: A bill (H. R. 18621) granting an increase of pension to Simon Spears—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18622) granting an increase of pension to Reuben M. Simmons—to the Committee on Invalid Pensions.

By Mr. GARRETT: A bill (H. R. 18623) granting an increase of pension to J. H. Bradberry—to the Committee on Invalid Pensions.

By Mr. GROSVENOR: A bill (H. R. 18624) granting an increase of pension to Robert Fulton—to the Committee on Invalid Pensions.

By Mr. HALE: A bill (H. R. 18625) granting an increase of pension to Caswell Seamore—to the Committee on Invalid Pensions.

By Mr. HASKINS: A bill (H. R. 18626) granting an increase of pension to Herbert F. Brooks—to the Committee on Invalid Pensions.

By Mr. HIGGINS: A bill (H. R. 18627) granting an increase of pension to Elizabeth A. Anderson—to the Committee on Pensions.

Also, a bill (H. R. 18628) granting an increase of pension to William E. Chambers—to the Committee on Pensions.

By Mr. HILL of Mississippi: A bill (H. R. 18629) for the relief of Walter F. Lockhart, of Brame, Pontotoc County, Miss.—to the Committee on War Claims.

By Mr. HOLLIDAY: A bill (H. R. 18630) for the relief of C. L. Huey—to the Committee on War Claims.

By Mr. JOHNSON: A bill (H. R. 18631) granting an increase of pension to Daniel Whalen—to the Committee on Pensions.

By Mr. LAMB: A bill (H. R. 18632) granting an increase of pension to Richard M. A. Fenwick—to the Committee on Pensions.

Also, a bill (H. R. 18633) granting an increase of pension to Jennie F. Belding—to the Committee on Pensions.

By Mr. LILLEY of Connecticut: A bill (H. R. 18634) granting an increase of pension to Mary Sullivan—to the Committee on Invalid Pensions.

By Mr. LITTLEFIELD: A bill (H. R. 18635) granting an increase of pension to Gustavus A. B. Whitley—to the Committee on Invalid Pensions.

By Mr. McLAIN: A bill (H. R. 18636) granting an increase of pension to John Thrasher—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18637) granting an increase of pension to Henry L. Sparks—to the Committee on Invalid Pensions.

By Mr. MANN: A bill (H. R. 18638) granting an increase of pension to Howell G. Trogden—to the Committee on Invalid Pensions.

By Mr. MARTIN: A bill (H. R. 18639) granting an increase of pension to Mary R. Monroe—to the Committee on Invalid Pensions.

By Mr. MAYNARD: A bill (H. R. 18640) for the relief of Bolivar Sheild—to the Committee on War Claims.

By Mr. MOON of Pennsylvania: A bill (H. R. 18641) granting an increase of pension to George R. Holt—to the Committee on Invalid Pensions.

By Mr. NEVIN: A bill (H. R. 18642) for the relief of George L. Rutzahn—to the Committee on War Claims.

Also, a bill (H. R. 18643) granting a pension to Job S. Inman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18644) granting an increase of pension to James H. Russey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18645) granting an increase of pension to Eli Long—to the Committee on Invalid Pensions.

By Mr. REID (by request): A bill (H. R. 18646) to remove the charge of desertion from the military record of John Shaw and grant him an honorable discharge—to the Committee on Military Affairs.

By Mr. RHINOCK: A bill (H. R. 18647) granting a pension to Frederick Sensel—to the Committee on Invalid Pensions.

By Mr. RIXEY: A bill (H. R. 18648) for the relief of the estate of Harriet Sudduth, deceased—to the Committee on War Claims.

Also, a bill (H. R. 18649) for the relief of the estate of Adelaide Withers, deceased—to the Committee on War Claims.

Also, a bill (H. R. 18650) for the benefit of the estate of John Linton—to the Committee on Claims.

By Mr. RUCKER: A bill (H. R. 18651) granting an increase of pension to Elizabeth Thomas—to the Committee on Pensions.

By Mr. SAMUEL: A bill (H. R. 18652) granting an increase of pension to Jacob S. Snyder—to the Committee on Invalid Pensions.

By Mr. SCOTT: A bill (H. R. 18653) granting an increase of pension to Robert Limbird—to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 18654) granting an increase of pension to R. D. Gardner—to the Committee on Pensions.

Also, a bill (H. R. 18655) granting an increase of pension to Leander Gilbert—to the Committee on Pensions.

By Mr. SMITH of Maryland: A bill (H. R. 18656) granting an increase of pension to George W. Gordon—to the Committee on Invalid Pensions.

By Mr. SPERRY: A bill (H. R. 18657) granting an increase of pension to Nicholas Schue—to the Committee on Invalid Pensions.

By Mr. WATSON: A bill (H. R. 18658) granting an increase of pension to Robert Poer—to the Committee on Invalid Pensions.

By Mr. REYNOLDS: A bill (H. R. 18659) granting an increase of pension to Elisha B. Foor—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18660) granting an increase of pension to William Amick—to the Committee on Invalid Pensions.

Also, a bill (H. R. 18661) granting an increase of pension to Henry F. Gibson—to the Committee on Invalid Pensions.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of bills of the following titles; which were thereupon referred as follows:

A bill (H. R. 18418) for the relief of Priscilla J. Shipman, administratrix of the estate of John J. Shipman, deceased, for work done and materials furnished to the District of Columbia—Committee on the District of Columbia discharged, and referred to the Committee on Claims.

A bill (H. R. 18111) for the relief of Mrs. Georgia M. Marks—Committee on the District of Columbia discharged, and referred to the Committee on Appropriations.

A bill (H. R. 18523) granting an increase of pension to Hugh Reid—Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PETITIONS, ETC.

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

By Mr. BARCHFELD: Petition of the American Free Art League, for removal of the duty on art works—to the Committee on Ways and Means.

Also, petition of W. D. Sleare, pastor of the First Methodist Episcopal Church, of Sheridan, Pa., for Sunday closing of the Jamestown Exposition—to the Committee on Industrial Arts and Expositions.

By Mr. BEDE: Paper to accompany bill for relief of James E. Netser—to the Committee on Invalid Pensions.

By Mr. BELL of Georgia: Paper to accompany bill for relief of First Georgia State Troops—to the Committee on Military Affairs.

By Mr. BENNETT of Kentucky: Paper to accompany bill for relief of Thomas M. Luman—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of Lindsay Adkins—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of William Lawrence—to the Committee on Pensions.

Also, paper to accompany bill for relief of Mrs. Lydia Butler, widow of Andrew M. Butler—to the Committee on Invalid Pensions.

By Mr. BINGHAM: Petition of the Presbyterian Ministerial Association of Pennsylvania, for Sunday closing of the Jamestown Exposition—to the Committee on Industrial Arts and Expositions.

By Mr. BRICK: Petition of citizens of Goshen, Ind., against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. BURKE of Pennsylvania: Petition of the Audubon Society, of Wilkesburg, Pa., for bills H. R. 7019, 11949, and 11950, and S. 2966, all relative to preservation of birds—to the Committee on Agriculture.

Also, petition of G. A. Guffey, for bills H. R. 7019, 11949, and 11950, and S. 2966, relative to protection of birds—to the Committee on Agriculture.

Also, petition of the Frankfort Business Men's Club, against any amendment to the pure-food bill calculated to destroy the efficiency of the law—to the Committee on Interstate and Foreign Commerce.

By Mr. BURLESON: Paper to accompany bill for relief of Mrs. Mary E. Strickland—to the Committee on Pensions.

By Mr. BURNETT: Petition of 66 American artists, for repeal of the duty on art works—to the Committee on Ways and Means.

By Mr. BURTON of Ohio: Petition of citizens of Cleveland, Ohio, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. CAPRON: Petition of citizens of Rhode Island, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of citizens of Anthony, R. I., for law to compel manufacturers and shippers of food to label packages as to true contents, specifying ingredients thereof—to the Committee on Interstate and Foreign Commerce.

Also, petition of Pleasant View Baptist Church, for the Hepburn-Dolliver bill to protect prohibition States against nullification of temperance laws by enabling sellers of "original packages" to sell under the protection of the interstate commerce powers of United States—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Woman's Christian Temperance Union of Valley Falls, R. I., against repeal of the canteen law—to the Committee on Military Affairs.

Also, petition of the League of Improvement Societies of Rhode Island, for preservation of Niagara Falls—to the Committee on Rivers and Harbors.

Also, petition of the Historical Society of Newport, R. I., against seed distribution—to the Committee on Agriculture.

Also, petition of the Rhode Island Historical Society, for preservation of the frigate *Constitution*—to the Committee on Naval Affairs.

Also, petition of Aquidneck Grange, Patrons of Husbandry, and the Ministerial Association of Westerly, R. I., for repeal of revenue tax on denatured alcohol—to the Committee on Ways and Means.

Also, petition of the Women's Club of Edgewood, R. I., and the Round Table Club of Woonsocket, R. I., for an appropriation to investigate the industrial condition of women in the United States—to the Committee on Appropriations.

Also, petition of Local No. 198, and Local No. 262, American Federation of Musicians, of Woonsocket, R. I., for bill H. R. 8748, relative to pay of Government musicians—to the Committee on Naval Affairs.

Also, petition of the League of Improvement Societies of Rhode Island, for forest reservations in the White Mountains and elsewhere—to the Committee on Agriculture.

Also, petition of the Woman's Club, of Pawtucket, R. I., for legislation to improve the sanitary condition of the District of Columbia—to the Committee on the District of Columbia.

Also, petition of the American Federation of Labor, against bill H. R. 5281 (the pilotage bill)—to the Committee on the Merchant Marine and Fisheries.

By Mr. CASSEL: Petition of Felton, Sibley & Co., for the Currier bill (H. R. 15911) relative to the use of trade-marks used in commerce with foreign nations—to the Committee on Patents.

Also, petition of the National Council of Women, for bill regulating child labor in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of the Trades League of Philadelphia, against the Little and Gilbert bills, relative to immunity of labor organizations in cases of dispute—to the Committee on the Judiciary.

Also, petition of Camp Hawkins, No. 1, Society of the Army of the Philippines, for medals of honor for officers and soldiers of the Spanish war who served beyond the enlisted time in the Philippines—to the Committee on Military Affairs.

Also, petition of Washington Camp, No. 680, of Columbia, Pa., and Camp No. 434, of Washington, Pa., Patriotic Order Sons of America, favoring restriction of immigration—to the Committee on Immigration and Naturalization.

Also, petition of the T Square Club, of Philadelphia, Pa., for preservation of Niagara Falls—to the Committee on Rivers and Harbors.

Also, petition of the Lumberman's Exchange, William M. Lloyd Company, Henson & Pearson, the Yellow Pine Company, the Southern Pine Company, and the Provident Lumber Company, for bill H. R. 5281 (the pilotage bill)—to the Committee on the Merchant Marine and Fisheries.

Also, petition of residents of Lancaster, Pa., against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

Also, petition of the National Board of Trade, for the merchant marine shipping bill (the subsidy bill)—to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Baltimore and Philadelphia Steamboat Company, against bill H. R. 17129, relative to patented articles calculated to impose burdens on passenger steamboats—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Keystone Watch Case Company, for bill H. R. 14604, relative to falsely and spuriously stamped articles of merchandise made of gold or silver or other alloys—to the Committee on Interstate and Foreign Commerce.

Also, petition of Dr. J. C. Wilson, for the Littauer bill (the metric system)—to the Committee on Coinage, Weights, and Measures.

By Mr. DOVENER: Paper to accompany bill for relief of William E. Cornwell—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of Tony Verrosso (previously referred to the Committee on Invalid Pensions)—to the Committee on Pensions.

By Mr. DRESSER: Petition of citizens of Clearfield, Pa., favoring restriction of immigration—to the Committee on Immigration and Naturalization.

Also, petition of Washington Camp, No. 455, Patriotic Order Sons of America for bill H. R. 17941, favoring restriction of immigration—to the Committee on Immigration and Naturalization.

Also, petition of the Frankfort Business Men's Club, against injurious amendments to the pure-food bill as reported (bill S. 88)—to the Committee on Interstate and Foreign Commerce.

Also, petition of Washington Camp, No. 591, Patriotic Order Sons of America, of Clearfield, Pa., favoring restriction of immigration—to the Committee on Immigration and Naturalization.

Also, petition of the Frankfort Business Men's Club, for bill S. 88, and against amendments of same to the injury of its efficiency as a law—to the Committee on Interstate and Foreign Commerce.

By Mr. DUNWELL: Petition of the Delaware Society of New York, for naming a battle ship the *Delaware*—to the Committee on Naval Affairs.

Also, petition of the Frankfort Business Men's Club, against any amendment to the pure-food bill (S. 88) calculated to destroy the efficiency of the law—to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH: Petition of citizens of Wisconsin, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. FITZGERALD: Petition of the Delaware Society, of New York, for naming a battle ship the *Delaware*—to the Committee on Naval Affairs.

Also, petition of the American Federation of Labor, against bill H. R. 5281 (pilotage)—to the Committee on the Merchant Marine and Fisheries.

Also, petition of the National Metal Traders' Association, for bill S. 529 (the subsidy bill)—to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Business Men's Club, for enactment of the pure-food bill—to the Committee on Interstate and Foreign Commerce.

By Mr. FORDNEY: Petition of citizens of Shiawassee and Clinton counties, Mich., against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. FULLER: Petition of National Woman's Christian Temperance Union, against importation of alcoholic liquor under Federal protection into States under prohibition—to the Committee on the Judiciary.

Also, petition of the Illinois Manufacturers' Association, for the Merchant Marine Commission shipping bill (S. 529)—to the Committee on the Merchant Marine and Fisheries.

Also, petition of many citizens of New York and vicinity, for relief for heirs of victims of *General Slocum* disaster—to the Committee on Claims.

By Mr. GAINES of Tennessee: Paper to accompany bill for relief of the estate of Bird Sands—to the Committee on War Claims.

By Mr. GARDNER of Michigan: Petition of citizens of Mich-

igan, against liquor selling on Army transports and in Soldiers' Homes—to the Committee on Alcoholic Liquor Traffic.

Also, petition of citizens of Michigan, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

Also, paper to accompany bill for relief of Simon Spears—to the Committee on Invalid Pensions.

By Mr. GARRETT: Paper to accompany bill for relief of J. H. Bradburry—to the Committee on Invalid Pensions.

By Mr. GILBERT of Indiana: Petition of citizens of Indiana, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. GRAHAM: Petition of the Frankfort Business Men's Association, against amendments to the pure-food bill that may impair its usefulness—to the Committee on Interstate and Foreign Commerce.

Also, petition of the American Free Art League, for removal of the duty on art works—to the Committee on Ways and Means.

By Mr. HEPBURN: Petition of citizens of Decatur and Fremont counties, against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. HILL of Mississippi: Paper to accompany bill for relief of Walter Frazier Lockhart—to the Committee on Pensions.

By Mr. JOHNSON: Paper to accompany bill for relief of James McDavid—to the Committee on Pensions.

By Mr. KENNEDY of Nebraska: Petition of the Courier, Blair, Nebr., against the tariff on linotype machines—to the Committee on Ways and Means.

By Mr. WILLIAM W. KITCHIN: Petition of Purity Council, No. 22, Daughters of Liberty, of Burlington, N. C., favoring restriction of immigration—to the Committee on Immigration and Naturalization.

By Mr. LILLEY of Connecticut: Paper to accompany bill for relief of Mary Sullivan—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of Elizabeth Baker—to the Committee on Pensions.

By Mr. LINDSAY: Petition of the Frankfort Business Men's Club, against amendments to the pure-food bill calculated to impair its efficiency as a law—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Delaware Society, of New York, for naming a battle ship after the State of Delaware—to the Committee on Naval Affairs.

By Mr. LITTLEFIELD: Petition of the Arizona Sunday School Association, against gambling in the Territories of the United States, favoring the antigambling bill—to the Committee on the Territories.

Also, petition of the Savings Bank Association of Maine, against bill H. R. 48, relative to postal savings bank—to the Committee on the Post-Office and Post-Roads.

Also, petition of the Pomona and local Granges, for repeal of revenue tax on denatured alcohol—to the Committee on Ways and Means.

By Mr. MANN: Petition of the Illinois Manufacturers' Association, favoring bill S. 529 (the shipping bill)—to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Lake Pilots' Protection Association, Lodge No. 3, for the improvement of Dunkirk Harbor—to the Committee on Rivers and Harbors.

By Mr. NEVIN: Petition of 300 citizens of Dayton, Ohio, against all intoxicants in Government buildings—to the Committee on Alcoholic Liquor Traffic.

Also, petition of Mrs. H. A. Wilbur et al., against the state of affairs in the Kongo Free State—to the Committee on Foreign Affairs.

By Mr. PADGETT: Paper to accompany bill for relief of Henry B. Parker—to the Committee on Invalid Pensions.

By Mr. RANDELL of Louisiana: Paper to accompany bill for relief of Rachel L. Dixon, heir of Cicero C. Hanna—to the Committee on War Claims.

Also, petition of citizens of Mangham, La., against religious legislation in the District of Columbia—to the Committee on the District of Columbia.

By Mr. REID: Paper to accompany bill for relief of John Shaw—to the Committee on Military Affairs.

By Mr. REYNOLDS: Paper to accompany bill for relief of Elisha B. Foor—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of William Amick—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of William H. Hawkins—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of Henry F. Gibson—to the Committee on Invalid Pensions.

By Mr. RHINOCK: Paper to accompany bill for relief of Frederick Sensel—to the Committee on Invalid Pensions.

By Mr. RYAN: Petition of the Merchants' Association of New York, for construction of a ship to destroy derelicts—to the Committee on Interstate and Foreign Commerce.

Also, petition of the Delaware Society, of New York, for naming a battle ship the *Delaware*—to the Committee on Naval Affairs.

Also, petition of the American Free Art League, for repeal of the duty on art works—to the Committee on Ways and Means.

Also, petition of the Chamber of Commerce of Buffalo, N. Y., against the Burton bill for the preservation of Niagara Falls—to the Committee on Rivers and Harbors.

By Mr. SMITH of Maryland: Paper to accompany bill for relief of George W. Gordon—to the Committee on Invalid Pensions.

Also, paper to accompany bill for relief of John W. Jones—to the Committee on Invalid Pensions.

By Mr. SPERRY: Petition of the Connecticut Branch of the Woman's American Baptist Home Mission Society, against a bill to remove all of the Alaska schools from the jurisdiction of the United States Bureau of Education and place them in charge of the governor of Alaska—to the Committee on Education.

Also, petition of the board of directors of the Connecticut State Prison, against any restriction of interstate transportation of prison-made products—to the Committee on Interstate and Foreign Commerce.

By Mr. SULZER: Petition of Everett C. Wheeler, of New York, for bill H. R. 12740, relative to a court of appeals for patent cases—to the Committee on the Judiciary.

Also, petition of the Delaware Society, of New York, for naming a battle ship the *Delaware*—to the Committee on Naval Affairs.

Also, petition of the Patent Law Association, for legislation for a special court of appeals in patent cases—to the Committee on the Judiciary.

By Mr. THOMAS of North Carolina: Paper to accompany bill for relief of the Methodist Episcopal Church—to the Committee on War Claims.

By Mr. THOMAS of Ohio: Petition of Neal Gallagher et al., for the merchant marine shipping bill (the Senate subsidy bill)—to the Committee on the Merchant Marine and Fisheries.

By Mr. WANGER: Petition of 57 citizens of Willow Grove, Maple Glen, Hatboro, Threetons, Horsham, and Hallowell, Pa., for forest reservations in the White Mountains and Appalachian Mountains, and for repeal of the stone and timber act—to the Committee on Agriculture.

By Mr. WEBB: Paper to accompany bill for relief of Julius Rector—to the Committee on Invalid Pensions.

SENATE.

THURSDAY, April 26, 1906.

Prayer by the Chaplain, Rev. EDWARD E. HALE.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. HANSBROUGH, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

POSTAL SERVICE IN CALIFORNIA.

The VICE-PRESIDENT laid before the Senate a communication of the Postmaster-General, transmitting a draft of a joint resolution appropriating \$100,000, to be expended, in the discretion of the Postmaster-General, for the rehabilitation of the postal service in the State of California, which has been interrupted by earthquake and fire; which, with the accompanying paper, was referred to the Committee on Post-Offices and Post-Roads, and ordered to be printed.

SEYMOUR HOWELL.

Mr. BURROWS. On yesterday the Vice-President laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting, in response to a resolution of the 23d instant, the papers in connection with the case of Maj. Seymour Howell v. The United States, and which were ordered to lie on the table. This case is now pending before the Committee on Claims of the Senate, and I move that the papers be taken from the table and referred to that committee to be considered in connection therewith.

The VICE-PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. BROWNING, its Chief Clerk, announced that the House had