

by the only manufacturer of ferromanganese in the country, the United States Steel Corporation, which the House bill made such a terrific effort to protect, for the purpose of making ferromanganese. The quantity, as compared with the total quantity of 2,000,000 tons, would be insignificant, and none of that would come from Cuba.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Pennsylvania a question for my own information: Was not a good deal of the ore which was brought over here Spanish and Swedish ore?

Mr. OLIVER. A great deal of it, I think, was Spanish. I am without accurate information on the subject, however. They do bring over a considerable quantity of Spanish and African ore, but not much from Sweden.

Mr. WILLIAMS. Are not the Spanish and the Swedish ores used mainly to supplement our ores instead of as a substitute for them?

Mr. OLIVER. I rather think not.

Mr. WILLIAMS. That has been my information for a long while.

Mr. OLIVER. The reason that Spanish ores, and in fact all of these imported ores, are brought in is for the purpose of having them used by furnaces near the seacoast, that can get them at a cheaper rate than they can obtain by having them transported from Lake Superior. Of course, the bringing of ore from Lake Superior to eastern Pennsylvania involves very long and very expensive hauls, and as a consequence some of these furnaces use imported ores. I think it will be found that most of these ores are imported for that purpose. Some little part of them may be brought in for their chemical composition, but not to any considerable extent.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The reading of the bill was resumed, beginning with paragraph 105, page 29.

Mr. OLIVER. Mr. President, it is now nearly 6 o'clock, and I have considerable to say on the coming paragraph. I suggest to the Senator in charge of the bill that perhaps it would be inadvisable to go further this evening.

Mr. SIMMONS. Mr. President, if the Senator from Pennsylvania does not desire to occupy the five minutes remaining, I shall not object to the bill being laid aside for to-day.

Mr. OLIVER. I do not think we could get through with this paragraph within a reasonable time.

Mr. SIMMONS. It would take the Senator more than five minutes, would it, to finish his remarks?

Mr. OLIVER. Oh, yes.

Mr. SIMMONS. Then, with the consent of the Senator in charge of this part of the bill, I suggest that the bill go over for the day. I do not think it is necessary to put the motion. If the Chair thinks it is necessary, I ask that it go over for the day.

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

Mr. WARREN. I desire to give notice that on Thursday next, after the routine morning business, I shall address the Senate on the tariff bill, especially with reference to agricultural products.

EXECUTIVE SESSION.

Mr. BACON. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 10 minutes spent in executive session the doors were reopened, and (at 7 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 5, 1913, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 4, 1913.

ASSISTANT TO THE ATTORNEY GENERAL.

George Carroll Todd to be assistant to the Attorney General.

UNITED STATES MARSHAL.

B. A. Enloe, jr., to be United States marshal for the eastern district of Oklahoma.

UNITED STATES ATTORNEYS.

Robert P. Stewart to be United States attorney for the district of South Dakota.

Francis M. Wilson to be United States attorney, western district of Missouri.

SENATE.

TUESDAY, August 5, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

BUST OF WILLIAM PITT, LORD CHATHAM (S. DOC. NO. 150).

The VICE PRESIDENT. The Chair lays before the Senate a communication from the President of the United States, which will be read.

The Secretary read as follows:

THE WHITE HOUSE,
Washington, August 4, 1913.

Hon. THOMAS R. MARSHALL,
The Vice President.

MY DEAR MR. VICE PRESIDENT: I take pleasure in transmitting herewith a copy of a letter recently received from Lady Paget, speaking for a number of American ladies now living in England, in which they express the desire to join in presenting to the United States, in connection with the approaching Anglo-American peace centenary, a bust of William Pitt, Lord Chatham, the friend and champion of America, to be placed in the White House. I venture to suggest that inasmuch as the gift must be received through me as President, but can not be accepted without the permission of Congress, the Houses graciously grant their permission.

Cordially and sincerely yours,

WOODROW WILSON.

The VICE PRESIDENT. The communication and the accompanying paper will be printed and referred to the Committee on Foreign Relations.

ESTATE OF ADAM L. ROSE, DECEASED (S. DOC. NO. 149).

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Chief Justice of the United States Court of Claims, which will be read.

The Secretary read as follows:

CHAMBERS UNITED STATES COURT OF CLAIMS,
Washington, D. C., August 4, 1913.

The honorable the PRESIDENT OF THE SENATE,
Washington, D. C.

SIR: I am informed that an examination of the findings in the eight-hour navy-yard cases, so called, reveals the fact that findings in favor of the estate of Adam L. Rose, deceased (No. 13, 727-132, Cong.), have twice been certified to Congress, first on March 14, 1910 (S. Doc. 432, 61st Cong., 2d sess.), and again on January 31, 1911 (S. Doc. 801, 61st Cong., 3d sess.).

I have, therefore, the honor to request you to order a return of the former findings, above referred to, to wit, those covered by Senate Document 432, Sixty-first Congress, second session, to the Court of Claims for correction.

Respectfully,

EDWARD K. CAMPBELL,
Chief Justice.

The VICE PRESIDENT. The Chair assumes that this matter is in the hands of the Committee on Appropriations. So the communication will be referred to the Committee on Appropriations.

TOBACCO STATISTICS (S. DOC. NO. 152).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the 10th ultimo, a statement showing the names and addresses of the 10 largest manufacturers of tobacco and snuff, the number of pounds manufactured and the amount of internal-revenue tax paid by each, etc., together with similar information with respect to cigars weighing more than 3 pounds per thousand and cigars weighing not more than 3 pounds per thousand, etc., which, with the accompanying paper, was, on motion of Mr. HITCHCOCK, ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by A. C. Johnson, assistant enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 6383) to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT. The Chair lays before the Senate a memorial from Philip L. Schell, of New York, with reference to Schedule K of the tariff bill, which embraces the views suggested by the Senator from Connecticut [Mr. BRANDEGEE] with reference to the time of the taking effect of Schedule K. Unless some Senator desires to have the memorial read it will not be read but simply referred to the Committee on Finance.

Mr. HITCHCOCK. I present a belated petition which I did not receive until to-day, signed by 199 citizens of Nebraska, praying for the adoption of an amendment to the Constitution

granting the right of suffrage to women. I ask that the petition be referred to the Committee on Woman Suffrage.

The VICE PRESIDENT. The petition will be referred to the Committee on Woman Suffrage.

EASEMENTS IN RECLAMATION PROJECTS.

Mr. JONES, from the Committee on Irrigation and Reclamation of Arid Lands, to which was referred the bill (S. 1355) relating to easements in connection with reclamation projects, reported it without amendment and submitted a report (No. 98) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

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

By Mr. SMITH of Michigan:

A bill (S. 2882) to remove the charge of desertion from the record of Charles M. Clark (with accompanying paper); to the Committee on Military Affairs.

By Mr. BANKHEAD (by request):

A bill (S. 2883) to authorize and more specifically define the laws authorizing and granting permission to use and occupy Government lands, and for other purposes; to the Committee on Commerce.

Mr. CHILTON. For my colleague, who is necessarily absent from the Senate, I introduce three bills, and ask that they be appropriately referred.

By Mr. CHILTON (for Mr. Goff):

A bill (S. 2884) granting an increase of pension to George A. Greenlee;

A bill (S. 2885) granting an increase of pension to John P. Fetty (with accompanying papers); and

A bill (S. 2886) granting an increase of pension to David Klingensmith (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 2887) granting an increase of pension to Caroline M. Hull (with accompanying papers); to the Committee on Pensions.

By Mr. MARTINE of New Jersey:

A bill (S. 2888) granting an increase of pension to Sarah Frances Barriger (with accompanying papers); to the Committee on Pensions.

By Mr. POMERENE:

A joint resolution (S. J. Res. 62) to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy; to the Committee on Military Affairs.

AMENDMENT TO THE TARIFF BILL.

Mr. BURTON submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

GOVERNMENT 2 PER CENT BONDS.

Mr. SMITH of Michigan submitted the following resolution (S. Res. 151), which was read:

Whereas William G. McAdoo, Secretary of the Treasury, has charged that the leading banks and bankers of New York City have entered into a conspiracy to depress the value of the Government 2 per cent bonds held as collateral by the Treasury for Government deposits and used as the basis for the issue of national bank notes, and for the further purpose of preventing the passage of currency legislation at the present extraordinary session of Congress; and

Whereas some of said New York bankers have denied such charge of a conspiracy and have declared their desire to offer proof that such charge is not true: Therefore be it

Resolved, That the Committee on Banking and Currency of the Senate, or any subcommittee thereof, be directed to invite the said William G. McAdoo, Secretary of the Treasury, before such committee for the purpose of allowing him to present proof of his said charge and allegations as to such conspiracy, and that said committee or subcommittee be instructed to immediately make an investigation into such charges and into said denials as made by said New York bankers.

Mr. SMITH of Michigan. I request that the resolution lie on the table.

The VICE PRESIDENT. The resolution will lie on the table.

INVESTIGATION BY FINANCE COMMITTEE.

Mr. FLETCHER. There is on the table calendar a resolution (S. Res. 88) submitted by the senior Senator from Pennsylvania [Mr. PENROSE] relative to the printing of 2,000 copies of the amendment offered by him to the motion of the Senator from North Carolina [Mr. SIMMONS] relative to H. R. 3321, the tariff bill. I ask that the resolution be taken from the calendar and postponed indefinitely.

The VICE PRESIDENT. Without objection, the resolution will be postponed indefinitely.

THE PANAMA CANAL (S. DOC. NO. 146).

Mr. O'GORMAN. Mr. President, a few days ago the President transmitted to the Senate a report of the Commission on Fine Arts containing certain recommendations regarding the artistic structure of the Panama Canal. I ask unanimous consent that the report, including the maps and illustrations, be printed as a public document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the order is entered.

DOCUMENT ON WOMAN SUFFRAGE (S. DOC. NO. 155).

Mr. CHAMBERLAIN. Mr. President, I renew my request of a few days ago to have printed as a public document extracts from the RECORD with reference to the presentation of petitions for woman suffrage.

The VICE PRESIDENT. Is there objection at the present time? Mr. FLETCHER. I did not understand the request, Mr. President.

The VICE PRESIDENT. It is a request to print as a public document extracts from the RECORD, being the addresses made by the several Senators at the time of the presentation of the petitions on woman suffrage on Thursday of last week.

Mr. FLETCHER. I have no objection to urge to the request. However, I would like to suggest to the Senator from Oregon that he have his request referred with the proposed document to the Committee on Printing. That would be the regular course. I do not believe there will be any opposition to favorable action on the request. The trouble is in a matter of this kind coming up as it does a precedent is likely to be set that will be found to be very objectionable in the future. The regular course in such matters is to refer them to the committee having charge of printing.

I believe it will be found that that practice is better than to have the order made in this way. It gives an opportunity to arrange the matter and ascertain the cost and other facts in connection with the printing.

I would prefer, if the Senator can see his way clear to do so, to have him modify his request and ask that it and the proposed document be referred to the Committee on Printing.

Mr. CHAMBERLAIN. If it will lasten the matter any I will ask to have it referred, but it was up before the Senate the other day and there did not seem to be much objection to it, and the corrections which seemed necessary have been made in the document. However, I will request that the matter be referred to the Committee on Printing.

The VICE PRESIDENT. The Chair understands the Senator from Oregon to ask that the matter shall be referred to the Committee on Printing.

Mr. CHAMBERLAIN. Yes, sir.

The VICE PRESIDENT. The request and the proposed document will be referred to the Committee on Printing for action.

IRON TRADE WITH CHINA.

Mr. OLIVER. Mr. President, in the few remarks I made yesterday with reference to the proposition of the Committee on Finance to place pig iron upon the free list I referred to the competition with China in pig iron and some of the forms of steel. I have here an article which appeared a little more than a week ago in the Christian Science Monitor, a very ably conducted journal, published at Boston, Mass., on that subject, which bears out in every way what I said. I ask that it be read. It is very short.

The VICE PRESIDENT. Is there objection?

Mr. JAMES. We could not hear the Senator from Pennsylvania as to what the request is. I thought the Senator from Missouri [Mr. STONE] was listening, but he himself seems not to have heard it.

Mr. OLIVER. My request is that an article published in the Christian Science Monitor be read. It is with reference to the development of the iron and steel industry in China. It is a short article.

Mr. JAMES. It is not on Christian Science, however, but it is on the steel situation?

Mr. OLIVER. It is on the steel situation, from the Christian Science Monitor.

The VICE PRESIDENT. There being no objection, the article will be read.

The article was read and ordered to lie on the table, as follows:

IRON TRADE WITH CHINA TO BOOM IF TARIFF IS PASSED—UNDERWOOD BILL CUTS \$2.50 A TON OFF ORIENTAL PRODUCT, PROMISING GREAT DEVELOPMENT OF BUSINESS ALREADY PROFITABLE—TO STIMULATE MINING.

One immediate effect of the Underwood tariff bill, if ultimately passed as amended by the Senate Finance Committee, will be to stimulate the iron and iron-ore trade between China and the United States. This is a trade that has been discovered and opened up only in the last few

years. Certain interests on the Pacific coast have already developed a paying business bringing both iron ore and pig iron from China to Puget Sound smelters and mills, and the trade awaited only a little encouragement from the Government to make it increase rapidly.

The existing tariff on iron ore is but 15 cents a ton, while the tariff on pig iron is \$2.50 a ton. The Underwood bill as it passed the House put iron ore on the free list, but retained an 8 per cent ad valorem duty on pig iron and similar products. In the Senate committee pig iron was put on the free list side by side with iron ore.

This cuts \$2.50 a ton off the cost of Chinese pig iron in this country, making a lucrative trade that has already been carried on by a few pioneers with satisfactory profit, and the result will undoubtedly be that the China trade in pig iron will grow by leaps and bounds, with as great rapidity as the extension of mining and smelting operations in the proved iron fields of China can be pushed. It will also stimulate the exploration and development of other fields in the Orient where iron ore is known to exist, though in quantities not yet proved.

Hankow is the great iron district of China, so far as present developments have shown. Iron ore, coal, and limestone, the three essentials for the production of pig iron, are all found in abundance in the Hankow region.

"The history of modern nations has taught us," says Robert Dollar, a San Francisco shipowner, who is engaged extensively in the trade, "that wherever all those conditions exist, especially when coupled with an abundance of good and cheap labor, the future commercial prosperity and greatness is assured; and as to conditions being as stated there is no question, so that in time to come we must look forward to China being the greatest steel-producing country in the world. In a short time railroads will be extended to all the principal cities of China, crossing the country in every direction. The Yangtze River is navigable for the largest steamships eight months in the year to Hankow, 700 miles from the ocean and in the geographical center of the country; so with the completion of the railroads means of communication will not be excelled in any country, and trade and commerce is sure to increase beyond the sanguine expectations of the most optimistic.

"A German professor, after a careful examination, reported there was more coal in China than in all the rest of the world put together. This aroused such criticism and interest that the Emperor of Germany sent three of his most celebrated experts, who confirmed the report; and yet so little mining has been done that last year 1,500,000 tons were imported. Iron ore deposits are known to be in all the Provinces, and where it has been worked it is a high grade. Limestone is in abundance in the same vicinity, so the three great ingredients for making steel are side by side, and they are close to navigable waters where the largest steamships can go.

"Iron ore has not been much looked after in China, and the only mine of any importance that is worked is the Yah Yeh mine, in Hupeh Province, about 60 miles down the Yangtze River from Hankow. It is 14 miles from the river and is connected by a good standard-gauge railroad, which carries ore to the river bank. At Soui Yow, where it is stored until shipment is made, vessels drawing 24 feet of water can lay alongside the pontoon and load cargo for any part of the world 8 months in the year; the remaining 4 months the water falls too low for vessels of over 12 feet draft.

"The mine is a mountain of hematite ore, 500 feet high, and is worked as a quarry. The ore is low in sulphur and runs from 65 to 67 per cent metallic iron. At the present time no mine is worked to any extent except this one. Its output is about 500,000 tons per annum, of which 300,000 tons go to the Han Yang Iron Works, the owners of the mine, at Hankow, 100,000 tons to the Japanese Government, and 100,000 tons are shipped to America. Large deposits of iron ore are known to exist along the Yangtze River, especially in Szechwan Province. Deposits have also been found in Honan, Chihli, Fukien, and Kwangtung Provinces, but they are only outcroppings, as no development nor prospecting work has been done. In iron ore China is reported to have more than any other nation, and within the next 10 years there will be a great development of this industry." (From the Christian Science Monitor, Boston, Mass., Friday, July 25, 1913.)

INDUSTRIAL CONDITIONS IN PENNSYLVANIA.

Mr. MARTINE of New Jersey. Mr. President, I hesitate to burden the Record unnecessarily with matters, but there is a proverb that one story is good until the other side is told. Since the distinguished Senator from Pennsylvania [Mr. PENROSE] made most disparaging and doleful statements and stories regarding his Commonwealth and the iron industry some one in that State was stirred up to send me a letter. I desired to present it a day or two ago, but in the absence of the Senator I felt that it would not be courteous, and hence I deferred it.

On the edge of this letter is pinned a little printed slip, which says:

PENROSE SAYS 1,000 MEN ARE IDLE HERE.

United States Senator PENROSE has made a discovery regarding industrial conditions in Lebanon County. He declared on the floor of the Senate at Washington that 1,000 men in this county alone are out of work just now, due to trade stagnation and uneasiness regarding possible depression under the new tariff bill.

Senator PENROSE has not favored Lebanon with a visit for years, and where he got his vision of a thousand men in this county out of work because of trade depression is hard to guess, local folk say.

Mr. JAMES E. MARTINE,
United States Senator, New Jersey.

DEAR SIR: I noticed newspaper stories of a "sharp discussion" between yourself and Senator PENROSE, of Pennsylvania, regarding the industrial situation in Pennsylvania. The esteemed senior Senator from Pennsylvania hasn't been in Lebanon for some years, as far as the public knows, and when he talks about 1,000 men idle in this county because of trade stagnation he isn't informed as to the situation.

Two of the blast furnaces in this county are out of blast for reasons not connected in any way with the tariff and not because of any depression in the iron trade. Any Lebanon man in the iron business could explain the reasons. Three others are idle for relining, and the employees are at work making repairs, hence few or no men lost employment there, and prospects are that at least two of the three will go into blast as soon as the bricklayers and mechanics can complete their work.

Three others are in blast. This makes eight stacks, all we have in this county. The Keystone furnace, in Reading, Pa., shut down recently for relining, is to go into blast very soon.

H. H. Light, a local rolling-mill operator, has just put into operation a plant with over 200 men at Schuylkill Haven, and bought another mill, near Baltimore, Md., to put into operation very soon and to employ 500 men. All the rolling mills in Lebanon are in operation except for occasional shutdowns of a few hours now and then because of the hot wave.

The American Iron & Steel Co., employing over 3,000 men here and in Reading, about 2,300 or more of that number in this city and suburbs, is building an addition to roll steel, as shown by the following newspaper clipping from the Harrisburg Patriot:

"PROGRESS ON NEW LEBANON STEEL PLANT.

"LEBANON, July 30.

"The American Iron & Steel Manufacturing Co., of this city, who recently decided to build a new \$1,000,000 modern steel plant, is going right ahead in carrying out the plans for the big new plant here. Hundreds of additional men will be given employment in the steel works. The American Bridge Co., of Pittsburgh, has been commissioned to proceed with the erection of about 2,400 tons of steel for an open-hearth plant. The new works will be equipped with four 50-ton open-hearth furnaces; blooming and billet mills will also be provided for. At present the local company is not a producer of its steel, and has been purchasing its requirements in the open market."

I am pasting up some more clippings to show how the iron and steel business and incidentally the silk business, which is always slack—

I will say for the benefit of other Senators—as, of course, the Senator from Pennsylvania well knows—that in Allentown, Pa., known as the Silk City, silk is a great industry—when business troubles are in sight, are "depressed."

The writer of the letter inserts the following newspaper clippings:

BESSEMER MILL HAS A RECORD—EVERY DEPARTMENT OF PENNSYLVANIA STEEL PLANT RUNNING FULL BLAST—FEAR SLUMP NO LONGER.

STEELTON, July 19.

The fear of a slump in activities at the local plant of the Pennsylvania Steel Co. of a few weeks ago has disappeared, and the entire plant during the past week has again taken its stride with every department running to its capacity. The only department now idle is the Lochiel blast furnace, and the opinion prevails that this will not be again started unless its product is urgently needed.

The week ending to-day has been the biggest, so far as the production of steel with the duplex system is concerned, in the history of the plant, and the Bessemer mill will have a record output for the week.

Another big run this week was made at the billet mill, which worked on tie and splice plates, and the foundries, open hearths, rail mill, and, in fact, every mill is now booming.

PUDDLERS ACCEPT ADVANCE ON WAGES.

Employees of the Reading Iron Co., which has 3,000 men on its pay roll, last night accepted the offer of the management to advance the puddling rate from \$4.75 per ton to \$5, with a further advance when trade conditions warrant. The men also decided to organize and become affiliated with the American Federation of Labor.

The writer of the letter then continues:

Here in Lebanon the Lebanon Stove Works, idle for some time, will start its plant again in two weeks, and the Lebanon Silk Co., rushed with orders, will start a branch factory in East Lebanon in a very short time.

Congressman KREIDER, of this district, who has four factories in this district, is building a big addition to his factory at Annville, to employ many more men and women.

I regret to say that I can not give you my name. I am working for a Republican who believes as firmly in protection as he does in the New Testament—maybe more—and this review of the situation, as taken from Harrisburg, Lebanon, and Reading papers, in the heart of the pig-iron and steel district, is written without consultation with him. I wish you success, and believe that you represent the people of New Jersey as they should be represented.

Mr. PENROSE. Will the Senator allow me to interrupt him?

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Pennsylvania?

Mr. MARTINE of New Jersey. Yes.

Mr. PENROSE. Of course I shall absolutely refuse to reply to an anonymous communication. I deem it unworthy of the consideration of the Senate.

Mr. MARTINE of New Jersey. I realize that weakness, but still it is entirely within the province of the Senator from Pennsylvania to do as he may choose with reference to it.

Mr. PENROSE. I deem it a frivolous consumption of the time of the Senate to submit an anonymous communication to this body.

Mr. MARTINE of New Jersey. Possibly; but what has the Senator from Pennsylvania to say with reference to the printed slips that are quoted from newspapers in Lebanon County and in Reading?

Mr. PENROSE. The printed slips come from Democratic newspapers in the city of Harrisburg and largely refer to industries in adjoining counties. My remarks applied to the county of Lebanon. I stand emphatically on them and defy successful contradiction.

Mr. MARTINE of New Jersey. Here is a statement from Lebanon—

Mr. PENROSE. The Senator's cause is indeed weak when he reads anonymous communications to the Senate of the United States.

Mr. MARTINE of New Jersey. You quoted no authority with reference to your printed slips. Here is one from a Lebanon paper, in which it is stated—

Mr. PENROSE. I quoted my own authority.

Mr. MARTINE of New Jersey. Here is a printed slip, which says "PENROSE has not favored Lebanon with a visit for years" and that he knows nothing about the situation. I realize that being anonymous is a weakness of the letter, but the position—

Mr. PENROSE. I am glad the Senator has some ray of intelligence to realize in his remarks the weakness of his position.

Mr. MARTINE of New Jersey. There is no Senator who will attempt to say that this statement is false.

Mr. PENROSE. I say it is unworthy of discussion when we are all anxious to pass this bill as promptly as possible.

Mr. MARTINE of New Jersey. I know you are very anxious, but you are quite as anxious to portray your picture of doleful sadness throughout the length and breadth of this country. No one rose then to criticize the Senator's authority; but now, let me say with reference to your colleague and neighbor [Mr. OLIVER], who delivered a long diatribe on the question of ore, iron, and steel, that I hold in my hand a paper that is akin—

Mr. OLIVER. Mr. President—

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Pennsylvania?

Mr. MARTINE of New Jersey. Certainly.

Mr. OLIVER. Will the Senator from New Jersey please give the definition of the word he has just used?

Mr. MARTINE of New Jersey. Well, I would not presume so much on the lack of intelligence of the Senator from Pennsylvania as to attempt a definition. Here I hold in my hand a paper that is akin to a leaflet from the Bible for the average Republican. It is a clipping from the New York Tribune of yesterday, and it goes on to say, referring to the steel report—

Mr. LIPPITT. Mr. President—

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Rhode Island?

Mr. MARTINE of New Jersey. Certainly.

Mr. LIPPITT. I have seen some intimations that lead me to think that that leaflet has been torn out of the Republican bible. I do not know that we should like to accept that authority.

Mr. MARTINE of New Jersey. Well, you stood by it, and it stood by you. It stated a good many things that I did not think could be attributed decently to a book that might be called the Bible, but for 40 years it was gospel to you; you fattened on it, supped from it, fed from it as a babe would suckle at the breast of its mother, and now because it begins to tell the truth in the light of this generation you begin to hesitate.

The New York Tribune of yesterday, just at the time when the doleful tale from Pennsylvania in regard to steel conditions was being told by the Senator from Pennsylvania, had this to say:

The significance of this report—

Referring to the steel report—

is appreciated when considered in the usually accepted light that the prosperity or adversity of the Steel Corporation gives an index to actual trade conditions throughout the country.

The Iron Trade Review says that heavy buying of pig iron in leading iron centers has brought great encouragement to the entire trade and furnishes strong evidence that prosperity will be enjoyed throughout the remainder of the year.

I realized the force of the suggestion advanced by the distinguished and lovable Senator from New Hampshire [Mr. GALLINGER] when he said that the present prosperity came under Republican domination, as we are living under a Republican tariff law. So we are; but the Senator knows and everybody else knows that money and finance are like water; they will float and change at the least disturbance; and, so, in the light of statements which Senators have made as to disturbed conditions, we might imagine that the business world would be disturbed; but, on the contrary, all the evidence is that it is not disturbed. Now, I say, in heaven's name cease your doleful prophecies; be of good cheer and good heart. We are as much interested in this great country as you can possibly be; we are not going to shut the doors to the trade possibilities of Pennsylvania. Even your Sharples creamery plant will go on; we will open new doors and new avenues, and with a reasonable tariff I think I can see your Sharples separators trying to find a market with the hope of separating and dividing the Milky Way in the heavens above.

Mr. OLIVER. Mr. President, I know that great latitude is allowed the Senator from New Jersey, but I do not see by what authority he connected my name with the article in the New York Tribune from which he has quoted, or with any discussion that has been had on the subject of depression in business

consequent upon the introduction of the pending tariff measure, because from first to last, in what little I have spoken on the subject I defy the Senator from New Jersey, or any other Senator, to point to a single word I have said on the subject of depression.

My position, Mr. President, is that this legislation will lead to depression; but I have studiously refrained from talking about conditions as they exist to-day, either in the steel or any other industry. So I feel disposed to resent the introduction of my name by the Senator from New Jersey and his making me the text for any remarks upon the subject.

Mr. MARTINE of New Jersey. Mr. President, I had no thought of doing anything that might be deemed as unkind or in the least discourteous.

Mr. OLIVER. The Senator can say anything unkind that he pleases so long as it is true.

Mr. MARTINE of New Jersey. Great God, I have not an unkind thought in my heart, and would not express it if I had. I want, however, to ask the Senator in all fairness—perhaps my eyes and vision were wrong; perhaps my ears failed to carry to my brain the correct sound of the voice—did we not yesterday evening hear the Senator from Pennsylvania make reference to the steel and iron interests, either in the form of a document or by oral statement?

Mr. OLIVER. Of course, Mr. President, I did—

Mr. MARTINE of New Jersey. That was my text.

Mr. OLIVER. But I did not allude to any present depression in the steel or iron business, as the Senator said I did.

Mr. MARTINE of New Jersey. The Senator did not speak in any glowing terms of its future or its hopes in the near-by.

Mr. OLIVER. Because I realized what was going to happen from the interference of such measures as are proposed under the leadership of the Senator from New Jersey.

Mr. MARTINE of New Jersey. The Senator dignifies, magnifies, and compliments me too much. I am not a leader at all; I am a humble citizen in the party. I only said that, as I understood the Senator's remarks, he did not refer to apples or potatoes; but he referred distinctly and directly to steel, and I felt that when the New York Tribune floated in and its financial column was so rich and full of contradictions, it was only fit and reasonable and proper that, in a decorous and dignified way, I might confront him with his own doctrine and feed him with his own medicine, so to speak.

PROPOSED CURRENCY LEGISLATION.

Mr. HITCHCOCK. Mr. President, I have here a resolution adopted by the Democratic county central committee of Sarpy County, Nebr., which I should like to have read at the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

Whereas President Wilson has wisely recommended to Congress the immediate passage of a currency measure carefully designed to protect the people and honest business of the country against the possibility of the money stringency now and always threatened by the powerful capitalistic combinations whenever just remedial legislation seems probable or possible; and

Whereas it is imperative that the administration at this time receive the loyal support of all Democratic Members of the House and Senate in its great battle against greed and privilege, and for the common people: Therefore be it

Resolved by the Democratic county central committee of Sarpy County, Nebr., That all Democratic representatives in Congress be, and hereby are, called upon and earnestly requested to loyally and patriotically give unqualified support to the great administration measures now pending before Congress relative to tariff and currency, and to defer until some future session of Congress the offering of amendments or criticism likely to delay, obstruct, or defeat the passage of either measure; be it further

Resolved, That copies of this resolution be immediately transmitted to our representatives in Congress, Hon. GILBERT M. HITCHCOCK and Hon. C. C. LOBECK.

Adopted July 19, 1913.

B. J. MELIA, Chairman.

Attest:

W. D. SCHAAL,
Secretary, Springfield, Nebr.

Mr. HITCHCOCK. Mr. President, I should like the opportunity of saying a few words upon this resolution, for the reason that it is pretty well known here, as well as in my State, that I am strongly opposed to any comprehensive currency legislation during the present session. I think this question is too difficult and too delicate for Congress to undertake to pass upon hurriedly in the closing days of an extra session called for another purpose. I am in entire sympathy with the idea that some reformation of our banking and currency laws is desirable, but I have no idea that any emergency exists which will excuse Congress in railroading through a revolutionary measure such as has been introduced by my friend from Oklahoma [Mr. OWEN].

The delicacy and the difficulty of this great question demand more than ordinary discussion and more than ordinary study.

I am very sure that I have not had the necessary time to give to it, and I believe I echo the sentiment of most Senators in this Chamber in saying that they have not had the necessary time to give to this new bill during the present session. The only possible reason for yielding unqualified support to this measure is upon the theory that we are or may be confronted by an emergency; we are urged to hurry upon the theory that as the result of tariff legislation, or because of some possible conspiracy of great money interests, the business world may be in danger. We are advised that this bill should be railroaded through Congress in order to protect the people of the country from the evils that might come.

But, Mr. President, it is easy to see, by a mere reading of the bill, that it is not and can not be an emergency measure, for the reason that it proposes a permanent revolution in our banking and currency system, and also for the reason that it will take at least a year to organize the new reserve banks according to the terms proposed in the bill.

Mr. President, the Senate is in the midst of a tariff discussion. The country has made up its mind upon the tariff and announced it by an election. Congress has about made up the bill for the new tariff. The country is ready for it. I believe the country is not only ready for it, but anxious to have it over and have Congress adjourn and go home and allow the business world to adjust itself to the new tariff conditions. The country has not, however, made up its mind on the banking and currency bill. This revolutionary measure, which has many features that commend themselves to me, is not even understood by Congress as yet, and the country, even the bankers, have not approached an understanding of its provisions or probable effects.

Mr. CRAWFORD. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from South Dakota?

Mr. HITCHCOCK. I do.

Mr. CRAWFORD. With the emergency currency law in force which is now upon the statute books, under which the Secretary of the Treasury has announced that if necessary he will issue \$500,000,000 in currency, and in view of the fact that he has proposed to place money in the Southwest upon security other than United States bonds, does the Senator think it is possible for a situation to arise during the next three or four months in which there would be a currency famine in the United States?

Mr. HITCHCOCK. I do not, Mr. President. I believe that the courageous and intelligent administration now in power at Washington can use the Vreeland Act to relieve any condition which may arise. Personally I should be in favor of an extension of the Vreeland Act. I should be in favor of a simple amendment to it which would liberalize it to some extent and make it easier for the banks to secure currency under it. But even if that were not done, I think the present form of the law efficient. I am sure the proposed measure can not possibly be looked upon as an immediate relief. Anyone who studies it will readily come to the same conclusion.

Those who think we can pass it one week and that on the following week the country will have \$500,000,000 of additional currency with easy credit are woefully mistaken.

Suppose the impossible should happen and this bill should be passed October 1. Would that immediately bring the millennium in the business world? On the contrary, we would then enter upon a period of reorganization in the banking world, and we would be in it for a year.

For instance, the bill provides that within 90 days after it is passed the country shall be divided into 12 districts and each of the 7,000 banks placed in its own particular district for operation. Ninety days are allowed in the bill for this undertaking. Provision is made for hearings to settle controversies as to the boundaries of districts. Twelve cities must be selected. Anyone knows that there will be great contention all over the country for the opportunity to be one of those cities. Anyone knows that the struggles will be very intense and the controversy will be very considerable. The author of the bill has not overestimated the time required when he has provided 90 days for the division of the country into 12 districts, with one of the 12 cities at the head of each district.

Thus three months will have elapsed without any measure of relief. Then it is provided that the banks must subscribe stock or leave the national banking system. How long do the advocates of the bill think it will require for enough banks to subscribe stock to establish 12 of these associations, no one of which shall have less than \$5,000,000 capital?

The bill gives to the banks a whole year in which to reach a decision as to whether or not they will enter the new system. I am confident a longer time would be necessary; but suppose,

at the very best, enough banks should enter the new system in three months to organize every district in the country, six months would then have elapsed. What is the next step?

The next step is that each district must elect six directors, three others being chosen here at Washington. It would take at least a month for the 7,000 banks to hold these elections, and it is quite likely that a single election will not be sufficient. The bill provides for a second election if in the first election the directors do not receive a majority of the votes—so that another month might be required. But let us assume that only one election is needed.

Then, after that, the directors will naturally meet and organize in each district. It is not overstating the case to say that it will require two months for the directors to organize, to find offices, to secure vaults, to elect officers of these associations, to engage clerks, and to put their forces in working order. They could then receive from the subscribing banks the 10 per cent of their capital which they are required to subscribe.

When they have done that they will have offices without any money with which to operate except the capital subscribed by banks. The banks are given two additional months in which to pay in the 3 per cent of their deposits. When that is accomplished, the 12 associations will be ready for operation.

All these proceedings will require altogether 11 months, as I figure it up. That is the very shortest time possible. Therefore for practically a year the country would not have the benefit of the new bill and would be dependent upon the measures and the means that now exist.

Meanwhile, the 11 months that will have been absorbed in this preparation and this organization will be months of uproar and disturbance in the banking world, months of contention in almost every bank between stockholders as to whether or not they shall go into the system and between the directors in every bank. It is safe to say that this disturbance in the banking world is not likely to prove of benefit to the commercial and manufacturing world. The withdrawal of hundreds of millions of money from existing banks to furnish capital and deposits for the new would compel existing banks to reduce loans and credits, and the new reserve banks could not immediately relieve the situation.

Do advocates of the currency bill in its present form think they can cure any possible disorder that may arise in the commercial and manufacturing world from the passage of the tariff bill by producing disorder and uncertainty in the banking world? They remind me very much of the thought embraced in the childlike rhyme:

There was a man in our town,
And he was wondrous wise,
He jumped into a bramble bush
And scratched out both his eyes.
Now, when he found his eyes were out,
With all his might and main
He jumped into another bush
And scratched them in again.

Do advocates of the passage of this measure at this session as an emergency proposition think that after unsettling business, as must naturally result from a new tariff bill, they can, by unsettling banking conditions, improve those unsettled business conditions?

No, Mr. President; I am strongly opposed to the plan to vote upon a revolutionary change in our banking and currency system at this session under whip and spur. I believe our banking and currency system needs reform; but, after all, it is reasonably good. During the 50 years or more that we have had it this Nation has advanced from a low rank among the nations of the world until now it stands at the very head in banking power in the world, possessing practically one-half of all the banking power of the civilized world. It has not been by accident. The system needs reform, but it is not entirely bad nor critically dangerous.

Mr. President, I renew my decision declining to take the suggestion of my friends in Sappy County, and I reaffirm my opinion that it would be a great mistake for the Senate, at this session, to pass a revolutionary banking and currency measure in haste and without proper study. I say that, although many of the features of the bill commend themselves to me, I want more time, however, to consider such a serious proposition. I think the Senate wants more time and will not act hurriedly. I am sure we shall be benefited by allowing the country to consider and criticize this bill during the few months we are in recess. We can then return here in December, refreshed by our rest, and ready to take up this great question upon its merits.

Mr. OWEN. Mr. President, I am not surprised at the resolution of the citizens of Nebraska favoring action at this session on the banking and currency bill, but I confess I am greatly sur-

prised at the attitude of the Senator from Nebraska [Mr. HITCHCOCK]. To the request of his constituents for action at this special session, as strongly urged by President Woodrow Wilson in his message upon the subject of banking and currency, he responds with a vigorous negative, without giving any adequate reason that justifies his position.

The Senator speaks of this bill as a "revolutionary" measure. He himself introduced, at this very session, a bill to establish regional reserve banks of like character. Yet his bill was not revolutionary, nor was it novel. The bill which has been proposed by me and offered to the Senate, No. 2639, to which reference is made, does not contain any new principles of banking. They are old, as old as the hills; old in stability; old in the experience of the most learned and civilized men upon the globe. They are principles which are found in the Bank of England, which provides the mobilization of the reserves of the other banks of England in its own vaults, and keeps its assets liquid for the purpose of serving commerce and industry—by immediate loans whenever necessary—but not conducted as a money-making bank. The Bank of England has the right to issue legal-tender notes, current throughout the British Empire as legal tender. The Bank of England can enlarge the volume of those notes. By virtue of its great stability, by virtue of its high character, by virtue of its control by public opinion in mobilizing these reserves, and creating some elasticity of currency by raising the rate and thus bringing gold to London—which is the only free gold market in the world—the Bank of England has illustrated and demonstrated the wisdom of the principles of this bill, S. 2639, which is derisively termed by the Senator from Nebraska a "revolutionary" bill.

Mr. HITCHCOCK. Mr. President, I hope my friend from Oklahoma will withdraw or modify that language. I have not referred to the bill in derision at all. I said the bill was revolutionary. I am not sure but that we need a revolution, but I do not think we want it now as an emergency measure without time to consider and discuss it.

Mr. OWEN. The Senator from Oklahoma will not withdraw his designation of the epithet "revolutionary" used by the Senator as derisive.

I happened to receive this morning, Mr. President, a letter from one of the great men of this Nation, learned in economics and learned in finance, a student of finance, Prof. Charles J. Bullock, professor of economics of Harvard University, earnestly approving the principles of this bill. What does he say about this bill? That it is revolutionary? No, sir. That it is unwise and unfit for present consideration? No, sir. That because it can not be put into force for one year, therefore we shall not consider it at all? No, sir. He does not say that. Here is what he says—

Mr. SMITH of Georgia. Mr. President—

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Georgia?

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

Mr. SMITH of Georgia. I dislike to interrupt the Senator from Oklahoma, but I do not think the time of the Senate should now be taken up with the discussion of the financial question. I think we should give our exclusive time to the tariff bill, and press it on to a vote. I think we should each avoid—

Mr. OWEN. Mr. President, I decline to yield further to the Senator from Georgia.

Mr. SMITH of Georgia. Then, Mr. President, I make the point of order that the Senator from Oklahoma is out of order, and can not proceed except by unanimous consent; and I withhold my consent from the further discussion of this subject.

Mr. OWEN. I understood that I had the unanimous consent of the Senate when I began; if I had not, then the point of order is well taken.

The VICE PRESIDENT. The Chair is compelled to rule, if the regular order is called for, that the regular order is the introduction of bills and joint resolutions.

Mr. OWEN. I give notice to the Senate that I will proceed with my answer to the Senator from Nebraska immediately after the morning hour at the first available opportunity.

Mr. BRANDEGEE and other Senators. Regular order!

The VICE PRESIDENT. The petition presented by the Senator from Nebraska will be referred to the Committee on Banking and Currency. The regular order is the introduction of bills and joint resolutions.

[Routine business was transacted, which appears earlier in the proceedings.]

THE TARIFF.

Mr. STONE. I ask unanimous consent that the unfinished business may now be laid before the Senate and proceeded with. The VICE PRESIDENT. The Senator from Missouri asks

unanimous consent that the Senate proceed to the consideration of H. R. 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. President, I ask that we proceed with the reading of paragraph 105.

Mr. SIMMONS. Will the Senator yield to me?

Mr. STONE. Certainly.

Mr. SIMMONS. Mr. President, I did not care to interfere with the way in which we have taken up the morning hour to-day, because no notice had been given, but it was my purpose before the Senate adjourns to-day, and I had as well do it now as later, to say that my understanding is that no debate is in order during the morning hour with regard to petitions, memorials, bills, or resolutions that may be introduced without unanimous consent; and that from now on, with a view to facilitating the consideration of the tariff bill, which is the measure before the Senate and which is the subject that this session of Congress was called to deal with, I shall object, if some other Senator does not, to any debate except by unanimous consent during the morning hour upon matters that are brought to the attention of the Senate which do not come up regularly for discussion during that hour under the rules.

Mr. GALLINGER. Mr. President, without venturing an opinion as to whether or not the Senator will be able to carry out his program, I simply want to say that it is a gratification to me to know that the morning hour has as a rule been consumed by Senators on the other side, and not by Republican Senators.

Mr. SIMMONS. Mr. President, I think that remark is rather gratuitous. I think that the morning hour has been consumed by both sides of the Chamber, not more I think by this side than by the other side. Possibly this morning more of the time has been consumed by this than by the other side, but we have all fallen into the habit here, and ordinarily it is not a bad habit, of discussing by unanimous consent various and sundry matters that are not properly before the body for discussion.

I do not mean to say that I will carry that rule to an extreme length, but I do mean to say that I will invoke it in every proper and legitimate way with a view to curtailing these discussions which take up practically all the morning hour.

Mr. STONE. I have been informed that the Senator from Delaware [Mr. SAULSBURY] desires to address himself somewhat in a general way for a short while on the bill before we proceed to the next paragraph.

Mr. SAULSBURY. Mr. President, I shall not attempt to review the arguments of the gentlemen on the other side of this Chamber. The impatience of the business men of the country with the necessary delay in passing this bill forbids the waste of time which would be necessarily consumed in doing so.

One of those learned Senators has solemnly assured us that the passage of this bill will "place this great Republic at the mercy," whatever that may mean, "of other nations for some of the very necessities of life, such as sugar, wool, meat, and flour." Take that statement, Mr. President, as a sample of many statements of Republican Senators we might, if we would, review or answer. Is it wise or necessary to answer a multitude of statements of this character? We believe that the industry, intelligence, and energy of our farmers, our business men, our workmen, not inferior to those of other nations, will provide all these things as cheaply in America as anywhere. Beet sugar we will continue to produce under any tariff bill, and should we not we will hardly be said to be at the mercy of Cuba, whose markets are near to us and can not be controlled by a foreign power.

We do not believe that fewer sheep will bear wool in this country or that because we put honest woolen blankets or real woolen garments over or on our people to protect them from the cold, we will put them at the mercy of other nations.

Because, so far as we can by this bill, we loosen up the grip of the Meat Trust on the stomachs of our people, we do not believe that we will place them at the mercy of other nations; nor do we believe that by taking the duty off flour or wheat or potatoes, used solely heretofore to beguile and deceive our farmers, will we destroy the fertility of our fields, the industry of our farmers, or the output of our millers.

Two-thirds the life of a generation, Mr. President, has passed since the people last commanded Congress to reform the tariff. Their direction was disregarded, their hopes made vain, and other seemingly more important issues pressed for settlement or prevented a clear issue being raised. Only after these 20 long years of tariff spoliation, that command for tariff-reform

being unmistakably repeated, are we in sight of a compliance therewith in accordance with the reiterated pledges of Democratic platforms.

I greatly regret, Mr. President, that there has been an effort on the part of some Senators to give a somewhat sectional bias to this debate and a sectional color to this bill by contrast of the West and the East. Certainly no one can accuse the people of the State I represent, or their representatives, of being influenced by tariff benefits to support this bill. The statistics, so far as submitted by Republican Senators, indeed, seem to show that Delaware can get no advantage from this bill. The distinguished senior Senator from Iowa shows by his figures, made from a protectionist standpoint, that my State just comes out with an even balance sheet of what he terms advantage and disadvantage, and I am glad that this is so. I do not believe, however, that any fair criticism can show that this bill has in it any sectional favoritism or will work to the disadvantage of any portion of the Union.

Delawareans are not seeking favors, privileges, or unequal opportunities under the form of law, and neither ask nor expect nor would justify me in asking such for them. They have so suffered from the political debauchery promoted by the beneficiaries of tariff-protected and monopolistic interests that their hopes of clean government rest solely in preventing a continuance of the advantages to be derived by certain interests through tariff favoritism whereby campaign contributions to secure votes in this body may become less attractive investments.

Mr. President, the deplorable political conditions in some of the States of the Union, with which we are more or less familiar, can clearly be traced back to the persistent efforts of protected manufacturers to secure votes in this great legislative body for their business benefit. Year after year, by political contributions, they resented the presence here of the distinguished men who represented Delaware, and finally succeeded for years in supplanting them, not, I fancy, to the benefit of the country or to the improvement of this body.

Many States have learned that the pursuit of votes for tariff measures by the favored interests does not tend to increase the patriotism or honesty of the electorate or to uphold the old standards of their representatives.

We Democrats, Mr. President, feel that our greater duty is to preserve our country's institutions, rather than gratify our local manufacturers. No more insidious attack can be made upon popular government than one which, under the working of unequal laws, separates our people into hostile classes, classes of those who have not and can not get, and those who have and can take more; who actually impose on the weaker class, as consumers, the burden of taxation to support an unequal government under which all must live, while the more able, the stronger class financially, not only refuse to contribute their fair share, proportioned to their means and property, but insist upon their vested right, as they have come to regard it, to make greater accumulations.

This tariff bill may not be perfect; no work of human hand or brain or both can be expected to fulfill that condition, but no unprejudiced man will doubt it is an honest attempt to reach better conditions and improve the opportunity for free, unhampered business effort in this country. In the effort to improve these conditions, naturally our committees have been embarrassed. Some lines of industry have been hothoused to such an extent that to expose them immediately to the free and natural air of competition might cause them to shrivel up and die, but we may confidently say that no tariff bill within the lifetime of any of us has been constructed with so great a common effort of the people's representatives in both branches of Congress to effect the greatest good for the common weal. No special interests, no association of manufacturers or privileged beneficiaries, have written a section, a clause, or a word, as we believe, in this great bill. If we can credit even a fraction of the testimony never contradicted, whole schedules have been written into previous bills by such beneficiaries, their associations, and representatives.

Until tariff excesses could not fail to produce profound conviction in all, many of our Democratic leaders, even of national stature, had not been able to "find" themselves. Political conditions in the last decade changed too fast for them. They did not fully appreciate that the insidious forms of modern privilege made honest government difficult and equal government impossible. American industrial selfishness, which at first did not scruple to beg for special favors in tariff legislation, encouraged and applauded for more than a generation, had so increased, had so blinded the eyes and perverted the minds of tariff beneficiaries, that it grew strong enough, chiefly through political contributions, to demand these favors as a right, and became so

rich and powerful as not to hesitate to keep them by corruption. These conditions had to be practically met and reformed.

The income-tax provision of this bill, Mr. President, will go far toward removing the settled belief in the minds of many of our fellow citizens that money can rule this land, and while paying no proportionate part of the expense of government can, at its will, rule, tax, and debase manhood.

The distinct effort to lessen the cost of living by reducing duties on or free-listing the actual necessities of life will confirm our people in the belief that manhood and womanhood and childhood shall not hereafter bear burdens from which property has heretofore been unfortunately and improperly exempt.

Protection and socialism are twin evil and ill-omened birds, hatched in the nest of business and political cultures, preying upon our political life and befouling its wholesomeness. One principle, if we should call it such, is the progenitor of both—the right and consequently the duty of the Government to meddle with the distribution and employment of capital. Individual initiative, natural selection of occupation, unhampered free will in the choice of a field of one's business energy are interfered with, and the State offers rewards and puts up barriers to direct these in unnatural channels. If you attempt the regulation, the encouragement, and the distribution of capital in general business, wages, the other element of production, must be regulated, must be nationally organized, and we must have not only the minimum but maximum wages, and individualism in business must be eliminated. To be logical, all industry must be nationalized.

This statement, Mr. President, will not be concurred in by the gentlemen on the other side of this Chamber, but there is the best of Republican authority for thus linking together protection and socialism. In his recent Boston speech, the educated and highly cultured gentleman, president of a great college, who received all the Republican votes in the last electoral college for Vice President of the United States, declared:

We can not both guarantee a reasonable profit through tariff legislation and keep a straight face when we attack socialism.

And in that connection spoke of what he called "the unhappy guaranty of profit promulgated in 1908" in the Republican platform of that year.

Our political opponents, Mr. President, seem to have been singularly blind to the political signs of the times with respect to their tariff policy. Replaced in power in all branches of the Federal Government in 1896 by the votes of those Democrats who left us at that election from, as they believed, pure and patriotic motives, disregarding the great opportunity given them to rehabilitate their party, the first act of the victorious Republicans was to coin into cash through a tariff bill the patriotism, no matter whether real or fancied, of the Democratic tariff reformers who had made their success possible, and put this cash into the pockets of the protected, privileged business interests in return for political contributions.

Never was a great political opportunity more greatly neglected, and when, drunk with power, reckless, and unrecognizing public opinion, the subsequent declarations of Republican platforms were given forth and Republican Presidents and Congresses, unheeding all danger signals of popular disapproval, rushed at all times to the support of privileged and overprotected wealth, the ultimate result should have seemed unmistakable.

Time and again during this debate Senators on the other side have seemed to show absolute inability to appreciate our position or to understand that we should consider it proper to lay a tariff duty solely for revenue and which could not benefit any special producers or manufacturers. We have seemed at times to be speaking to each other across this Chamber in different languages; and yet it should not be so.

Senator Dolliver in 1909, in this Chamber, said:

I warn these men who are among those responsible for the policy of the Republican Party that if they desire an agitation in the United States, to begin the day the bill passes and to be carried on until these wrongs and injuries are rectified, there is no shorter course to that end than that which has been pursued by them in the Payne-Aldrich bill.

These were the words of one of the greatest of modern Republican Senators, soon thereafter to be called before that great Court where the actions and motives of men receive their last, just judgment.

Mr. President, we know that the efforts of that great man in the last months of his useful life to lessen the abuses and human hardship produced by high-tariff laws in this country, which he loved, did not weigh against him in that final judgment. We Democrats, Mr. President, have in this bill, following the declaration of the Baltimore platform, in effect, adopted the very course he desired his own party to pursue. I com-

mend his words to those of his party who yet remain in this Chamber:

It is our special duty—

Said he—

to take up those schedules which represent the largest investments of protected capital and at least take out of them the rates that are now everywhere known to be extravagant and unnecessary, which rise so far above the level of our real industrial needs as to bring the policy of protection into ridicule without doing anybody any sort of good.

This Senator in 1909 still thought himself a Republican. What he would think if here himself to-day we can only surmise. We know from the results of the elections of 1910 and 1912 that he was a political prophet.

What happened to this Senator as a result of his earnest efforts to lead his party into honest ways and out from the arid business wastes, made unproductive by the selfishness of protected industries, was only a few days ago ably and clearly stated by his successor in this body. To humiliate and discredit him at home, his friends were struck at in their business, a place on the Finance Committee, though earned by him, was denied; the money changers were strong enough to drive honest preachers from the temple.

The natural and practical tendency and result of the so-called principle of protection had been worked out to its logical conclusion—its legitimate end was reached. I make no charge that all the manufacturers of this country are of one type, nor do I deny that they have among them a fair proportion of good citizens and patriotic men, but we all know that saints and archangels have not been directing the tariff-protected industries of America. The cupidity of every ordinary human being engaged in almost every industry in the country had been aroused, the unnatural appetite whetted during the long years of tariff abuses had become gluttonous, and the "fostered" infants of the protective tariff became Frankensteins, who wrote their wishes in our laws when their business interests were affected.

When an individual ceases to react to the facts of life, we adjudge him insane. So, when political parties and their leaders, instead of facing the present and finding a way to cope with it, turn their backs on it, doggedly hold to wrong ideas of government, even implore the past to return, they are drawing near to their extinction, provided, always, that there exist in their country other men who have the future in their hearts.

As supporters of the old order, doubtless most of the Republicans were sincere. So, I have no doubt, are still some of the old "standpatters." They believe themselves unselfish and patriotic, but they have a fatal weakness—they believe in classes and not in men, in symbols and party phrases and not in facts. This is a blight which almost invariably overtakes society at the point of dissolution. Fortunately for our country, it only overtook one of our great political parties. Republican tenacity was not fortitude, it was merely the quality of the leech and the barnacle.

If the Democratic Party fails to understand and rightly interpret the feelings, the hopes, the expectations, the aspirations of the American people, it has no political future. It is easy to chill the boundless enthusiasm and render futile the blossoming hopes of our party and our people. We can trash over again old political straw, but we will get no wheat. One can not be surprised at the resentment evinced by our opponents against the President of the United States because he has shown the courage and ability to successfully lead our party. At Baltimore we might have nominated a less heroic candidate and would have met defeat as usual. It would only have convinced the country that as a modern political engine the Democratic Party was worn out and obsolete.

We seized the opportunity and selected a candidate who was his own platform and could stand on ours, one who had the well-earned confidence of the whole people, who had "made good" in every relation in life and in every official position to which the people had commissioned him, who had become a popular ideal, whose proved ability had justified the people's confidence, who appealed to their highest hopes and to their imagination, and whose success meant to them the continuance of popular government in this country along clean, wholesome, unbossed, and uncontrolled lines, and our victory was assured.

Our candidate occupied this position. The wise leaders of our party advised his nomination, the people wanted it, and if the object of nominating a President was to elect him, how foolish it would have been to first block the wishes of the voters, to defeat their hopes by manipulation, intrigues, and chicanery, and then expect them to give their support, which had to be undivided and hearty, to some one selected at a secret conference of representatives of predatory, tariff-fed, or

public-service business who manage to control most of the political bosses.

We escaped such dangers. The voters of our great organization—indeed, of all parties—recognized our sincerity. They gave us control of all the branches of the Federal Government, and we were at once called together in Congress to formulate and pass this bill.

No one contends that all wisdom is embodied in it. It does not go far enough for some of us; it goes too far for others. But on it we are agreed, and it will pass this Senate; and the voters of the country, and the honest business men of the country, who seek no special privileges, will ratify and applaud our work. The only weakness of our political position is a practical one, that the benefits of the changes will be so evenly and fairly distributed they may not be recognized at once, as were the special privileges conferred on the protected interests. Our course meets opposition, fierce and unrelenting opposition. No one could expect it would not. Dire predictions are indulged in by our Republican friends. We have done nothing that is right, or at least done nothing in the right way. Well, we could expect nothing better than such predictions from some of our opponents; but suppose these dire disasters so glibly predicted by Republican Senators do not happen. One says they may not happen at once, may not come for years. Another says that mills are closing and soup kettles being hung over the fires of public wrath and disappointment. We may be sure that whenever business trouble shall come, whatever its cause, all of it, even from business incapacity, will be attributed to Democratic misdeeds. Standpatters say that tariff reform may not produce panics and disaster this year or next year, but in the distant future sometime, somewhere, a panic will come, and then and there such distress will be attributed to Democracy.

Pardon our incapacity if we refuse to believe any longer in these selfish tales of ghosts and goblins, in the witchcraft of dishonest or possibly purchased and corrupt legislation by which prosperity, according to Republican speakers, has been produced. The tales of how good it is to create a plutocracy made strong and great, through special privilege, do not now appeal to us or to our constituents. The pleas for protecting American labor by creating rich manufacturing corporations, which then obtain the cheap foreign labor to compete with our American workmen and try to buy off and corrupt the leaders of their labor unions, when addressed to laboring men, either from the stump or from this Hall, now fall on deaf ears. To show his sense of humor, the laboring man grins his lack of appreciation and votes the Democratic ticket.

Great interests have never failed of able advocates, and some honest men are nearly always found among them. Enriched and entrenched privilege fights hard and long for its own perpetuation. It has always fought hardest and is still fighting hard in this Chamber through the champions of high protection, whose personal honesty and belief, however, it is not my intention to impugn, but it is fighting a losing fight.

The people of the country are aware they have now in both branches of Congress a majority of men representing them, coming practically from every section, from States from coast to coast, whose hope and thought is not of self, not of party, not even of State, but of a continent-wide country, peopled by fellow men, whose common burdens are to be lightened, whose business efforts are to be unfettered, whose chance of life in peace and comfort is to be bettered, whose hopes and aspirations are to be listened to and heeded, whose children and grandchildren—yes, and great-grandchildren—can offer praise and their devout thanks that at a crisis in popular government, when things looked dark for the future, a man was found, and with enough other men to uphold his efforts, who did not fail or falter when leading his countrymen back to the simpler, higher ideals of life and government and away from the false gods of the dollar chaser, created by special privilege, which we will now only preserve in political museums to the lasting dishonor of the Republican Party and its repealed tariff laws.

Mr. OWEN obtained the floor.

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

The PRESIDING OFFICER (Mr. HUGHES in the chair). The Secretary will call the roll.

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

Ashurst	Chilton	Gronna	Kern
Bacon	Clapp	Hollis	La Follette
Borah	Clarke, Ark.	Hughes	Lane
Bristow	Crawford	James	Lea
Bryan	Dillingham	Johnson, Me.	Lewis
Burton	Fall	Jones	Lippitt
Catron	Fletcher	Kenyon	Martine, N. J.

Myers
Oliver
Owen
Page
Penrose
Perkins
Pittman
Pomerene

Ransdell
Robinson
Saulsbury
Shafroth
Sheppard
Sherman
Shields
Simmons

Smith, Ariz.
Smith, S. C.
Smoot
Stone
Sutherland
Thomas
Thompson
Thornton

Tillman
Townsend
Vardaman
Warren
Weeks
Williams
Works

Mr. THORNTON. I desire to announce that the junior Senator from Alabama [Mr. JOHNSTON] is unavoidably absent from the Chamber. I ask that this announcement stand for the day.

Mr. CLAPP. My colleague [Mr. NELSON] is necessarily absent from the Chamber on business connected with the Senate. I make this announcement for the day.

Mr. STONE. My colleague, the junior Senator from Missouri [Mr. REED], is absent on business of the Senate.

Mr. SHEPPARD. My colleague, the senior Senator from Texas [Mr. CULBERSON], is unavoidably absent. He is paired with the senior Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

Mr. JAMES. I desire to announce the absence of my colleague, the senior Senator from Kentucky [Mr. BRADLEY], on account of illness.

Mr. GRONNA. I wish to announce that my colleague [Mr. McCUMBER] is necessarily absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I will let this announcement stand for the day.

Mr. SIMMONS. My colleague [Mr. OVERMAN] is detained from the Senate on business of the Senate.

Mr. MYERS. I announce that my colleague [Mr. WALSH] is absent from the Chamber on account of public business.

Mr. WARREN. I wish to announce the absence of my colleague [Mr. CLARK of Wyoming], who is unavoidably detained on public business.

The PRESIDING OFFICER. Sixty Senators have answered to their names. A quorum is present.

Mr. OWEN. Mr. President, when interrupted by the rules of the morning hour in my reply to the Senator from Nebraska, who denounced the banking and currency bill submitted by me as revolutionary, and so forth, denied the petition of the Democrats of Nebraska praying him to support the Democratic President in the policy of passing banking and currency legislation at this session, I was pointing out the fact that the principles of the bill were older than the Senator from Nebraska; that they were well understood in Europe and America; that they had been thoroughly established by long experience as sound and wise and were indorsed by the most learned scholars. Mr. President, this morning I received a letter from Prof. Charles J. Bullock, professor of economics in Harvard University, one of the most learned men in the United States, indorsing these well-recognized principles as set forth in this bill, which I think is of sufficient importance to be read to the Senate. The letter relates to the banking and currency bill introduced by me—S. 2639. It is as follows:

WASHINGTON, D. C., August 4, 1913.

Senator ROBERT L. OWEN,
United States Senate, Washington, D. C.

MY DEAR SIR: I was very glad to have had the opportunity last week of discussing with you the general plan of the proposed currency law, and wish to say to you that the more I have studied the plan the more it commends itself to me.

In the first place, the idea of establishing regional reserve banks and placing them under the control of a Federal board seems to be extremely good. This secures as much centralization as it is possible and I think desirable to secure at the present time. A central bank is out of the question; clearing houses do not seem to be good agencies to utilize for this purpose; and the only solution seems to be the establishment of regional reserve banks.

In the second place, the bill provides very wisely and I believe effectually for the mobilization of the banking reserves of the United States, thereby introducing some degree of unity, and therefore a very desirable provision for emergencies, into our hitherto decentralized banking system.

In the third place, the bill will make our currency system more elastic, and will do this in a way that ought to satisfy all schools of currency reform. It seems clear that under this bill currency can not be issued except in response to the legitimate demands of business, and at the same time such issue is under the control of the Federal Government, but in such a manner as to avoid all the dangers which many of us believe attend the issue of money directly by the Government.

In the fourth place, the bill ought to widen and greatly increase the market for first-class mercantile paper, thereby making our banks more serviceable to the commerce and industries of the country and less likely to be drawn into speculation in securities.

Yours, sincerely,

CHARLES J. BULLOCK,
Professor of Economics, Harvard University.

I have read the letter to the Senate because it is one of many commendations by the greatest scholars of the country of the principles of the bill submitted by me (S. 2639); and, with the consent of the Senate, I ask to place in the RECORD a statement of the Bank of England, a statement of the Bank of France, of the Bank of Belgium, of the Bank of the Netherlands, and of the Bank of Germany,

all of which act as great reserve banks, intended to provide accommodations to commerce and industry at all times. Not merely sometimes, not merely when money is easy, but when money is tight, when there is a panic on, the Bank of England always accommodates the commerce and industries of the English people. The Bank of France never fails to do so, and the Bank of Germany never fails to do so; but in this country, with our scattered reserves, with no institution charged with the responsibility of caring for the reserves, with the actual reserves forbidden to be loaned at all, with no institution charged with the duty of protecting the commerce and industry of the country by furnishing accommodation on properly qualified classes of paper at all times, we are in constant jeopardy—we are in danger of financial and commercial stringency at any time.

This is not a new matter. I point to these illustrations and I ask permission to put in the RECORD a table of interest charges made by these great Government banks—for they are Government banks. The Bank of England is controlled by public sentiment, and there is not a banker or a broker or a bill discounter on the governing board of the Bank of England. The Bank of Germany is controlled by the Government of Germany, which appoints every member of the curatorium, a supervising board, and appoints every member of the directorium, the managing board of the Reichsbank, which is the Imperial reserve bank of the Empire. In like manner the Bank of France is absolutely managed by the managers appointed by the President of France. He appoints the governor of the Bank of France, he appoints the subgovernor, and he appoints the 188 managers of the Bank of France.

It will be clearly seen by these tables that these reserve banks hold their assets in gold, notes, and liquid paper at all times, so as to make these reserves loanable at all times for the exigencies of commerce.

It will be seen by the interest tables submitted that they are used as Government banks to loan these funds at low rates and at constant rates, with rare exceptions, when commercial credits are seriously impaired.

Mr. BORAH. Mr. President—

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

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

Mr. BORAH. The Senator says that the Bank of England has no banker upon the board of directors. What is the business of the several men who are upon the board of directors of the Bank of England?

Mr. OWEN. Merchants, business men, and men engaged in commerce, manufactures, and industry. There are upon the board of the Bank of England some men who possibly might be called bankers, but as a matter of fact they are men who are engaged in the discount-acceptance business, as the "residuary legatees," if I might use the metaphor, of mercantile houses who have fallen heir to the handling of that kind of business. Bankers, bill brokers, or bill discounters are not permitted on the board. That statement I make upon the authority of the governor of the Bank of England.

Mr. CRAWFORD. Mr. President—

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

Mr. OWEN. I yield to the Senator from South Dakota.

Mr. CRAWFORD. It is a fact, is it not, that the directors of the Bank of England are elected by the stockholders of that bank?

Mr. OWEN. Yes; but only a part of the stockholders vote. The rule of voting is that no stockholder is permitted to vote who does not have £500 of stock, and in that case he is allowed to have only one vote, even if he has £50,000 of stock. So that it introduces the personal equation, and the Bank of England is, in fact, controlled by public sentiment.

Mr. CRAWFORD. The Senator is correct in his statement about the qualifications of stockholders who vote for directors as to the amounts which they must hold. But it is true, nevertheless, is it not, that the directors are elected by the men who own stock in the bank?

Mr. OWEN. To the extent and in the manner I have described.

Mr. CRAWFORD. I will ask the distinguished Senator if there is not a very marked difference between that system and one which depends for its capital upon the subscribers of stock, and yet takes away from those subscribers—from the men or institutions which furnish the capital—the right to elect the managers and directors who control the institution which they are compelled by law to capitalize with their own private funds?

Mr. OWEN. Answering the Senator, the member banks of the Federal reserve system elect six of nine directors, three of them in the public interest, however; and therefore do to that

extent control the Federal reserve bank under the supervision of the Federal reserve board; but, further, I will state that the Bank of England does to that extent disfranchise every stockholder who has not £500 of stock and does disqualify a stockholder who has more than £500 of stock, except that it allows him one vote, and one vote only.

Mr. CRAWFORD. The Senator is right about that, in that one is not an elector until he has this minimum amount of stock. But that is an act of the institution itself and not an act of an outsider owning no stock or financial interest in it, to wit, the Government.

Mr. OWEN. It is true with regard to the Bank of England that it is controlled by public sentiment; but it is a law in Germany and it is a law in France, and that is why I gave all three instances—to show that even when the stock was owned by private stockholders the Government of Germany controls the Bank of Germany from top to bottom; and in France, where the stockholders are private persons, the Government, nevertheless, appoints the managers of the Bank of France.

Mr. CRAWFORD. I do not wish the Senator to understand that my attitude is not that I do not desire efficient legislation; but I say what I do in order that the Senator may realize some of the difficulties of the situation. For instance, in the State I represent there are no large banks which could use these large reserve banks, but they are compelled to furnish a substantial part of the capital.

Mr. OWEN. Answering the Senator, as far as I am concerned I should be willing to leave the subscription to the stock permissible and not have it compulsory, letting the public subscribe to the stock.

Mr. CRAWFORD. The Senator is very reasonable in showing a disposition to make that concession; but how are these people to know that a bill is to be changed which, as it is drawn and presented and as it is being advocated, compels these people to furnish this money and takes the control out of their hands?

Mr. OWEN. I will answer the Senator by saying that I only rose to give a few brief reasons to show that this was not a "revolutionary" bill; that it was following out the principles which have been proved by experience to be essential and necessary to the welfare and stability of commerce and industry in the German Empire, in France, in Holland, in Belgium, and in England, and therefore that the principles were worthy of full credit. This bill is subject to amendment, as any bill is, and we should all try to make it perfect, not sit still week after week, doing no work to perfect it. I have been giving it all my time day and night, and other Senators, I hope, will help and not turn aside, refusing to study the bill.

I rose only to say that I believe the time for action has come. The mere fact that it will take a year to consider, work out, and put in operation this plan, if it should take so long—I do not think it would take so long—is all the more reason why we should not delay the consideration of the principles of the bill.

Five years ago we established the National Monetary Commission, in 1908, just after the panic of 1907, which was a national cataclysm, an overwhelming national catastrophe. Almost every bank in the United States suspended cash payment. It made the United States ridiculous in the eyes of the world. For five years the National Monetary Commission studied this problem and made constant reports to Congress and to the country in a series of volumes, which were given the widest publicity. For five years the country has been considering the remedy for the terrible conditions which arose in 1907, recognizing the so-called Vreeland-Aldrich bill as purely a temporary and seriously inadequate bill.

And after the National Monetary Commission had gathered together information upon this problem from the ends of the world and had carried on a nation-wide propaganda, they offered the country a bill for its acceptance. Their bill recognized the great principles of "mobilizing the reserves," "providing elastic currency," and a "free discount market for quick commercial paper," but it was fatally defective in giving control of the system to the banks of the country, in violation of the principles of the very banking systems of England, France, and Germany, explanations of which they had submitted to the people of the United States.

The bill was further seriously defective in providing that the banks should issue the currency instead of providing that the United States should issue the currency. The Aldrich bill, in effect, provided for putting the currency in the hands of private persons. The present bill, Senate 2639, includes the well-ascertained, sound principles of "mobilizing the reserves," making them loanable; of "providing elastic currency," and a "free market for qualified short-time commercial paper," but it avoids the mistake of the Aldrich bill by putting the United States in charge of the system itself and giving the United States the

control and right to issue the currency required by the national commerce, according to the Democratic national platform.

The principles of the bill submitted to the Senate, S. 2639, have all been worked out in actual practice in England and have been found wise and efficient. The statement of the Senator from Nebraska that this proposed measure is "revolutionary" has no justification. The bill merely adopts principles well ascertained and demonstrated by long experience to be of vital importance and of the highest efficiency. The Senator from Nebraska himself introduced at the beginning of this extra session a bill providing for regional reserve banks, and the fact that his constituents appealed to him to support the Democratic administration in a policy proposed by President Woodrow Wilson in a special message to this Congress, delivered by him in person to the Senate and to the House in joint assembly, seems to be a natural petition for the citizens of Nebraska to make. The Senator has denied their respectful petition and has given his reasons. And what are his reasons?

First. That the bill is revolutionary (but the country knows better).

Second. That it would take a year to put the bill in operation, and therefore he is not willing to consider the bill until next winter, when it will take a year to pass it, if the Senator from Nebraska can find those who sympathize with him in a do-nothing policy.

Third. He suggests that the proposal of this bill, instead of protecting the country from panic, would promote panic, and he gives no reason to justify any such position. The suggestion is arbitrary and unreasonable.

Under the bill the Federal reserve banks would be in operation in six months' time; the bill would immediately put into the use of the commercial world one hundred and fifty millions of current United States public funds; would keep the current collection of revenue available for the national commerce as an additional national reserve; would mobilize the reserves of the Nation and make loanable funds which are now locked up in a strong box as reserves, the law forbidding such reserves to be loaned to the commercial public. The bill proposes that the reserves of the country shall be loanable to the business and commercial interests; the bill provides for the issue of absolutely sound currency in whatever quantity is sufficient to meet the demands of commerce; and the bill, following the precedents of all Europe, is contemptuously described by the Senator from Nebraska as "revolutionary," and the arbitrary suggestion is made by him that it will produce panic instead of preventing panic.

I deem it my duty, as chairman of the Committee on Banking and Currency, trusted by my associates with a study of this question, to defend the bill against the attacks of the Senator from Nebraska. As a Democrat, elected on the Democratic platform, I feel bound to respect the policy laid down by the party itself and by Woodrow Wilson, the President of the United States and the chosen elected head of the Democratic Party, and more especially so when the thing he asks has been long studied, is well understood, and is of the most urgent importance to the commerce and industry of the United States.

Only by united action can the Democracy deliver the country from the control of the selfish special interests of the country, and I deplore any lack of party harmony and spirit of cooperation and party unity.

I do not say the bill is the last word of human wisdom. I regret to detain the Senate. I am going to take my seat in just one moment. I only wanted to say this much because I did think that after the President of the United States had in person addressed both Houses of Congress in joint action assembled, urging that action should be taken, that request by the administrative branch of the Government ought to receive reasonable respect and a reasonable effort made to comply regardless of private convenience. I want to make as much progress as possible by considering it, not claiming that the proposed draft may not be wisely amended. I think it can be amended in some particulars, and I hope it shall be amended advantageously.

Mr. SHAFROTH. Mr. President, may I ask the Senator a question?

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

Mr. SHAFROTH. Is it not a fact that in addition to the qualification of £500 invested in stock for a director of the Bank of England it is also necessary that he should hold twenty times the amount of his subscription in stock in the mercantile business of the Empire?

Mr. OWEN. It is.

Mr. SHAFROTH. And is it not a fact also that there is not a single banker upon the board of directors of the Bank of England?

Mr. OWEN. That is true.
Mr. FLETCHER. May I interrupt the Senator for just a moment?

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

Mr. FLETCHER. I do not want to delay getting to the tariff bill at all; but while this subject is up I should like to suggest to the Senator that the proposition involved in the pending bill is primarily a proposition to promote and increase the facilities of commercial banks. In other words, the pending bill is mainly a banking bill and not so much a currency bill. As the Senator has indicated, I think, by his remarks, it is especially suitable for the needs of commerce and industry.

Mr. OWEN. The Senator is right.

Mr. FLETCHER. I wish to suggest to the Senator that some measure suitable to meet the requirements of agriculture ought to be considered at an early day.

Mr. OWEN. I agree with the Senator, and such a measure is being diligently considered now.

Mr. FLETCHER. The thought in my mind is that we can not supply the needs of agriculture; we can not meet the requirements of the farmers of the country, the men engaged in the great industry which provides a larger producing class than any other industry of the country, by any system of com-

mercial banking; and that in all likelihood we shall have to devise a plan or system separate and distinct from commercial banking and adapt it to the needs of our agricultural interests. I want to commend to the Senator the thorough consideration of that question, because from what study I have given it and from what thought I have bestowed upon it, I am about to reach the conclusion that we shall need to provide a separate and distinct system for financing our agricultural interests.

Mr. OWEN. Mr. President, in answer to the Senator from Florida I will say that the agricultural credit system is a matter of vast importance to the agricultural industry of the country, but it involves investment securities; it involves long-time loans which are not quick assets, which are not quickly convertible. It is a system peculiar to itself, which will have to be worked out. The matter has already received a large degree of attention, and is now in process of solution. There will be presented by the 1st of December a completed bill that will suit the needs of the country.

Mr. President, I now submit various statements of the leading great reserve banks of Europe, showing the liquid character of their reserve assets. The securities are all quickly convertible into money, and thus are available and made mobile for the accommodation of commerce and industry.

Bank of England.		ISSUE DEPARTMENT.	
LIABILITIES.		ASSETS.	
Notes issued	£51,241,210	Government debt	£11,015,100
		Other securities	7,434,900
		Gold coin and bullion	32,791,210
	51,241,210		51,241,210
BANKING DEPARTMENT.			
Proprietors' capital	£14,553,000	Government securities	£17,507,945
Rest	3,360,154	Other securities	36,211,089
Public deposits (including exchequer, savings banks, commission-ers of national debt, and dividend accounts)	9,936,777	Notes	22,375,490
Other deposits	49,139,180	Gold and silver coin	912,633
7-day and other bills	18,046		
	77,007,157		77,007,157

Dated January 6, 1910.

The above is the statement as it appears in the weekly returns.

J. G. NAIRNE, Chief Cashier.

BALANCE SHEET, JANUARY 6, 1910.

[Arranged so that it corresponds in form with the balance sheets of the other banks given here.]

LIABILITIES.		ASSETS.	
Capital and rest	£17,913,154	Gold coin and bullion and silver coin	£33,703,843
Notes in circulation	28,865,720	Government securities in both departments	28,523,045
7-day and other bills	18,046	Other securities	43,654,989
Public deposits	9,936,777		
Other deposits	49,139,180		
	105,872,877		105,872,877

[NOTE.—All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted, so as to show the real position of the accounts.]

It will thus be observed that the note issues are covered by 62.7 per cent gold.

The public and private deposits are covered in the banking department by 38.3 per cent of notes and coin, nearly all such reserve being in notes, which, measured by actual gold, would make a gold reserve of only about 25 per cent against the deposits.

It will be observed under the tables of interest rates that this

narrow margin has been supplemented by frequent changes of the rate of interest to attract gold from other countries when English commerce requires gold, and it would also appear that in 1847, 1857, and 1867 the Bank of England was permitted to issue legal-tender notes against commercial paper in times of panic in order to extend needed loans, restore confidence, and safeguard the commerce and industry of England.

Imperial Bank of Germany.

BALANCE SHEET, DECEMBER 31, 1908.

[Marks converted as 20 = £1.]

LIABILITIES.		ASSETS.	
Capital and reserve	£12,458,581	Gold in bars	£16,792,075
Notes in circulation	98,771,474	German gold coin	21,620,898
Amount due on clearing and current accounts	33,244,291		£38,412,973
Deposits (not bearing interest)	25,167	Divisional money	10,594,046
Sundry liabilities and reserve for doubtful debts	720,072		
Net profits for 1907	1,537,287	Notes of imperial treasury (Reichskassenscheine)	49,007,019
		Notes of other banks	2,876,243
			505,105
		Bills held:	
		Due within 15 days	22,660,590
		Due at later dates	28,939,529
			51,600,119
		Bills on foreign places	6,457,493
			58,057,612
		Loans	8,796,468
		Securities	19,724,627
		Value of real property belonging to the bank	2,849,450
		Sundry assets	4,940,348
	146,756,872		146,756,872

[NOTE.—All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted so as to show the real position of the accounts.]

It will be observed that the Bank of Germany carries 50 per cent of gold against its notes and 37.1 per cent of gold against its notes and deposits, but the Bank of Germany can also issue legal-tender notes against commercial paper of a qualified class.

It will be observed that the Bank of Germany also carries a large volume of quick assets. Thus the Bank of Germany, like the Bank of England and the Bank of France, holds its reserves liquid and always available for loaning for commercial and industrial needs.

Bank of France.
BALANCE SHEET, DECEMBER 31, 1908.
[Francs converted as 25=£1.]

LIABILITIES.		ASSETS.	
Capital of the bank	£7,300,000	Coin and bullion at Paris and at the branches	£175,401,607
Reserve and profits in addition to capital	1,700,774	Bills due yesterday to be received this day	1,757
Notes payable to bearer in circulation (head office and branches)	197,972,403	Amount of bills:	
Drafts	914,397	Paris	£9,920,192
Current account with the treasury	7,199,491	Branches	18,886,626
Current accounts and deposit accounts:			28,806,818
Paris	£22,780,727	Advances on securities:	
Branches	2,721,524	Paris	6,332,341
	25,502,251	Branches	14,478,603
Dividends unpaid, etc.	1,876,886		20,810,944
	242,465,702	Advances to Government (laws of June 9, 1857; June 13, 1878; Nov. 17, 1897)	7,200,000
		Government stock reserve fund	519,230
		Disposable funds, Government stock	3,985,234
		Immovable funds, Government stock (law of June 9, 1857)	4,090,000
		Amount appropriated to special reserve	336,298
		Office and furniture of the bank and buildings at the branches, etc.	1,463,814
			242,465,702

[NOTE.—All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted, so as to show the real position of the accounts.]

This table shows that the Bank of France carries 88 per cent in coin against notes, the coin including both gold and silver, however, and carries 75 per cent of coin against notes and deposits. Its authorized issue of notes is 5,800,000,000 francs, or £232,000,000, which leaves a margin of over £35,000,000, or \$175,000,000 margin of notes, besides the quick assets which it constantly carries, just as the Bank of England does. The need for large cash reserves in France is due to the fact that the check system (currency) against deposits is not developed in France as in England and in the United States.

Bank of the Netherlands.
BALANCE SHEET, MARCH 31, 1909.
[Gulden converted as 12=£1.]

LIABILITIES.		ASSETS.	
Capital	£1,666,667	Coin, bullion, etc.	£13,665,502
Reserve	455,955	Inland bills	3,514,247
Notes in circulation	22,798,206	Foreign bills	1,550,309
Transfers	173,200	Loan accounts	4,144,246
Current accounts	539,849	Advances on current accounts	1,882,021
Discount on—		Investments:	
Inland bills	10,521	Capital	332,662
Foreign bills	3,060	Reserve	432,708
Sundry liabilities	59,598	Sundry assets, buildings	255,721
Net profit for distribution	90,360		
	25,777,416		25,777,416

[NOTE.—All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted so as to show the real position of the accounts.]

This bank carries gold against its notes of 58 per cent and gold against notes and deposits of 57 per cent, its deposits being very small.

National Bank of Belgium.
BALANCE SHEET, DECEMBER 31, 1908.
[Francs converted as 25=£1.]

LIABILITIES.		ASSETS.	
Capital paid up	£2,000,000	Specie and bullion	£6,326,520
Reserve fund	1,444,899	Bills discounted (bills in Belgium, £19,738,332; foreign bills, £7,421,639; total, £27,159,971)	27,159,971
Notes in circulation	32,275,122	Securities due for collection	193,849
Current accounts	4,028,662	Advances on Government securities	2,056,765
Stamp duty, share of profits due to the Government, employees' superannuation, provident funds, dividends due, etc.	1,029,776	Government and reserve fund securities	3,418,343
	46,778,459	Securities for current accounts, etc.	1,623,002
			40,778,459

[NOTE.—All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted so as to show the real position of the accounts.]

The Bank of the Netherlands carries 58 per cent of gold against its notes and 57 per cent of gold against its notes and deposits. This bank only carries a very small line of deposits.

The National Bank of Belgium carries 19 per cent of gold against its notes and 17 per cent of gold against its notes and deposits.

The three great banks of England, France, and Germany, as above mentioned, practically provide the gold accommodation needed by western European commerce, the two latter banks, however, serving a useful local purpose.

TABLE I.—Rate of discount—Number of changes in each year at the Banks of England, France, Germany, Holland (1844-1909), and Belgium (1851-1909).

Year.	Bank of England.			Bank of France.			Bank of Germany.		
	Rise.	Fall.	Total.	Rise.	Fall.	Total.	Rise.	Fall.	Total.
	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.
1844		1	(1)	(1)	(1)	(1)	1	1	1
1845	2		2	(1)	(1)	(1)	1	1	1
1846		1	(1)	(1)	(1)	(1)	1	1	1
1847	6	3	9	1	1	2	1	1	2
1848		3	(1)	(1)	(1)	(1)	1	1	2
1849		1	(1)	(1)	(1)	(1)	1	1	2
1850	1		(1)	(1)	(1)	(1)	(1)	(1)	(1)
1851	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1852		2	2		1	1	(1)	(1)	(1)
1853	6		6	1		1	1	1	1
1854	1	1	2	1	1	2	1	1	1
1855	4	4	8	2		2	1	1	1

TABLE I.—Rate of discount—Number of changes, etc.—Continued.

Year.	Bank of England.			Bank of France.			Bank of Germany.		
	Rise.	Fall.	Total.	Rise.	Fall.	Total.	Rise.	Fall.	Total.
	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.
1856	2	5	7	1	1	2	3	1	4
1857	6	3	9	4	4	8	4	2	6
1858		6	6		4	4	1	4	5
1859	2	3	5	1	1	2	1	1	2
1860	8	3	11	1		1	(1)	(1)	(1)
1861	3	8	11	4	3	7	(1)	(1)	(1)
1862	2	3	5	1	3	4	(1)	(1)	(1)
1863	8	4	12	5	3	8	1		1
1864	7	8	15	4	7	11	3	1	4
1865	8	8	16	2	4	6	3	2	5
1866	5	9	14	2	5	7	1	7	8
1867		3	3		2	2	(1)	(1)	(1)
1868	2		2	(1)	(1)	(1)	(1)	(1)	(1)
1869	3	4	7	(1)	(1)	(1)	1		1
1870	4	6	10	4		4	2		2
1871	4	6	10	1	1	2	1		1
1872	9	5	14		1	1	3		3
1873	11	13	24	2	2	4	4	4	7
1874	6	7	13		2	2	2	2	4
1875	5	4	9	(1)	(1)	(1)	2	3	5
1876	1	4	5		1	1	1	3	6
1877	4	3	7		1	1	3	3	7
1878	6	4	10	1	1	2	1	2	3
1879		5	5	1	1	2	2	3	5
1880	1	1	2	1	1	2	2	3	5
1881	4	2	6	2		2	2	1	3
1882	3	3	6		3	3	2	2	4

¹ No change.

TABLE I.—Rate of discount—Number of changes, etc.—Continued.

Year.	Bank of England.			Bank of France.			Bank of Germany.		
	Rise.	Fall.	Total.	Rise.	Fall.	Total.	Rise.	Fall.	Total.
	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.	P. ct.
1883	1	5	6	(1)	(1)	(1)	(1)	(1)	(1)
1884	4	3	7	(1)	(1)	(1)	(1)	(1)	(1)
1885	2	5	7	(1)	(1)	(1)	(1)	(1)	(1)
1886	4	3	7	(1)	(1)	(1)	(1)	(1)	(1)
1887	2	4	6	(1)	(1)	(1)	(1)	(1)	(1)
1888	4	5	9	2	2	4	2	2	4
1889	4	4	8	2	2	4	2	2	4
1890	4	7	11	(1)	(1)	(1)	2	1	3
1891	5	7	12	(1)	(1)	(1)	1	3	4
1892	1	3	4	1	1	2	1	1	2
1893	6	6	12	(1)	(1)	(1)	2	1	3
1894	2	2	4	(1)	(1)	(1)	2	2	4
1895	(1)	(1)	(1)	1	1	2	1	1	2
1896	3	3	6	(1)	(1)	(1)	2	1	3
1897	2	4	6	(1)	(1)	(1)	2	3	5
1898	3	3	6	1	1	2	4	2	6
1899	4	2	6	2	2	4	4	3	7
1900	1	5	6	1	3	4	3	3	6
1901	2	4	6	(1)	(1)	(1)	1	3	4
1902	1	2	3	(1)	(1)	(1)	1	2	3
1903	1	2	3	(1)	(1)	(1)	1	1	2
1904	2	2	4	(1)	(1)	(1)	1	1	2
1905	2	1	3	(1)	(1)	(1)	4	3	7
1906	4	2	6	(1)	(1)	(1)	3	2	5
1907	4	3	7	2	2	4	2	2	4
1908	4	6	10	2	2	4	6	6	12
1909	4	2	6	(1)	(1)	(1)	2	1	3
	202	241	443	50	65	115	91	105	196

TABLE II.—Lowest and highest rates charged and extent of fluctuation during each year at the Banks of England, France, Germany, Holland (1844-1909), and Belgium (1851-1909).

Year.	Bank of England.			Bank of France.			Bank of Germany.		
	Lowest rate.	Highest rate.	Fluctuation.	Lowest rate.	Highest rate.	Fluctuation.	Lowest rate.	Highest rate.	Fluctuation.
	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.
1844	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1845	2½	3½	1	(1)	(1)	(1)	(1)	(1)	(1)
1846	3	3½	½	(1)	(1)	(1)	(1)	(1)	(1)
1847	3	8	5	4	5	1	4½	5	½
1848	3	5	2	(1)	(1)	(1)	(1)	(1)	(1)
1849	3	3	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1850	2½	3	½	(1)	(1)	(1)	(1)	(1)	(1)
1851	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1852	2	2½	½	3	4	1	(1)	(1)	(1)
1853	2	5	3	3	4	1	4	5	1
1854	5	5½	½	4	5	1	4	4	0
1855	3½	7	3½	4	6	2	4	4½	½
1856	4½	7	2½	5	6	1	4	6	2
1857	5½	10	4½	5	9	4	5	5	0
1858	2½	8	5½	3	5	2	4	4	0
1859	2½	4½	2	3	4	1	4	5	1
1860	6	6	(1)	3½	4½	1	(1)	(1)	(1)
1861	3	8	5	4½	7	2½	(1)	(1)	(1)
1862	3	1	(1)	3½	5	1½	(1)	(1)	(1)
1863	3	8	5	3½	7	3½	4	4½	½
1864	6	9	3	4½	8	3½	4½	4½	0
1865	3	7	4	3	5	2	4	4	0
1866	10	6½	3½	3	5	2	4	4	0
1867	2	3½	1½	2½	3	(1)	(1)	(1)	(1)
1868	2	3	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1869	2½	4½	2	(1)	(1)	(1)	(1)	(1)	(1)
1870	6	6	(1)	6	6	(1)	(1)	(1)	(1)
1871	2	5	3	5	6	1	4	5	1
1872	3	7	4	5	6	1	4	5	1
1873	3	9	6	5	7	2	4	6	2
1874	2½	6	3½	4	5	1	4	6	2
1875	2	6	4	(1)	(1)	(1)	4	6	2
1876	2	5	3	3	4	1	3½	6	2½
1877	2	5	3	2	3	1	4	5½	1½
1878	2	6	4	2	3	1	4	5	1
1879	2	5	3	2	3	1	3	4½	1½
1880	2½	3	½	2½	3½	1	4	5½	1½
1881	2½	5	2½	3½	5	1½	4	5½	1½
1882	3	6	3	3½	5	1½	4	6	2
1883	3	5	2	3	3	(1)	4	5	1
1884	2	5	3	(1)	(1)	(1)	(1)	(1)	(1)
1885	2	5	3	(1)	(1)	(1)	4	4	0
1886	2	5	3	(1)	(1)	(1)	3	5	2
1887	2	5	3	(1)	(1)	(1)	3	5	2
1888	2	5	3	2½	4½	2	3	4½	1½
1889	2½	6	3½	3	4	1	3	5	2
1890	3	6	3	(1)	(1)	(1)	4	5½	1½
1891	2½	5	2½	(1)	(1)	(1)	3	5½	2½
1892	2	1½	½	2½	3	(1)	3	4	1
1893	2½	5	2½	(1)	(1)	(1)	3	5	2
1894	2	3	(1)	(1)	(1)	(1)	3	5	2
1895	(1)	(1)	(1)	2	2½	(1)	3	4	1
1896	2	4	2	(1)	(1)	(1)	3	5	2
1897	2	4	2	(1)	(1)	(1)	3	5	2
1898	2	4	2	1½	2	3	3	6	3
1899	3	6	3	3	3	4½	4	7	3
1900	3	6	3	3	3	4½	5	7	2
1901	3	5	2	(1)	(1)	(1)	3½	4½	1
1902	3	4	1	(1)	(1)	(1)	3	4	1
1903	3	4	1	(1)	(1)	(1)	3½	4	½
1904	3	3½	½	(1)	(1)	(1)	4	5	1
1905	2½	4	1½	(1)	(1)	(1)	3	6	3
1906	3½	6	2½	(1)	(1)	(1)	4½	7	2½
1907	4	7	3	3½	4	½	5½	7½	2
1908	2½	3½	1	3	3½	(1)	6	6½	½
1909	2½	5	2½	(1)	(1)	(1)	3½	5	1½

Year.	Bank of Holland.			Bank of Belgium.		
	Rise.	Fall.	Total.	Rise.	Fall.	Total.
	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.
1844	(1)	(1)	(1)	(2)	(2)	(2)
1845	5	2	3	(2)	(2)	(2)
1846	1	1	2	(2)	(2)	(2)
1847	1	3	4	(2)	(2)	(2)
1848	1	1	2	(2)	(2)	(2)
1849	(1)	(1)	(1)	(2)	(2)	(2)
1850	(1)	(1)	(1)	(2)	(2)	(2)
1851	(1)	(1)	(1)	(2)	(2)	(2)
1852	(1)	(1)	(1)	(2)	(2)	(2)
1853	(1)	(1)	(1)	(2)	(2)	(2)
1854	(1)	(1)	(1)	(2)	(2)	(2)
1855	(1)	(1)	(1)	(2)	(2)	(2)
1856	(1)	(1)	(1)	(2)	(2)	(2)
1857	(1)	(1)	(1)	(2)	(2)	(2)
1858	(1)	(1)	(1)	(2)	(2)	(2)
1859	(1)	(1)	(1)	(2)	(2)	(2)
1860	(1)	(1)	(1)	(2)	(2)	(2)
1861	(1)	(1)	(1)	(2)	(2)	(2)
1862	(1)	(1)	(1)	(2)	(2)	(2)
1863	(1)	(1)	(1)	(2)	(2)	(2)
1864	(1)	(1)	(1)	(2)	(2)	(2)
1865	(1)	(1)	(1)	(2)	(2)	(2)
1866	(1)	(1)	(1)	(2)	(2)	(2)
1867	(1)	(1)	(1)	(2)	(2)	(2)
1868	(1)	(1)	(1)	(2)	(2)	(2)
1869	(1)	(1)	(1)	(2)	(2)	(2)
1870	(1)	(1)	(1)	(2)	(2)	(2)
1871	(1)	(1)	(1)	(2)	(2)	(2)
1872	(1)	(1)	(1)	(2)	(2)	(2)
1873	(1)	(1)	(1)	(2)	(2)	(2)
1874	(1)	(1)	(1)	(2)	(2)	(2)
1875	(1)	(1)	(1)	(2)	(2)	(2)
1876	(1)	(1)	(1)	(2)	(2)	(2)
1877	(1)	(1)	(1)	(2)	(2)	(2)
1878	(1)	(1)	(1)	(2)	(2)	(2)
1879	(1)	(1)	(1)	(2)	(2)	(2)
1880	(1)	(1)	(1)	(2)	(2)	(2)
1881	(1)	(1)	(1)	(2)	(2)	(2)
1882	(1)	(1)	(1)	(2)	(2)	(2)
1883	(1)	(1)	(1)	(2)	(2)	(2)
1884	(1)	(1)	(1)	(2)	(2)	(2)
1885	(1)	(1)	(1)	(2)	(2)	(2)
1886	(1)	(1)	(1)	(2)	(2)	(2)
1887	(1)	(1)	(1)	(2)	(2)	(2)
1888	(1)	(1)	(1)	(2)	(2)	(2)
1889	(1)	(1)	(1)	(2)	(2)	(2)
1890	(1)	(1)	(1)	(2)	(2)	(2)
1891	(1)	(1)	(1)	(2)	(2)	(2)
1892	(1)	(1)	(1)	(2)	(2)	(2)
1893	(1)	(1)	(1)	(2)	(2)	(2)
1894	(1)	(1)	(1)	(2)	(2)	(2)
1895	(1)	(1)	(1)	(2)	(2)	(2)
1896	(1)	(1)	(1)	(2)	(2)	(2)
1897	(1)	(1)	(1)	(2)	(2)	(2)
1898	(1)	(1)	(1)	(2)	(2)	(2)
1899	(1)	(1)	(1)	(2)	(2)	(2)
1900	(1)	(1)	(1)	(2)	(2)	(2)
1901	(1)	(1)	(1)	(2)	(2)	(2)
1902	(1)	(1)	(1)	(2)	(2)	(2)
1903	(1)	(1)	(1)	(2)	(2)	(2)
1904	(1)	(1)	(1)	(2)	(2)	(2)
1905	(1)	(1)	(1)	(2)	(2)	(2)
1906	(1)	(1)	(1)	(2)	(2)	(2)
1907	(1)	(1)	(1)	(2)	(2)	(2)
1908	(1)	(1)	(1)	(2)	(2)	(2)
1909	(1)	(1)	(1)	(2)	(2)	(2)
	94	94	188	86	106	192

Year.	Bank of Holland.			Bank of Belgium.		
	Lowest rate.	Highest rate.	Fluctuation.	Lowest rate.	Highest rate.	Fluctuation.
	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.
1844	(1)	(1)	(1)	(2)	(2)	(2)
1845	2½	3½	1	(2)	(2)	(2)
1846	4	4	(1)	(2)	(2)	(2)
1847	4	5	1	(2)	(2)	(2)
1848	3	5	2	(2)	(2)	(2)
1849	2½	3	½	(2)	(2)	(2)
1850	2	2½	½	(2)	(2)	(2)
1851	(1)	(1)	(1)	(2)	(2)	(2)
1852	(1)	(1)	(1)	(2)	(2)	(2)
1853	(1)	(1)	(1)	(2)	(2)	(2)
1854	(1)	(1)	(1)	(2)	(2)	(2)
1855	(1)	(1)	(1)	(2)	(2)	(2)
1856	(1)	(1)	(1)	(2)	(2)	(2)
1857	(1)	(1)	(1)	(2)	(2)	(2)
1858	(1)	(1)	(1)	(2)	(2)	(2)
1859	(1)	(1)	(1)	(2)	(2)	(2)
1860	(1)	(1)	(1)	(2)	(2)	(2)
1861	(1)	(1)	(1)	(2)	(2)	(2)
1862	(1)	(1)	(1)	(2)	(2)	(2)
1863	(1)	(1)	(1)	(2)	(2)	(2)
1864	(1)	(1)	(1)	(2)	(2)	(2)
1865	(1)	(1)	(1)	(2)	(2)	(2)

¹ No change.

² Operations commenced in 1851.

¹ No change.

² Operations commenced 1851.

TABLE II.—Lowest and highest rates charged, etc.—Continued.

Year.	Bank of Holland.			Bank of Belgium.		
	Lowest rate.	Highest rate.	Fluctuation.	Lowest rate.	Highest rate.	Fluctuation.
1866	4½	7	2½	3	6	3
1867	2½	4½	2	2½	3	½
1868	2½	3½	1	(1)	(1)	(1)
1869	2½	5	2½	(1)	(1)	(1)
1870	3	6	3	2½	6	3½
1871	3	4	1	2½	5½	3
1872	2½	5	2½	2½	5½	3
1873	4	6½	2½	2½	7	2½
1874	3½	5	1½	2½	6	2½
1875	3	3½	½	3	4½	1½
1876	(1)	(1)	(1)	2½	3½	1
1877	(1)	(1)	(1)	2½	3½	1
1878	3	4	1	2½	4½	2
1879	3	4	1	2½	4	1½
1880	(1)	(1)	(1)	3	3½	½
1881	3½	4½	1	3½	5½	2
1882	3½	5½	2	3½	6	2½
1883	3½	5½	2	3½	4	4
1884	3	3½	½	3	4	1
1885	2½	3	½	3	4	1
1886	(1)	(1)	(1)	2½	4	1½
1887	(1)	(1)	(1)	2½	3½	1
1888	(1)	(1)	(1)	2½	5	2½
1889	(1)	(1)	(1)	3	5	2
1890	2½	4½	2	3	4	1
1891	3	4	1	(1)	(1)	(1)
1892	2½	3	½	2½	3	½
1893	2½	5	2½	2½	3	½
1894	2½	3½	1	(1)	(1)	(1)
1895	(1)	(1)	(1)	2½	3	½
1896	2½	3½	1	2½	3	½
1897	3	3½	½	(1)	(1)	(1)
1898	2½	3	½	3	4	1
1899	2½	5	2½	3½	5	1½
1900	3½	5	1½	4	5	1
1901	3	3½	½	3	4	1
1902	(1)	(1)	(1)	(1)	(1)	(1)
1903	3	3½	½	3	4	1
1904	3	3½	½	(1)	(1)	(1)
1905	2½	3	½	3	4	1
1906	3	5	2	3½	4½	1
1907	5	6	1	4	6	2
1908	3	5	2	3	6	3
1909	2½	3	½	3	3½	½

¹ No change.

TABLE III.—Rate of discount, 1844-1909—The number of days at each rate arranged from the lowest rate to the highest.

BANK OF ENGLAND.

[Lowest rate, 2 per cent; highest rate, 10 per cent.]

Rate.	Number of days.	Number of days per cent of total (total=1,000).
1 per cent	3,409	143
2 per cent	28	1
2½ per cent	3,599	151
3 per cent	5,859	246
3½ per cent	1,921	80
4 per cent	3,772	158
4½ per cent	608	26
5 per cent	2,195	92
5½ per cent	263	11
6 per cent	975	41
6½ per cent	91	4
7 per cent	633	26
8 per cent	268	11
9 per cent	95	4
10 per cent	141	6
Total	23,857	1,000

BANK OF FRANCE.

[Lowest rate, 2 per cent; highest rate, 9 per cent.]

2 per cent	2,735	115
2½ per cent	2,579	108
3 per cent	7,828	329
3½ per cent	2,060	86
4 per cent	4,579	192
4½ per cent	353	15
5 per cent	2,061	86
5½ per cent	120	5
6 per cent	1,170	49
6½ per cent	8	0
7 per cent	286	12
7½ per cent	21	1
8 per cent	41	2
9 per cent	16	0
Total	23,857	1,000

TABLE III.—Rate of discount, 1844-1909—The number of days at each rate arranged from the lowest rate to the highest—Continued.

IMPERIAL BANK OF GERMANY.

[Lowest rate, 3 per cent; highest rate, 9 per cent.]

Rate.	Number of days.	Number of days per cent of total (total=1,000).
3 per cent	3,073	129
3½ per cent	644	27
4 per cent	12,192	511
4½ per cent	1,626	68
5 per cent	4,694	172
5½ per cent	707	29
6 per cent	970	41
6½ per cent	72	3
7 per cent	169	7
7½ per cent	110	5
8 per cent	37	1
9 per cent	63	2
Total	23,857	1,000

BANK OF THE NETHERLANDS.

[Lowest rate, 2 per cent; highest rate, 7 per cent.]

2 per cent	1,328	56
2½ per cent	5,058	212
3 per cent	8,013	336
3½ per cent	3,737	157
4 per cent	2,167	91
4½ per cent	811	34
5 per cent	1,823	76
5½ per cent	375	16
6 per cent	260	11
6½ per cent	150	6
7 per cent	135	5
Total	23,857	1,000

NATIONAL BANK OF BELGIUM.

[Lowest rate, 2½ per cent; highest rate, 7 per cent.]

2½ per cent	3,169	147
3 per cent	9,412	437
3½ per cent	2,965	138
4 per cent	3,416	159
4½ per cent	698	32
5 per cent	944	44
5½ per cent	378	18
6 per cent	540	25
7 per cent	27	1
Total	21,549	1,000

TABLE IV.—Rate of discount, 1844-1909—The number of days at each rate arranged from the highest number of days to the lowest.

BANK OF ENGLAND.

Time.	Rate per cent.	Number of days per cent of total (total=1,000).
5,859 days	3	245
3,772 days	4	158
3,559 days	2½	151
3,409 days	2	143
2,195 days	5	92
1,921 days	3½	80
975 days	6	41
633 days	7	26
608 days	4½	26
268 days	8	11
263 days	5½	11
141 days	10	6
95 days	9	4
91 days	6½	4
28 days	2½	1
Total	3,857 days	1,000

BANK OF FRANCE.

7,828 days	3	329
4,579 days	4	192
2,735 days	2	115
2,579 days	2½	108
2,061 days	5	86
2,060 days	3½	86
1,170 days	6	49
353 days	4½	15
286 days	7	12
120 days	5½	5
41 days	8	2
21 days	7½	1
16 days	9	0
8 days	6½	0
Total	23,857 days	1,000

TABLE IV.—Rate of discount, 1844-1909.—The number of days at each rate arranged from the highest number of days to the lowest—Continued.

IMPERIAL BANK OF GERMANY.		
Time.	Rate per cent.	Number of days per cent of total (total=1,000).
12,192 days	4	511
4,094 days	5	172
3,073 days	3	129
1,626 days	4½	68
970 days	5	41
707 days	5½	30
644 days	3½	27
269 days	7	11
110 days	7½	5
72 days	6½	3
63 days	9	2
37 days	8	1
23,857 days		1,000
BANK OF THE NETHERLANDS.		
8,013 days	3	336
5,058 days	2½	212
3,737 days	3½	157
2,167 days	4	91
1,823 days	5	76
1,328 days	7	56
811 days	4½	34
375 days	5½	16
260 days	6	11
150 days	6½	6
135 days	7	5
23,857 days		1,000
BANK OF BELGIUM.		
6,412 days	3	437
3,416 days	4	159
3,169 days	2½	147
2,965 days	3½	138
944 days	5	44
698 days	4½	32
540 days	6	25
378 days	5½	18
27 days	7	1
21,549 days		1,000

It will thus be seen that these great banks holding the national reserves have been able to furnish commerce with a very low rate of discount for nearly all the time and only occasionally have been compelled to raise the rate to a high point.

These low rates illustrate the enormous value of these great banks to European commerce and the urgent necessity for action by the United States along similar lines.

Mr. STONE. Mr. President, I hope we can now go on with the tariff bill.

Mr. MYERS. Mr. President—

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

Mr. OWEN. I have yielded the floor, Mr. President.

Mr. MYERS. Will the Senator from Missouri yield to me for just a moment?

Mr. STONE. I have not taken the floor. I have simply made a request.

Mr. MYERS. Then I desire to take the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MYERS. I simply want to say that I heartily concur with the Senator from Oklahoma [Mr. OWEN] to the extent that I believe we ought to have banking and currency legislation at this session of Congress. I am not prepared to say whether or not we ought to have the exact bill that has been introduced. I do not know enough about the bill, and I do not know enough about banking and currency; but I expect to learn more about the subject and about the bill before the session advances much further.

I believe we ought to have some legislation on the subject at this session. I believe the people of this country are expecting it and demanding it. The bankers may not be demanding it, but I believe the people of the country are. I know that a great many of the people of Montana, at any rate, expect it and demand it.

One of the leading bankers of Montana has expressed himself to me and to the President in my presence as believing that we are in need of banking and currency legislation, and that we

ought to have it now, at this session of Congress, without any further delay.

I believe that if a man is sick he ought to have medicine now, not next December. There are only two questions involved. The first is, Do we need banking and currency legislation at all? If we do not need it then we ought to dispose of the subject, and not have this or any other bill now or at any other time, but simply be done with it. If we do need it, we need it right now, and now is the time.

I simply want to add my view in support of what the Senator from Oklahoma has so ably said, that we ought to have such legislation at this session. The people expect it, and if they do not get it we shall hear from them.

Mr. STONE. Mr. President, I desire to say to Senators, and particularly to Senators on this side, not by way of criticism—I have no right to criticize, nor, perhaps, to complain—

Mr. WARREN. Mr. President, we can not hear what the Senator says. I know it is worthy of being heard, and we hope we may hear it.

Mr. STONE. I was saying that I hope we will have as little discussion as possible on extraneous subjects during the consideration of this bill and while it is before the Senate. We have spent an hour or more this morning in discussing the currency question, and I regret to say that that time has been consumed wholly on this side of the Chamber. I hope Senators, and particularly Senators on this side, will aid the Committee on Finance in pressing on the tariff measure as far as we can, and that discussion, so far as there is any, will be confined to that measure, or at least will have some direct reference to it.

I understood from what the Senator from Pennsylvania [Mr. OLIVER] said yesterday that he desired to make some observations on paragraph 105.

Mr. OLIVER. I should like to have the paragraph read, and then I shall have a very few words to say on it. I shall occupy only a very little time.

The Secretary read paragraph 105, on page 29.

The next amendment of the Committee on Finance was, in paragraph 105, page 29, to strike out all of lines 22 and 23 and part of line 24 and insert in lieu thereof the word "muck"; and, on page 30, line 1, after the word "iron," to insert "and all iron"; and, in line 2, after the word "section," to strike out "8" and insert "5," so as to make the paragraph read:

105. Muck bars, bar iron, square iron, rolled or hammered, round iron, in coils or rods, bars or shapes of rolled or hammered iron, and all iron not specially provided for in this section, 5 per cent ad valorem.

Mr. OLIVER. Mr. President, while I am not in favor of the first amendment proposed by the committee, striking out the first three lines of the paragraph, which means putting slabs, blooms, loops, and other forms of iron on the free list—and I think the committee ought not to insist upon that amendment—I shall, upon consideration, include in the amendment I propose to offer that part as well as the one providing for the reduction in duty.

I therefore ask the Senate to disagree to the amendments proposed by the committee, and instead of "5 per cent ad valorem" I move to substitute "10 per cent ad valorem."

I will briefly state my reasons for this change, and, if the committee can not see their way clear to agree to it at this time, I shall ask that the paragraph be passed, in order that they may have time to consider it.

The duties proposed in this paragraph, both in the House bill and still more in the amendment proposed by the Senate committee, are arrived at, I think, entirely without adequate knowledge upon the part of the Ways and Means Committee of the House and the Finance Committee of the Senate of the subject under consideration.

You will notice that all these iron articles it is proposed to bring in, first, by the House at 8 per cent; and, secondly, by the Senate committee at 5 per cent ad valorem.

Turning to paragraph 112 it is found that on steel bars, amongst other articles, it is proposed to impose a duty, first, by the House of 10 per cent ad valorem, which is reduced by the Senate committee to 8 per cent.

Mr. President, I want to explain to the committee and to the Senate the difference between iron bars and iron generally, and what is generally known as merchant steel, which is treated of in paragraph 112. When the Underwood bill was under consideration a little over a year ago, in some remarks I made upon it I explained this difference, and I will read now a part of what I said then:

"Thirty years ago, before it was supplanted by soft steel made by the Bessemer and open-hearth processes, bar iron was the basis of iron manufacture the world over. It should not be confounded with bar steel; it is a different article, made in a different way, and used largely for different purposes. Steel

is made by melting the pig iron and casting it into ingots, while iron is made by reducing it to only a semimolten state, squeezing out the impurities, rolling it into a flat bar called muck bar, which is then allowed to cool, sheared up into small pieces, reheated, and rerolled into what is known commercially as bar iron. Steel is granular in its texture, while iron is fibrous."

I will say here that if you break a bar of steel it will break off short and will show crystals in the fracture. If you break a bar of iron, which it is very hard to do, it will be full of slivers, like a piece of wood. To resume:

"In its process of manufacture iron is made to-day in precisely the same manner as it was 50 years ago. The labor is all hand labor. Machinery has not supplanted it as it has in the manufacture of soft steel, and the wages paid for such labor in this country are uniformly just about double those paid in Europe. As an example, we find from Mr. Pepper's report that the maximum weekly wages at Dusseldorf for puddlers is \$13.68. In this country puddlers are paid by the ton, and the present wage scale of the Amalgamated Association of Iron and Steel Workers calls for the payment of"—I will read the present rates instead of those that prevailed then. Payment on bar iron, on the basis of 1 cent per pound, \$5.25 per ton. I talked this morning with a gentleman who was formerly president of the Amalgamated Association of Iron and Steel Workers, and he tells me that the wages paid now in the mills under the control of the Amalgamated Association are \$7 per ton. That is for puddling.

"The product of a puddling furnace is 2,800 pounds, or 1½ gross tons, per working day. The puddler's wages would therefore amount to \$6.72 per day."

It would now amount to something over \$8 per day.

Mr. THOMAS: Mr. President—

Mr. OLIVER: I yield.

Mr. THOMAS: May I inquire of the Senator from Pennsylvania how many mills employ the Amalgamated Association of Iron and Steel Workers now?

Mr. OLIVER: Nearly all the mills west of the mountains. I am coming to that later on. The mills east of the mountains are not controlled by it. I may as well state here that the mills in eastern Pennsylvania and New Jersey and in that district call for a wage scale of \$5 a ton for puddlers. The larger wages are those that prevail in the West.

"Out of this, under the workmen's scale, he pays to a helper one-third plus 5 per cent of his own two-thirds. Figuring the day's wages on this basis"—that is, \$5.25 a ton for puddling—"the puddler in the United States would receive \$4.25 per day, while the man who performs the same work at Dusseldorf receives \$13.68 per week." That means a difference between the two countries of \$1.97 per day.

"It will be noted that in this country the puddler's helper receives \$2.47 per day, or 19 cents more than the daily wage of the German puddler."

Mr. James Lord, an iron manufacturer of eastern Pennsylvania, testified as follows before the Finance Committee of the Senate last year. He said:

I am representing to-day, in company with 8 gentlemen who have come from different parts of the East, 25 rolling mills that manufacture bar iron east of the Allegheny Mountains and that stretch from Knoxville, Tenn., to Portland, Me. These companies sell their products for the most part east of the mountains and largely to the Atlantic coast and Gulf points. Consequently this bill, if passed, would put the burden of foreign competition largely on these eastern mills, because the freight from our different mills to coast points is just about equivalent to the freight from European competing points. For instance, our freight to New York would be 10 cents, while practically the same rate could be obtained from Liverpool or from Antwerp.

Mr. President, the existing law levies upon bar iron and similar products a duty of three-tenths of a cent a pound, or \$6 per net ton and \$6.72 per gross ton. It is now proposed to reduce this to 5 per cent ad valorem, which I would say upon the average would be about \$1.25 per ton, taking the price at which the foreign manufacturer can supply it.

Iron to-day is a specialty, where 30 years ago it was the staple. Steel is now the staple and iron is nothing but a specialty. It is made in small plants owned by individuals—by the old-style ironmaster. Neither the United States Steel Corporation, the Cambria Iron Co., the Pennsylvania Steel Co., or Jones & Laughlin, nor any of the great steel manufacturers of the country to-day manufactures a single ton of this article. It is the product of hand labor as against the machine-made article to-day known as steel. In the work of making steel heat and machinery are the two great elements, and man is only an incident. In the work of making iron it is hand-work from the time the pig iron is put into the puddling furnace until, after two processes, the bars leave the rolling mill.

As showing the increased cost of making this article, I received a letter about a week ago in reply to a letter of my own

asking for the price of this article. The writer says that the present market price for steel bars is \$1.40 per hundred pounds in Pittsburgh, the market price for iron bars is \$1.70 per hundred pounds, or a difference of \$6 a ton between the two articles.

The difference in value I think rather less than measures the difference in cost. The difference in cost is altogether made up in labor, because the other elements entering into the cost of the manufacture of those articles are the same. The pig iron is possibly the same in both cases, and the amount of it required is approximately the same. So all the difference is made up in labor.

I do not believe, Mr. President, that either committee intended to be unjust to the men who work in these mills or to the men who own them, as compared with the great manufacturers who make steel. The duties imposed upon iron are therefore entirely inadequate, and this comes with all the more force because the market for most of the iron that is made is found in the eastern part of the country, which naturally is more open to foreign competition than the West.

I am speaking now, Mr. President, more in behalf of the men engaged in business and in labor east of the Allegheny Mountains than of those west, where my home is, because in the district in which I live the manufacture of iron is rather a small quantity, as it has been supplanted almost entirely by steel. That is not the case in the East. I therefore urge the committee to rectify the mistake which has been made and to yield to my proposition to amend this paragraph.

I do not know that I have anything further to say. I am appealing to the good sense and the good faith of the committee, and I believe if they fairly and carefully consider the matter they will be disposed to comply with my request and to allow the adoption of my amendment.

Mr. SIMMONS: Mr. President, the raw materials out of which iron is made are produced as cheaply here as anywhere in the world. The raw materials of iron are iron ore, coal, coke, and limestone. I think it will hardly be gainsaid that we have as fine deposits of these materials, and they are as near by nature assembled as in any part of the globe. Under the present law there is a duty upon coke and upon limestone and upon iron ore. The pending bill places all those products upon the free list.

Pig iron can be produced as cheaply here as anywhere in the world. For the general statement that there is no necessity for a duty upon that product we have only to refer to the statements made under oath by the great captains of the iron and steel industry in the various investigations which have been had in recent years.

The Senator from Pennsylvania yesterday made some inquiry as to whether the Finance Committee had any knowledge as to the cost of producing pig iron abroad as compared with the cost of its production in this country. Without entering into an elaborate argument upon that subject, I want to refer the Senator first to the report of Mr. Pepper, who was sent by the Department of Commerce and Labor to Europe a few years ago for the purpose of making an investigation into the cost of producing pig iron abroad. Then I wish to refer the Senator—

Mr. OLIVER: I will ask the Senator which one of the Pepper reports it is?

Mr. SIMMONS: I can not now state to the Senator which one. I refer to the one in which he stated the cost of producing pig iron in Germany, England, and France. I have not the report before me; but in that statement Mr. Pepper said in Germany the average lowest cost is \$12.85 per ton; the average highest cost is \$13.65 per ton; the total average cost in Germany is \$13.25 per ton. In England, Mr. Pepper reported that the average lowest cost was \$9.92 per ton; the average highest cost, \$13.45 per ton; the total average cost, \$11.69 per ton.

I hold in my hand the report of the Commissioner of Corporations on the steel industry giving—

Mr. OLIVER: Mr. President—

The VICE PRESIDENT: Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS: I do.

Mr. OLIVER: I do not think that the Senator from North Carolina ought to bring in the report upon the steel industry as being an element at all in this discussion, because I am not talking about steel; I am talking about iron.

Mr. SIMMONS: I am talking about iron and steel. The Senator has been comparing the two paragraphs which deal with steel bars and iron bars.

Mr. OLIVER: Then I should like to have the Senator, if he will, justify the placing of a higher duty on bar steel than on bar iron.

Mr. SIMMONS: I am going to justify it—

Mr. OLIVER. I think he will have a hard time in doing it.

Mr. SIMMONS. If the Senator will be patient enough to hear me. I have not reached that stage of the argument. In the report of the Commissioner of Corporations on the steel industry, made January 22, 1912, he gives the cost of Bessemer and basic pig iron in this country. He finds that the average—the book cost—of all companies is \$12.99 per ton; excluding transfer profits, \$11.34 per ton. That the book cost of the large companies is \$12.89; excluding transfer profits, \$11.11 per ton. Small companies, book cost, \$14.12 a ton; and excluding transfer profits, \$14.03 per ton.

So it will be seen, Mr. President, that according to these two reports, one made by an agent of the department, who visited England, Germany, and France to ascertain the cost of producing pig iron over there, and the other made by the Commissioner of Corporations with reference to the cost of the same product here, the cost here is lower than it is abroad. In the hearings before the Committee on Ways and Means the statement was made by a number of witnesses that at the present time pig iron is produced more cheaply in this country than it is in England.

Mr. OLIVER. Mr. President, I thought we disposed of that.

Mr. SIMMONS. But the Senator must remember that pig iron is the raw material out of which iron and steel bars are made, and the cost of pig iron here and abroad is very material in determining the question of the proper duty on these derivative products.

I am not going to detain the Senate by referring to the statement of the Senator with reference to the danger from Asiatic competition, but at the proper time, before we get through with the consideration of the schedule, I shall take that up for purposes of discussion, and I think I will be able to show the Senator that there is absolutely no danger from that source.

But, Mr. President, let me get to the question to which I was leading; that is, the one raised by the Senator from Pennsylvania. We have pig iron manufactured as cheaply here as anywhere else in the world. These paragraphs, namely, 105 and 112, deal with a product of pig iron advanced only one step beyond the raw material. Every element constituting the raw materials out of which iron and steel bars mentioned in these paragraphs are produced are to-day under the present law on the dutiable list, and every one of them—coke, coal, iron ore, and pig iron—will be on the free list if this bill becomes law. I repeat, bar iron and steel are just one step advanced in the process of manufacture from pig iron, out of which they are made. The labor cost of conversion in that step in the process of manufacture is negligible. I am not able at this minute to state the exact labor cost of converting pig into iron bars, but I have the figures as to conversion cost of billets.

Mr. OLIVER. I can enlighten the Senator upon that if he wishes me to do so.

Mr. SIMMONS. The Senator may have that information. I have not the exact figures. The labor cost of converting pig into bars of iron is greater than that of converting it into steel bars, but it is not great in either case, and constitutes relatively a small part of the total cost of either.

Now, Mr. President, the average book cost per ton of Bessemer billet ingots—

Mr. OLIVER. Mr. President, I do not think the Senator ought to talk about Bessemer billets. We are talking about iron bars.

Mr. SIMMONS. Yes; and I am going to talk about iron bars when I get through talking about steel bars.

Mr. OLIVER. I hope the Senator will get to it after a while. He is very slow in coming to it.

Mr. SIMMONS. The Senator discussed together paragraphs 105 and 112 and compared the costs of bar iron with that of steel bars and contended that the cost of manufacturing steel bar is less than the cost of manufacturing iron bar, and I can not answer his argument without discussing the cost of each.

Mr. OLIVER. It is just about one-third.

Mr. SIMMONS. The Senator may be correct about that. I have not, as I said, the figures showing the cost for converting pig into iron bars, but I have for converting it into steel billets, and the Senator says the latter cost is about one-third of the former. Let me read what the report of the Commissioner of Corporations says as to the labor cost of converting pig iron into steel billets. The total cost of producing a ton at the furnace of billet ingots is \$14.28. The labor cost of conversion from the pig into the billet is 55 cents a ton.

Mr. OLIVER. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. I do.

Mr. OLIVER. Do I understand the Senator says that the labor cost of converting pig iron into ingots is 55 cents a ton?

Mr. SIMMONS. That is what I said.

Mr. OLIVER. Then, Mr. President—

Mr. SIMMONS. It is 55 cents, excluding transfer profits. That is also the book cost as is given in this report.

Mr. OLIVER. Mr. President, if the Senator will allow me, I will tell him what is the labor cost of the conversion of pig iron into muck bars, which corresponds exactly in iron to the cost of converting pig iron into steel. That is a part of the labor cost. The wages paid to one man with his helper alone for puddling—that is, for working at the furnace—is \$5 in the eastern district and \$7 in the western district. Now, that movement in iron is precisely the same as the movement of pig iron into ingots is in steel.

Mr. SIMMONS. Oh, the Senator knows that in these plants more is paid some one laborer a day than the total cost of converting a ton of pig iron into a ton of billets, ingots, and so forth. That sort of statement proves nothing. In every table given in this report as to the conversion cost of billets, whether made by the Steel Corporation or independent corporations, or by the large or small companies, the labor cost of conversion is less than a dollar a ton.

Mr. OLIVER. Mr. President, how can the Senator stand in his place in the Senate and make such an assertion as that in the face of the uncontroverted statement that every person has made? I can not understand how the Senator can deceive—I will not characterize it.

Mr. SIMMONS. If the Senator will take this report and study it, he will find that my statement is correct.

Mr. OLIVER. The Senator has not a single table there that relates to iron. It all relates to steel.

Mr. SIMMONS. That is true, and I say now that the average labor cost runs around from 52 to 55 cents in steel.

Mr. OLIVER. In steel.

Mr. SIMMONS. And assuming that the cost of iron bar is, as the Senator said, over twice that.

Mr. OLIVER. It is not twice; it is four or five times.

Mr. SIMMONS. Not the labor cost. The Senator said a little while ago the proportion was as 1 to 3.

Mr. CUMMINS. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. SIMMONS. Yes.

Mr. CUMMINS. May I ask the Senator from Pennsylvania whether the iron bars to which he has referred are not what are ordinarily known as merchant bars?

Mr. OLIVER. What they call merchant bars are usually made of steel.

Mr. CUMMINS. I had the honor to make some investigation of this matter last year, and in what I now say I have referred to iron bars. Although I have not gone through my speech carefully to be certain, if I am right about that, the cost of reducing or making merchant bar iron from large iron billets—

Mr. OLIVER. Mr. President, I will say to the Senator from Iowa that if the word billets is used it has no reference to iron. There is nothing known in the trade as an iron billet.

Mr. CUMMINS. I understand that, but I am assuming that there can be a comparison instituted here that will be of help. From my investigation last year, the labor cost was \$3.06 per ton for converting steel billets into steel bars. That was the entire labor cost in performing that operation.

Mr. OLIVER. I think that is correct.

Mr. SIMMONS. That included all the intermediate labor cost; I mean the labor cost in the various processes of production from the raw material.

Mr. CUMMINS. It included the labor cost of converting the billet into the bar.

Mr. OLIVER. Mr. President, I will say, for the information of the Senator from Iowa [Mr. CUMMINS] and also of the Senator from North Carolina [Mr. SIMMONS], that the figures I have here give the total cost, including labor and all other costs, except waste, of converting billets into steel bars at \$4.50 a ton. So I presume that the Senator's figures for labor cost are substantially correct, but from the same source I received the information that for converting muck bars—which in iron correspond to the billet in steel—into iron bars, the cost is \$11.75 a ton.

Mr. SIMMONS. What cost?

Mr. OLIVER. The total cost.

Mr. CUMMINS. I was about to say, assuming that it cost \$5 or \$6 a ton for conversion, it would be a little difficult to maintain a very high duty simply on account of the difference between the cost of producing it here and abroad.

While I am on my feet I may say that I recognize that it does cost more to convert pig iron into bar iron than it does to convert pig iron into bar steel.

Mr. SIMMONS. Undoubtedly.

Mr. CUMMINS. But the present law attaches the same or a higher duty to bar steel than it does to bar iron.

Mr. SIMMONS. That is true; a higher ad valorem.

Mr. CUMMINS. A higher specific duty.

Mr. SIMMONS. That is the present law.

Mr. CUMMINS. The duty under the present law on bar iron is \$6 per ton, or three-tenths of a cent a pound.

Mr. SIMMONS. I was just about to call the attention of the Senator from Pennsylvania to that.

Mr. CUMMINS. The duty on bar steel begins with steel that is worth not more than three-fourths of a cent a pound. There is none of that, practically speaking. When it reaches steel that is worth \$26 a ton the duty is then exactly the same as it is upon bar iron, namely, \$6 a ton. When you get above \$26 a ton—and practically all or, anyway, a very large part of bar steel is worth more than \$26 a ton—the duty on bar steel then becomes higher under the present law than it is upon bar iron.

Mr. SIMMONS. That is true.

Mr. OLIVER. Mr. President, if the Senator from North Carolina [Mr. SIMMONS] will indulge me for a moment, I think I can explain that. The reason of that is that steel is a generic term which includes everything that is produced from iron ore by the process of melting. On the other hand, iron is never reduced to a molten state, but is produced by reducing the pig iron first to a semimolten state, working it in that shape first by hand, and then by passing it through rolls. The advancing duties in paragraph 112 are because that paragraph includes not only what is known as soft steel, which is to-day used almost universally as a substitute for iron and is low-carbon or low-grade steel, but also the higher type of tool steel, which sometimes runs up in value as high as from 30 to 40 cents a pound. For that reason the average ad valorem is considerably higher.

Mr. CUMMINS. Mr. President, I am not speaking about ad valorem duties. The duties under the present law are specific duties, and they run in this way:

All of the above—

And "above" includes these bars—

valued at three-fourths of 1 cent per pound or less, seven-fortieths of 1 cent per pound; valued above three-fourths of 1 cent and not above 1.3 cents per pound—

And that makes a maximum of \$26 a ton—

three-tenths of 1 cent per pound—

Or \$6 a ton, which is the duty on bar iron—

valued above 1.8 cents and not above 2.2 cents per pound, six-tenths of 1 cent per pound.

That would be \$12 a ton. So the duty on ordinary bar iron under the present law is as high or higher than the duty upon bar steel. I simply call that to the attention of the Senator from Pennsylvania, not because it is significant in the present argument, for I think he is right in saying that the duty on bar iron probably should be a little higher than the duty on bar steel, but in order to preserve the record as it ought to be, namely, that those who have heretofore framed our tariff bills have imposed quite as high a duty on bar steel, if not higher, than upon bar iron.

Mr. OLIVER. I think, Mr. President, that the Senator from Iowa will find that bar steel, which corresponds in quality and is subject to the same uses as bar iron, will come in at a lower rate of duty under the present law than will bar iron. However, I do not really think that it is greater—

Mr. CUMMINS. Does the Senator from Pennsylvania say that there is any considerable quantity of bar steel made that is worth less than \$30 per ton?

Mr. OLIVER. Yes; there is a very considerable part that is worth less than \$30 a ton.

Mr. CUMMINS. There is very little of it, as I remember. It must go below \$26 a ton in order to be lower than the duty on bar iron.

Mr. SIMMONS. I want to ask the Senator from Pennsylvania if it is not the fact that, because steel can be made so much cheaper than bar iron, steel is displacing bar iron, and that there is but little bar iron now made?

Mr. OLIVER. That is certainly true, Mr. President.

Mr. SIMMONS. It is certainly true.

Mr. OLIVER. There are still some purposes for which iron is used, and there always will be. Iron is more workable, to use that expression, than is steel; it is easier welded. Then another very important item is, that it is less subject to cor-

rosion or rust, on account of its fibrous structure, from the action of acids than is steel. Therefore a certain amount of it always will be made; it is made for special purposes. That is the only thing that justifies its manufacture to-day. The mere fact—and I call this to the attention of the Senator from North Carolina [Mr. SIMMONS]—the mere fact that it is made in units of 2,800 pounds, which is the ordinary weight of a puddler's heat, while steel is made in the latest giant open-hearth furnaces in units of a hundred tons, shows how of necessity it must be very much more expensive to make, and I would think that after considering the matter and also considering the fact, as I have stated before, that its manufacture is confined very largely to the Atlantic seaboard, extending down into Tennessee, the committee ought to treat this industry with a fair degree of generosity.

Mr. SIMMONS. I want to ask the Senator from Pennsylvania if he disputes the proposition asserted by the Senator from Iowa [Mr. CUMMINS] that, under the present law, the duty is higher upon the steel products that are mentioned in paragraph 112 than they are upon the iron products mentioned in paragraph 105?

Mr. OLIVER. I think, Mr. President, that a careful examination of the two paragraphs would show that bar steel of a corresponding quality under the present law is admitted at a lower rate of duty than is bar iron.

Mr. SIMMONS. The Senator says "a lower rate of duty." Is it not nearly twice as high? Is not the duty on steel under the present law nearly twice as high?

Mr. OLIVER. The Senator evidently misunderstands me. I say that bar steel of a similar quality would come in at a lower rate of duty than bar iron, because bar iron is subject to a specific duty of six-tenths of a cent per pound, while bar steel comes in at from three-tenths of a cent a pound up; and bar steel under \$26 a ton would come in, as I understood the Senator to say—I have not the figures before me—

Mr. CUMMINS. Bar steel valued at three-fourths of a cent per pound or less would come in at the rate of seven-fortieths of 1 cent per pound, which is \$3.50 a ton; and bar steel valued at above three-fourths of a cent and not above 1.3 cents comes in at one and three-tenths of a cent a pound, or \$6 a ton, which is the same as the bar iron.

Mr. OLIVER. No; bar iron is three-tenths of a cent.

Mr. CUMMINS. Bar iron is three-tenths of a cent, or \$6 a ton.

Mr. OLIVER. Then bar steel corresponding in quality would be in that second bracket, which would bring it in at seven-fortieths of a cent per pound, or \$3.50 per ton.

Mr. SIMMONS. I notice in the comparative tables that we have here, taking all the products in paragraph 105, the average ad valorem equivalent under the present law of the products mentioned in that paragraph is 11.94 per cent, while the average ad valorem equivalent for products mentioned in paragraph 112 is 21.98 per cent. I concede that that is not an accurate guide, because there are a great many products in each of these paragraphs outside of the one which we are now discussing.

Mr. CUMMINS. Mr. President, lest I might at some future time be thought inconsistent, I will say that I do not agree with the Senator from Pennsylvania [Mr. OLIVER] that the merchant bar steel will come into the United States at a valuation of \$26 per ton or less. It costs in this country to make merchant bar steel more than \$28 a ton; and I do not believe it costs very much more to make it here than it does to make it abroad. I therefore do not believe that the foreign price of merchant bar steel is as low as \$26 per ton, although I have no positive information on that point. So I think the duty upon which merchant bar steel would come into the United States would be higher than the duty upon which merchant bar iron would come into the United States.

Mr. OLIVER. I should like to ask the Senator from Iowa where he gets his information that it costs more than \$28 a ton to make bar steel? I have a letter here saying that it is freely offered on the Pittsburgh market at this time at \$28 a ton, which would show that if that is the cost of it they are selling it at cost.

Mr. CUMMINS. I take it from the tables I used a year ago. They were made up by the Department of Commerce and Labor, Bureau of Corporations, from the average of five years, 1902 to 1906. The raw material entering into a ton of raw merchant bar steel cost \$21.40; the cost of labor was \$3.06; other operating expenses, \$2.28; so that the labor and other operating charges totaled \$5.34, making the mill cost \$26.75, which, with certain overhead charges, amounting to \$1.37, makes a total cost of \$28.12. It may be that since the examination was made the cost has been reduced. I can not answer about that.

Mr. OLIVER. I am speaking of the selling price. The selling price to-day is \$28.

Mr. CUMMINS. Then, if the selling price is \$28—

Mr. OLIVER. The Senator's figures may refer to gross tons. I am dealing here with net tons.

Mr. SIMMONS. What does the Senator from Pennsylvania insist is the present price of steel bars?

Mr. OLIVER. One dollar and forty cents a hundred in Pittsburgh. I received that information within a week. The price of bar iron is \$1.70 a hundred, showing a difference in the market price of the two commodities of \$6 a ton.

Mr. SIMMONS. Is the Senator giving the cost and not the selling price?

Mr. OLIVER. I am giving the selling price.

Mr. SIMMONS. I am asking what is the cost price per ton of steel bars?

Mr. OLIVER. I have not the figures of the cost of steel bars.

Mr. SIMMONS. I will state to the Senator that I have had that matter investigated this morning by the expert of the Treasury Department, who assisted the committee in preparing the statistics given in the handbook we are all using, and he advised me that the import price was a cent a pound, or \$20 a ton.

Mr. OLIVER. A cent a pound for what?

Mr. SIMMONS. For steel bars. I am trying to get what the cost price here is.

Mr. OLIVER. I would want that verified, Mr. President, because I rather think that is very low, even for imported steel bars; but, if that is the case, it would bring the duty on steel bars under the existing law down to seven-fortieths of 1 cent per pound, or \$3.50 a ton.

Mr. SIMMONS. What does the Senator say is the cost of producing iron bars?

Mr. OLIVER. The cost of producing wrought-iron bars from the pig iron to the bar, I would estimate at not less than \$20 a ton.

Mr. SIMMONS. Is the Senator referring to wrought-iron bars? I understood him to say they cost twice as much as steel bars.

Mr. OLIVER. Yes.

Mr. SIMMONS. I understood the Senator to say that steel bars cost \$20.

Mr. OLIVER. Oh, no; I said that the cost of reducing a ton of pig iron to steel bars would be not to exceed, in my opinion, \$10 or \$11 a ton. The cost of converting a ton of pig iron into iron bars would be not less than \$20 a ton.

Mr. SIMMONS. What the Senator is complaining of now is that in our amendments we do the same thing which the present law does. The present law, though it is based upon a specific rate, carries a lower duty upon iron bars, which the Senator says is the more valuable product, and a higher duty upon steel bars, which he says is a less valuable product, and the Senator is complaining that we have done the same thing in the amendments to these two paragraphs.

Mr. President, the Senator overlooks the fact that the present law, which carries a higher rate upon the lower product, provides a specific duty. The bill and the amendment which we propose adopt the ad valorem rate, so that the value of the product will determine the amount of the duty.

The Senator says that iron bars are worth twice as much as steel bars; yet we have a duty of 5 per cent on iron bars and a duty of 8 per cent on steel bars.

Mr. OLIVER. Mr. President, I do not want the Senator to misquote me. I did not say that iron bars were worth twice as much as steel bars. I said that the cost of converting pig iron into iron bars was twice as much as converting it into steel bars; and I stand by that statement.

Mr. SIMMONS. How much more does the Senator say that iron bars are worth than steel bars? My information is—and it is taken from public documents—that the price of wrought-iron bars per pound is 2.9 cents, and that the price of steel bars is 1 cent per pound. Whether that is correct, I can not say from my own knowledge. I can only say that the expert who prepared this book, the man who has been helping us in all these calculations, gave that to me as a statement obtained from official documents.

Mr. OLIVER. If the Senator is relying upon such statements as that, I pity him.

Mr. SIMMONS. That refers not to the price here, but to the import price.

Mr. OLIVER. Oh, I am referring to the articles as they are made here.

Mr. SIMMONS. Mr. President, the Senator must remember that we have to take the import price for the purpose of deter-

mining whether a duty is correct or not correct when we compare the duty upon one product with the duty upon another product. What I am going to suggest to the Senator is this: I have had this calculation made this morning upon the hypothesis—and I think the hypothesis is based upon the facts, because it is taken from an official document—that wrought-iron bars are worth, import price, 2.9 cents per pound, and that steel bars are worth, import price, 1 cent per pound. Five per cent on bar iron on that valuation when reduced to a specific rate would be fourteen one-hundredths of a cent. And 8 per cent on the invoice price on bar steel on a valuation of 1 cent a pound reduced to a specific rate would be eight one-hundredths of a cent; so that the duty which we have placed, substituting the ad valorem for the specific carried in the bill, does impose a higher rate per pound upon bar iron than it does upon bar steel, and from the Senator's own standpoint he has no ground for complaint as to the relative rates on these two products.

Mr. OLIVER. Mr. President, I have no exception to take to the figures presented by the Senator; but knowing what I do about the iron and steel industry, I will state that the price which he gives for iron bars of 2.9 cents per pound, as the average import price, shows conclusively that those bars were of some special nature. They were undoubtedly high-priced Swedish bars, imported probably for the purpose of being used in the manufacture of what is known as high-speed steel. They were not the ordinary merchant bars, because if merchant bars can be sold, as they are, at 1.70 cents in this country, nobody would import those same bars at 2.9 cents a pound. I can not understand how the price of steel bars can be 1 cent a pound, because it seems an extraordinarily low price; and if it is to prevail it will make some of our steel manufacturers very sick.

Mr. SIMMONS. I will refer the Senator to the book here, which states that 10,000 tons of it were imported at 1 cent a pound—just the figures I have given.

Mr. OLIVER. I have no doubt the Senator has quoted correctly. I do not deny that that is correct—

Mr. SIMMONS. The Senator says that these figures with reference to the invoice price of imports of bar iron must refer to some unusual, extraordinary, or freakish importation. Mr. President, I have noticed that, whenever the import prices are such as do not suit the logic of Senators on the other side, we are met with that same statement, that they must refer to some extraordinary importation.

Mr. OLIVER. I should like the Senator to explain to me and to the Senate whether he or any other reasonable man would pay 2.9 cents for a foreign article when he can buy the same article here at 1½ cents or less?

Mr. STONE. What is the question, Mr. President?

The VICE PRESIDENT. The question is on agreeing to the first amendment reported by the committee, in section 105.

Mr. OLIVER. Do I understand that the question is simply on the first amendment?

The VICE PRESIDENT. Yes. The ruling of the Chair has been heretofore, and it seems to have been accepted by the Senate, that the committee has a right to perfect the text of the bill. The purpose of the motion made by the Senator from Pennsylvania, as the Chair understands, would be fully accomplished by refusing to agree to the amendment of the committee.

Mr. OLIVER. Well, I withdraw my amendment, Mr. President.

Mr. STONE. As I understand, the motion of the Senator from Pennsylvania was to strike out "5," in line 2, page 30, and insert "10."

Mr. OLIVER. I will withdraw my amendment and simply ask for a yea-and-nay vote upon the rate. Let the other amendments of the committee be adopted.

The VICE PRESIDENT. The question is on agreeing to the first amendment of the committee, which the Secretary will state.

The SECRETARY. In paragraph 105, page 30, line 1, after the words "hammered iron," it is proposed to insert "and all iron." The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 105, page 30, line 2, after the word "section," to strike out "8" and insert "5," so as to read, "5 per cent ad valorem."

Mr. OLIVER. On that I call for the yeas and nays.

The VICE PRESIDENT. The Senator from Pennsylvania calls for the yeas and nays. Is there a second?

Mr. STONE. Just a moment. Do I understand the Senator from Pennsylvania to move to amend the amendment?

The VICE PRESIDENT. No; the Senator from Pennsylvania has withdrawn his amendment.

Mr. OLIVER. I will simply ask the Senator in charge of this schedule of the bill if he will not pass this amendment over and give the question of the rates some consideration and come back to it again? I really think that the committee will decide finally, after considering the matter, to change the rate.

Mr. STONE. Mr. President, if there is no question here but one of rates—

Mr. OLIVER. That is all.

Mr. STONE. I do not see any need of passing it over. I would rather dispose of it, as it has been fully discussed.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee in paragraph 105, page 30, line 2, to strike out "8" and insert "5," on which the Senator from Pennsylvania [Mr. OLIVER] has demanded the yeas and nays.

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

Mr. JAMES (when Mr. BRADLEY's name was called). I desire to announce that my colleague [Mr. BRADLEY] is detained from the Chamber by reason of illness. He has a general pair with the junior Senator from Indiana [Mr. KERN]. I will let this announcement stand for the day.

Mr. GALLINGER (when Mr. BURLEIGH's name was called). The junior Senator from Maine [Mr. BURLEIGH] is at his home in Maine, having recovered sufficiently to be removed to his home town. He is paired for the day with the junior Senator from Virginia [Mr. SWANSON].

Mr. FLETCHER (when his name was called). I have a pair with the junior Senator from Wyoming [Mr. WARREN]. I do not see him present, and therefore I withhold my vote. If he were present, I should vote "yea."

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BRADLEY], and I will therefore withhold my vote, unless it should become necessary to make a quorum.

Mr. SAULSBURY (when his name was called). Has the junior Senator from Rhode Island [Mr. COLT] voted?

The VICE PRESIDENT. He has not.

Mr. SAULSBURY. I have a general pair with that Senator, and therefore withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LONGE]. I transfer that pair to the senior Senator from Virginia [Mr. MARTIN] and will vote. I vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT]. I transfer that pair to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "yea."

The roll call was concluded.

Mr. GRONNA. I desire to announce that my colleague [Mr. McCUMBER] is absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I wish this announcement to stand for the day.

Mr. KERN. I transfer my pair with the senior Senator from Kentucky [Mr. BRADLEY] to the junior Senator from Alabama [Mr. JOHNSTON] and will vote. I vote "yea."

Mr. BANKHEAD. I have a general pair with the junior Senator from West Virginia [Mr. GOFF]. I transfer that pair to the senior Senator from Maryland [Mr. SMITH] and will vote. I vote "yea."

Mr. SAULSBURY. I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the junior Senator from Arkansas [Mr. ROBINSON] and will vote. I vote "yea."

Mr. THORNTON. I desire to announce the unavoidable absence of the junior Senator from Alabama [Mr. JOHNSTON]. I ask that this announcement may stand for the day.

Mr. SMOOT. I desire to state that the junior Senator from Wisconsin [Mr. STEPHENSON] and the senior Senator from Delaware [Mr. DU PONT] are unavoidably detained from the Senate. I will allow this announcement to stand for the day.

The result was announced—yeas 51, nays 22, as follows:

YEAS—51.

Ashurst	Hughes	O'Gorman	Simmons
Bacon	James	Overman	Smith, Ariz.
Bankhead	Johnson, Me.	Owen	Smith, Ga.
Borah	Jones	Pittman	Smith, S. C.
Bryan	Kenyon	Pomerene	Stone
Chamberlain	Kern	Ransdell	Thomas
Chilton	La Follette	Reed	Thompson
Clarke, Ark.	Lane	Saulsbury	Thornton
Crawford	Lea	Shafroth	Tillman
Fletcher	Lewis	Sheppard	Vardaman
Gronna	Lewis, N. J.	Sherman	Walsh
Hatchcock	Myers	Shields	Williams
Hollis	Norris	Shively	

NAYS—22.

Brandege	Dillingham	Oliver	Sutherland
Bristow	Gallinger	Page	Townsend
Burton	Jackson	Penrose	Warren
Catron	Lippitt	Perkins	Weeks
Clark, Wyo.	McLean	Smith, Mich.	
Cummins	Nelson	Smoot	

NOT VOTING—23.

Bradley	du Pont	McCumber	Smith, Md.
Brady	Fall	Martin, Va.	Stephenson
Burleigh	Goff	Newlands	Sterling
Clapp	Gore	Polindexter	Swanson
Colt	Johnston, Ala.	Robinson	Works
Culberson	Lodge	Root	

So the amendment of the committee was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 106, page 30, line 8, after the word "manufactured," to strike out "12" and insert "10," so as to make the paragraph read:

106. Beams, girders, joists, angles, channels, car-truck channels, T, columns and posts or parts or sections of columns and posts, geck and bulb beams, sashes, frames, and building forms, together with all other structural shapes of iron or steel, whether plain, punched, or fitted for use, or whether assembled or manufactured, 10 per cent ad valorem.

Mr. TOWNSEND. Mr. President, I do not care to detain the Senate even for a vote on an amendment which I shall suggest to this paragraph, because I know how entirely useless it would be; but I do wish to call attention to the item of steel sashes and frames. That item is taken out of the basket clause of the present tariff. The House reduced the duty, which is now about 45 per cent, to 12 per cent, and the Senate reduces it still further, to 10 per cent.

This article was not used at all in the United States until the construction of the Singer Building in the city of New York. Since then it has been used to a considerable extent. At the beginning all of it was imported into the United States.

Mr. STONE. Mr. President, if the Senator will pardon me, unless he prefers to go on and complete his statement, it may be that he would be willing, in the interest of expedition, to accept the suggestion I am about to make with reference to sashes and frames. In view of very urgent representations recently made to the committee respecting the matter the Senator has mentioned—sashes and frames—we are entirely willing to pass that paragraph for the present, pending further consideration.

Mr. TOWNSEND. I am perfectly content to have that course adopted. I am simply anxious to have a change made. I am very glad indeed to postpone it if the committee will consider it further.

Mr. STONE. Of course I do not know that a change will be made, but it will be taken under consideration.

Mr. TOWNSEND. I shall be very glad to discuss it later, then.

Mr. CUMMINS. I was giving my attention to something else. I should like to know from the Senator from Michigan what change he proposes. I should like to be advised in regard to it.

Mr. TOWNSEND. The proposition I was going to suggest to the committee with reference to sashes and sash frames was that the duty provided in the bill is altogether too low, and I was going to ask that it be raised. But the Senator from Missouri [Mr. STONE] suggests that the committee will consider that matter, with a possibility of making some change, and therefore he has asked to have the consideration of the paragraph postponed, in which suggestion I am very glad to acquiesce.

The VICE PRESIDENT. Paragraph 106 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 107, page 30, line 16, after the word "otherwise," to strike out "15" and insert "12," so as to make the paragraph read:

107. Boiler or other plate iron or steel, and strips of iron or steel, not specially provided for in this section; sheets of iron or steel, common or black, of whatever dimensions, whether plain, corrugated, or crimped, including crucible plate steel and saw plates, cut or sheared to shape or otherwise, or unshaped, and skelp iron or steel, whether sheared or rolled in grooves, or otherwise, 12 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 108, page 30, line 21, after the word "section," to strike out "15" and insert "12," so as to make the paragraph read:

108. Iron or steel anchors or parts thereof; forgings of iron or steel, or of combined iron and steel, but not machined, tooled, or otherwise advanced in condition by any process or operation subsequent to the forging process, not specially provided for in this section, 12 per cent ad valorem; antifriction balls, ball bearings, and roller bearings, of iron or steel or other metal, finished or unfinished, and parts thereof, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 109, page 31, line 2, after the word "section," to insert "and barrel hoops of iron or steel," and in line 3, before the words "per centum," to strike out "12" and insert "10," so as to make the paragraph read:

109. Hoop, band, or scroll iron or steel not otherwise provided for in this section, and barrel hoops of iron or steel, 10 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 111, page 31, line 23, after the word "tin," to strike out "20 per cent ad valorem" and insert "and"; and in line 26, after the word "process," to strike out "20" and insert "15," so as to make the paragraph read:

111. All iron or steel sheets, plates, or strips, and all hoop, band, or scroll iron or steel, when galvanized or coated with zinc, spelter, or other metals, or any alloy of those metals; sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding; sheets of iron or steel, polished, planished, or glanced, by whatever name designated, including such as have been pickled or cleaned by acid, or by any other material or process, or which are cold rolled, smoothed only, not polished, and such as are cold hammered, blued, brightened, tempered, or polished by any process to such perfected surface finish or polish better than the grade of cold rolled, smoothed only; and sheets or plates of iron or steel, or taggers iron or steel, coated with tin or lead, or with a mixture of which these metals or either of them is a component part, by the dipping or any other process, and commercially known as tin plates, terneplates, and taggers tin, and tin plates coated with metals, and metal sheets decorated in colors or coated with nickel or other metals by dipping, printing, stenciling, or other process, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 112, page 32, line 1, after the word "steel," to strike out "ingots, cogged ingots, blooms and slabs, die blocks or blanks, billets and"; and in line 13, before the words "per cent," to strike out "10" and insert "8"; and in line 22, after the word "than," to strike out "No. 6 wire gauge," and insert "twenty one-hundredths of 1 inch in diameter"; and on page 33, line 5, after the word "alloys," to strike out "15" and insert "12," so as to make the paragraph read:

112. Steel bars, and tapered or beveled bars; mill shafting; pressed, sheared, or stamped shapes, not advanced in value or condition by any process or operation subsequent to the process of stamping; hammer molds or swaged steel; gun-barrel molds not in bars; all descriptions and shapes of dry sand, loam, or iron molded steel castings, sheets, and plates; all the foregoing, if made by the Bessemer, Siemens Martin, open hearth, or similar processes, not containing alloys, such as nickel, cobalt, vanadium, chromium, tungsten or wolfram, molybdenum, titanium, iridium, uranium, tantalum, boron, and similar alloys, 8 per cent ad valorem; steel ingots, cogged ingots, blooms and slabs, die blocks or blanks; billets and bars and tapered or beveled bars; pressed, sheared, or stamped shapes not advanced in value or condition by any process or operation subsequent to the process of stamping; hammer molds or swaged steel; gun-barrel molds not in bars; alloys used as substitutes for steel in the manufacture of tools; all descriptions and shapes of dry sand, loam, or iron molded castings, sheets, and plates; rolled wire rods in coils or bars not smaller than twenty one-hundredths of 1 inch in diameter, and steel not specially provided for in this section, all the foregoing when made by the crucible, electric, or cementation process, either with or without alloys, and finished by rolling, hammering, or otherwise, and all steels by whatever process made, containing alloys such as nickel, cobalt, vanadium, chromium, tungsten, wolfram, molybdenum, titanium, iridium, uranium, tantalum, boron, and similar alloys, 12 per cent ad valorem.

Mr. OLIVER. Mr. President, it was my intention to make an appeal to the committee at least to restore the rate of 15 per cent on alloy steel, or what is known to the trade as high-speed tool steel. This steel was unknown, to this country at least, until about 1901. It is used for tools, and with the same quantity of steel it is possible to produce from five to ten times the amount of work that formerly was produced with ordinary or even high-class tool steel.

In the existing tariff law it carries a duty of 20 per cent. Notwithstanding that duty, there are very large quantities of it imported to-day. The process is one involving an enormous amount of labor and skill. The men employed in the industry are necessarily men of skill and intelligence. I am assured, and I have no doubt it is the case, that the production of this kind of steel in this country will be next to impossible if this tariff bill goes into force, because the imports to-day are a very large proportion of the entire amount that is used.

As I say, I had expected to appeal to the good sense of the committee to induce them, if possible, at least to retain the very moderate duty of 15 per cent ad valorem on this kind of steel. But after my experience with paragraph 105, relating to bar iron, I have made up my mind that the committee intends to stand pat on this bill; and I despair of making any impression whatever upon them, no matter how strong may be the arguments that are produced. I therefore leave it with the Senate to vote on it as it stands.

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

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 113, page 33, line 7, after the word "shavings," to strike out "20" and insert "15," so as to make the paragraph read:

113. Steel wool or steel shavings, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 114, page 33, line 9, after the word "sand," to insert "by whatever name known," and in line 10, after the word "abrasives," to strike out "30" and insert "25," so as to make the paragraph read:

114. Grit, shot, and sand, by whatever name known, made of iron or steel, that can be used as abrasives, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 115, page 33, line 18, after the word "hammering," to insert "not specially provided for in this section"; and in line 20, after the word "than," to strike out "No. 6 wire gauge" and insert "twenty one-hundredths of 1 inch in diameter"; and in line 22, after the word "classed," to strike out "and dutiable"; so as to make the paragraph read:

115. Rivet, screw, fence, nail, and other iron or steel wire rods, whether round, oval, or square, or in any other shape, and flat rods up to 6 inches in width ready to be drawn or rolled into wire or strips, all the foregoing in coils or otherwise, including wire rods and iron or steel bars, cold rolled, cold drawn, cold hammered, or polished in any way in addition to the ordinary process of hot rolling or hammering, not specially provided for in this section, 10 per cent ad valorem; *Provided*, That all round iron or steel rods smaller than twenty one-hundredths of 1 inch in diameter shall be classed as wire.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was to strike out paragraph 121, in the following words:

121. Finished automobiles and automobile bodies, 45 per cent ad valorem; automobile chassis, 30 per cent ad valorem; finished parts of automobiles, not including tires, 20 per cent ad valorem.

And to insert in lieu thereof the following:

121. Finished automobiles, valued at \$1,500 or over, and automobile bodies, 45 per cent ad valorem; finished automobiles valued at less than \$1,500 and more than \$1,000, 30 per cent ad valorem; finished automobiles valued at \$1,000 or less, 15 per cent ad valorem; automobile chassis and finished parts of automobiles, not including tires, 30 per cent ad valorem.

Mr. SMITH of Michigan. Mr. President, I simply desire to call the attention of the members of the Finance Committee to a remonstrance which was filed in this Chamber a few weeks ago, signed by every employe in the automobile industry in the city of Detroit, against this proposed reduction. I will not dwell upon it. It has evidently had no weight with the committee, and what I may say will have no weight with the committee. Our success in modeling the bill along the lines of practical utility and American interests has failed, and for one I feel quite discouraged over the outlook.

But I desire to remind my friends upon the other side that the employes in this industry believe themselves to be vitally affected by the changes proposed, do not relish what you are about to give them, and will resent it when the opportunity presents itself.

Mr. CUMMINS. Mr. President, I have not been quite able to understand the reasons for arranging the paragraph in the way in which we find it. It is easy to see that it is the apparent purpose of the committee to allow high-priced automobiles to come in at 45 per cent, medium-priced automobiles at 30 per cent, and low-priced automobiles at 15 per cent. There is a little mockery about it, however, it being perfectly well known that Europe can not send any cheap automobiles into the United States, and that in fact we send more automobiles of that kind abroad than they manufacture, all told, I think, in Europe.

But, however that may be, I should like to know from some one who can speak for the committee, whether it is expected that in order to take advantage of these graded rates of duty it is necessary that the machines shall come into the United States as a whole, set up ready for work. Of course, every one who knows anything about the business knows that in order to transport the machines properly and safely over a long distance, at any rate, they ought to be knocked down and transported in parts. It looks to me as though we were imposing upon the importer of cheap machines the necessity of sending in the machines fully set up and thereby incurring a very much higher freight rate in order to obtain the advantage of the lower rate of duty.

You have put a duty of 30 per cent upon the finished parts of automobiles. It goes without saying that there will never be

an automobile brought in paying a duty of 45 per cent. A man would be crazy to bring in a finished automobile, paying 45 per cent for it, when by taking the wheels off and the body off he could bring them all in at 30 per cent.

I can not understand just why the committee has made up the paragraph in this way. I think the duty is very much higher than necessary, anyhow. I am now speaking of the 45 per cent duty. I think it perfectly absurd to put a duty of 45 per cent upon automobiles of any kind when there is not that difference in the cost of production. When the people of America want to buy high-priced automobiles, especially of foreign manufacture, they consult only their taste or their pride, and it does not make any difference how much they may be called upon to pay for them.

But I should like to know why a duty of 45 per cent is attached to automobiles finished and then a duty of 30 per cent upon the finished parts of those same automobiles. I should like to know why when an automobile that costs not more than \$1,500 is allowed to come in at 15 per cent you do not allow the finished parts of that automobile to come in at 15 per cent also, in order that if there are any who buy these low-priced automobiles abroad they can take advantage of the low rate which is here proposed to be put upon the machine.

It may be that there is some reason for all this that I have not been able to ascertain in reading the paragraph, and if there is I will be very glad to hear it.

Mr. THOMAS. Mr. President, under the present law all automobiles, motor cycles, and bicycles, and finished parts of them, are dutiable at 45 per cent. There were imported in 1912 under that law 872 machines. They were high-priced machines evidently, because their total value is \$1,899,000, thus indicating that it is only the very expensive machines that are brought into the country under that duty.

Mr. CUMMINS. But I ask the Senator from Colorado whether he does not know or does not believe that all those machines that were imported, whether high-priced or low-priced, came in knocked down?

Mr. THOMAS. No; I do not know that.

Mr. CUMMINS. I believe if the Senator will examine, unless some tourist brought in his machine after having used it in Europe, he will not find that a single machine came into the United States set up ready for use.

Mr. THOMAS. I assume, Mr. President, that if a machine comes over here, whether it comes here put together or knocked down, it is a machine just the same.

Mr. CUMMINS. But these are parts, and they are to come in at 30 per cent.

Mr. THOMAS. They are parts, of course, but if A buys a machine in Paris and takes it to pieces and ships it to this country he is shipping an automobile and not finished parts thereof in the sense in which that expression was used in the present law or in which it is used in the proposed law, unless he brings it in different vessels, and I would not imagine that that would be done.

Mr. CUMMINS. I have been told, Mr. President, that nine-tenths of the importations of the last year are of chassis alone, and that very few automobiles have been imported with the bodies. It is customary in many cases to put the bodies upon the machines in this country, because we make metal bodies and they do not make them abroad to any great extent.

Mr. THOMAS. I have personally, Mr. President, no information as to that, but it is evident, as I was about to say when the Senator asked his question, that under the present law it is only the very high-priced machines that have been imported. Without knowing definitely about it, I suppose those machines were brought over here by gentlemen who prefer machines of a foreign make, notwithstanding the fact that they could get just as good and just as serviceable and just as attractive-looking machines of American make as can be imported from abroad. The automobile of that sort, whether made here or whether made abroad, ought to fall, if it does not fall, under the class of luxuries. They are the machines that are used by people who can afford them for pleasure as well as for business purposes, but they are nevertheless not indispensable to the average individual, or to any individual, so far as that is concerned.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. With pleasure.

Mr. SMOOT. I called attention to what I consider to be an inconsistent arrangement of this paragraph in the speech that I delivered in the Senate on July 21 and 22. I at that time made this statement—

"It is ridiculous to put a duty of 45 per cent on automobiles valued at \$1,500 or more, and then to admit at 30 per cent chassis and finished parts. The bodies of automobiles are too bulky, and subject to damage in shipping, and too expensive to ship by reason of their bulk in proportion to their value. Hence European manufacturers, as a rule, do not make the bodies, and as long as they can send chassis into this country at 30 per cent, the 45 per cent duty on any kind of an automobile would be of no value as a protection to American manufacturers. One of the Democratic members of the Ways and Means Committee of the House said that 'the automobile chassis is practically the finished car, with the exception of the body and the tires.'"

That is the truth. There is no question that more than nine-tenths of all the automobiles shipped from abroad are only shipped here with the running gear, or chassis, and the body is made in this country. While it is provided here that finished automobiles at a value above \$1,500 shall carry a duty of 45 per cent in the future, if this bill passes there will be no such shipments to this country as long as the chassis can be shipped here at a duty of 30 per cent.

Mr. THOMAS. Mr. President, I do not believe that a machine which simply lacks the body can be shipped over here as a finished part of the machine. But whether it can or not, the only effect of this would be to bring it in here at a 30 per cent rate.

Mr. SMOOT. That is true, but then why—

Mr. THOMAS. The only effect of that would be to reduce the revenue to the Government.

Mr. SMOOT. Why try to make it appear to the country that because they are a luxury, as automobiles, I suppose, should be classed, though at a value of \$1,500, shall carry 45 per cent, when in reality there would be no such shipment? Chassis would pay 30 per cent instead of 45 per cent.

Mr. THOMAS. In many instances people go abroad and take their automobiles with them. Accidents occur, in consequence of which finished parts are required and they must be had. One of the things which the committee had in view was to meet that situation, so that the parts of machines which might be essential as a result of accident or other unforeseen occurrence might be provided for. But I do not see any calamity that will be involved if that machine should all be taken apart and a portion of it shipped in one vessel and a portion in another vessel and brought into this country at 30 per cent. Thirty per cent is a very good duty, and so far as the automobile business requiring any protection goes, it does not require any whatsoever. An enormous amount of the machines that are manufactured in this country are exported. The export business in this line of industry is not only large, but it is growing larger every day. If I am correctly informed, one great establishment in the city of Detroit has its cars scattered all over the face of Germany at present, to say nothing of its invasion of other markets.

Now, we kept the duty at 45 per cent upon the high-class automobile upon the theory that it is a luxury, as it is a luxury, and while there are no other sort of cars imported here—

Mr. WILLIAMS. It is a fad to get a French automobile.

Mr. THOMAS. Of course it is a fad to get a French automobile. While there are no low-priced cars imported here at present, it may be that under the lower duty there will be competition in that particular class of the automobile industry. But whether so or not, an opportunity is given by the provision for competition in the more useful and the cheaper cars that are now used so generally.

Mr. CUMMINS. Mr. President, I simply want to say that my objection to this paragraph in its present form is that substantially everything will come in at 30 per cent. This rate is not too low, but the suggestion of 45 per cent, in my opinion, is a mere glittering pretense, and the suggestion of anything coming in at 15 per cent may also be a pretense, because in order to take advantage of 15 per cent it must come in wholly set up. The freight rate upon such an automobile shipped in that way, although I do not speak of that with certainty, will largely overcome the advantage that is sought to be given to the poorer people by the reduction of the rate to 15 per cent.

Why not put on a duty that will amply protect it? I think that 20 per cent is ample upon all kinds of automobiles. You will then get more duty or about the same duty that you will get under the present law; you will deceive nobody; everything will be open and candid and fair, and every man can understand it.

Mr. THOMAS. May I ask the Senator what rate of duty he provides for automobiles in his proposed substitute for Schedule C?

Mr. CUMMINS. The substitute that I have proposed reads as follows:

Automobiles, bicycles, and motor cycles, and finished parts of any of the foregoing, not including tires, 25 per cent ad valorem.

That is high enough.

Mr. THOMAS. That is 5 per cent higher than the Senator thinks is a proper duty upon that product.

Mr. CUMMINS. It is 5 per cent lower than the duties that are proposed in this bill.

Mr. THOMAS. I understood the Senator to say just now that he thought 20 per cent was ample.

Mr. CUMMINS. If I so said, I did not speak accurately, because I meant 25 per cent.

Mr. WILLIAMS. Mr. President—

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Mississippi?

Mr. THOMAS. With pleasure.

Mr. WILLIAMS. The Senator from Iowa has just said that keeping 45 per cent upon automobiles worth over \$1,500 is a mere pretense, from which I infer that he believes none of them would be imported. The world is run a great deal by fad and fancy and fashion, three very strong "f's."

Mr. CUMMINS. If the Senator—

Mr. WILLIAMS. Wait just a moment. There is another "f." There are a lot of fools in this country that will have only fancy makes of automobiles. They can get better automobiles here, but they will not have them.

I find that in 1905 two million and a quarter dollars' worth, in round numbers, of these automobiles were imported, and the unit of value was \$3,500 apiece; and that in 1910 two and three-quarter million dollars' worth, in round numbers, were imported, and the unit of value upon the average was two thousand one hundred and fifty-two dollars and some cents apiece. Last year it was a million and three-quarters, with a unit of value of two thousand one hundred and seventy-eight dollars and some cents. In other words, this shows from the very unit of value of the imported automobiles that only the very highest priced automobiles were being imported at all.

Now, we believe that they were being imported merely because certain fashionable people wanted them and would have them, and in some cases because American tourists abroad bought them and brought them back with them. We did not think, therefore, that there would be a diminution of the revenue derived from the importation of automobiles by leaving the duty upon the highest priced ones at 45 per cent, whereas we thought that when we got down to the lowest priced, which hitherto evidently have not been imported at all, possibly if we reduced the duty on some of them to 30 per cent and on others to 15 per cent, some of them might be imported and we might add to the revenue.

Mr. CUMMINS. Mr. President—

Mr. WILLIAMS. I am rather of the opinion that the 30 per cent and the 15 per cent tax upon the lower priced automobiles will be prohibitive, because there is no fashion that demands them, no fancy that demands them, but the other automobiles will come in.

Now, the Senator asks why we put a duty of 30 per cent upon chassis while we put a duty of only 15 per cent upon the lowest priced automobiles in the classification.

Mr. CUMMINS. Before the Senator from Mississippi passes that, let me say—

Mr. WILLIAMS. Let me finish the sentence. I understood the Senator himself to say—or was it the Senator from Utah [Mr. Smoot]?—that nearly all the importations came over in the shape of chassis.

Mr. SMOOT. Mr. President, there is no question about it. If the Senator will look it up he will find that is the case, and that the chassis—

Mr. WILLIAMS. I am not disputing the fact; I am merely asking if my hearing was correct.

Now, the Senator from Utah states what I understand is the fact, that a majority of them do come over in chassis now. That being the case, we concluded that if we taxed the chassis and finished parts, and, by the way, many of the finished parts are interchangeable, we would get the revenue of 30 per cent, because the rate hitherto had not been prohibitive of the chassis. So we will still get some revenue from that. Now, if we put the duty on the chassis down to 15 per cent, they could bring in chassis for a high-priced automobile at the lower duty and lose us that much revenue.

Whether this reasoning be sound or not, it was the reasoning, and whether the reasoning be based on actual facts or not, they are facts, as I understand them and the inference from them.

Mr. CUMMINS. Mr. President, I am not objecting from the standpoint of my friends on the other side of the Chamber, but

a 45 per cent duty, I think, is very much more than necessary for—

Mr. WILLIAMS. Not for the higher priced auto.

Mr. CUMMINS. For protection. I do not think we need any such duty in order to protect the business in this country.

Mr. WILLIAMS. It was not levied for protection.

Mr. CUMMINS. What I said was that you would not have any importations at 45 per cent, because it is easy to knock down the vehicle abroad. They are all knocked down; they are not brought in here on wheels and as finished automobiles. You are therefore saying to the country we are going to tax high-priced automobiles at 45 per cent, whereas, as a matter of fact, you are taxing them at 30 per cent, because they will come in at 30 per cent. I think that is too high.

Mr. WILLIAMS. Such of them as do come in knocked down will be 30 per cent.

Mr. CUMMINS. That is, all.

Mr. WILLIAMS. If the Senator thinks that no finished automobiles came into this country, the import reports in 1910 and 1912 will undeceive him. They did come in.

Mr. CUMMINS. The Senator from Mississippi possibly forgets that under the present law there is no distinction or difference between finished automobiles and parts of automobiles. They all come in at the same rate of duty. There is no classification there that will distinguish those that came in on wheels from those that came in knocked down.

Mr. WILLIAMS. I beg the Senator's pardon. If the Senator thinks that the import reports do not classify these things differently, he is mistaken. Of parts of automobiles, the imports reported last year were \$299,000, while automobiles were imported to the value of \$1,899,000. That is under the head of parts of automobiles. Whether under the head of parts of automobiles, chassis are included, I can not say, but I should think that they would be included under that head in making up the summary of the imports rather than under the heading of automobiles.

Now, the total value of automobiles and finished parts both put together imported last year was \$2,199,567.

Mr. CUMMINS. All I know about it is that it is customary to knock the vehicle down before you transport it. I have been told by those who import automobiles that the number imported as a whole is negligible; that there have been substantially none, and I have proceeded upon that hypothesis.

Mr. WILLIAMS. I can tell the Senator why the authorities kept the classification separate. Under the Payne-Aldrich law automobiles, bicycles, and motor cycles, and finished parts of any of the foregoing, were separately denominated, although they were all taxed at the same percentage. Evidently, however it happened, the Government did attempt to keep them separate and they are reported separately. Under one heading automobiles are reported, under another heading parts of automobiles are reported, and under another heading the total of the two is summed up.

Mr. SMOOT and Mr. THOMAS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I have in theory had the floor, I think, for the last half hour. I shall yield to the Senator from Utah.

Mr. SMOOT. Mr. President, in the past there was no necessity whatever for shipping automobiles in parts into this country. Under this bill, of course, purchasers will ship them in finished parts, and no importer will pay more than 30 per cent on an automobile under this bill.

There is, however, another inconsistency in the bill. The duty on finished automobiles valued at \$1,000 or less is 15 per cent ad valorem; valued at over \$1,500, 45 per cent ad valorem. In order to save freight charges, which would be heavy if shipped in the form of a finished automobile, the shipper of high-priced machines would remove the wheels or ship in parts of the machine. Under this bill, on finished parts a duty of 30 per cent is imposed. Of the cheap automobiles, on which the framers of this bill seem to have been trying to make the people of the country believe that only a duty of 15 per cent is being assessed, there are no importations, and if the parts of such a machine is imported they will carry a duty of 30 per cent.

Mr. THOMAS. Then the Senator from Utah is of the opinion that a man who buys a high-priced machine will take it to pieces and bring it over here at 30 per cent, and a man who buys a low-priced machine will do the same thing?

Mr. SMOOT. No; I say if he were compelled to import any part of the machine, while the machine as a whole would pay a duty of 15 per cent any finished part of it would pay 30 per cent.

Mr. THOMAS. If that should result, I would agree with the Senator from Utah that this was a ridiculous provision.

Mr. SMOOT. Does the Senator say that anybody would ship a high-priced automobile into this country complete, and pay a duty of 45 per cent, when under this bill, by taking the wheels off and shipping it in parts, he might get the machine through with the payment of a 30 per cent duty?

Mr. THOMAS. Certainly, I believe the purchaser of one of these machines would do just that thing; but I do not believe anybody who had a machine bearing a 15 per cent duty would be foolish enough to take the wheels off in order to enable him to get a 30 per cent duty.

Mr. SMOOT. Nobody has ever suggested such a thing.

Mr. THOMAS. Then I misunderstood the Senator.

Mr. SMOOT. I said if the purchaser of an automobile shipped a machine in complete the duty would be 15 per cent, while if he shipped it in parts to be here reassembled the duty would be 30 per cent.

Mr. THOMAS. That is correct.

Mr. SMOOT. That is what I intended to say.

Mr. THOMAS. Any single part; but that is a very different thing from the collective portions of a machine which are brought in together for the purpose of being reassembled. That is the machine.

Mr. SMOOT. In the past I said, Mr. President, there was no necessity for the purchaser of an automobile shipping a part of a machine if he were buying it, because the rate upon the parts of the machine and the rate upon the finished machine were exactly the same—45 per cent ad valorem.

Mr. HUGHES. Will the Senator from Colorado yield to me?

Mr. THOMAS. Certainly.

Mr. HUGHES. The Senator from Utah [Mr. Smoot] knows, does he not, that the supposititious case that he put has been passed upon by the Treasury Department at the port of New York and that an automobile with the wheels or other parts missing is regarded as an automobile?

Mr. SMOOT. The Senator from Utah does not know that, and he thinks that the Senator from New Jersey can not find a decision to that effect.

Mr. HUGHES. I know that that has been the unbroken practice at the port of New York.

Mr. SMOOT. If that is the case, a chassis is a machine—

Mr. HUGHES. I did not say that a chassis was a machine. The Senator from Utah instanced the case of an automobile with wheels which had been taken off. I say that that is not a finished part; it is a collection of finished parts, which is to all intents an automobile, and would so be construed under this language.

Mr. SMOOT. I only spoke of that in connection with the knocking down of an automobile. Of course, I could have named the parts specifically in the way that the machine would be shipped. I do not think the machine would be shipped merely with the wheels off. I only mentioned that by way of illustration. I meant, of course, that if the machine were shipped in a knocked-down state it would come in at a 30 per cent duty—

Mr. WILLIAMS. Oh, no. If the whole automobile came along, whether it was "knocked down" or knocked up, it would pay the duty of a machine, and if a part of it came in the part would be taxed.

Mr. SMOOT. And they will always come in in parts if this bill passes. There is no doubt about that.

Mr. HUGHES. I want to call the Senator's attention to the fact that I think he is hasty in assuming that automobiles will always come in in parts.

The VICE PRESIDENT. The Chair would suggest, in the interest of the reporters, that there should be some observance of parliamentary methods in the procedure of the Senate.

Mr. HUGHES. I will say that one of the most essential stages in the construction of the automobile is the assembling; and I think the Senator is mistaken if he assumes that the manufacturers of high-priced automobiles are going to send them over in parts and have them assembled here by mechanics who do not know anything about them. As a rule that class of automobiles is assembled on the other side and tuned up to the proper pitch before they are shipped.

Mr. SMOOT. Certainly; that is what they have been doing in the past, and that is what they will be doing in the future under this bill. They will not have to knock them down, because you provide here a 30 per cent duty for the chassis, and that is all they will ship, for that is a complete machine outside of the body. The Senator knows that over 90 per cent of the new foreign machines shipped into this country now are shipped without bodies.

Mr. HUGHES. I do not know anything of the kind. My information is to the contrary.

Mr. SMOOT. My information is that over 90 per cent of the machines are imported without bodies.

Mr. HUGHES. I think I have seen the various kinds of automobiles that the Treasury reports cover—they are not very numerous—and it seems to me I have seen them many afternoons on Fifth Avenue, in the city of New York. All of those foreign machines had foreign bodies, and all of them were shipped into this country complete. I do not know whether under the law an American citizen who has been abroad can bring an automobile back with him or not.

Mr. JAMES. He can if he pays the tariff on it.

Mr. HUGHES. But it seems to me that there is a great disparity between the Treasury figures and the number of foreign automobiles that a man can observe upon the streets of a city like New York, for instance.

Mr. JAMES. It was stated by the expert we had before the committee when this schedule was under consideration that a great many wealthy Americans who toured the Old World purchased their automobiles and brought them back—the body as well as the chassis and every other part of the automobile—and this rate of 45 per cent was fixed in the bill in order that that character of machines should pay the 45 per cent duty.

Mr. TOWNSEND. Mr. President, I very much prefer the Senate provision to the one in the House bill. I do not, however, agree with Senators who have said that the automobile is purely a fad. It might have been such at one time, but the automobile to-day is a necessity.

Mr. WILLIAMS. I used the word "fad," but if the Senator from Michigan understood me to say that the automobile was a fad he made a mistake. I said that the high-priced automobiles that were bought by rich, fashionable people and brought back by the American tourist from Europe were a fad and a fashion and that they could obtain a better machine for less money in America. That is what I said—not that all automobiles were fads.

Mr. TOWNSEND. I was just going to reach that point. I do not suppose the Senator will deny it, now that he has repeated it. The Senator did use the expression that there are "certain fools" who prefer the high-priced foreign-made machines to the better machines made here at home.

I agree, Mr. President, that in this the Senator displays good judgment. His criticism of Americans who buy high-priced cars abroad applies not only to those who purchase automobiles but also to those who purchase other things that are made in foreign countries when equally good or better things of domestic production can be obtained at home. I am glad that in one article, at least, the committee is content to put a duty that will protect the home product. I think a man is foolish; I think he is not a good American—that is, from my standpoint, I mean; I am not impeaching or trying to impeach men who entertain honest convictions of a different kind—but from my standpoint he is not the best American who believes in purchasing or permitting the purchase of anything abroad that can be reasonably produced and purchased at home.

I am in favor of the Senate provision as against the one in the House bill, although I believe it has already been developed in the discussion of this item that it is subject to various constructions and that the people will be deceived by it. They are not going to get what the committee suggests. It is not what it appears to be. I think that the duty ought to be higher on the parts of automobiles than that provided in this section. The parts of an automobile valued at \$1,500 or more should bear the same rate of duty as the completed car, and the same is true as to the other priced machines. I admit that now there are none of the lower-priced automobiles imported, and I doubt if there will be many imported under the pending measure when it becomes a law, because we are making more of such automobiles in this country than are made anywhere else in the world. We are making in Michigan two-thirds of all the automobiles that are made in the United States, and a large proportion of those are made in Detroit. The price has been going down until, I think, we are making the best article for the money that can be made in the world. It is a great industry; it is not a fad; it is not something that can be done away with, because the automobile has come to stay. It is taking the place of the horse—and it is a mercy that it is so. The automobile is necessary to the progress of the age in which we live. I want to see this industry thrive, and I commend those Democratic Senators for admitting the unquestioned fact that we are making better automobiles in the United States than are made abroad, and that it is well to retain a duty of 45 per cent on imported cars.

Mr. WILLIAMS. Mr. President, what I said was that buying foreign automobiles at extravagant prices was a fashion and a

fad, and I did, in the heat of debate, say that fools bought them. A man is not a fool simply because he is fashionable. The Senator from Michigan can not fasten upon me the utterance that automobiles are fads. On the contrary, we have attempted here to reduce the tax on the lower-priced automobiles which hitherto have been made in this country and none of which hitherto have been imported into this country at all.

Mr. TOWNSEND. And does the Senator expect that any will be imported under the provisions of the bill as reported?

Mr. WILLIAMS. We thought that perhaps some few of them might be. The difference between the Senator and me is this: I hesitate to use the word "fool," yet I did use the word "fool" in describing anybody who would go abroad merely to be fashionable and, to comply with a fad, buy a higher-priced inferior article rather than to buy a cheaper-priced superior article at home, while the Senator seems to think that anybody who will buy from abroad a better article at a less price is a fool. That is a proposition to which I do not subscribe. I do not subscribe to the idea that it is not patriotic to buy an article made in Germany or an article made in England, provided I can get an article of better quality at the same price or of the same quality at a less price. It is very far from being either unpatriotic or foolish.

I have never seen, for the life of me, any sense in the idea that seems to get into some men's heads that one nation trades with another. A man in one country trades with another man in another country, or two men in the same country trade with one another; but the patriotism that expresses itself in terms of commercialism is to me a very contemptible thing. It seems to me that trade is one thing and patriotism is another, and that every human being has a right to buy what he needs and what he wants of the best quality at the cheapest price possible; that every interference with that is an interference with the laws of trade; and that patriotism has no more to do with it than has religion or Christian Science or anything else that is totally disconnected from it.

Whether by this provision we are going to make automobiles of the cheaper variety cheaper to the people of the United States I confess I do not know; but if when the automobile trade is at its very best, the American producer of an automobile can hold his price up near the tariff-fixed level, then, undoubtedly, he will have to reduce it in order to prevent importations. Every one of you on the other side admits that no duty at all is necessary for protection, and we on this side admit that we do not fix these duties for protection, but that we fix them with the hope of getting revenue.

Mr. BRANDEGEE obtained the floor.

Mr. TOWNSEND. Mr. President—

Mr. BRANDEGEE. I yield to the Senator, if he desires.

Mr. TOWNSEND. I merely want to correct one statement made by the Senator from Mississippi. I have not admitted that the automobile industry needs no protection. I think, so far as chassis are concerned, in many kinds of automobiles we do need protection. I think the records will disclose that the prices our manufacturers are paying are so much greater than the prices paid for similar work abroad that we need protection. If we are to continue the American wage and conditions of living, the cost here and abroad should be equalized.

Mr. President, there has been no charge, I take it, made to the committee or to anybody else that there has been any combination or any attempt at combination on the part of automobile makers in the United States. I will not assume to say how many factories there are now in the State of Michigan, but I do say that there is the strongest possible competition amongst them. They are working in many instances at about as low a figure in the cost of production as it is possible for them to work and get any return on their investment, and Congress can not afford, especially at this time, when enterprise is at least frightened, to wantonly injure this great industry. Not all the automobile factories, by any manner of means, are making large money. I know it to be a fact that many of them are running very close, so far as receipts and expenditures are concerned, and the severe competition which has been going on throughout the United States has been all the protection the people needed to insure them against extortionate prices on the part of the manufacturers.

So I have stated that so far as the higher-priced automobile is concerned I think 45 per cent is a reasonable protective duty. I think it is perfectly proper that that rate should be imposed; and while I am better satisfied with the other duties provided by the committee than I am with those in the bill as it came from the House, still I am not pleased by what seems to me to be the hypocrisy displayed in this provision. I think it would be better to have the language clear, so that there could be no misunderstanding, and manufacturers and im-

porters would know exactly what the duty is to be upon these articles. It may be wise to classify machines according to price, but economy of administration and wisdom of purpose would dictate that unassembled parts of automobiles should be subject to the same rate of duty as is the completed car. I shall, however, vote for the committee amendment.

Mr. WILLIAMS. Mr. President, if the Senator from Connecticut [Mr. BRANDEGEE] will pardon me for a moment, I understood that there was a pretty strong consensus of opinion on the other side of the Chamber that automobiles did not need protection. I ought to have remembered at the time, however, that the Senator from Michigan [Mr. TOWNSEND] had not added his voice to that of the others to that effect; but I want to call the Senator's attention to the fact that last year we exported \$21,500,000 worth of automobiles, and the Senator from Delaware [Mr. SAULSBURY] has just dropped me a note in which he tells me that the Ford Automobile Co.—I am not certain where the Ford Automobile Co. is located, but I think—

Mr. TOWNSEND. It is located in Detroit, and it is the largest automobile factory in the world.

Mr. WILLIAMS. I was about to say that I thought it was located at Detroit. That company is now selling at from \$750 to \$900 a machine which is just about as good a machine as can be made.

Mr. TOWNSEND. They are selling some of them as low as \$600.

Mr. WILLIAMS. I did not know they had the price down as low as that; but I knew they had it down to \$750. Even at this price and in spite of the sharp competition, it was recently reported in the newspapers that the Ford Co. divided \$10,000,000 profits in dividends. That rather tends to support the position I took a moment ago, to the effect that this industry does not need protection; but it does not prove that they may not reduce their prices still lower if we reduce the duty, because it is possible that that might enable others to import into our country a machine which, while it could not compete at all at a reasonable price, would make the domestic manufacturer reduce his price to a point at which it would be impossible for the foreigner to export his articles to America.

I think a concern which can declare a \$10,000,000 dividend has not been driven to the wall by sharp home competition. The machine which they make is a machine which the farmers, contractors, lawyers, doctors, and the masses of the people who use automobiles at all use. We have tried to reduce the duty on them, while we have kept the duty upon the fad machines. The fashionable man who wants that sort of a machine is going to buy it, no matter what it costs; he is going to buy it with the French body and everything else; and the idea that he is going to knock it down into all of its different parts and ship each one as a separate part, with a separate freight rate in detail upon each part, strikes me as absurd.

Mr. BRANDEGEE. Mr. President, I have here a communication from the Locomobile Co. of America, in which the president of the company states:

We are very much disturbed over the prospect of the tariff bill passing the Senate with a duty of 30 per cent on chassis and 20 per cent on parts, and I am sending you by separate mail a brief gotten up by some 27 automobile manufacturers, which gives our position in the matter.

The Locomobile Co. of America employs in Bridgeport some 2,000 hands, and last year our pay roll was approximately a million and a half dollars. In view of the situation on the tariff, we have cut our product for the next year one-third, which means the cutting of our pay roll practically half a million dollars, and will put some five or six hundred men out of work.

There is no doubt that some of the cheap cars (like Ford, for instance, where the labor item in a car is very small) can compete with anybody in the world; but we are of the opinion the automobile manufacturers whose labor in the manufacture of their car is high, such as ours, are going to have trouble from serious foreign competition if the bill becomes a law as it passed the House.

I wrote him in reply that the bill had not been reported by the Senate committee exactly as it passed the House and advised him what the Senate committee had recommended regarding the duty on automobiles. He then replied to me as follows:

The substitute paragraph on automobiles that you quoted in your letter should read that "Finished automobiles and chassis, valued at \$1,500 or over," etc. All chassis over \$1,500 should come in at 45 per cent duty, not at 30 per cent.

I myself fail to see why the chassis of an automobile valued at over \$1,500 should not bear the same rate of duty, or, at least, as high a rate of duty, as the finished automobile. The chassis of an automobile contains the intricate mechanical work, and, in my view of it, there is nothing lacking to complete the automobile except putting the body on the chassis, which any carriage or coach maker can do.

If it be in order, I will now offer an amendment to the committee amendment; and if it be not in order now I will of-

fer it at the proper time. I move to strike out, in line 5, on page 36, the last two words, to wit, "automobile chassis" and the comma and the first word in line 6, the word "and," and to insert, after the second word of the first line on that page, to wit, after the word "automobiles," the two words "and chassis," so that it will read:

Finished automobiles and chassis, valued at \$1,500 or over.

Mr. THOMAS. I will suggest to the Senator, with his permission, that unless the amendment went further there would be no provision for chassis valued at less than \$1,500.

Mr. BRANDEGEE. Very well, Mr. President; if the committee should desire to make a change in that respect, of course it could report an amendment. Not knowing what the views of the committee may be on chassis valued under \$1,500, I should not like to offer an amendment for them. I simply desire now to offer the amendment I have suggested, and, in view of the suggestion of the Senator from Colorado, if the amendment should meet the judgment of the Senate I will prepare another to meet the point raised by him.

I simply wish to state—not to multiply words about it, but simply to make the point of principle clear—that it seems to me the real work, the fine mechanical work upon an automobile is done upon the chassis and the machinery part of it, and not upon the upper works or the body of it. I think that complicated work should bear a duty as high as the duty paid on the completed automobile.

Mr. STONE. Mr. President, I think this paragraph has been sufficiently debated. Does the Senator from Connecticut offer an amendment to it?

Mr. BRANDEGEE. Yes; I have stated the amendment. I will offer it now.

Mr. STONE. It is offered, as I understand, as an amendment to the amendment of the committee?

Mr. BRANDEGEE. It is offered as an amendment to the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment reported by the committee.

Mr. TOWNSEND. Mr. President, I want to say a word in reference to the statement made by the senior Senator from Mississippi [Mr. WILLIAMS]. I contend that the statement he has made with reference to the Ford automobile shows that, through competition in the United States, the price of that particular automobile has been going down. The Ford Automobile Co., in my judgment, needs no protection. It is perhaps the largest manufacturing concern of automobiles in the world. I will not attempt to state accurately just what their production is, but I know it was reported that during several months of this year that company shipped out an automobile every minute. It manufactures automobiles on a large scale.

One of the things—it does not apply so much here, but it calls to my attention the fact—one of the things I am most complaining about in this bill is that nearly everything is aimed at the large concerns. That idea is in mind in connection with the Steel Trust, for instance, and the large automobile factory that is exceedingly prosperous; but in striking at them we hit the smaller concerns a fatal blow.

Take, for instance, the question of steel wire, which we are soon to reach. We strike a blow at the large concerns which have been making steel wire, but at the same time our statutes are such that we prevent or prohibit one company from buying up the smaller concern. We prohibit the large wire company from buying up smaller plants throughout the United States, and yet by this bill we actually drive those smaller factories out of business and give the field to the larger concerns, a field which they attempted to get by purchase, but which our statutes forbade them doing. Under the bill now pending we encourage monopoly.

So in the case of this large concern, the Ford Automobile Co., it does not need protection. It has the field; it is manufacturing its cars at a small profit per unit, per single car, and by turning them out at the rate of a car a minute, at a very little profit per car, it of course can continue in business, but the policy of this Government is—and certainly the Democratic Party has professed—to prevent monopoly and encourage competition. This bill is the best friend monopoly could desire.

Mr. STONE. I hope we may have a vote now, Mr. President.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Connecticut [Mr. BRANDEGEE] to the amendment reported by the committee.

Mr. BRANDEGEE. Mr. President, if I may do so, to meet the suggestion of the Senator from Colorado [Mr. THOMAS], I will ask to modify my proposed amendment by inserting after the word "automobiles," in line 3, page 36, the words "and chassis."

Mr. GALLINGER. Let the amendment to the amendment be stated.

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

Mr. BRANDEGEE. If I may be pardoned for making the suggestion, let the paragraph be read as it would appear if the amendment to the amendment were agreed to.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from Missouri a question. Suppose the chassis of an automobile comes in one ship and the body in another, under what rate will they enter our port?

Mr. STONE. The Senator asks a question which I do not know whether I can answer or not. I will do the best I can.

I take it that if a machine from France should be dismantled and shipped in one vessel it would be charged at the rate of the whole machine, as if it had come in without being knocked down. If some parts of it came in a separate vessel, I take it they would pay the rate of the parts, unless it were shown that there was a fraudulent scheme planned out to evade the duties imposed by our laws.

Mr. SMITH of Michigan. There is nothing in the present law that will enable the customs officers to assemble these parts at the port of entry.

Mr. STONE. I think we have a sufficient administrative force to keep fairly good track of frauds, or attempted frauds, on the customs. Moreover, I very seriously question whether any man who was importing a machine from abroad would go to the trouble and expense and delay incident to separating a machine and shipping it into the United States in different vessels.

Mr. SMITH of Michigan. Suppose he were a sales agent?

Mr. STONE. If he were a sales agent, receiving here for sale on the market in this country machines made abroad and putting them into his warehouse, my opinion is that the customs officials could very easily discover that he was separating these machines into parts and shipping them in that form to evade the legitimate duty imposed upon them, and he would find great difficulty in maintaining that business policy.

Mr. SMITH of Michigan. Is it the intention and plan of the Finance Committee, of which the distinguished Senator from Missouri is an influential member, to afford ample protection to the automobile industry of America?

Mr. STONE. The purpose of the Finance Committee has already been stated. It is not intended to be a protective duty, but—

Mr. SMITH of Michigan. Is it intended to be a duty of 45 per cent?

Mr. STONE. A duty of 45 per cent is imposed upon high-class machines; and I believe machines of that kind, high-class, fancy-made French machines, that are purchased by very rich men—

Mr. JAMES. As a luxury.

Mr. STONE. Yes; as suggested, as a luxury—for they are a luxury—I believe the purchasers of such machines care very little about the additional expense imposed by the custom duties. They want these machines, and they will have them, no matter what they cost. If we should put the duty at a great deal higher rate than we have prescribed in this bill, I do not believe it would decrease the importations to the extent of a single machine.

Mr. SMITH of Michigan. Mr. President, I do not wish to annoy the Senator from Missouri by my questions.

Mr. STONE. The Senator does not annoy me.

Mr. SMITH of Michigan. I am very anxious that this industry should be protected, as every other labor-employing industry needs protection against cheaper foreign labor. I believe it needs protection. I would protect it, because I want to protect the wage earner who makes the machines here against competition from abroad. In that respect I feel that even the Ford establishment, with its tremendous output, is entitled to come under that law with its hundreds of thousands of workmen, notwithstanding large profits to the employers. It is for those workmen that I would have this duty definitely understood. Other countries have their tariffs against American automobiles. Canada has a tariff, I think, equal to our own, against American automobiles. The Ford Co. have been obliged to go into Canada and establish factories there, employing hundreds of men, in order to get the Canadian market free of tariff. We ought not to make it easy for foreign-made machines to get over here in unfair competition with the men who make these machines in the United States. I am not so much concerned about the men who own the factories, but the men who make the machines. I do not believe that under the language of this bill they will receive the protection which apparently they will expect to receive. I believe the duty has

been reduced in practical operation to 30 per cent, and I am opposed to it.

Mr. STONE. I understand the Senator's position fully. I ask a vote on the amendment offered by the Senator from Connecticut.

Mr. CUMMINS. Mr. President, before the vote is taken I desire to say a further word.

When I first objected to the paragraph, I assumed that it did not clearly express the intent of the committee. I thought the committee really intended to reduce the duty, and to reduce it efficiently. I attributed what I believed to be its fault to inattention or want of skill in reducing the intent of the committee to writing. But the debate has shown that the committee really intends to leave a duty of 45 per cent upon automobiles valued at more than \$1,500, and the committee believes that all the automobiles which come into the United States and are worth more than that will come in here in such a form as to require the payment of 45 per cent ad valorem. If the committee believes that, it has suddenly become more wedded to the doctrine of high protection than are some of the Senators on this side.

I thought it was a poor way of suggesting that high-priced automobiles ought to pay a higher duty than low-priced automobiles, but that the committee knew that, after all, the duty paid would be 30 per cent. But inasmuch as you are now contending that you are about to levy a duty of 45 per cent upon these automobiles, whether they come in as parts or whether they come in as a whole, your attitude is vastly less defensible than it was originally.

I do not believe a single one of you can justify a 45 per cent duty upon an automobile, it does not make any difference whether it is to be used by a rich man or a poor man. It certainly is not true that because an enterprise turns out a commodity that is used only by those who are reasonably well off, you must therefore pass beyond the wildest dream of protection in order to tax the article that is thus manufactured by such an enterprise. It can not be justified. I will, for the argument, surrender my view, although I still entertain it, to the assertion of the Senator from Mississippi, and assume that all these automobiles will come in at the 45 per cent, instead of at 30 per cent, as I believe to be the truth.

What kind of a duty is 45 per cent upon such automobiles? I do not care whether you call it protection or not. You may disguise it as a "competitive duty." That reminds me that we might as well take up, presently, the kind of tariff law that is now before us. Before it was begun in the House of Representatives the distinguished Speaker, in describing the character of law that would be passed, said he understood it was the mission of the Democratic Party to substitute for the present law a "competitive tariff." So far as I know, that was the first time the word "competitive" was ever used in connection with a tariff law; at least it so impressed me. I did not know what the Speaker meant by a "competitive tariff" from anything that ever had been said or written in the literature of the subject.

Mr. SMITH of Michigan. May I interrupt the Senator?

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I yield, although I hope to be permitted to go forward as rapidly as possible.

Mr. SMITH of Michigan. I rise only for the purpose of throwing a little light upon the situation. It will take only a second to do it.

I can tell the Senator what the Speaker meant. He meant what he said when the last tariff bill of the Democratic Party was passed, when he said:

We are told that the day of miracles is past, but we are also informed that "while the lamp holds out to burn, the vilest sinner may return"; and I am so thoroughly convinced of both the wisdom and the righteousness of free trade that I would not be at all surprised to see the gentleman from Maine [Mr. Reed], the gentleman from Pennsylvania [Mr. Dalzell], and the gentleman from Michigan [Mr. Burrows], the pillars of wisdom, strength, and beauty in the temple of protection, running races with each other to catch the eye of the Democratic Speaker of the Fifty-fourth Congress to introduce an out-and-out free-trade measure.

That was his view on that bill, and I have no doubt it is his view on this bill, if you get under the surface of the utterances. I was quoting from the Hon. CHAMP CLARK, Speaker of the House of Representatives.

Mr. CUMMINS. Mr. President, as highly as I usually value the advice of my friend from Michigan, I can not believe that he is qualified to interpret the remarks of the Speaker of the House on this subject. I, at least, do not understand a competitive tariff to be the kind of tariff to which my friend from Michigan has just referred. I am discussing the matter seri-

ously, Mr. President. I am afraid my friend from Michigan thought I was perpetrating a joke, but I am not.

Mr. SMITH of Michigan. Oh, no.

Mr. CUMMINS. I am trying to find out what kind of tariff we ought to make here. I referred to the address of the Speaker of the House because he then, for the first time in the whole history of tariff discussion and tariff legislation, described in set terms a tariff as a "competitive tariff." Very shortly after that time the equally distinguished chairman of the Ways and Means Committee of the House, in speaking of the tariff about to be constructed by the Democratic Party, used practically the same expression, and defined the tariff about to be made as a "competitive tariff."

Mr. SUTHERLAND. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SUTHERLAND. Does not the Senator from Iowa think the Speaker meant by "competitive tariff" a tariff under which the foreign manufacturers and producers would compete among themselves for the American market?

Mr. CUMMINS. Mr. President, I do not think the distinguished chairman of the Ways and Means Committee had that condition in mind; but I pursue the inquiry:

I was again led to reflect upon the meaning of the word "competitive" as applied to a tariff law. It became lost in the great volume of discussion that ensued, and I did not again hear it until it was used by the chairman of the Finance Committee of the Senate. From everything that had taken place I became convinced that we were not to have a "competitive tariff," but we were to have some other sort of tariff; that there was some other standard and some other guide to be adopted by our Democratic friends. But observing this discussion very closely I heard the other day the very able Senator from North Carolina [Mr. SIMMONS] say with regard to a particular duty, concerning which some one asked him a question, that it was a proper duty, because it was a "competitive rate." He said it was a "competitive rate." I emphasize that, because I think the time has come in the consideration of this bill when on both sides of the Chamber we may very properly and very instructively and very profitably devote a few minutes' consideration to the meaning of the phrase "competitive tariff." I myself believe in a competitive tariff, and I am a protectionist; and I should like some Democratic Senator to explain how we can determine what is a competitive rate of duty without inquiring as to the cost of production here and abroad.

Disregarding these rather jocular suggestions from my friends upon this side of the Chamber, I assume that what was meant by "competitive tariff" in this pre-session discussion was that there should be attached to competitive articles—that is, things which we make in this country and which are also made abroad and offered in our markets—such a duty as would enable our producers to enter our own markets and there compete with their foreign rivals. That means that in order to enter our markets and offer his wares for sale to his own people a domestic producer must get cost for what he offers and must also get a fair profit for what he offers, for if he could not be reasonably assured of a fair profit he would not enter the business at all and he would not offer his commodities for sale in his own market.

Therefore, if you mean anything at all by a competitive rate of duty, you mean such a duty as will enable our producer to manufacture or create or raise, as the case may be, the domestic products and meet in our own markets his foreign rival at least upon even terms, assuming that the foreign manufacturer or producer will enter our markets expecting to sell his commodities here at cost and with a fair profit to him, or otherwise he would not manufacture and attempt to enter the markets of the United States.

If you mean anything at all by a competitive rate of duty, that is what you must mean. Tell me—not just now, because I shall not ask you to tell me now, but at some time before this debate is over—how you can determine what is a competitive rate of duty without giving some attention to the conditions upon which that competition must exist, if it exists at all?

It must be assumed that traders, manufacturers, and producers when they do business expect to reap a fair profit. They will not produce or create unless they can. I want simply at this time, because I shall take up this matter again, to emphasize the idea that your own great leaders—leaders of the House of Representatives who very largely formulated this bill, and who had a right to formulate it, because by the Constitution bills of this character are given to the House of Representa-

tives in the first instance—have declared that they wanted to make a competitive tariff.

The answer that I want you to give to the country, as well as to this side of the Chamber, is whether you are attempting to make a competitive tariff; and if you are, how you can accomplish it without some inquiry into the cost of production here and abroad, so as to be able to determine upon what conditions, or at what price, an American producer can enter his own markets and sell his wares there at a fair return for the labor and capital which may have been employed in producing the articles.

With that prelude, I come back to automobiles.

Tell me whether you think it requires a 45 per cent duty upon automobiles worth more than \$1,500 to enable our manufacturers to enter our markets and sell them in fair competition with their rivals in other countries. And if you do not believe it requires a duty of 45 per cent, how do you justify yourselves before your country and your fellow men under the doctrine which the distinguished leaders of your party have announced?

I do not agree with all of my friends upon this side of the Chamber about duties. Some of them think 45 per cent is necessary. I do not, and therefore I shall vote against 45 per cent. The bill as it is proposed to be amended by the committee is made a great deal worse by the amendment offered by the Senator from Connecticut [Mr. BRANDEGEE]. According to that amendment, not only is the finished automobile to be taxed 45 per cent, but the chassis also is to be taxed at that rate if it belongs to an automobile costing more than \$1,500. Therefore I shall vote against the amendment offered by the Senator from Connecticut, because I think it adds to an unnecessary duty imposed by the Finance Committee another unnecessary duty sought to be imposed by a Senator upon this side of the Chamber. They seem, however, to be in harmony upon one thing, and that is that a 45 per cent duty upon automobiles costing more than \$1,500 is necessary in order to create a competitive condition in the markets of the United States.

Mr. WILLIAMS. Mr. President, I am not going to take the time of the Senate more than about four minutes, but the Senator from Iowa has been so insistent upon having somebody tell him what is meant by the phrase "a competitive tariff," that I thought I would undertake it.

The phrase itself is an awkward one, but I think everybody can understand it. It is a tariff which shall secure competition between domestic and foreign manufacturers. That is what it means—a tariff which, by securing competition, shall prevent the exploitation of the American people by the home producer, and shall prevent the monopoly of the American market, under the shield of tariff taxation, by trusts which are formed to control the American market.

The Senator wants to know how we are going to get any information as to what tariff will bring about that condition, without inquiring or knowing something about the cost of production. Not only the cost of production, but the condition of trade between the countries, has to be inquired into; the exports in one direction, and the imports in the other direction; and above all things, the prices in one country and in the other.

Now, you can not learn the cost of production; and the Senator from Iowa ought to have found that out by this time. The idea of saying that a blanket costs so much to produce in America, and so much in France, and so much in England, is absurd. The utmost you can do is to find the average cost of production if you have all the information possible in the one country, and in the other, and in the other.

Two men making blankets upon the opposite side of the street from one another will have different costs of production. One man succeeding another in the management of a factory will have a different cost of production, because of the difference of efficiency of management, efficiency of organization, efficiency of drill and discipline of labor, efficiency in buying the raw material and efficiency in putting upon the market the finished product.

The outward and visible sign which covers the cost of production with a margin, as a rule, of profit is the price. The price is the question, not the cost of production, because the price can be ascertained through a series of years, so that you will know it is a profitable price in each place, whereas the cost of production varies not only from place to place but from day to day, from week to week, and from man to man, and the character of labor from a different character of labor in the same State and in the same country.

I have attempted the best I could in short meter to describe what is meant by the competitive tariff.

Mr. CUMMINS. Mr. President—

Mr. STONE. Mr. President, I think the filibuster which the Senator from Iowa started has run far enough.

Mr. WILLIAMS. I have yielded the floor.

Mr. CUMMINS. I desire to ask a question of the Senator from Mississippi. It will be a brief one.

Mr. STONE (to Mr. CUMMINS). Proceed.

Mr. CUMMINS. I think the Senator from Mississippi has given a very candid, fair, understandable reply to my question formerly propounded. I desire to go one step further, however. Suppose that we take a commodity like steel rails. That is simple in its construction, and I use it only for illustration, not because of any fact connected with it. Suppose you knew that an English manufacturer of steel rails or one from France or Germany could make steel rails and put them down in our market at \$20 per ton. Suppose you knew that there was no American manufacturer who could make steel rails and put them down in the same market for less than \$24 a ton. What, then, would the Senator from Mississippi do with regard to a duty on steel rails in order to create the competitive condition which he has so well described?

Mr. WILLIAMS. Mr. President, I might know what the Senator supposes that I know concerning one manufacturer in England and concerning one other manufacturer in America. I could not know what he expects me to know concerning the production of steel rails in America and in England, except by taking an average which was below that of the highest cost of production and far above that of the lowest.

It strikes me, therefore, that it is better to take a far more infallible guide than my mere calculation, with the aid of experts, who frequently know less even than Senators, for the purpose of arriving at a thing which, after I was through with it, would not give me any information except as to one man or factory in one place and another man or factory in another.

Therefore you take the English price of steel rails and the American price of steel rails, without the English price of steel rails with the existing tariff added, with the freight rate, the American price of steel rails in the market in the same port of entry, and compare those two things to arrive at a reduction of the tariff rate or the increase of the tariff rate, which in the former case would enable the foreign producer to compete or in the latter case would enable the domestic producer to compete. There is no mystery about the phrase "the competitive tariff." There is no mystery about the phrase "competitive rate." It is true the tariff itself is not competitive, but what is meant by it is a rate of tariff taxation which shall produce a competitive condition.

Mr. CUMMINS. Mr. President—

Mr. WILLIAMS. I hope the Senator will pardon me just a minute. Senators should get it out of their heads—the Tariff Board ought to have taught us that, with all its money, all its experts, everything in the world, what could it give us except a lot of averages that amounted to nothing.

We came to a condition to consider the question as to whether we made paper cheaper here than in Canada. The Senator will remember that they got an absurd average after a while. The average meant nothing. Well-equipped mills, properly situated, were producing paper at a great deal less, and badly equipped mills, improperly managed and improperly situated, were producing paper at a great deal more. The same sort of thing applied in Canada. You could not even get the names of the manufacturers so that Senators could judge why it was that the cost of production thus averaged up by addition and division varied so far from one another in the same State, in the same county, and across the border in the same country, and in the same Province.

The Senator asks me to make an answer to a question predicated upon my knowing something which neither he nor I can ever know. There is no way to learn it.

Mr. CUMMINS. If I understand the Senator from Mississippi correctly, his rule will result in a much higher rate of duty than the rule which I have heretofore recognized. As I understand him now, he looks at the foreign price of the article. He looks at the domestic price of the article. I assume that he considers what it costs to make the two articles meet in our market, and he then is willing to put a duty on the domestic article that will measure the difference between the foreign price and the domestic price.

Mr. WILLIAMS. Oh, no.

Mr. CUMMINS. I ask him if he thinks this tariff is made on that principle?

Mr. WILLIAMS. Not if the price could possibly be exploited under too high a duty.

Mr. CUMMINS. How does the Senator know whether the price is made by exploitation or not, without going into the cost of production?

Mr. WILLIAMS. I will tell you how I will do it. Take the instance the Senator was talking about. Here is a concern, for

example, that sells in the American market at an exploited price, protected behind the shield of a tariff enabling it to combine or to have a gentlemen's understanding. I do not fool with that exploited domestic price. But when I find that same concern selling steel rails to Siberia or to South Africa, or barbed wire to the Cape Colonies or to the Argentine, or plows to the Argentine or even around to Chile and to South Africa, I take a foreign price.

Mr. TOWNSEND rose.

Mr. STONE. Mr. President, the next paragraph relates to bicycles and motor cycles. I think this discussion might be continued on that paragraph.

Mr. TOWNSEND. I hope the Senator will yield just a moment. I have a word to say on this subject, if the Senator will permit, before we pass to the next paragraph.

Mr. JAMES. There is an amendment offered by the Senator from Connecticut [Mr. BRANDEGEE] that ought to be disposed of.

Mr. TOWNSEND. I realize that.

Mr. STONE. I appeal to the Senator from Michigan, my friend, a very fair man in all things. It does seem to me, and it must seem to him, that this paragraph has been more than abundantly discussed. Unless the Senator has a desire to delay the consideration of the paragraph, which he has a right to do, I beg him to allow us to proceed.

Mr. TOWNSEND. I submit the Senator has no right even to suggest that I want to delay the bill. I have not manifested any disposition to delay the consideration and determination of this measure. I wanted to say something on this question, and the Senator can not prevent me from saying it.

Mr. STONE. I can not, I am sorry to say.

Mr. TOWNSEND. Mr. President, I desire to state that I have absolutely no sympathy with the notion of fixing a tariff according to prices. That shows the difference between the Senator from Mississippi and myself, so far as our views on the tariff are concerned. He thinks that prices here and abroad should be given weight in fixing tariff rates, while I believe that cost of production should be the basis.

It is possible to get at an approximate understanding of the average cost of production. I think that according to the best evidence I have been able to obtain the difference in the cost of producing cars here and abroad, including chassis, of course, and especially high-priced cars, is at least 45 per cent. But I can understand from a letter which has been presented to me and which was presented to the Finance Committee, and which I have no doubt was submitted to the Committee on Ways and Means of the House, why this duty was originally fixed at 20 per cent.

I desire to read the translation of a letter written in German by a Berlin automobile company, which I will afterwards submit to the Secretary to be printed in the RECORD. The translation handed to me is as follows:

[Translation.]

By the present pending tariff revision, which should bring an improved increase of certain duty tariff provisions, we beg, in behalf of the German automobile industry, a reduction of the unusually high income duty.

While in the United States an income duty of 45 per cent of value is charged, Germany asks only 1.5 to 5 per cent of the American autos entered in Germany.

Speaking from the standpoint of a just equalization the American automobile industry would need no such high income duty on account of her enormous production, and thereby low prices in her own country need scarcely fear a competition worthy of mention.

At least to provide a somewhat equal duty tariff between Germany and America for the automobile trade, we ask that the duty should not exceed 20 per cent for motor cars and the like.

Mr. President, it occurs to me, not only from this but from other evidence that has been submitted here, that Senators and Representatives who in secret caucus have framed this bill have been more influenced by the arguments which have been presented by the foreign manufacturers than they have by the arguments which have been presented by our own people.

So I say that I can understand why the duty was fixed at 20 per cent. It is exactly what this German automobile factory asked for.

I send the letter to the Secretary's desk.

The letter in the original, submitted by Mr. TOWNSEND, is as follows:

(Betrifft Amerikanische Zolltarifrevision.)

VEREIN DEUTSCHER MOTORFAHRZEUG-INDUSTRIELLER, BERLIN,
Berlin W., 22. Februar, 1913.

FINANCE COMMITTEE, Washington Senat:

Bei der bevorstehenden Tarifrevision, welche eine erhebliche Ermäßigung bestimmter zolltarifischer Positionen bringen soll, bitten wir namens der deutschen Automobil-Industrie eine Herabsetzung des überaus hohen Eingangszolles beifürworten zu wollen.

Während in den Vereinigten Staaten ein Eingangszoll von 45 Prozent des Wertes erhoben wird, erhebt Deutschland nur einen Eingangszoll

von 1.5 bis 5 Prozent auf in Deutschland eingeführte amerikanische Automobile.

Abgesehen aber von dem Standpunkt eines gerechten Ausgleichs, braucht die amerikanische Automobil-Industrie einen so hohen Eingangszoll um so weniger, als sie infolge ihrer Riesenproduktion und den dadurch bedingten billigen Preisen in eigenen Lande eine nennenswerte Konkurrenz der deutschen Automobile kaum zu befürchten braucht.

Um wenigstens, wenn auch nur annähernd, eine gleichartige zolltarifische Position für Deutschland und Amerika in Bezug auf den Automobilhandel zu schaffen, beantragen wir, keinen höheren Eingangszoll wie 20 Prozent auf Motorwagen und deren Teile festzulegen.

DR. SPERLING,
Der Generalsekretär.

Mr. STONE. I am unwilling to believe that the Senator from Michigan himself believes the statement he has just made in the heat of debate. It is impossible for me to attribute to him such sentiment as he has expressed as a deliberate expression of his judgment.

I now ask for a vote on the amendment to the amendment.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Connecticut [Mr. BRANDEGEE] to the amendment of the committee.

SEVERAL SENATORS. Let it be read.

Mr. BRANDEGEE. The Secretary was to interline, in line 4, the same words.

The VICE PRESIDENT. The Secretary will read the paragraph as it would stand if the amendment of the Senator from Connecticut to the amendment of the committee were adopted.

The SECRETARY. The Senator from Connecticut [Mr. BRANDEGEE] offers an amendment to the amendment of the committee, on page 36, lines 1, 3, and 4, where the word "automobiles" occurs insert the words "and chassis"; and, in lines 5 and 6, strike out the words "automobile chassis, and," so that if amended the paragraph will read:

121. Finished automobiles and chassis, valued at \$1,500 or over, and automobile bodies, 45 per cent ad valorem; finished automobiles and chassis, valued at less than \$1,500 and more than \$1,000, 30 per cent ad valorem; finished automobiles and chassis, valued at \$1,000 or less, 15 per cent ad valorem; finished parts of automobiles, not including tires, 30 per cent ad valorem.

The VICE PRESIDENT. The question is on the adoption of the amendment offered by the Senator from Connecticut to the amendment of the committee.

Mr. BRANDEGEE. I should like to have the yeas and nays on the amendment to the amendment.

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

Mr. JAMES (when Mr. BRADLEY's name was called). I desire to announce that my colleague [Mr. BRADLEY] is detained from the Senate by illness. He has a general pair with the Senator from Indiana [Mr. KERN].

Mr. PAGE (when Mr. DILLINGHAM's name was called). My colleague [Mr. DILLINGHAM] is necessarily absent from the Chamber. He is paired with the Senator from Tennessee [Mr. SHIELDS]. I make this announcement for the afternoon.

Mr. JACKSON (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr. CHILTON]. As he is not present, I withhold my vote.

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BRADLEY]. I transfer that pair to the Senator from Alabama [Mr. JOHNSTON] and vote. I vote "nay."

Mr. SMITH of Georgia (when his name was called). I have a pair with the senior Senator from Massachusetts [Mr. LODGE], and for the present I withhold my vote.

Mr. THOMAS (when his name was called). I transfer my general pair with the senior Senator from New York [Mr. ROOT] to the Senator from Oklahoma [Mr. GORE] and vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce that my colleague [Mr. POINDEXTER] is necessarily absent on important business.

Mr. MARTIN of Virginia. My colleague [Mr. SWANSON] is unavoidably absent from the city. He is paired with the junior Senator from Maine [Mr. BURELIGH].

Mr. CHILTON. I will transfer my pair with the junior Senator from Maryland [Mr. JACKSON] to the Senator from Nevada [Mr. PITTMAN] and vote. I vote "nay."

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. SMITH of Georgia. I transfer my pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote "nay."

Mr. SUTHERLAND (after having voted in the affirmative). I observe that the Senator from Arkansas [Mr. CLARKE] has not voted. I have a pair with that Senator, which I transfer to the Senator from Rhode Island [Mr. LIPPITT] and allow my vote to stand.

Mr. BRYAN. My colleague [Mr. FLETCHER] is necessarily absent. He has a general pair with the junior Senator from Wyoming [Mr. WARREN].

The result was announced—yeas 21, nays 47, as follows:

YEAS—21.

Brandegge	Gallinger	Oliver	Sutherland
Burton	Kenyon	Page	Townsend
Catron	La Follette	Penrose	Weeks
Clapp	McLean	Perkins	
Clark, Wyo.	Nelson	Smith, Mich.	
Colt	Norris	Smoot	

NAYS—47.

Ashurst	James	Owen	Smith, Ga.
Bacon	Johnson, Me.	Pomerene	Smith, S. C.
Bankhead	Jones	Ransdell	Sterling
Bristow	Kern	Reed	Stone
Bryan	Lane	Robinson	Thomas
Chamberlain	Lea	Saulsbury	Thompson
Chilton	Lewis	Shafroth	Thornton
Crawford	Martin, Va.	Sheppard	Tillman
Cummins	Martine, N. J.	Sherman	Vardaman
Gronna	Myers	Shively	Walsh
Hollis	O'Gorman	Simmons	Williams
Hughes	Overman	Smith, Ariz.	

NOT VOTING—28.

Borah	du Pont	Johnston, Ala.	Root
Bradley	Fall	Lippitt	Shields
Brady	Fletcher	Lodge	Smith, Md.
Burleigh	Goff	McCumber	Stephenson
Clarke, Ark.	Gore	Newlands	Swanson
Culberson	Hitchcock	Pittman	Warren
Dillingham	Jackson	Polindexter	Works

So Mr. BRANDEGEE's amendment to the amendment of the committee was rejected.

Mr. STONE. I now ask that a vote be taken on the amendment of the committee.

The VICE PRESIDENT. The question recurs on the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 122, page 36, line 8, after the word "Bicycles," to strike out "25 per cent ad valorem"; and, in line 9, before the words "per cent," to strike out "40" and insert "25," so as to make the paragraph read:

122. Bicycles, motor cycles, and finished parts thereof, not including tires, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 125, page 36, line 21, after the numerals "125," to insert "Nuts or nut blanks, and washers, 5 per cent ad valorem."

Mr. SMOOT. Mr. President, I wonder whether the Senator having in charge this schedule wanted to include all kinds of washers at 5 per cent, as this paragraph provides.

Mr. THOMAS. It is so stated in the bill.

Mr. SMOOT. Then I wish to call the Senator's attention to the fact that washers are made from a great many substances other than metal. Washers are made of rubber; they are made of leather, of fibers of different kinds, and of other substances. As the paragraph now reads all nuts and washers of all descriptions will come in at 5 per cent. Did the committee intend that should be the case? If not, I think that the bill ought to be changed in that regard.

Mr. THOMAS. This is the metal schedule, Mr. President. There is no importation anyway to amount to anything, even if the language should be construed to include the various kinds of washers to which the Senator from Utah refers.

Mr. SMOOT. In former bills it has always been specifically stated "metal washers" or "washers of iron or steel." This, of course, refers to all kinds of washers, which have been provided for in other paragraphs under the present law and all other laws. Under this provision rubber washers, fiber washers, leather washers, lead washers, or any other kind of washers may come in at 5 per cent ad valorem.

Mr. STONE. Does the Senator from Utah propose to offer an amendment?

Mr. SMOOT. No; I do not. I wanted to know whether it was the intention of the committee to have all washers of every kind included in the paragraph.

Mr. WILLIAMS. This is the metal schedule.

Mr. SMOOT. It does not make a particle of difference whether it is the metal schedule or whether it is any other schedule. The language is "washers"; and it does not say that they shall be of steel or of iron or of any other material. I simply call attention to the fact that the way this paragraph of the bill reads, anybody who desires to import any kind of washers or anything in the shape of a washer or that is called a washer can bring them into this country at 5 per cent ad valorem.

Mr. WILLIAMS. That is satisfactory to us.

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

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 125, page 36, line 22, before the words "of iron," to strike out "Bolts" and to insert "bolts"; in line 24, after the word "blanks," to insert "10 per cent ad valorem" and to strike out "nuts or nut blanks, and washers, 15 per cent ad valorem"; and in line 26, before the words "per cent," to strike out "35" and insert "25," so as to make the paragraph read:

125. Nuts or nut blanks, and washers, 5 per cent ad valorem; bolts of iron or steel, with or without threads or nuts, or bolt blanks, finished hinges or hinge blanks, 10 per cent ad valorem; spiral nut locks and lock washers, whether of iron or steel, 25 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I wish to ask that the next paragraph, paragraph 126, providing for card clothing, and so forth, go over, for the reason that the Senator from Massachusetts [Mr. LODGE] is interested in the paragraph and desires to say something upon it. He will be here to-morrow. He is willing to have the paragraph taken up just as soon as he reaches the city.

Mr. THOMAS. That will be satisfactory.

The VICE PRESIDENT. Paragraph 126 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 127, page 37, line 9, to strike out "Cast-iron pipe of every description, 12 per cent ad valorem; cast-iron," and to insert the word "Cast-iron," so as to make the paragraph read:

127. Cast-iron andirons, plates, stove plates, sadirons, tailor's irons, batter's irons, and castings and vessels wholly of cast iron, including all castings of iron or cast-iron plates which have been chiseled, drilled, machined, or otherwise advanced in condition by processes or operations subsequent to the casting process but not made up into articles or finished machine parts; castings of malleable iron not specially provided for in this section; cast hollow ware, coated, glazed, or tinned, 10 per cent ad valorem.

Mr. CUMMINS. Mr. President, I do not intend to present my views upon that amendment at this time. It will be found in my amendment or substitute.

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. I do.

Mr. SIMMONS. I desire to suggest to the Senator from Iowa that the Senator from Arkansas [Mr. CLARKE] is very much interested in that amendment, and inasmuch as he is not in the Chamber I suggest that it go over until to-morrow.

Mr. CUMMINS. I am perfectly willing. I simply wanted to express my dissent to the proposed amendment. I will be very glad to take it up at any time.

The VICE PRESIDENT. Paragraph 127 will be passed over.

Mr. SMOOT. Did the Senator from North Carolina ask that the paragraph go over until to-morrow?

Mr. SIMMONS. Yes.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 128, page 37, line 21, after the words "ad valorem," to insert "sprocket and machine chains, 25 per cent ad valorem," so as to make the paragraph read:

128. Chain or chains of all kinds, made of iron or steel, not specially provided for in this section, 20 per cent ad valorem; sprocket and machine chains, 25 per cent ad valorem.

The amendment was agreed to.

The Secretary read paragraph 129, as follows:

129. Lap-welded, butt-welded, seamed, or jointed iron or steel tubes, pipes, flues, or stays; cylindrical or tubular tanks or vessels, for holding gas, liquids, or other material, whether full or empty; flexible metal tubing or hose, not specially provided for in this section, whether covered with wire or other material, or otherwise, including any appliances or attachments affixed thereto; welded cylindrical furnaces, tubes or flues made from plate metal, and corrugated, ribbed, or otherwise reinforced against collapsing pressure, and all other iron or steel tubes, finished, not specially provided for in this section, 20 per cent ad valorem.

Mr. CUMMINS. Mr. President, while I will not discuss the matter at this time because a preceding section has been passed over, I simply want Senators to notice that while cast-iron pipe is put on the free list, steel pipe is taxed 20 per cent.

The reading of the bill was resumed, and paragraph 130 was read, as follows:

130. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all knives by whatever name known, including such as are denominatively mentioned in this section, which have folding or other than fixed blades or attachments, and razors, all the foregoing, whether assembled but not fully finished or finished; valued at not more than \$1 per dozen, 35 per cent ad valorem;

valued at more than \$1 per dozen, 55 per cent ad valorem: *Provided*, That blades, handles, or other parts of any of the foregoing knives, razors, or erasers shall be dutiable at not less than the rate herein imposed upon the knives, razors, and erasers, of which they are parts. Scissors and shears, and blades for the same, finished or unfinished, 30 per cent ad valorem: *Provided further*, That all articles specified in this paragraph shall, when imported, have the name of the maker or purchaser and beneath the same the name of the country of origin die-sunk conspicuously and indelibly on the blade, shank, or tang of at least one or, if practicable, each and every blade thereof.

Mr. GALLINGER. This, Mr. President, is a very important industry. The manufacturers of pocketknives filed an interesting brief with the committee, arguing that the proposed duty would be very damaging to the industry in this country. It will be observed by reference to the handbook that last year there were over 12,000,000 of these knives imported into the United States, which seems to be a very fair proportion of the knives used. It occurs to me that an industry of this kind ought to be very liberally encouraged, and that we ought not to reduce the existing duties to a point that would seriously injure the domestic production and greatly increase the importation of knives from Germany, Great Britain, and France made in competition with those of American manufacture.

Mr. President, I have little hope that any effort any Senator may make on this side of the Chamber will result in amending this bill in any important particular. I was somewhat encouraged the other day when, in response to a suggestion made by the Senator from Utah [Mr. Smoot], the other side agreed to amend the bill by striking out the words "porch and window," which showed that the bill could be amended without submitting it to the Democratic caucus; but our experience since then is not encouraging. We have presented a great many instances where the argument has been overwhelmingly in favor of increasing the duty over that allowed by the Senate committee, but without avail. This is one instance where very clearly there ought to be an increased duty.

I propose, Mr. President, to submit an amendment, which is a compromise between the existing rates and the rates reported in the Senate committee bill, in the hope that it may be adopted, but with a feeling of great fear upon my part that it may not be agreed to. However that may be, I offer the amendment which I send to the desk as a substitute for the paragraph just read.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to strike out the paragraph as printed and in lieu thereof to insert:

130. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all other knives by whatever name known, including such as are denominatively mentioned in this section which have folding or other than fixed blades or attachments, all the foregoing, whether assembled but not fully finished or finished, valued at not more than 50 cents per dozen, 35 per cent ad valorem; valued at more than 50 cents per dozen and not exceeding \$1 per dozen, 50 per cent ad valorem; valued at more than \$1 per dozen, 65 per cent ad valorem; and in addition thereto on all pearl-handled knives of the foregoing valued at more than \$1.50 per dozen, 10 per cent ad valorem: *Provided*, That blades, handles, or other parts of any of the foregoing knives or erasers shall be dutiable at not less than the rate herein imposed upon the knives and erasers of which they are parts; razors, whether assembled but not fully finished or finished, valued at not more than \$1 per dozen, 35 per cent ad valorem; valued at more than \$1 per dozen, 55 per cent ad valorem: *Provided further*, That blades, handles, or other parts of any of the foregoing razors shall be dutiable at not less than the rate herein imposed upon the razors of which they are parts. Scissors and shears and blades for the same, finished or unfinished, 30 per cent ad valorem: *Provided further*, That all articles specified in this paragraph shall, when imported, have the name of the maker or purchaser, and beneath the same the name of the country of origin, die-sunk conspicuously and indelibly on the blade, shank, or tang of at least one or, if practicable, each and every blade thereof.

Mr. GALLINGER. Mr. President, I will say that I am not going to ask for the yeas and nays on this amendment, but on the provision relating to other classes of cutlery, concerning which I shall desire to be heard briefly, I will ask for the yeas and nays. I am willing that this should now be put to a vote.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Hampshire.

The amendment was rejected.

Mr. BURTON. Mr. President, I ask that the two or three lines relating to scissors and shears be passed over.

Mr. BRANDEGEE. Mr. President, I ask that the paragraph be passed over.

Mr. STONE. Do the Senators who have asked to have this paragraph or a part of it passed over desire to have it passed over until to-morrow or until a later date? We have now passed over two, possibly three, paragraphs of this schedule to be taken up to-morrow. Would it be satisfactory to the Senator from Connecticut and the Senator from Ohio to pass over this paragraph until to-morrow?

Mr. BRANDEGEE. Well, Mr. President, I had assumed that the customary way was to pass it over as other paragraphs have been passed over, and after the first reading of the bill

has been finished that we would return and take up the paragraphs in the order in which they had been passed over. In the case of most of the paragraphs passed over no definite day has been fixed for their consideration. We have already to-day passed over several paragraphs, in one instance at least, with what is equivalent to unanimous consent to take it up to-morrow.

Mr. STONE. I simply asked if it would be satisfactory to the Senator to pass it over and dispose of it to-morrow?

Mr. BRANDEGEE. I could not answer the Senator categorically by saying "yes" or "no," but I will say what the situation is. The situation is that there are half a dozen different amendments to be offered to this paragraph, changing both the classification and the rates of duty. I have half a dozen representations upon the subject myself.

Mr. STONE. What is the wish of the Senator?

Mr. BRANDEGEE. I had supposed the amendment of the Senator from Ohio [Mr. BURTON] would be offered and acted upon to-day. If it had been, it would have obviated the necessity of two of the amendments I have.

Mr. STONE. Will it be satisfactory to the Senator from Ohio to dispose of the amendment to-morrow?

Mr. BURTON. It will be entirely satisfactory to me to dispose of that in regard to scissors and shears to-morrow.

Mr. STONE. Then can the Senator from Connecticut dispose of his amendment?

Mr. BRANDEGEE. I think so, Mr. President; but if not, I will ask to have it passed over further.

Mr. STONE. Then we will pass it over until to-morrow, with that understanding.

Mr. BRANDEGEE. Very well.

The reading of the bill was resumed, as follows:

131. Sword blades, and swords and side arms, irrespective of quality or use, in part of metal, 30 per cent ad valorem.

132. Table, butchers', carving, cooks', hunting, kitchen, bread, butter, vegetable, fruit, cheese, carpenters' bench, curriers', drawing, farrriers', fleshing, hay, tanners', plumbers', painters', palette, artists', and shoe knives, forks and steels, finished or unfinished, without handles, 25 per cent ad valorem; with handles, 30 per cent ad valorem: *Provided*, That all the articles specified in this paragraph, when imported, shall have the name of the maker or purchaser, and beneath the same the name of the country of origin indelibly stamped or branded thereon in a place that shall not be covered thereafter.

Mr. GALLINGER. Mr. President, that paragraph very seriously affects a good many small manufacturing establishments in the country, especially in the section of the country from which I come.

We imported last year, of the various kinds of cutlery denominated in this paragraph, 2,355,278 pieces, showing that during that year there were almost two million and a half of these knives imported from foreign countries.

Mr. STONE. What was the value?

Mr. GALLINGER. The value was \$247,531.

There is very sharp competition to-day in the American market, particularly between Germany and the United States, in the matter of cutlery. There is a cutlery establishment in New Hampshire, at the head of which is ex-Gov. Goodell, of my State, who, by hard work, economy, and industry, has built up a beautiful town, where the operatives are happy and contented, living in their own houses to a large extent, and being paid liberal wages.

The competition that Gov. Goodell has found in this industry has been of the keenest possible kind. He has succeeded in keeping his factory going, but is very fearful about what will happen if this bill becomes a law.

It seems to me the figures I have given show sufficiently large importations of an article the American manufacturers of which are in sharp competition with those of foreign countries. I feel sure that if the duty is reduced as radically as it is proposed to reduce it in the bill under consideration it will prove very detrimental, if not disastrous, to this industry, which is giving employment to skilled labor at high wages, and in that way furnishing homes for the people who are engaged in the manufacture of cutlery of the kinds enumerated in the paragraph.

I have received from Gov. Goodell a letter, bearing date May 27, which I will read. It is as follows:

ANTRIM, N. H., U. S. A., May 27, 1913.

HON. J. H. GALLINGER,
Washington, D. C.

DEAR SIR: I think the tariff bill now before the Senate is a very unjust one for the table-cutlery business.

We can make some of the very cheapest sorts, where the labor is very small and the stock is the main thing, and compete with foreign manufacturers.

We buy our metals and our handle woods at exactly the same price as our English and German friends buy them. There is no duty on them at all.

We buy our steel at about the same price that they buy it. When the duty on steel is taken off we can buy it at exactly the same price, I suppose.

The actual cost of steel will not be over one-half cent per pound less than it is now. When we come to the matter of fine goods, with a large amount of labor, the new tariff will be absolutely ruinous. Poor people will buy cheap goods no less than now, while rich people will buy fine ivory, celluloid, and rubber goods cheaper.

The carvers, which are supposed to be purchased by people of means, will be made almost exclusively on the other side.

The fine ivory, celluloid, rubber handle, and silver table knives will also be made abroad, because a large share of the cost is in the labor; and we certainly can not compete with German labor, and we are not competing successfully now, as this letter which I inclose clearly shows.

The table-cutlery business has become, on account of foreign competition, exceedingly unprofitable already, and if we have to stand any reduction in the duties we shall have to be counted out except for very cheap goods, which people of small means buy.

I sincerely hope that some influence can be brought about to prevent such a calamity.

Truly, yours,

D. H. GOODELL.

In this letter Gov. Goodell incloses another letter, which I want to read. It is as follows:

THE FORQUIGNON MANUFACTURING CO.,
Denver, Colo., February 3, 1912.

GOODSELL Co., Antrim, N. H.

GENTLEMEN: I have just accepted a proposition from Graef & Schmidt to handle the Henckel line exclusively, and will therefore be unable to continue with you. I am sorry in many ways, for I certainly appreciate the many courtesies you have extended to me from time to time, but they made it so strong I find it to my interest to accept.

I am leaving in a few days, but will dispose of your samples at your request.

Yours, very truly,

E. E. TURBUSH.

Mr. Turbush represented the Goodell Co. in Denver, Colo., for a great many years, selling a very large amount of the product of Gov. Goodell's factory. But it will be seen that notwithstanding the existing tariff rates a German house offered him so much greater inducements that he notified Gov. Goodell that he must relinquish his agency and accept the agency from the German manufacturing establishment. This indicates very clearly that the American manufacturers of these classes of cutlery have had a very hard time to compete with the foreigner under the existing rates of duty, the competition being sharp and the profits very small. I have heard from other cutlery establishments throughout New England making similar representations, and stating that they hoped there might be given to this industry some relief beyond the rates that are provided in the bill as it came from the committee of the Senate.

Mr. President, inasmuch as the industry is very hard pressed under the existing law, and as it must necessarily suffer very severe consequences if the large cut that is made in the bill as it is now before us shall become a law, I propose to offer as a substitute for the provision we are now considering the rates that are named in the so-called Payne-Aldrich law. I submit that as a substitute upon which, at the proper time, I shall ask for the yeas and nays.

The VICE PRESIDENT. The amendment submitted by the Senator from New Hampshire will be stated.

The SECRETARY. It is proposed to strike out paragraph 132 and to insert in lieu thereof the following:

132. Table, butchers', carving, cooks', hunting, kitchen, bread, butter, vegetable, fruit, cheese, carpenters' bench, curriers', drawing, farriers', fleshing, hay, tanners', plumbers', painters', palette, artists', and shoe knives, forks and steels, finished or unfinished; if imported with handles of mother-of-pearl, shell, ivory, silver, nicked silver, or other metal than iron or steel, 14 cents each; with handles of deerhorn, 10 cents each; with handles of hard rubber, solid bone, celluloid, or any pyroxylin material, 4 cents each; with handles of any other material than those above mentioned, 1 cent each, and in addition, on all the above articles, 15 per cent ad valorem; any of the knives, forks, or steels, enumerated in this paragraph, if imported without handles, 40 per cent ad valorem; *Provided*, That none of the above-named articles shall pay a less rate of duty than 40 per cent ad valorem: *Provided*, That all the articles specified in this paragraph when imported shall have the name of the maker or purchaser and beneath the same the name of the country of origin indelibly stamped or branded thereon in a place that shall not be covered thereafter.

Mr. GALLINGER. Upon that I ask for the yeas and nays.

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

Mr. BANKHEAD (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Maryland [Mr. SMITH] and will vote. I vote "nay."

Mr. JAMES (when Mr. BRADLEY's name was called). I again announce the absence of my colleague, the senior Senator from Kentucky [Mr. BRADLEY], on account of illness. He is paired with the junior Senator from Indiana [Mr. KERN].

Mr. CHILTON (when his name was called). I again announce my pair with the junior Senator from Maryland [Mr. JACKSON], and withhold my vote.

Mr. BRYAN (when Mr. FLETCHER's name was called). I again announce the necessary absence of my colleague [Mr.

FLETCHER]. He is paired with the junior Senator from Wyoming [Mr. WARREN].

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BRADLEY]. I transfer that pair to the junior Senator from Alabama [Mr. JOHNSTON] and will vote. I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from California [Mr. PERKINS]. If he were present, I should vote "nay."

Mr. JONES (when Mr. POINDEXTER's name was called). I desire to announce that my colleague is necessarily absent.

Mr. THOMAS (when his name was called). I again announce the transfer of my pair with the senior Senator from New York [Mr. ROOT] to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

The roll call was concluded.

Mr. CHILTON. I transfer my pair with the junior Senator from Maryland [Mr. JACKSON] to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

Mr. CLARK of Wyoming. My colleague [Mr. WARREN] is unavoidably absent. He is paired with the senior Senator from Florida [Mr. FLETCHER].

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. GALLINGER. I announce the unavoidable absence of the junior Senator from Maine [Mr. BURLEIGH]. He is paired with the junior Senator from Virginia [Mr. SWANSON].

The result was announced—yeas 17, nays 45, as follows:

YEAS—17.

Brandegge	Gallinger	Page	Townsend
Burton	Jones	Penrose	Weeks
Catron	McLean	Sherman	
Clarke, Wyo.	Nelson	Smith, Mich.	
Colt	Oliver	Smoot	

NAYS—45.

Ashurst	Johnson, Me.	Pomerene	Sterling
Bacon	Kenyon	Ransdell	Stone
Bankhead	Kern	Reed	Thomas
Bristow	La Follette	Robinson	Thompson
Bryan	Lane	Saulsbury	Thornton
Chamberlain	Lea	Shafroth	Tillman
Chilton	Lewis	Sheppard	Vardaman
Commins	Martin, Va.	Shively	Walsh
Gronna	Myers	Simmons	Williams
Hollis	Norris	Smith, Ariz.	
Hughes	O'Gorman	Smith, Ga.	
James	Owen	Smith, S. C.	

NOT VOTING—34.

Borah	du Pont	Lodge	Shields
Bradley	Fall	McCumber	Smith, Md.
Brady	Fletcher	Martine, N. J.	Stephenson
Burleigh	Goff	Newlands	Sutherland
Clapp	Gore	Overman	Swanson
Clarke, Ark.	Hitchcock	Perkins	Warren
Crawford	Jackson	Pittman	Works
Culberson	Johnston, Ala.	Poin Dexter	
Dillingham	Lippitt	Root	

So Mr. GALLINGER's amendment was rejected.

Mr. STONE. I desire to state that the committee would ask to lay the bill aside for the remainder of the day and resume its consideration to-morrow.

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

EXECUTIVE SESSION.

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

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 53 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 6, 1913, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 5, 1913.

MINISTER.

Paul S. Reinsch, of Wisconsin, to be envoy extraordinary and minister plenipotentiary of the United States of America to China, vice William James Calhoun, resigned.

ASSAYER OF MINT.

Frank E. Wheeler, of Colorado, to be assayer of the mint of the United States at Denver, Colo., in place of Arthur R. Hodgson, superseded.

SUPERINTENDENT OF MINT.

Thomas Anbear, of Colorado, to be superintendent of the mint of the United States at Denver, Colo., in place of Frank M. Downer, superseded.

COLLECTOR OF INTERNAL REVENUE.

Josiah W. Bailey, of North Carolina, to be collector of internal revenue for the fourth district of North Carolina in place of Wheeler Martin, superseded.

ASSISTANT APPRAISERS OF MERCHANDISE.

Joseph Knox Fornance, of Pennsylvania, to be assistant appraiser of merchandise in the district of Philadelphia, in the State of Pennsylvania, in place of H. Morgan Ruth, resigned.

Harry Nichols, of Pennsylvania, to be assistant appraiser of merchandise in the district of Philadelphia, in the State of Pennsylvania, in place of Michael J. Brown, resigned.

UNITED STATES ATTORNEY.

William G. Barnhart, of West Virginia, to be United States attorney for the southern district of West Virginia, vice Harold A. Ritz, whose term has expired.

RECEIVER OF PUBLIC MONEYS.

Thomas E. Owen, of Folsom, N. Mex., to be receiver of public moneys at Clayton, N. Mex., vice Manuel Martinez, removed.

REGISTER OF LAND OFFICE.

Paz Valverde, of Clayton, N. Mex., to be register of the land office at Clayton, vice Charles L. Hunt, removed.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

First Lieut. George A. Herbst, Fourteenth Infantry, to be captain from May 27, 1913, vice Capt. Bernard Sharp, Third Infantry, retired from active service May 26, 1913.

First Lieut. Philip J. Lauber, Second Infantry, to be captain from May 29, 1913, vice Capt. Thomas F. Schley, unassigned, promoted.

First Lieut. Thomas M. Hunter, Sixth Infantry, to be captain from June 27, 1913, vice Capt. Albert C. Dalton, Twenty-ninth Infantry, promoted.

First Lieut. Gad Morgan, Thirteenth Infantry, to be captain from June 28, 1913, vice Capt. William T. Patten, unassigned, retired from active service June 27, 1913.

Second Lieut. Barton K. Yount, unassigned, to be first lieutenant from May 27, 1913, vice First Lieut. George A. Herbst, Fourteenth Infantry, promoted.

Second Lieut. Denham B. Crafton, unassigned, to be first lieutenant from May 29, 1913, vice First Lieut. Philip J. Lauber, Second Infantry, promoted.

Second Lieut. William E. Selbie, unassigned, to be first lieutenant from May 29, 1913, vice First Lieut. James H. Van Horn, Eleventh Infantry, detailed in the Signal Corps on that date.

Second Lieut. John L. Jenkins, Ninth Infantry, to be first lieutenant from May 30, 1913, vice First Lieut. Guy E. Manning, Twelfth Infantry, retired from active service May 29, 1913.

Second Lieut. Charles H. White, unassigned, to be first lieutenant from July 2, 1913, vice First Lieut. Edward H. Teall, Twenty-sixth Infantry, resigned July 1, 1913.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 5, 1913.

UNITED STATES ATTORNEY.

Summers Burkhart to be United States attorney for the district of New Mexico.

PROMOTION IN THE REVENUE-CUTTER SERVICE.

Third Lieut. of Engineers Francis Ellery Fitch to be second lieutenant of engineers.

POSTMASTERS.

CALIFORNIA.

Thomas Fox, Sacramento.

COLORADO.

Sherman S. Bellesfield, Pueblo.

F. W. McIntyre, Akron.

GEORGIA.

Custis Nottingham, Macon.

IDAHO.

E. H. Hilton, Elk River.

IOWA.

Daniel H. Bauman, Webster City.

KANSAS.

Mildred K. Johnston, Meade.

NEW JERSEY.

Henry N. Gillon, Berlin.

OKLAHOMA.

John S. Thompson, Mulhall.

OREGON.

Charles W. Ray, Freewater.

PENNSYLVANIA.

Claude W. Freeman, Austin.

SOUTH DAKOTA.

E. J. Engler, Ipswich.

WASHINGTON.

W. E. Overholt, Farmington.

A. J. Shaw, Zillah.

WISCONSIN.

Birt E. Fredrick, Augusta.

WYOMING.

L. E. Blackwell, Shoshoni.

Juan Jenkins, Upton.

John T. Johnson, Superior.

C. G. Mudd, Powell.

REJECTION.

Executive nomination rejected by the Senate August 5, 1913.

POSTMASTER.

Malcolm R. Merrill, Wheatland, Wyo.

HOUSE OF REPRESENTATIVES.

TUESDAY, August 5, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou who hast ever been our refuge and our strength, God our heavenly Father, we commend our souls to Thee and all our concerns to Thy care this day. Inspire us, we beseech Thee, with broad and comprehensive views of life, and quicken our conscience to do Thy will, that at its close we may be able to ask Thy blessing on all our acts and lie down to peaceful sleep in the full consciousness of duty well done. In the spirit of the Lord Jesus Christ. Amen.

The Journal of the proceedings of Friday, August 1, 1913, was read and approved.

COMMITTEE ON EDUCATION.

Mr. HUGHES of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the present consideration of the resolution which the Clerk will report.

The Clerk read as follows:

House resolution 223.

Resolved, That the Committee on Education is authorized to have such printing and binding done as is necessary for the discharge of the work of said committee during the Sixty-third Congress.

The SPEAKER. Is there objection?

Mr. MURDOCK. Mr. Speaker, reserving the right to object, has the Committee on Education usually had this privilege?

Mr. HUGHES of Georgia. I do not know; I can not answer the question. The gentleman from South Carolina, previously chairman of the committee, says it has had that privilege.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the resolution was agreed to.

LEAVE OF ABSENCE.

By unanimous consent, Mr. MILLER was granted leave of absence indefinitely on account of a journey to the Philippine Islands in the interest of public business.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2433. An act providing for the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition and for the protection of foreign exhibitors; and

S. 1243. An act directing the issuance of patent to John Russell.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 6383. An act to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improve-

ment of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913.

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. 2433. An act providing for the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition and for the protection of foreign exhibitors; to the Committee on Ways and Means.

S. 1243. An act directing the issuance of patent to John Russell; to the Committee on the Public Lands.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title; when the Speaker signed the same:

H. R. 6383. An act to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913.

THE RECORD.

Mr. MONDELL. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. MONDELL. To ask unanimous consent to correct the RECORD.

The SPEAKER. The gentleman will state his correction.

Mr. MONDELL. Mr. Speaker, on page 3005 of the RECORD of Friday, August 1, there was read a telegram received by the gentleman from Alabama [Mr. HEFLIN], as follows:

PITTSBURGH, PA., July 30, 1913.

Hon. J. THOMAS HEFLIN.

House of Representatives, Washington, D. C.:

The Western Pennsylvania Association Opposed to Woman Suffrage extend hearty thanks and congratulations to you for your opposition to movement to give vote to women and trust you will continue in your opposition until the movement is defeated.

Mrs. JAMES H. REED, Chairman.

After the reading of this message there was loud and prolonged applause on the Democratic side, which does not appear in the RECORD. I ask unanimous consent that the RECORD may be corrected by having the words "Loud and prolonged applause on the Democratic side" appear after the telegram.

The SPEAKER. What does the RECORD show about "Loud and continued applause"?

Mr. MONDELL. It does not show anything; but Members will remember there was loud applause, confined entirely to the Democratic side, and none whatever on the Republican side.

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. If the gentleman will allow me to finish my statement. There was no applause whatever on the side occupied by the Progressives and the Republicans.

Mr. RAKER. Mr. Speaker, I want to correct the gentleman. When the statement from Secretary Daniels was read then applause came following that telegram or that letter and not from the others. That is the situation.

Mr. MONDELL. Now, Mr. Speaker, there may have been applause following the telegram from Secretary Daniels. I do not say but that there was. I was paying but little attention to that matter, but I was paying close attention to the reading of the telegram sent to the desk by the gentleman from Alabama [Mr. HEFLIN]. At the close of the reading of that telegram there was loud and prolonged applause, confined entirely to the Democratic side of the aisle, and the RECORD is not a true record of what occurred in that it does not indicate that fact.

Mr. MURDOCK. Does not the gentleman also recollect along with this loud and prolonged applause that there was laughter?

Mr. MONDELL. Oh, yes.

Mr. MURDOCK. Mr. Speaker, I think that ought to be included.

Mr. MONDELL. And "general hilarity on the Democratic side."

Mr. HARDWICK. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Georgia [Mr. HARDWICK] reserves the right to object.

Mr. HARDWICK. I want to say this, Mr. Speaker, to the gentleman from Wyoming, that I do not think the CONGRESSIONAL RECORD ought to show those things at all. [Applause.] It ought not to show applause one way or another. It involves us in just such controversies as this, and they are likely often

to occur. In my judgment the RECORD ought to show only what is actually said in debate. [Applause.]

Mr. MONDELL. But the gentleman knows that it is the practice to indicate applause.

Mr. HARDWICK. I know; but I shall object to it this time.

The SPEAKER. Does the gentleman object?

Mr. HARDWICK. I do.

The SPEAKER. Objection is made.

TRANSFER OF 2 PER CENT BONDS.

Mr. LEVY. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from New York [Mr. LEVY] asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House resolution 220.

Resolved, That the Secretary of the Treasury be, and he is hereby, requested, if not incompatible with the public interests, to furnish the House of Representatives at his earliest convenience with a copy of the transfer list of registered 2 per cent bonds by national banks since July 1, 1913.

Mr. COX. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Indiana [Mr. Cox] reserves the right to object.

Mr. LEVY. Mr. Speaker, the people of the United States hold the Secretary of the Treasury in high esteem, well knowing that his acts are prompted by the highest patriotism, and the statement recently made by him "that the banks of New York were in combination to depress the price of 2 per cent bonds" is very unfortunate, and no doubt was prompted by misinformation. There is not a scintilla of doubt or question but that the national banks of the State of New York have in good faith been aiding to sustain the price of twos ever since the agitation for the new currency law.

The national banks of New York act as the agents of other national banks throughout the United States, and New York City is the market in which all of these bonds are bought and sold. The New York banks have been swamped with requests from their corresponding banks throughout the country ever since the agitation for new currency legislation as to how to protect themselves with their outstanding 2 per cent bonds. The New York banks have urged the holding of these bonds, feeling confident that the Government of the United States in honor bound would be compelled to protect them at par. The banks of the Northwest and the South have been the principal sellers of the 2 per cent bonds, although not to a very large extent when compared with the amount outstanding, which is approximately \$720,000,000. The national banks of the State of New York sold very few 2 per cent bonds.

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman why this resolution ought not to follow the ordinary method and be referred first to the committee to be reported upon?

Mr. LEVY. Because there have been statements that national banks in the city of New York have combined for the purpose of depressing the value of those bonds. There is not a scintilla of foundation for it. The banks have tried their best to maintain the value of the bonds.

Mr. FOSTER. Mr. Speaker, I object.

Mr. LEVY. Does the gentleman reserve the right to object?

Mr. FOSTER. No; I object.

The SPEAKER. Objection is made, and the resolution will have to go to the box.

Mr. SLOAN rose.

The SPEAKER. The gentleman from Nebraska.

ADJOURNMENT UNTIL FRIDAY.

Mr. UNDERWOOD. If the gentleman will withhold for a moment, Mr. Speaker, I desire to ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

ORDER OF BUSINESS.

Mr. MANN. Mr. Speaker, I ask unanimous consent that when the House meets on Friday, after the reading of the Journal and other informal business, the gentleman from Oklahoma [Mr. MORGAN] be permitted to address the House for 30 minutes.

Mr. FERRIS. Reserving the right to object, Mr. Speaker—

The SPEAKER. The gentleman from Oklahoma [Mr. FERRIS] reserves the right to object.

Mr. FERRIS. I do that, Mr. Speaker, for the purpose solely of stating that the Committee on Public Lands has a bill which in the judgment of the entire committee is an emergency matter, and the committee was almost, I think, unanimous in the opinion that we should take it up and try to get it out of the way before the currency bill came in, the committee having unanimously reported it and the caucus having unanimously agreed that it should be taken up.

In conversation with the gentleman from Illinois [Mr. MANN] a few moments ago, he was under the impression that we should not bring it up until more Members got back, so that everybody could have a chance to be heard. Personally, I may say that no one wants to get into any controversy about it, because it is an emergency matter and ought to be disposed of at this session.

Mr. MANN. Mr. Speaker, so far as I know and am at present informed, I am inclined to favor the bill that the gentleman refers to—the Hetch Hetchy bill, so called. Yet we have been running along for weeks, and the Members have been told that they might remain away from attendance on the House. As I understand, there will be a Democratic caucus on the 11th of August, which will naturally call back most of the Democratic Members, and it was my expectation to ask the Republican Members to be back by at least the middle of the month.

Mr. FERRIS. It seems to me, Mr. Speaker, that matters of this sort, in view of the fact that the membership will soon be full, ought not to be taken up until Members have been notified to be back.

Mr. UNDERWOOD. Mr. Speaker, if the gentleman will allow me, there is no objection to any gentleman on either side of the House making a speech about matters of interest to himself, and possibly to the country, providing it does not interfere with the public business; but if there is business before the House or the House concludes it is time to take up business, I do not think these speeches by unanimous consent should interfere with it; and I ask the gentleman from Illinois [Mr. MANN] to modify his request so that the gentleman may have his half hour to speak on next Friday, provided it does not interfere with the public business.

Mr. MANN. Mr. Speaker, it would be six of one and half a dozen of the other. If the Hetch Hetchy bill comes up on Friday, the gentleman from Oklahoma [Mr. MORGAN] can take the floor for an hour, and nobody can get him off. I would be quite willing—

Mr. UNDERWOOD. I think that is the better practice.

Mr. MANN. I agree with the gentleman about it.

Mr. MONDELL. If the gentleman will yield, I was unavoidably out of the Chamber for a moment, and did not hear the request.

Mr. MANN. The request which I made was that the gentleman from Oklahoma [Mr. MORGAN] be permitted to address the House for 30 minutes, and I will add to that, not to interfere with the public business.

Mr. MONDELL. What was the request of the gentleman from Oklahoma [Mr. FERRIS]?

Mr. FERRIS. I did not make any request. I reserved the right to object.

Mr. THOMAS. Mr. Speaker, reserving the right to object, I wish to inquire upon what subject the gentleman from Oklahoma [Mr. MORGAN] expects to enlighten the House? I want to know about that.

Mr. MANN. In order that the gentleman from Kentucky may have the pleasure of being present and gaining some enlightenment, I will say that I think the gentleman from Oklahoma will probably enlighten the gentleman on the tariff and other political matters.

Mr. THOMAS. If he can do that, I have no more to say. [Laughter.]

Mr. FERRIS. Mr. Speaker, if the Chair will indulge me a moment further on my reservation, of course I have no objection to a speech by my colleague [Mr. MORGAN]. I shall be glad to hear him myself. I do want, if I can, to arrange to get some definite time set for the consideration of our bill, and after a conversation with Floor Leader UNDERWOOD this morning, I had hoped we could bring it up on Friday of this week, so we could dispose of it and get it out of the way of the currency bill. I should like to ask Floor Leader UNDERWOOD if he thinks we could get consideration for this bill about the 15th, in accordance with the suggestion of the gentleman from Illinois [Mr. MANN]?

Mr. UNDERWOOD. Of course, I can not tell. I think if the committee are ready to report the currency bill, it ought to have the right of way.

Mr. FERRIS. Undoubtedly.

Mr. UNDERWOOD. If conditions are favorable, you can take it up, and if not, let it go over. I think we can dispose of that question by bringing it up then.

Mr. MURDOCK. Why does not the gentleman bring it up on Friday, when the half hour the gentleman from Oklahoma [Mr. MORGAN] wants can be arranged? I should like to say that there seems to be a growing practice in the House of asking unanimous consent on one day in relation to business on a subsequent day. Why not ask the unanimous consent on the day when the business is to be transacted?

Mr. MANN. When gentlemen have to bring papers into the House, and there is no other business to be transacted, I can readily see how it may be an advantage to a gentleman to obtain unanimous consent on a previous day. Of course that is the only reason.

Mr. MURDOCK. Is it understood that the speech to be made by the gentleman from Oklahoma will not interfere with actual legislation?

Mr. MANN. I have so stated.

Mr. FERRIS. Mr. Speaker, the speech of the gentleman from Oklahoma [Mr. MORGAN] is not the thing that is burdening my mind at all, and I am satisfied it is not the thing that is burdening the gentleman from Illinois.

Mr. MANN. Nothing is burdening my mind. [Laughter.]

Mr. FERRIS. As usual. [Laughter.] There is something in the suggestion of the gentleman from Illinois about waiting until Members get back; but I want to impress upon the mind of the gentleman from Illinois that if he does force us to go over until the 15th, or rather cause us to go over until that time, and if the currency bill comes in then, followed by the tariff bill, the probability is we shall be crowded out.

Mr. MANN. I said to the gentleman privately, and I am willing to say it publicly—although I do not think it will add anything to the efficacy of the statement—that so far as I am concerned I am willing to cooperate with the gentleman in bringing before the House the bill he refers to at as early a date as possible after the Members are back. I think myself there will be no opposition to the Hetch Hetchy bill, and yet, of course, I do not know.

Mr. FERRIS. On what day of the week does the 15th come?

Mr. MANN. On Friday.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that Friday, the 15th, be set apart as the day on which the committee may call up the Hetch Hetchy bill, with the proviso that if the currency bill is ready we stand aside until it is out of the way. That is in fairness to the gentleman.

Mr. MONDELL. I reserve the right to object.

Mr. FERRIS. Mr. Speaker, I will withdraw my objection to the request of the gentleman from Illinois.

Mr. UNDERWOOD. Mr. Speaker, I do not think there will be anything on Friday.

Mr. MANN. I added to the request, not to interfere with public business.

The SPEAKER. The gentleman from Illinois asks unanimous consent that next Friday the gentleman from Oklahoma [Mr. MORGAN] shall have the privilege of addressing the House for 30 minutes, at such time as will not interfere with the transaction of public business. Is there objection?

Mr. MURDOCK. Reserving the right to object, I would like to ask the gentleman from Illinois in case that consent is granted and I have an application for time next Friday, does the gentleman think that I will have any difficulty in getting an extension of that half hour granted to the gentleman from Oklahoma?

Mr. MANN. I do not think the gentleman from Kansas will have any difficulty in getting four hours if he wants.

Mr. MURDOCK. I do not wish to talk for four hours, but this is the trouble with the practice of asking unanimous consent for time on a previous day.

Mr. MANN. What is the trouble about it? It is an advantage.

Mr. MURDOCK. It seems to me that it would be better and more regular to ask for consent on the day that it is desired to talk rather than to ask it now.

Mr. MANN. I think it is fair, if the House is not to be busy, for gentlemen to know that he has the permission to address the House on that day.

Mr. THOMAS. Mr. Speaker, in order that I may enlighten—

The SPEAKER. If the gentleman from Kentucky will wait a moment, the gentleman from Oklahoma made a request for unanimous consent.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that Friday, the 15th, be set apart as the day on which to consider the Hetch Hetchy bill, provided the currency bill is not ready.

to proceed with; and if it is, that the Hetch Hetchy bill be laid aside.

The SPEAKER. Is there objection to the request of the gentleman from Illinois that the gentleman from Oklahoma [Mr. MORGAN] may have one-half hour on Friday next, not to interfere with other business? [After a pause.] The Chair hears none. Now the gentleman from Oklahoma [Mr. FERRIS] asks that Friday, the 15th, be set apart for consideration of the bill known as the Hetch Hetchy bill, not to interfere with the currency bill if the currency bill is reported.

Mr. MANN. I would suggest to the gentleman from Oklahoma that he make his request, that on Friday, the 15th, the Hetch Hetchy bill shall be made a continuing order until disposed of, so that if the House adjourns without disposing of it on Friday it will be the continuing order.

The SPEAKER. The gentleman modifies his request so that it will be a continuing order, beginning on Friday, not to interfere with the currency bill.

Mr. MONDELL. Mr. Speaker, reserving the right to object, I would like to know what the intention—

Mr. THOMAS. Mr. Speaker, in order that I may enlighten gentlemen—

Mr. MONDELL. Reserving the right to object, I would like to know what the intention of the gentleman from Oklahoma is in regard to allowing sufficient debate and discussion.

Mr. THOMAS. Mr. Speaker, I supposed that I had the floor.

The SPEAKER. No; the Chair supposed that the gentleman from Kentucky was reserving the right to object. The gentleman from Kentucky has not the floor.

Mr. THOMAS. I suppose the gentleman from Wyoming has the floor.

The SPEAKER. After the request of the gentleman from Oklahoma is disposed of, the Chair will recognize the gentleman from Kentucky.

Mr. MONDELL. Mr. Speaker, I have introduced this morning a bill which I expect to offer as a substitute for the Hetch Hetchy bill, and I think there will be a demand for considerable time for discussion of that measure on this side at least, as it involves a number of important principles. I trust the gentleman from Oklahoma has no disposition to limit the time for debate, and I want to be assured that abundant opportunity will be given for discussion of the bill before I agree to the request for unanimous consent.

Mr. FERRIS. There is no disposition on the part of the committee, or anybody, for undue haste, or to hurry the matter along and cut anybody out.

Mr. MONDELL. I have no disposition to prolong the discussion or defeat the measure; I simply want an opportunity for full discussion.

Mr. FERRIS. The gentleman from Wyoming, who has long been a member of the committee, and the chairman of the committee knows that the committee is willing to give everybody an opportunity to be heard, and give it the same full consideration in the House as it had in the committee.

Mr. MURDOCK. Then, if I understand the gentleman from Oklahoma, he does not intend to conclude this matter in one day?

Mr. FERRIS. Probably not.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. FERRIS]?

There was no objection.

Mr. THOMAS. Mr. Speaker, I wish to apologize to the Speaker for interrupting as I did a little while ago. I suppose that the gentleman from Wyoming had the floor; he generally does. [Laughter.]

Mr. MONDELL. The gentleman from Wyoming sometimes has the floor, when the gentleman from Kentucky does not have it.

Mr. THOMAS. Yes; the gentleman from Kentucky seldom has the floor, and when the gentleman from Kentucky does not have the floor the gentleman from Wyoming either has it or tries to get it, one of the two. [Laughter.] Mr. Speaker, I wish to ask unanimous consent that on Friday next, in order to enlighten the darkened intellect of the gentleman from Illinois [Mr. MANN] [laughter] as to some things which have never been dreamed of in his philosophy, I may have 30 minutes in which to address this House. [Laughter.]

The SPEAKER. The gentleman from Kentucky asks unanimous consent that on next Friday, following the speech of the gentleman from Oklahoma [Mr. MORGAN], he shall have 30 minutes in which to address the House.

Mr. MANN. I think the gentleman ought to have 45 minutes, at least, if he is going to give us any information.

Mr. THOMAS. Mr. Speaker, I accept the amendment; you may put it an hour if you like. [Laughter.]

Mr. MANN. It will take an hour for the gentleman to give any information.

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I desire to ask the gentleman from Kentucky to amend his request, as there may be two bills which will come up on Friday from the Committee on Foreign Affairs. I ask that he make his request not to interfere with public business.

The SPEAKER. The gentleman from Kentucky asks unanimous consent that, following the speech of the gentleman from Oklahoma [Mr. MORGAN], he shall have 45 minutes in which to address this House, not to interfere with the public business. Is there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, some two weeks ago House Document No. 54 was printed. At the time it was stated to the gentleman from Illinois that the report would not be inserted in the hearings of the Hetch Hetchy bill, which has not been done, but they are practically exhausted, and we desire that a copy of that report may be had by each Member of the House; and therefore I ask unanimous consent that there be printed 500 copies of House Document No. 54, the Army engineers' report.

Mr. MANN. Well, reserving the right to object, if there ever was a useless document printed it is that of the Army engineers' report. As for giving a copy to each Member of the House—each member of the Army engineers can not understand it, much less others, and I am sure no one in the House could, except the honorable gentleman from California, who has other information, and hence may be able to understand some little of the Hetch Hetchy document. It is just a waste of public money to be printed.

Mr. RAKER. It is a matter that has been discussed by the committee, and they have all asked about it and desire to know what it is.

Mr. MANN. The gentleman ought not to leave them in ignorance. I read that report from one end to the other, and it is the only document I ever read from which I could absolutely extract no information whatever. [Laughter.]

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent that 500 additional copies of House Document 54 be printed, leaving out the engineers' report. Is there objection?

Mr. FOSTER. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois objects.

Mr. SLOAN. Mr. Speaker, I desire to ask that I may be permitted to print a letter from the Hon. J. H. Rushton, of Nebraska, in the RECORD.

The SPEAKER. The gentleman from Nebraska [Mr. SLOAN] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. FOSTER. Mr. Speaker, reserving the right to object, I would like to know upon what subject it is.

Mr. SLOAN. The subject is the attitude of the commercial classes of Europe toward pending tariff legislation, he having been Briton-born, became an American citizen, imbued at the same time with American ideals of commerce. He is one of the largest manufacturers in our State of Nebraska products, and I think his communication would be of interest to every Member of this House.

Mr. FOSTER. Is he a member of the National Association of Manufacturers?

Mr. SLOAN. I do not know whether he is or not. I do not know whether that would make any difference. He is an honorable man and an able one—

Mr. FOSTER. That organization seems to be in the limelight at this time—

Mr. SLOAN. And the information he would give would, I think, be of value to the gentleman from Illinois.

Mr. MURDOCK. Mr. Speaker, is this a letter or a document?

Mr. SLOAN. It is a letter, written to me. I trust that fact will not impair its value.

Mr. FOSTER. Will the gentleman give us the name of the manufacturer?

Mr. SLOAN. The writer is the Hon. J. H. Rushton.

Mr. BURNETT. What is his nationality?

Mr. SLOAN. He is an American citizen, but was born in England; but, unlike a lot of people who were born and still live here, he has not become British on policies of commerce. [Laughter on the Republican side.]

The SPEAKER. Is there objection?

There was no objection.

Following is the letter referred to:

EUSTON HOTEL, London, N. W., July 16, 1913.

Hon. CHAS. H. SLOAN.

House of Representatives, Washington, D. C.

FRIEND SLOAN: There are some general facts that appeal to me here and I think will appeal to you. This city is one of commerce. The British Empire is a nation of commerce.

All the commercial people according to their interests are watching the progress of the Democratic tariff bill and hoping for its speedy passage.

To illustrate: If the bill passes with the free-meat clause, Australian mutton is ready to come in and compete with the mutton from west of the Missouri River.

The Australian and Argentine beef is looking for the bill to pass so it can come in and compete with the farmers of the Mississippi and Missouri Valleys.

The Russian and Italian eggs as well as China eggs are ready to come across the seas as soon as "Dr. Wilson," as they call him here, signs the bill.

Australian and Siberian butter dealers are ready to send their surplus goods to us and meet the butter in our markets made from cream produced in the dairy section of the United States.

Russian and Chinese poultry will be able to come into our markets and get a portion of the trade and dominate our markets.

From these countries producing the articles named—on cheap land—there will come a flood of food.

From these countries where labor is cheap these foods will come in large amounts.

How will the farmers, laborers, and business men of the great producing sections of our country feel about having their \$100-an-acre land put in competition with the \$1 to \$10 land in these countries? How will the well-paid labor of this country enjoy coming into actual practical, not theoretical, competition with the cheap labor of these countries named?

We pay women \$1.50 to \$2 per day to pick chickens. In Russia, working from 4 a. m. until 7 p. m., the Russian peasant women get 24 cents per day.

All these lines named remind me of a horse race, every horse is on the bit waiting for the starter to give the word.

So all these named lines are simply waiting for President (Dr.) Wilson to sign this act, and then there will be a rush for our markets (the best markets on earth) and the question is how will it affect our producers, our laborers, our lands, our business communities, and our general prosperity? I leave this to your own conclusion. The eyes of the commercial world are on America and hoping that she will make this misstep and give them a chance. The cost of living in Europe and all over the world will rise. The cost of production will also rise.

In our country the producer will suffer first and then the consumer will suffer second, and our boasted high standard of living will be lowered.

The bill, if it becomes law, will benefit the peasants of Russia and Italy, the cattle and sheep raisers of Australia and Argentina and Uruguay, the Chinaman; but to the extent that they are benefited our own people will suffer.

Is this Congress an American Congress or Russian or Italian or Australian or South American?

By its acts we shall know and become enlightened. It would do the advocates of free meats and reduced duties good to visit the Smithfield Market in London and see things before they vote.

Yours,

J. H. RUSHTON.

THE CURRENCY.

Mr. RAGSDALE. Mr. Speaker, I ask unanimous consent to be permitted on Friday to address this House for one hour on the currency bill, now being considered, not to interfere with the transaction of public business.

The SPEAKER. The gentleman from South Carolina [Mr. RAGSDALE] asks unanimous consent that on next Friday, following the speech of the gentleman from Kentucky [Mr. THOMAS] and the speech of the gentleman from Oklahoma [Mr. MORGAN], he be allowed to address the House for one hour on the subject of the currency bill.

Mr. BURNETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURNETT. Do the Members have to be here when these speeches are delivered?

The SPEAKER. That is not a parliamentary inquiry.

Mr. RAGSDALE. If it would keep some Members from the places they intend to be in, Mr. Speaker, it might be well for them to be required to be here. [Laughter.]

The SPEAKER. Is there objection?

Mr. UNDERWOOD. I understand, Mr. Speaker, that the gentleman coupled with his request the statement that the speech would not interfere with the transaction of public business.

Mr. RAGSDALE. Yes. I said that.

The SPEAKER. Is there objection?

There was no objection.

WARREN F. DANIELL.

Mr. REED. Mr. Speaker, I desire to ask unanimous consent to have read by the Clerk and inserted in the Record a copy of an editorial.

Mr. MANN. I object, Mr. Speaker. I do not know what it is. We can not commence that practice.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

Mr. REED. Mr. Speaker, will the gentleman permit me to state the text of the editorial?

Mr. MANN. I object to the gentleman stating what it is.

Mr. MURDOCK. The gentleman objects to the editorial, but does not know the subject matter. Is that the proposition?

Mr. MANN. I object to the practice of having read by the Clerk editorials from newspapers, of which there are thousands of good ones every day.

The SPEAKER. The gentleman from Illinois objects, and does not need to give any reason why he objects.

Mr. REED. Mr. Speaker, I ask unanimous consent to insert in the Record an editorial on an ex-Member of this House, the late Warren F. Daniell.

The SPEAKER. The gentleman from New Hampshire [Mr. REED] asks unanimous consent to insert in the Record an editorial. Is there objection?

Mr. MANN. Mr. Speaker, I withdraw my objection in view of what the gentleman states.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

WARREN F. DANIELL.

Warren F. Daniell, who died at his home in Franklin Wednesday, rounded out a long, useful, and well-spent life and left a circle of friends as wide as the broad range of his acquaintance. Whether from temperament or wise choice, or both, he made his life worth living without worrying over much about it. He was a successful business man, capable of close application, but he did not permit his business to gain mastery over him. He never became a slave to a desire for great wealth, and free from personal political ambition, lived a life of cheerful activity and contentment, carrying the buoyant spirit of youth into his latest years. Fond of a good horse, he gratified his taste at the same time that he encouraged the breeding of good horses. His model farm and exceptionally fine herd of cattle were for many years an example and an incentive to his neighbors, and, indeed, to farmers in all sections of the State. He even made himself an expert in poultry and contributed greatly to the introduction of the best strains and to the general encouragement and improvement of an industry which is rapidly gaining in importance in New Hampshire.

He was singularly free from ambition. He might easily in Civil War times have held a military commission, but he chose to go with a regiment as a civilian, contributing unostentatiously to the comfort of the soldiers. When the village, to the prosperity and growth of which he had contributed, became a city he might have been its mayor, but declined. He might have had the nomination of his party for governor, and in all probability would have been elected, but positively refused. As a matter of party loyalty he consented to run for Congress, and was elected, but would not consider a second term.

Living his life in his own cheerful, wholesome way, he was hale and hearty at an age when most men are feeble of body and broken in spirit. Unaffectedly democratic, kindly and benevolent without ostentation, it could be said of him, as of a certain Greek in the olden time, that he built his house by the side of the road and was a friend of man.

EXTENSION OF REMARKS.

Mr. LEVY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. The gentleman from New York [Mr. LEVY] asks unanimous consent to extend his remarks in the Record.

Mr. MURDOCK. Mr. Speaker, inasmuch as the practice is growing up of asking each gentleman what he is going to extend about, I will ask the gentleman from New York what he is going to speak of?

Mr. LEVY. I wanted to do that a moment ago. It is in relation to those 2 per cent bonds and to banking.

The SPEAKER. Is there objection?

Mr. WINGO. I object, Mr. Speaker.

Mr. MANN. Reserving the right to object—

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] objects.

Mr. BRYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting an article written by the Hon. Albert J. Beveridge along the line of the remarks to be made by the gentleman from Oklahoma [Mr. MORGAN]; that is, on the tariff and other kindred and allied subjects involving the state of the Union.

Mr. LOBECK. I object, Mr. Speaker, until we hear what the gentleman from Oklahoma [Mr. MORGAN] states. Then we can find out.

The SPEAKER. The gentleman from Nebraska [Mr. LOBECK] objects.

Mr. BRYAN. Mr. Speaker, will not the gentleman—

The SPEAKER. The gentleman from Nebraska objects, and does not need to give any reason for objecting.

Mr. LEVY. Mr. Speaker, did anyone object to my printing remarks in the Record.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] objected to the request of the gentleman from New York.

PARCEL POST.

Mr. KINDEL. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman from Colorado [Mr. KINDEL] rises to a question of personal privilege.

Mr. KINDEL. Since becoming a Member of the House I have labored industriously along the lines of transportation—

The SPEAKER. The gentleman from Colorado will state his question of privilege.

Mr. KINDEL. The Assistant Postmaster General, in remarks made in the Denver Express on July 31, said that Congressman KINDEL's plans were entirely too radical; that Postmaster General Burleson stated that "we might ultimately reach the point Mr. KINDEL advises, but we do not want to cripple the service by trying to do too much at once. We are going to increase the weight limit of packages accepted from 11 to 20 pounds, and packages over 11 pounds will be carried only in the 150-mile zone."

Mr. MANN. I respectfully suggest that the gentleman has not stated a question of personal privilege. If the gentleman desires to address the House, I have no objection.

The SPEAKER. The gentleman has not stated any question of personal privilege.

Mr. KINDEL. I supposed that was the way to get the floor on a matter of this kind. I am inexperienced in parliamentary matters, as gentlemen know.

Mr. MANN. How long does the gentleman desire to address the House?

Mr. KINDEL. Perhaps 30 minutes.

Mr. MANN. I ask unanimous consent that the gentleman have leave to address the House for 30 minutes.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Colorado have 30 minutes. Is there objection?

Mr. MURDOCK. Reserving the right to object, I should like to know the philosophy and the practice concerning unanimous consent. At the beginning of to-day's proceedings the gentleman from Illinois [Mr. MANN] asked unanimous consent that the gentleman from Oklahoma [Mr. MORGAN] might address the House on a future day. Following that the gentleman from Kentucky [Mr. THOMAS] made a similar request. Then there followed requests to print several things in the RECORD, but when the gentleman from Washington [Mr. BRYAN] asked unanimous consent to print in the RECORD something which is apropos and political, dealing with public questions, there was objection. I have no objection to the gentleman from Colorado proceeding for 30 minutes, but I think there will have to be some give and take on the proposition of unanimous consent.

Mr. MANN. Mr. Speaker, I think the gentleman from Kansas is hardly fair in his statement.

Mr. MURDOCK. I have no objection to the gentleman from Colorado addressing the House.

Mr. MANN. I feel quite sure that gentlemen in the House belonging to the party of which the gentleman from Kansas is at the head have printed more matter under leave to print, in proportion, than either of the other parties.

Mr. MURDOCK. I doubt that; but I do not think that enters into the equation.

Mr. MANN. That enters into the question as to whether the House is endeavoring to discriminate.

Mr. MURDOCK. The House, as a matter of fact, was playing favors this afternoon in the matter of granting unanimous consent.

Mr. MANN. Oh, well—

Mr. MURDOCK. I have no objection.

The SPEAKER. The Chair will state again that when a request is made for unanimous consent any gentleman in the House has the absolute and inherent right to object without giving any reason whatever for it.

Mr. THOMAS. Mr. Speaker—

The SPEAKER. Is there objection?

Mr. THOMAS. Reserving the right to object, may I inquire of the Chair for what purpose and upon what subject the gentleman from Colorado wishes to speak?

The SPEAKER. The information of the Chair is—

Mr. THOMAS. I inquire of the gentleman from Colorado.

The SPEAKER. The gentleman from Kentucky, reserving the right to object, asks the gentleman from Colorado what he is going to speak about.

Mr. KINDEL. The parcel post, and my activities along lines contrary to those I have been charged with.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the gentleman be allowed four hours in which to discuss that question.

Mr. KINDEL. Mr. Speaker, I do not know that I will take quite four hours, but I will quite likely take three.

Mr. MANN. I ask the gentleman from Kentucky to withdraw his request.

Mr. THOMAS. Anything that the gentleman from Illinois asks.

The SPEAKER. Is there objection to the gentleman from Colorado addressing the House for 30 minutes?

Mr. WINGO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LEVY] may have permission to extend his remarks in the RECORD. I misunderstood his request.

Mr. MURDOCK. Mr. Speaker, I object.

Mr. KINDEL. Mr. Speaker, I quote the following article from the Cheyenne Leader:

CONGRESS FIGHTS BURLESON'S ORDER TO REDUCE RATES.

WASHINGTON, July 22.

Concerted opposition has developed in Congress to Postmaster General Burleson's order reducing parcel-post rates and increasing the maximum size of packages to be handled in the service. The order was issued Sunday, to become effective August 15, and to-day the Senate Post Office Committee requested Mr. Burleson to appear before the committee next Thursday with an explanation for the authority of his action.

The committee is expected to undertake to have withdrawn before August 15 any authority he may claim to make changes in rates. It was contended in the committee that the changes would entail an enormous loss to the Government, and some of the members complained strenuously that the Post Office Department had failed to furnish Congress with data concerning the operation of the parcel post.

It is claimed that the Postmaster General has no authority to make the contemplated changes, and there is expected to be some bitter debating on this subject.

Accompanying that was a letter written by A. De Armon, as follows:

CHAMBERLIN METAL WEATHER STRIP CO.,
Cheyenne, Wyo., July 23, 1913.

HON. GEORGE J. KINDEL, Washington, D. C.

DEAR SIR: Referring to the inclosed clipping, you will remember that when the parcel-post bill was passed, the Postmaster General was given the power to make certain changes to suit conditions. Among the changes he was authorized to make were the reduction of rates and increase in weight of packages up to 100 pounds.

As you are familiar with freight and express rates, we are taking this matter up with you also, as the Congressman from this State is longer on making grand-stand plays than he is at serving the people who sent him to Washington. Incidentally, the aforesaid people will undoubtedly get his Angorina the next trip.

You know how we all have been sandbagged and robbed by the express companies, so if you can do anything to aid the Postmaster General in putting this ruling into effect your efforts will surely be appreciated.

It would look like the express companies have some lobby in Washington as well as the other "infant industries," and it is the sincerest wish of the writer, as well as thousands of others who have been their prey for lo these many years, that they will get all that is coming to them.

It has been demonstrated that the parcel post is a paying proposition, and there should be no objection to this change.

Very truly,

A. DE ARMON.

Another letter by the editor of the Ranch and Range is as follows:

DENVER, COLO., July 30, 1913.

HON. GEORGE KINDEL, M. C.,
Washington, D. C.

DEAR MR. KINDEL: I notice there is an effort being made on the part of representatives of the express companies to nullify the "administrative-powers" clause in the parcel-post law so that the new ruling by Postmaster General Burleson, materially increasing the efficiency of the parcel-post act and making it of much greater service to the farmers, would be made inoperative.

You are familiar with the fact that the parcel-post law became such at the urgent demand of the National Grange, composed of nearly a million enterprising farmers, and it is to relieve these burden bearers of our Nation that this and similar acts for their protection have been enacted.

In behalf of the Colorado State Grange and Farmers' Union, of which Ranch and Range is the official organ, and of which I am managing editor, and in behalf of 50,000 other farmers in the State of Colorado, I appeal to you to protect the interests of the farmers of our Nation by using your offices to defeat any efforts on the part of the "tools" of the express companies, which for decades have been recognized among the "special-privileged classes" in restricting the authority of the Postmaster General, thus forcing the Government to become a party with the express companies in a "hold-up game," which for decades has so effectively contributed to the making of millionaires of the favored few and paupers of the farmers.

Thanking you in advance in anticipation of your favorable efforts in behalf of the farmers, I remain,

Very truly, yours,

H. S. GROVES.

My reply to Mr. Groves, of the Ranch and Range, was as follows:

AUGUST 4, 1913.

MR. H. S. GROVES, Denver, Colo.

DEAR MR. GROVES: I have your letter of July 30, relating to existing controversy between Congress and the Postmaster General over the parcel post.

As you are aware, I have been an open and ardent advocate of the parcel post for a great many years. I advocated its adoption when it was not nearly so popular in Colorado as it is to-day.

I am still a friend of the parcel post. I have advocated increase in the weight limit, reduction of rates, and rearrangement of zones continuously and zealously since I came to Washington. Perhaps you will recall that I proposed a scheme for such a revision after my election to Congress and some time before I came to Washington.

But I am opposed to the butchering of the parcel post now being practiced by Postmaster General Burleson. I have not hesitated to express my opposition publicly and privately; and I am sure the people of Colorado, who have known me in my fight of 21 years against the express companies, know my opposition is not due to friendliness to those bloodsucking parasites.

I have opposed the changes suggested by the Postmaster General because they tend to discredit the parcel post. In my opinion, they will retard rather than aid the proper development of transportation

by parcel post; and if I thought Postmasters General in the future would be as poorly qualified as is Postmaster General Burleson to cope with the problems of parcel post, I should favor taking from that official authority to make changes in rates, zones, and weight limits and lodging it again in Congress. But I am confident that Burleson will not remain in office very long and that there will never be another so poorly fitted for the job as he.

Now, let us look at the possible effects of the changes proposed by Mr. Burleson. He would increase the weight limit to 20 pounds for local, first, and second zones, or over a distance of 150 miles from the sending office. He would decrease the rates radically in this territory, but would leave rates and the weight limit for the remainder of the country unchanged.

I have insisted from the beginning that the changes should be extended all over the country, or that they should be made on a principle that could be extended to the entire country when sufficient development in the parcel-post business had been reached to justify the extension. But I contend that the changes he is making will retard the development of the parcel post, for the very reason that they can never be extended to the other zones.

His rate for the local zone is 5 cents for the first pound and 1 cent for each additional 2 pounds or fraction thereof. For the second and third zones his rate is 5 cents for the first pound and 1 cent for each pound or fraction thereof.

This makes a rate of 24 cents on 20 pounds for a distance of 150 miles. Twenty pounds could not be shipped 151 miles except in two packages. The rate would be \$1.04. This is a penalty of 80 cents for crossing an imaginary line.

I should not object seriously to this discrepancy if I thought it was to be only temporary. But I am convinced from the investigation I have made that the rates made for the 150-mile radius are too low. They will result in a deficit to the Post Office Department.

But after low rates have once been put into effect the people will not stand for their being raised without very severe criticism, even if they do produce a deficit. And after Congress has been shown that the new rates are productive of a postal deficit, that body, which keeps a jealous eye on public revenues, will not stand for further reductions in rates. Thus the Postmaster General himself will be placed in the position of having forced Congress to rescind its action granting him authority to improve the parcel post.

Now, let us see how some of these new rates work in Colorado: From Denver to Glenwood Springs the rate would be 24 cents on 20 pounds, or \$1.20 on 100 pounds, shipped in five packages. The freight rate from Denver to Glenwood Springs is \$1.37 for 100 pounds, first class.

I have always contended and still contend that the freight rate is too high. But the railroads contend that they have a hard time keeping out of the bankruptcy courts under those rates, carrying the business by slow and comparatively inexpensive freight-train service. It must be understood that the railroads deliver none of their freight, simply holding it at the freight office until it is called for.

Now, the Postmaster General proposes that five 20-pound packages shall be carried from Denver to Glenwood Springs, by passenger train instead of freight, and each package delivered to a separate address for \$1.20, or 17 cents cheaper than the same weight can be carried in a single package by freight and held in the office at Glenwood Springs until it is called for. Does it appear to you that the Government can do that sort of business except at a loss?

Now, the rate on 100 pounds by freight to Grand Junction from Denver is \$1.40, only 3 cents more than to Glenwood Springs. Conditions for carrying and delivery are the same. Let us see about the parcel-post rate.

Grand Junction falls outside the 150-mile radius from Denver; hence the maximum weight limit would be 11 pounds and the present rates would apply. The same 100 pounds which would cost \$1.20 to Glenwood Springs, carried in 5 packages, would have to go in 10 packages to Grand Junction and would cost \$5.20. It costs 3 cents more to ship 100 pounds of freight to Grand Junction than to ship it to Glenwood Springs. It costs \$4 more to ship 100 pounds by parcel post.

Now, I have opposed the alterations proposed by the Postmaster General for no other reason than that they are unscientific and indefensible from any standpoint. I am confident they will retard rather than hasten the proper development of the parcel post. I did not wait until his plans had been publicly announced, but wrote to him and to the Interstate Commerce Commission at least a month before any public announcement was made, pointing out the danger of such unrelated changes.

The Postmaster General first proposed to make the rate of 5 cents for the first pound and 1 cent for each additional 2 pounds apply over the entire 150-mile territory. It was because of my objections that he finally proposed a different rate for the territory outside of local delivery. But I am confident his rates for the second zone are too low, will result in a big deficit to the department, and will thus be a hard blow to the parcel post.

Sincerely, yours,

GEO. J. KINDEL.

Mr. MURDOCK. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. MURDOCK. I realize the study that the gentleman has given to this question perhaps more than any other gentleman present. But he says that the new rates in the first two zones are too low. Is it not a fact that the present rates in the first two zones are so high that the express rates undercut them and get the business? Does the gentleman, in that connection, believe there is any considerable parcel-post business between Washington and Baltimore? Is it not a fact that most of the small parcels go to the express companies for the reason I have stated?

Mr. KINDEL. I am thoroughly in accord with the reductions in the local and first zones, but I am opposed to the postage-stamp rates for the first and second zones. This makes the rate the same for all distances, outside of local delivery, for a distance of 150 miles from the sending office. The rate is 24 cents for 20 pounds for both the 50-mile and the 150-mile zones.

Mr. MURDOCK. The gentleman's objection is to the destruction of the zones and the widening out of the lines which make the two zones.

Mr. MONDELL. Mr. Speaker, when it is convenient I would like to ask the gentleman a question.

Mr. KINDEL. The gentleman can ask it now.

Mr. MONDELL. The gentleman referred to his interview with the Postmaster General and gave me the impression that he disagreed with the Postmaster General.

Mr. KINDEL. I did.

Mr. MONDELL. I had understood that the Postmaster General had stated in the hearing before the Senate committee, when called upon to explain these changes, that he had conferred with the gentleman from Maryland [Mr. LEWIS] and the gentleman from Colorado [Mr. KINDEL], and I assume that he meant to say or meant to infer that both gentlemen agreed with him.

Mr. KINDEL. I am glad the gentleman from Wyoming has asked the question. I was invited by the Postmaster General to confer with four underling \$2,500 clerks and Mr. LEWIS. Mr. LEWIS had a proposition to make and, in fact, published it in his brief, in which he proposed to have a rate of one-half a cent a pound for each hundred miles. I pointed out at once what would happen, that the rate would be like a skyrocket; it would be so high, and it would come down like a stick. Mr. LEWIS had made comparisons of rates in Europe and his proposed rate on 132-pound packages. He did not tell the whole truth, that that rate was made on 46 miles in Europe and his on 100 miles. In other words, it was a ratio of 30 to 18. When they made the report I told the Postmaster General. They say "we." Who is "we"? I had nothing to do with the report and I could not agree to it. I had proposed another rate that was automatic that you could use—the poundage multiplied by the zone and add 3, and you will get the rate.

Mr. MONDELL. Then I am correct in my understanding of what was said by the Postmaster General to the effect that he had conferred with the gentleman from Colorado and that the gentleman from Colorado agreed with him?

Mr. KINDEL. I had not agreed with him. I heard that statement was made, but I was away at Panama at the time.

Mr. MONDELL. My impression was that the gentleman from Colorado was in full accord with what was done.

Mr. KEATING. The gentleman from Colorado is not responsible for any inferences the gentleman from Wyoming may have drawn of what the Postmaster General said.

Mr. KINDEL. I want to thank the gentleman from Wyoming for having brought this question up, and if there is any misunderstanding about it I want to correct it.

Mr. MONDELL. Now, Mr. Speaker, will the gentleman yield to me for a moment?

Mr. KEATING. Just a second, I beg of my colleague from Colorado. The point I want to make is this: You are arguing now that your understanding of what the Postmaster General said placed you in a false light before the Senate committee, and claim that he had an agreement with you?

Mr. KINDEL. No; I can not say that. I do not know anything about that.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Colorado yield to the gentleman from Wyoming?

Mr. KINDEL. Yes.

Mr. MONDELL. I do not think the gentleman from Colorado [Mr. KINDEL] needs to have his colleague defend and protect him on the floor of the House. In perfect good faith, in order that I might understand the gentleman's position, I asked him with regard to the statement made by the Postmaster General. It happened that I was in the committee room of the Committee on Post Offices and Post Roads of the Senate when the Postmaster General was before that committee, and the understanding I had—and I readily admit I have not the brilliant understanding possessed by the gentleman from Colorado [Mr. KEATING]—was that the gentleman from Colorado [Mr. KINDEL] agreed with these rates, and I was somewhat surprised; and in order that the matter might be cleared up, not only so far as my understanding of the case is concerned, but so that others also might understand it, in good faith I asked the gentleman to make his position clear. I now ask the gentleman from Colorado [Mr. KINDEL] if it is true that the statement made by the Postmaster General as reported in the newspapers led to the conclusion that he agreed with the Postmaster General?

Mr. KINDEL. I did not agree with him.

Mr. KEATING. One moment.

Mr. KINDEL. This ought not to come out of my time.

Mr. KEATING. I will ask for an extension of the gentleman's time if he will yield to me for a moment.

Mr. KINDEL. Very well.

Mr. KEATING. As I understand the statement of the gentleman from Wyoming, he was present when the Postmaster General made the statement. Mr. KINDEL at that time was in Panama. He has not seen the statement of the Postmaster General. Mr. MONDELL heard the statement, and now Mr. MONDELL comes to Mr. KINDEL, who did not hear and did not read the statement, and asks Mr. KINDEL to tell him, Mr. MONDELL, what the Postmaster General said at the hearing where Mr. MONDELL was present.

Mr. KINDEL. I do not understand it so. The gentleman heard the statement that I had agreed with Mr. Burlison. I did not agree with him and his committee.

Mr. KEATING. There is no question of the gentleman's position.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield to me?

The SPEAKER. Does the gentleman from Colorado yield to the gentleman from Kansas?

Mr. KINDEL. Yes.

Mr. MURDOCK. Who constituted this conference of which the gentleman speaks?

Mr. KINDEL. Four \$2,500 clerks, and they control the destiny of the biggest business organization on earth, the United States Post Office.

Mr. MURDOCK. Was not the Postmaster General present, and Mr. LEWIS?

Mr. KINDEL. Mr. LEWIS was there only once or twice. There were only those four clerks, and only when they had a report to make was Mr. Burlison called in.

Now, to further clear your minds on what I thought of the matter, I will read my letter to Mr. Burlison of June 18, 1913. It is as follows:

JUNE 18, 1913.

HON. ALBERT S. BURLISON,
Postmaster General, Washington, D. C.

MY DEAR MR. BURLISON: About four months ago you assumed the duties of the office of Postmaster General. In assuming those duties you were aware that the biggest and most important problem confronting the department had to do with the improvement, extension, and administration of the newly created parcel post.

Hence it is fair for the public to believe, as I am convinced it does believe, that you in accepting your appointment did it with full realization of your duty to the people in improving and extending the parcel post. You were a Member of the House of Representatives when Congress enacted the parcel-post law, placing upon the Post Office Department the responsibility for making the parcel post an efficient and economical instrument for general parcel transportation.

As a citizen of the State of Colorado I am deeply interested in the perfection of the parcel post. All the people of Colorado are deeply and vitally interested in it. As the representative of those people in Congress I have a special and added interest in seeing that my constituents get what they are entitled to have in the way of parcel-post improvements.

Hence, as a citizen of the State of Colorado, and as the Representative in Congress from the first district of Colorado, I write to ask what you, as the people's servant, to whom has been delegated the task of improving the parcel post, have done toward perfecting the parcel post. Are the people to expect that you will do without delay the work they have delegated to you, rather than play petty politics in the Post Office Department?

I presume you admit that the parcel post as at present in effect is unscientific, illogical, and in general very far from what it should be. Everybody who knows anything about the matter admits that, and I presume you know it as a matter of common report. Therefore you must know that the department is expected to make some improvements.

So far as I can learn you propose to make no changes except in what are now the local, first, and second zones. I have learned from the assistants and clerks in your department, to whom you have delegated this important work, that it is proposed to consolidate the local, first, and second zones into a new first zone. In this I understand it is planned to increase the weight limit to 20 pounds and to fix a rate of one-half of 1 cent per pound, plus 5 cents. I understand that the present rates and zones beyond the 150-mile radius are to remain in effect.

I hope that my information is incorrect. But if it is I desire to protest against the brutal butchering of an already deformed agent of the people. In behalf of the people I appeal to you lest you further emasculate the people's parcel post. I beg that you do not burden the Post Office Department by putting into effect grossly unremunerative parcel-post rates within narrow limits, while leaving the rates almost prohibitory beyond these limits. I plead that you do not make the parcel post the tool of the express companies, for making their expensive deliveries in the 150-mile zone at prices far less than they can afford to do the work themselves.

If the changes mentioned above are made, the rate on 20 pounds for 150 miles would be 15 cents. For 160 miles 20 pounds could not be carried by parcel post except in two packages. For two 10-pound packages the rate would be \$1.04. Hence to put the suggested rates into effect without further change in the system would mean an increase of 89 cents in the rate on 20 pounds for crossing an imaginary line.

I hope to see changes made in the parcel-post system at once. But I would like to see improvements made. I can see no reason why alterations should be made with reference only to the local zone. I can not see why the rates in the other zones, which all who know anything about transportation admit are too high, should remain the same. I think you will admit that the present system of zones is not based upon any good reason. But I am unable to see why it should be changed in such a way as to produce a system which will be even more unreasonable.

I have protested to your committee against the ounce rate under the present system. A patron of the parcel post must pay the same rate

for a package weighing 17 ounces as on one weighing 2 pounds. I have proposed that the present ounce rate should apply to all fractions of a pound until the pound rate is reached, when the pound rate should apply.

But I understand from your committee of employees of the department that these ounce rates are to remain unchanged. I understand, also, that you do not contemplate a change in the foolish regulation under which seed, if to be planted, takes one rate, while it takes another and very different rate if it is to be eaten. In fact, I understand that you propose to make no changes except to try the rates suggested in the 150-mile zone, "just to see what will happen."

Where I spoke of the 15-cent rate, that was the first proposition. Now they have raised it to 24 cents.

I demonstrated my position to Mr. Ryan, of the Interstate Commerce Commission, who had a package weighing 4½ pounds. He said, "Mr. KINDEL, here are some of your parcel-post rates." I said to him, "What is it?" He said, "They wanted to charge me 44 cents to take that package to Chevy Chase. It weighs 4½ pounds." I said, "What is in it?" He said, "Grass seed." I said, "You should have said 'birdseed.'" I took it down to the Post Office Department and entered it, and the clerk said, "This is for Chevy Chase, grass seed?" "No;" I said, "it is birdseed." He said, "I recognize the package as being entered here only a few moments ago." I said, "Perhaps." He put on a 10-cent stamp instead of 44 cents, simply on my saying that it was birdseed, and the American people stand for it. [Laughter.]

Mr. MANN. Will the gentleman yield?

Mr. KINDEL. Yes, sir.

Mr. MANN. Before the parcel-post law was enacted the same package could have been taken to the post office, and if you said "grass seed" it would have been considerably lower than if you said "bird seed."

Mr. KINDEL. Yes; I will show the reverse of that.

Mr. MANN. That was the case before the parcel-post law was enacted. The parcel-post law did not make any change in the rate of postage on third-class matter.

Mr. KINDEL. I will show you how that works. Seed, under section 7 of the post-office act, was 8 cents a pound flat; but, for instance, if you take chestnuts—if they are fresh it is presumed you are going to plant them; if they are roasted they bear another rate, as it is presumed you can do nothing but eat them. If you take them, say, in Denver and ship by a rural route—if they are raw they pay 88 cents for 11 pounds, but if you roast them they are only 15. If you ship to Maine from Denver then it is 88 cents if they are raw and \$1.32 if they are roasted, because they become edible then and subject to the merchandise rate.

Mr. MANN. Does not the gentleman admit changes like that frequently occur? For instance, the gentleman comes to Washington and applies for board; nothing being known he is given one rate. He comes and says he is a Member of Congress and the rate is quadrupled.

Mr. KINDEL. Well, the Government is not presumed to do that kind of a business.

Mr. LOBECK. He is a roasted chestnut.

Mr. KINDEL. I said in conclusion:

I am surprised that a \$300,000,000 business of the Government should be run on such a plan. I am surprised that the head of this big business enterprise should turn the work over to his assistants and clerks, while he is engaged largely in playing politics.

I trust you will do me the honor to reply to this letter, as the matter is one in which I and the people of Colorado are vitally interested.

Sincerely, yours,

GEO. J. KINDEL.

These four clerks, not one could run a corner grocery for me, and yet they are the ones who brought about this change in the parcel post that is agreed to by the Interstate Commerce Commission, to the detriment of everybody and to the shame of the Interstate Commerce Commission. Under the proposed rates you can make four shipments and beat the through rate something unheard of in any sort of transportation. I have here drawn a map—

Mr. MURDOCK. Will the gentleman on his map show a concrete example of just how the four local rates are less than the through rate?

Mr. KINDEL. Yes. I have taken Chattanooga, the home of our chairman of the Committee on the Post Office and Post Roads, to Washington, D. C. Washington is in the fourth zone from Chattanooga. The through rate would be on 20 pounds \$1.24. In four shipments, at 24 cents each, it is 96 cents. You can save 28 cents by reshipping four times. I never heard of such a thing. It is a shameful proposition.

Mr. MURDOCK. Mr. Speaker, the gentleman says he never heard of such a proposition. I want to say to the gentleman I think he has.

Mr. KINDEL. Not quite as bad as that.

Mr. MURDOCK. I have paid fare from Chicago to Washington by local fare from point to point and come through

cheaper from Chicago to Washington than by buying a through ticket.

Mr. KINDEL. Well, you may have done so. I can see how that could be. If you go to the Canal Zone and travel on the Government railroad you will probably have to pay 5 cents a mile. If perchance you are a tin soldier or a wooden sailor, or a friend of either, you get a pass. It is the one railroad owned and controlled by the Government which is run in violation of every principle of transportation and law.

Under our parcel-post system, with the amendments proposed by the Postmaster General, the rate on 20 packages, weighing respectively from 1 pound up to 20 pounds each, would be \$2. The combined weight of these packages would be 210 pounds. In the second, or 150-mile, zone the rate would be but 90 cents more, or \$2.90. In the third zone, from 150 to 300 miles, the rate on these 20 packages, or their equivalent, would be \$10.90. Here you have one-fourth the rate for one-half the distance. You can ship from the large commercial centers to distant jobbing centers by express and distribute by parcel post, making the Government perform the expensive delivery work. The express companies will certainly make a rider of the post office, to the disadvantage of the parcel post.

I hoped that somebody else would bring this out. There happened to be only three propositions before this committee as to new rates, namely, the Postal Progress League, of New York, had three zones—1 cent per pound for the first zone, 2 cents for the second zone, and 3 cents for the third zone. The third zone was 600 miles. I asked, Why a 3-cent rate from New York to San Francisco on parcel post? The freight rate is \$3.70 per 100 pounds. You would be turning over freight to the post office, and vice versa.

Mr. BATHRICK. Will the gentleman yield for a question?

Mr. KINDEL. Yes.

Mr. BATHRICK. Have the express companies worked out a plan relative to rates from point to point more in relation to each other as to distance than this plan shows?

Mr. KINDEL. Yes. I know of no place where you can reship. There used to be, but it is not true to-day that you can reship several times, which means the sum of the locals being less than the through rate.

Mr. BATHRICK. Do you think the large experience of the express companies in working out these rates furnishes a basis upon which we could calculate to better advantage than we have now?

Mr. KINDEL. There is no question about it. I will show you a simple way right here:

Pounds.	Local zone.	First zone, 50 miles.	Second zone, 50 to 150 miles.	Third zone, 150 to 300 miles.	Fourth zone, 300 to 500 miles.	Fifth zone, 500 to 800 miles.	Sixth zone, 800 to 1,200 miles.	Seventh zone, 1,200 to 1,700 miles.	Eighth zone, 1,700 to 2,300 miles.	Ninth zone, 2,300 miles and over.
1.....	\$0.03	\$0.04	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09	\$0.10	\$0.11	\$0.12
2.....	.04	.05	.07	.09	.11	.13	.15	.17	.19	.21
3.....	.04	.06	.09	.12	.15	.18	.21	.24	.27	.30
4.....	.05	.07	.11	.15	.19	.23	.27	.31	.35	.39
5.....	.05	.08	.13	.18	.23	.29	.33	.38	.43	.48
6.....	.06	.09	.15	.21	.27	.33	.39	.45	.51	.57
7.....	.06	.10	.17	.24	.31	.38	.45	.52	.59	.66
8.....	.07	.11	.19	.27	.35	.43	.51	.59	.67	.75
9.....	.07	.12	.21	.30	.39	.48	.57	.66	.75	.84
10.....	.08	.13	.23	.33	.43	.53	.63	.73	.83	.93
11.....	.08	.14	.25	.36	.47	.58	.69	.80	.91	1.02
12.....	.09	.15	.27	.39	.51	.63	.75	.87	.99	1.11
13.....	.09	.16	.29	.42	.55	.68	.81	.94	1.07	1.20
14.....	.10	.17	.31	.45	.59	.73	.87	1.01	1.15	1.29
15.....	.10	.18	.33	.48	.63	.78	.93	1.08	1.23	1.38
16.....	.11	.19	.35	.51	.67	.83	.99	1.15	1.31	1.47
17.....	.11	.20	.37	.54	.71	.88	1.05	1.22	1.39	1.56
18.....	.12	.21	.39	.57	.75	.93	1.11	1.29	1.47	1.65
19.....	.12	.22	.41	.60	.79	.98	1.17	1.36	1.55	1.74
20.....	.13	.23	.43	.63	.83	1.03	1.23	1.43	1.63	1.83
21.....	.13	.24	.45	.66	.87	1.08	1.29	1.50	1.71	1.92
22.....	.14	.25	.47	.69	.91	1.13	1.35	1.57	1.79	2.01
23.....	.14	.26	.49	.72	.95	1.18	1.41	1.64	1.87	2.10
24.....	.15	.27	.51	.75	.99	1.23	1.47	1.71	1.95	2.19
25.....	.15	.28	.53	.78	1.03	1.28	1.53	1.78	2.03	2.28

GEORGE J. KINDEL'S copyrighted graduate of parcel post rates and zones, which he presents to the people of the United States. [The system admits of extension to any weight.]

The rate is found by multiplying the pounds by the zone and adding 3, the overhead charge, except in the local zone, where the rate is found by dividing the weight in pounds by 2 and adding 3. Thus the rate on 10 pounds in the local zone is $10 \div 2 = 5 + 3 = 8$. Fractions are disregarded. The rate on 10 pounds to the eighth zone is $10 \times 8 = 80 + 3 = 83$. If it is found

necessary to reduce rates, cut off the highest rate zone and spread the remainder.

The following table shows the parcel-post rates as they will be made up after the changes proposed by the Postmaster General become effective. The discrepancies between the rates in the second and third zones should be noted, as well as the discrepancies that would exist on larger weights if they were permitted under the system beyond the second zone:

Pounds.	Local zone.	First zone.	Second zone.	Third zone.	Fourth zone.	Fifth zone.	Sixth zone.	Seventh zone.	Eighth zone.
1.....	\$0.05	\$0.05	\$0.05	\$0.07	\$0.08	\$0.09	\$0.10	\$0.11	\$0.12
2.....	.06	.06	.06	.12	.14	.16	.19	.21	.24
3.....	.06	.07	.07	.17	.20	.23	.28	.31	.36
4.....	.07	.08	.08	.22	.26	.30	.37	.41	.48
5.....	.07	.09	.09	.27	.32	.37	.46	.51	.60
6.....	.08	.10	.10	.32	.38	.44	.55	.61	.72
7.....	.08	.11	.11	.37	.44	.51	.64	.71	.84
8.....	.09	.12	.12	.42	.50	.58	.73	.81	.96
9.....	.09	.13	.13	.47	.56	.65	.82	.91	1.08
10.....	.10	.14	.14	.52	.62	.72	.91	1.01	1.20
11.....	.10	.15	.15	.57	.68	.79	1.00	1.11	1.32
12.....	.11	.16	.16	.....	.....	.....	.....	.....	.....
13.....	.11	.17	.17	.....	.....	.....	.....	.....	.....
14.....	.12	.18	.18	.....	.....	.....	.....	.....	.....
15.....	.12	.19	.19	.....	.....	.....	.....	.....	.....
16.....	.13	.20	.20	.....	.....	.....	.....	.....	.....
17.....	.13	.21	.21	.....	.....	.....	.....	.....	.....
18.....	.14	.22	.22	.....	.....	.....	.....	.....	.....
19.....	.14	.23	.23	.....	.....	.....	.....	.....	.....
20.....	.15	.24	.24	.....	.....	.....	.....	.....	.....

The SPEAKER. The time of the gentleman has expired. Mr. KEATING. I ask unanimous consent that the gentleman be permitted to conclude his remarks.

Mr. STEPHENS of California. That he have 15 minutes more.

The SPEAKER. The gentleman from Colorado [Mr. KEATING] asks unanimous consent that the gentleman from Colorado [Mr. KINDEL] be permitted to conclude his remarks.

Mr. MANN. I think it would be better to fix some definite time.

Mr. KINDEL. Some one suggested 15 minutes.

Mr. STEENERSON. Make it half an hour.

Mr. MURDOCK. I ask unanimous consent to modify the request so that the gentleman be permitted to continue for 30 minutes.

The SPEAKER. The gentleman from Kansas [Mr. MURDOCK] asks to modify the request of the gentleman from Colorado [Mr. KEATING] and that the gentleman from Colorado [Mr. KINDEL] have 30 minutes. Is there objection?

Mr. MANN. Reserving the right to object, may I get the attention of the gentleman from Alabama? Is there any other business coming up before the House this afternoon?

Mr. UNDERWOOD. None that I know of.

Mr. MANN. Would the gentleman be willing to ask unanimous consent now that at the conclusion of the remarks of the gentleman from Colorado the House stand adjourned?

Mr. UNDERWOOD. I will.

Mr. MANN. If we give him 30 minutes?

Mr. UNDERWOOD. If that is satisfactory to the gentleman. Mr. Speaker, I ask unanimous consent that at the end of 30 minutes—

Mr. MANN. At the conclusion of the gentleman's remarks. His time might be extended.

Mr. UNDERWOOD. That at the conclusion of the remarks of the gentleman from Colorado the House stand adjourned.

The SPEAKER. Before the Chair puts that, there are two gentlemen here who asked unanimous consent to print remarks in the Record, who got knocked out on objections, and the objectors are now willing to let them in.

Mr. MURDOCK. Mr. Speaker, in that connection I withdraw the objection I made to the extension of the remarks of the gentleman from New York [Mr. LEVY].

The SPEAKER. Is there objection to the gentleman from New York [Mr. LEVY] extending his remarks?

Mr. MANN. Reserving the right to object, Mr. Speaker, I have no objection to the gentleman from New York extending his remarks upon the currency question, but I do not wish the gentleman from New York, or any other gentleman presenting a request for unanimous consent, to have that request objected to and then get leave to extend, and inject a long speech at that place in the Record, as though it were made to the House at that time.

The SPEAKER. All these "leave-to-print" speeches ought to be printed at the end of the Record. There has been an agreement of that kind. The Chair will ask that all these

leave-to-print speeches be printed at the end of the RECORD. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Washington [Mr. BRYAN] asks unanimous consent to extend his remarks in the RECORD, and the gentleman from Nebraska [Mr. LOBECK], who objected, withdraws his objection. Is there objection?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. UNDERWOOD] that when the gentleman from Colorado [Mr. KINDEL] concludes his remarks the House shall stand adjourned?

There was no objection.

Mr. BATHRICK. Did I understand the gentleman rightly, that he was going to give us an example of express company rates, showing a better relation from point to point, in the matter of distance and rates?

Mr. KINDEL. I will say that the Interstate Commerce Commission only yesterday published a rate book based on zones. I have not had the time to study it. I believe it will take a Philadelphia lawyer to understand it. It is a book an inch and a half thick. The most surprising thing to me is its complication. Parcel post or any transportation scheme ought to be simple as well as efficient.

Mr. MURDOCK. Has the gentleman seen the report of the Interstate Commerce Commission?

Mr. KINDEL. Yes.

Mr. MURDOCK. I understand it is a block system.

Mr. KINDEL. It is.

Mr. MURDOCK. As I understand, that is the gentleman's system in a way.

Mr. KINDEL. No; I have got the zone system applied by multiplication.

Mr. MURDOCK. I would like to hear the gentleman's plan, because I thought the Interstate Commerce Commission had adopted the plan of the gentleman.

Mr. KINDEL. Well, say the gentleman lives in the sixth zone from here. He wants to ship 10 pounds. Under my system the rate is calculated thus: Ten times 6 plus 3, which would be 63 cents for the rate. Two pounds would be 2 times 6, 12, plus 3, 15. You say why add 3? Because in the hearing before the committee it was determined that 3 cents was the overhead charge, and therefore in the sixth zone you multiply the zone by the pound and add 3 for the rate. I would like to see something like that adopted.

Mr. MURDOCK. You include the zone in the multiplication in order to add the question of the factor of distance?

Mr. KINDEL. Yes.

Mr. MURDOCK. If I understand, you take the weight, the distance, and multiply them together and add 3 cents for overhead charges?

Mr. KINDEL. Yes; and if 3 cents is not sufficient for overhead charges you can add 5, but you will always have an automatic rate. If Congress should decide that the rates were too high, all you would have to do would be to cut out the last zone and spread the remaining zones.

Mr. BATHRICK. Is not there another element besides weight and distance, namely, that of size? Is that taken into consideration in your plan?

Mr. KINDEL. That is a matter of regulation. They have increased the weight from 11 to 20 pounds, and there is no provision for increasing the size. That is another thing that I find fault with.

Mr. ANDERSON. Has the gentleman made an investigation looking to determining whether the rates published are sufficient under the present mail contract?

Mr. KINDEL. If the gentleman means the new rates published by the Postmaster General for the first and second zones, I am convinced that they will result in loss to the Government.

Mr. ANDERSON. If the gentleman has time, I would like to have him make a demonstration on that proposition.

Mr. KINDEL. I will say that I challenge any man to tell me what is the exact cost of transportation. You may guess at it, and the best guess is about 8 cents a pound on the average package in distance. Coming up from Panama I discovered that we could ship—in fact, I had shipped to me a package, and the rate was 12 cents a pound. It did not reach me in time and had to be sent back, and coming back it was 16 cents a pound. The idea of an American possession being denied a parcel post, a possession consisting of five or six thousand people. They pay 16 cents a pound to points between. Mr. Burleson puts in a rate of 150 miles for 24 cents, and they pay for parcel post between stations 16 cents a pound, or 20 pounds would be \$3.20, where we pay 24 cents under the new order.

Mr. STEENERSON. But we are not in control of the postal service in Panama.

Mr. KINDEL. It is not under the control of Panama. You can ship parcels up here. Every Republic as far as Cape Horn can ship to the United States for 12 cents a pound, except the Canal Zone; if it is in Panama you can ship for 12 cents, but in Ancon and Cristobal you pay 16. They tell me the reason was that the steamship and railroad company owned by the United States would not carry it at the same rate as foreign ships. They charge 40 cents per pound for letters and 8 cents for parcels, while foreign ships charge 35 and 4. The Canal Zone people have no representative, and it is our business to see that they are put on a plane with the rest of us. I have taken the matter up with the President, but I have not heard from it.

Mr. MANN. Will the gentleman yield?

Mr. KINDEL. Certainly.

Mr. MANN. The gentleman knows that that is wholly within the control of the President of the United States.

Mr. KINDEL. Yes; and that is the reason I took it up with the President, but he has not answered me.

Mr. MANN. Probably he is relying on the officials of the Canal Zone. The gentleman knows that it was found advisable to keep the postal service in the Canal Zone separate from that of the United States for many good reasons.

Mr. KINDEL. I do not know what the reasons were.

Mr. MANN. It would take the whole of the gentleman's half hour to enumerate them.

Mr. KINDEL. The citizens of the zone are complaining that they are not allowed the privileges that we enjoy in the United States.

The Canal Zone post office puts its money in the Riggs Bank, in Washington, and gets 3 per cent; but the citizens down there are not getting any interest on their money while deposited in the postal savings bank.

Mr. MANN. But they are getting one and one-half times the pay that they could get here.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. KINDEL. Yes.

Mr. HARDY. I will ask the gentleman to give us the benefit of a discussion of his plan. We want his plan, rather than these little details.

Mr. KINDEL. I shall seek leave to insert my plan in the RECORD, a table which Members can read at their leisure. Gentlemen may ask me any question, and I shall be glad to answer, so far as I can. By the plan which I propose you may determine the rate easily, having the weight of the package and the points between which it is to be shipped, without consulting the table.

Mr. STEENERSON. Mr. Speaker, I would like to ask the gentleman to explain what his proposed rates are, so that we can understand them. I have not yet understood the gentleman.

Mr. KINDEL. I am taking the Postmaster General's rates on the local zone and on the first zone, but I have leveled them out, so as to make them reasonable and fair.

Mr. STEENERSON. What is the basis of the gentleman's calculations?

Mr. KINDEL. I told you I multiplied the pounds by the zone and add 3. On the average the rate is one-sixth less than the present rates. For instance, you want 20 pounds; you want to ship a package from here to San Francisco or Salt Lake. It is the eighth zone. Multiply twenty by eight. This gives \$1.60; then add 3, overhead charge, and you have \$1.63, which would be the rate.

Mr. HARDY. The gentleman's proposition is 1 cent per zone per pound?

Mr. KINDEL. Yes, sir.

Mr. STEENERSON. One cent per zone per pound?

Mr. KINDEL. Yes, sir; and 3 cents in addition.

Mr. BATHRICK. For the overhead rate?

Mr. KINDEL. Yes.

Mr. STEENERSON. That would be 11 cents a pound for the eighth zone?

Mr. KINDEL. Yes; 11 cents for the first pound, but it would be 8 cents for every other pound added to it. The second would be 19 cents; the third would be 27 cents.

Mr. BATHRICK. How does the gentleman's rate compare with the rate in force now?

Mr. KINDEL. One-sixth less on the average.

Mr. BARTON. Applying that to the present business done by the parcel post, may I inquire what would be the net result? How would they compare as to the receipts from that department?

Mr. KINDEL. It would make a very profitable and encouraging business.

Mr. BARTON. Would the receipts be as great under the gentleman's plan as at present?

Mr. KINDEL. They would be greater. At present the rate is prohibitive. Under the parcel post the express companies get the fat, and we get the lean.

The SPEAKER. The Chair will admonish Members to refrain from interrupting the gentleman without first addressing the Chair.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Colorado yield to his colleague?

Mr. KINDEL. With pleasure.

Mr. KEATING. Suppose we take as an illustration a 20-pound package. Could my colleague give us the rate under his rule to carry that package from Washington to Baltimore, and from Washington to Pittsburgh, and then give us the rate on that package under Mr. Burleson's arrangement? I see that gentlemen around me are anxious to see how that would work out.

Mr. KINDEL. I have given you a concrete example here, Chattanooga with Washington. The through rate is \$1.22. The Burleson rate would make it 96 cents, or a saving of 26 cents by reason of having the package shipped four times between Chattanooga and Washington.

Mr. STEENERSON. Is that 20 pounds?

Mr. COOPER. Yes; is that 20 pounds?

Mr. BARTON. Yes.

Mr. KINDEL. It would be 83 cents on a through rate by my system, as against \$1.22 by the present system.

Mr. STEPHENS of California. Mr. Speaker, will the gentleman tell me, please, what is the radius of his first zone?

Mr. KINDEL. I have taken exactly what they have adopted, the local zone, the 50-mile zone and the 150-mile zone.

Mr. STEPHENS of California. The first zone radius is 50 miles?

Mr. KINDEL. Yes; the first zone.

Mr. STEPHENS of California. What is the gentleman's rate for that zone on 10 pounds?

Mr. KINDEL. On 10 pounds, in the first zone, 13 cents.

Mr. STEPHENS of California. Supposing San Francisco is in the ninth zone, what would be the charge from the first to that zone?

Mr. KINDEL. Ninety-three cents.

Mr. STEPHENS of California. That would be nine times the weight plus 3 cents.

Mr. KINDEL. Nine times the number of pounds plus three.

Mr. COX. How does the gentleman arrive at the fact that from the data which he has given the House now it will be self-sustaining? In other words, how does the gentleman arrive at the fact that this material reduction in the rate would not bring about a deficit in the Postal Department?

Mr. KINDEL. I am glad the gentleman asked the question. I will send the gentleman a copy of this, making a comparison of the pound rate, the 10-pound, and the hundred-pound—a comparison of the freight and express rate. Now, if the gentleman wants to ask what he desires, I will tell him.

Mr. COX. The query I propounded to the gentleman, if I made myself plain, is this: The gentleman has worked out some very interesting figures here, but if put into actual practice will it make the Post Office Department, so far as the parcel post is concerned, self-sustaining or bring about a postal deficit?

Mr. KINDEL. It will make it self-sustaining.

Mr. COX. Now, on what figures does the gentleman base his calculation to make the statement of fact that it would be self-sustaining?

Mr. KINDEL. On a comparison of the express rates, which we now know are too high.

Mr. COX. Can the gentleman enlighten the House on the subject? I have not looked the question up as to whether or not the parcel-post rate now in effect is yielding a profit to the Government.

Mr. KINDEL. We all assume it is.

Mr. COX. But does the gentleman know whether that is true or not?

Mr. KINDEL. I do not know of anybody who does know.

Mr. COX. I have observed the press of the country makes that statement as being true; but is the press correct?

Mr. KINDEL. I think the press makes many mistakes. They made a mistake the other day in criticizing Senator BRYAN.

Mr. COX. I quite agree with the gentleman on that. If I understand the gentleman when he makes that statement—that

his figures would not bring about a postal deficit—he makes it based upon facts concerning express rates, freight rates, and so forth.

Mr. KINDEL. Yes, sir. I take the freight rate first on the hundred pounds, then the express rate, and then the parcel post. Take the rate from New York, for instance, to Omaha. The freight rate per 100 pounds is \$1.43. The express rate is \$3.90. The parcel post, under my system, would be \$6.03.

Mr. STEENERSON. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. STEENERSON. The gentleman has not figured the amount that the Government pays for the transportation. It seems to me he would have to know what rate the Government pays before he can tell whether it is self-sustaining or not.

Mr. KINDEL. Well, I stated at the outset, I take that from the hearings as being 8 cents per ton-mile.

Mr. STEENERSON. The gentleman ought to know that the amount paid by the Government depends upon the contracts, upon the weight of mail, and the distance.

Mr. KINDEL. Yes.

Mr. STEENERSON. That is a very much larger sum for transportation to the farthest zone than to the first zone.

Mr. KINDEL. Yes.

Mr. STEENERSON. And consequently it would be impossible to offer any figures now to determine whether these rates would be self-sustaining or not.

Mr. KINDEL. Well, I think they are. The express companies are making money, and this will nearly double what the express companies are getting.

Mr. STEENERSON. Maybe they pay less than the Government pays.

Mr. KINDEL. Perhaps.

Mr. STEENERSON. Now, does the gentleman favor the present zone or does he favor a restricted or larger zone?

Mr. KINDEL. I would increase the zones to nine.

Mr. STEENERSON. I am asking the gentleman what he favors as the ideal plan?

Mr. KINDEL. I would favor a higher rate for the second zone than that proposed by the Postmaster General until we are quite sure that it is a lucrative business for the Government.

Mr. STEENERSON. I mean as to zones.

Mr. KINDEL. I have already said I favor nine zones.

Mr. STEENERSON. How many zones does the gentleman think would be an ideal system?

Mr. KINDEL. Nine instead of eight. To-day you have eight zones, and you stop at Salt Lake. From Augusta, Me., to Denver it is eight zones, and then it is a flat rate. I would either make it all flat or all zones.

Mr. STEENERSON. The maximum rate on the zones, with 3 cents added, would be 12 cents.

Mr. KINDEL. Twelve cents for the first pound and 9 cents thereafter.

Mr. BARTON. What weight limit do you advocate?

Mr. KINDEL. Starting in with 25 pounds instead of 20; but they did not have the scales to do that.

Mr. BARTON. You advocate 25?

Mr. KINDEL. Yes; and as soon as I could I would increase it up to 100 pounds; but I do not want to knock out the Post Office Department. They are not prepared to handle the business as yet. It will come in time.

Another way to test that is to take the nine zones and divide them into three, and then compare the freight, express, and parcel post and see how you come out.

I have done a great deal of thinking about this. In fact, since last March I have done scarcely anything else. Talk about your zones! I will tell you what it means to take an ounce and a pound from here to Salt Lake. A pound from here to Salt Lake is 12 cents and an ounce is 1 cent. Now, if you compare a pound to a cat and an ounce to a kitten, I ask you what is the rate on a cat and on a kitten? You would naturally expect that the mother and the kitten would travel together. Under that you would pay a penalty, because the cat would pay 12 cents and the kitten would pay 1 cent if separate, but together the cat and the kitten make a fraction over a pound, and it is 24 cents. Now, having established that, I would ask you what would be the rate on 10 cats weighing a pound each and on 16 kittens weighing an ounce each? Of course you would dispose of the 10 cats at once by saying ten times 12 are \$1.20. But what about the kittens? If you get the whole 16 in one box weighing a pound they will go for another 12 cents, but if you chance to put 1 kitten with each cat, then you would pay \$2.40 instead of \$1.20, and you would still have 6 kittens left over. How are you going to ship them? If you ship them each in a separate box they will be 6 cents. If you ship five in one box it will be 12 cents, because

that is a fraction over 4 ounces, which makes another pound. Talk about mathematicians! How the scientists in Washington could devise a thing like that I can not understand.

Mr. COX. What would the gentleman think of a proposition to turn over the whole question of weights and rates to the Postmaster General?

Mr. KINDEL. Not with this Postmaster General. I have tried to talk with him, and he does not understand the first thing about it. He is absolutely ignorant on this subject. He may know about everything else, but he does not know about this. He is dependent on those four clerks.

Now, further, I saw the gentleman from Georgia [Mr. ADAMSON], chairman of the Interstate Commerce Committee, and begged him to intercede. I said, "They are going to put this through if you do not look out." He said, "I do not take any stock in this. I have got to turn it over to Mr. MOON, chairman of the Committee on the Post Office and Post Roads."

I saw the gentleman from Tennessee [Mr. MOON], and he listened to me attentively. As a result he wrote the following letter to Mr. Burleson:

JULY 3, 1913.

Hon. A. S. BURLESON,
Postmaster General, Washington, D. C.

MY DEAR SIR: Mr. KINDEL, of Colorado, is insisting that the proposed change in zone rates under the parcel-post law will work a very great detriment to the Government. This bill, as you know, was put through as a compromise in order to get the system started. It is intensely crude. We appointed at the same time a parcel-post commission in the House and Senate, whose duty it is to make a thorough investigation and report to the next Congress as to what changes should be made in the law covering rates, zones, and so on. He (Mr. K.) tells me that he has filed a statement with you and the Interstate Commerce Commission, to which reference is made. I have gone over some of the figures with him to-day, and am inclined to think that he is right about the inadvisability of some of the changes.

I, of course, do not want to interfere in any way with what the department may want to do, or the Interstate Commerce Commission, as to what they want to do, under the authority invested in them under the act. But I am also inclined to think that it would be wise to wait upon the report of the commission and the action of the committee on that report before anything is done. It is evident that the committee in the Post Office Department investigating the matter has not a very full comprehension of the act or the changes that may be desired. They may know more about it than I do, but I feel it is a matter upon which we ought to have some very thorough investigation by the legislative commission and the department in conjunction. Perhaps it would be a good idea to wait until the next session before anything is done, as there is danger of much loss to the Government by too hasty action in this matter. I fear that some of the changes proposed will result in giving the paying business to the express companies and the nonpaying business to the Government, by reason of the power now existing for reshipment, or rather remailing, from different zones between the point of shipment and destination, and by reason of the fact that the rates are so fixed that they will work ultimately to the detriment of the Government. I may be mistaken about this, but I think this point is well worthy of very careful investigation before the change is made. I do not want you to understand that I am interfering in the matter at all, but I simply make these suggestions for your consideration if the matter is not closed.

Sincerely, yours,

JOHN A. MOON,
Chairman Committee on the Post Office and Post Roads,
House of Representatives.

This was on July 3. I also saw Mr. Clark, of the Interstate Commerce Commission, several times, begging him to consider the matter well; told him they would be in conflict with every rule and order that they had made heretofore. On July 1 I wrote him this letter:

WASHINGTON, D. C., July 1, 1913.

Hon. EDGAR E. CLARK,
Chairman Interstate Commerce Commission,
Washington, D. C.

MY DEAR MR. CLARK: At the suggestion of Commissioner Marble, with whom I discussed briefly, Monday, the suggestions submitted by the Post Office Department for the alteration of the parcel-post regulations, zones, and rates, I am writing to set forth my objections to these suggestions and to petition the commission, on behalf of the people I represent, that these unscientific, unrelated, and illogical alterations be not made.

It is my understanding that Postmaster General Burleson has proposed consolidating the local, first, and second zones into a new first zone, with a radius of 150 miles; that he proposes to increase the weight limit to 20 pounds within this zone and to make the rates one-half of 1 cent per pound plus 5 cents; that he proposes to leave the remaining six zones unchanged and the rates in these six zones likewise unchanged; that, in fact, so far as I can learn, he proposes no changes except those mentioned above—in the local, first, and second zones.

I have urged repeatedly that extensive changes be made in the parcel-post system, and I do not want to hinder in any way alterations which will improve the system and make it a more general instrument for the use of the public in the distribution and delivery of parcels. But I am opposed to these unrelated changes, because I think they will discredit the parcel post and the Democratic Party and will serve only to postpone the day when the parcel post shall be the economical transportation medium it is destined to become.

Under the plan suggested by the Postmaster General the rate on 20 pounds in the 150-mile radius would be 15 cents. There can be no doubt that the existing rates are too high; but there is no warrant for reducing them so radically as the Post Office Department has suggested, while leaving the rates for longer distances unchanged.

The present rate on a 10-pound package in the second zone, from 50 to 150 miles, is 42 cents. On 20 pounds, which could be mailed only in two packages, the rate is 84 cents. It is proposed to cut this rate

to 15 cents, or to make it only 1 cent more than one-sixth the present rate.

But rates for longer distances than 150 miles are to remain unchanged. Then, in the third zone, for distances between 150 and 300 miles, the rate on 20 pounds, which could still be sent only in two packages after the new regulations become effective, if they should be adopted, would be \$1.04. In other words, the added charge for shipping 20 pounds across an imaginary line only 150 miles from the point of origin is 89 cents, and the shipper is at the further inconvenience of being forced to put up his shipment in two packages to get it across this imaginary line at all by parcel post.

In my opinion the express companies would be able to use the parcel post, if these suggested changes are made, to do all their expensive delivery work in small packages, while they will deprive the Government of all the long-haul business, on which it might make a profit sufficient to meet the deficit that it will undoubtedly face through handling shipments in the 150-mile zone at such abnormally low rates. I will give one example of how this might be done, and I am sure the commission can supply an almost unlimited number of similar examples.

Under the new schedule of express rates proposed by the commission the rate from New York to Des Moines will be \$3.30 per 100 pounds. The parcel-post rate is 91 cents for 10 pounds, or \$9.10 for 100 pounds, which could be shipped only in 10 packages.

If the changes proposed were adopted, the express companies might ship 100-pound packages from New York to Des Moines, then break each package up into five 20-pound packages, and distribute them any place within 150 miles of Des Moines for 15 cents each, or 75 cents.

Thus the express companies might ship from New York to Des Moines, make all expensive deliveries on rural routes and to points where they have no offices within the 150-mile radius for \$4.05 per 100 pounds, while the minimum cost by parcel post would be \$9.10. Quite naturally the parcel post would get none of the business except the expensive-delivery business, which, I believe, you will agree with me, can not be done except at a loss to the Government.

I am confident the Interstate Commerce Commission will not approve a postal arrangement whereby the shipper, by resorting to subterfuge, can "beat" the published parcel-post rates through the parcel-post system itself. But the changes proposed by the Postmaster General would make such a thing possible.

A shipper desiring to deliver a package to a post office 600 miles distant, said package weighing 20 pounds, could not do so by shipping it in a single package under the generally understood regulations of the parcel post. But if this new plan were put into effect the delivery might be made by four reshipments, and the rate would be less than one-half what it would cost if shipped directly in two packages by parcel post.

The rate on a 10-pound package to a distance of 600 miles, of the limit of the fourth zone, is 62 cents. On two 10-pound packages the rate would be \$1.24. But the shipper might put the goods up in a 20-pound package, ship it to an agent 150 miles distant for 15 cents, and have that agent repeat the process, until it would reach final destination at a cost of 60 cents. In this way a 20-pound package might be shipped 1,800 miles for \$1.80, while the rate on two 10-pound packages for that distance is \$2.02. In fact the rate on 20-pound packages thus reshipped would not equal the rate on two 10-pound packages by the present system until a distance of 2,400 miles had been reached.

I submit that any system which might be defeated by so simple a subterfuge has something radically wrong about it. If a 20-pound package, by being reshipped 16 times, and thus handled 32 times, can be carried across the country by parcel post for \$2.40, then certainly there is no reason for charging the same amount for shipping two 10-pound packages, which would have to be handled but twice each.

The commission is familiar with my efforts to obtain general alterations in the parcel post, which shall be uniform throughout the country. I am eager to see improvements made, but I protest against such reckless alterations as those proposed. I realize that the great volume of business to be handled by parcel post must be in the local zone, and that the greatest possible benefit that could come to the public from unrelated changes would be through a reduction in rates and increase of weight limit in the local zone.

But I insist that general and logical alterations should be made in the entire system. The rate per ton-mile should decrease as the distance increases, and above certain weights, as the weight of the package increases. I am satisfied that only evil can result ultimately from the class of reckless alterations suggested by the Postmaster General.

By the parcel-post map accompanying this it will be seen that parcel-post rates in Colorado for short distances will be in many cases lower than freight rates. In addition to illustrating further the abnormally high freight rates in my State this illustrates the unreasonableness of the rates proposed by the Post Office Department.

From Denver to Leadville the rate on first-class freight is \$1. The express rate is \$2.25. But Leadville is within 150 miles of Denver, as may be seen from the map. Hence the parcel post on 100 pounds, handled in five packages, would be 75 cents. A large number of other points within the 150-mile radius would take parcel-post rates lower than the existing first-class freight rates.

From the same map it can also be seen, by referring to the legend attached, how 100 pounds might be shipped from New York to Des Moines, and distributed to various points within the 150-mile radius at 15 cents for each 20-pound package.

These are but a few of thousands of similar examples that might be cited. I desire to state in conclusion that, while being eager to see changes made that will bring the parcel post into more general and advantageous use, I protest against such alterations as will assuredly increase the postal deficit and make the parcel post the laughingstock of the public.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. KINDEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Colorado asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. KINDEL. The Postmaster General and the Interstate Commerce Commission proceeded very quietly and with as little publicity as possible toward making the important changes that have been made in the parcel-post system. To illustrate the difficulty I had in finding out what they were doing, and to

show the manner in which they proceeded, I desire to insert the following letter, which I received from Commissioner Harlan, of the Interstate Commerce Commission:

INTERSTATE COMMERCE COMMISSION,
CHAMBERS OF JAMES S. HARLAN, COMMISSIONER,
Washington, July 1, 1913.

HON. GEORGE J. KINDEL,
House of Representatives.

DEAR MR. KINDEL: Following up our brief conference this morning, I requested the Post Office Department to furnish you with a copy of their communication to the commission, and I understood that they would do this at once.

For reasons that have seemed entirely satisfactory to us the commission will make no public announcement either with respect to what the Post Office Department proposes or with respect to our conclusions thereon. This will be done in due course by the Post Office Department. I must request you therefore to pursue the same course, and that you make no public expression respecting the letter that I have asked the Post Office Department to send to you or respecting your comments to us until the Post Office Department has made its announcement.

It is important that you let us have your suggestions the first thing in the morning.

Sincerely, yours,

JAS. S. HARLAN, Commissioner.

On the same day I received the following letter from the Postmaster General, transmitting to me a copy of the changes proposed, which I had not before been able to obtain. It will be noted that I was cautioned to be very secretive regarding the proposal—to say nothing about it to anybody, and to return it to the department.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., July 1, 1913.

HON. GEORGE J. KINDEL,
House of Representatives.

MY DEAR MR. KINDEL: Referring to a request which you have made on the Interstate Commerce Commission for a copy of the memoranda which I furnished the commission in connection with the proposed changes in zones and rates in the parcel-post system, I am handing you herewith copy of the report of the parcel-post committee, bearing the date of June 17, and a copy of my letter and recommendations based upon this report, addressed to the Interstate Commerce Commission, under date of June 26.

These data are given to you with the understanding that they are to be used by you only, and to be returned to this department when they shall have served your purpose.

Very sincerely,

A. S. BUBLESON,
Postmaster General.

Later, while I was in Panama, the following letter was sent me by Chairman Clark, of the Interstate Commerce Commission, in answer to the letter I had written the commission protesting against the changes in rates proposed by the Postmaster General:

INTERSTATE COMMERCE COMMISSION,
Washington, July 9, 1913.

HON. GEO. J. KINDEL,
House of Representatives, Washington.

DEAR SIR: Your letter of the 1st instant, relative to certain changes in the parcel-post regulations proposed by the Postmaster General, has been considered by the commission.

We realize that inconsistencies, perhaps, exist in the system, but we realize also that the whole matter is experimental. We have gone into this matter rather exhaustively, have ascertained quite fully the reasons which prompted these proposed changes on part of the Post Office Department and the purposes aimed at, and inasmuch as the commission is satisfied that the changes are primarily for the purpose of removing restrictions which prevent the mailability of desirable articles and for the purpose of giving the public a more liberal and better service, the commission feels that it should not hamper the efforts of the Post Office Department by withholding consent to the changes, which, like all the rest of the regulations, are largely experimental in their nature, and which can be again changed later if experience shall demonstrate that that is desirable.

Yours, truly,

E. E. CLARK, Chairman.

I challenge the statement of Commissioner Clark to the effect that the commission made any very exhaustive investigation into the results of the changes proposed by the Postmaster General. I made an effort to be heard on the subject, but was told that there would be no hearings. I was permitted to file a brief, which I have read in the course of my remarks. I wrote that letter on July 1. The records in the office of the Interstate Commerce Commission show that the order of the Postmaster General was approved by the commission June 26, four days before I was given permission to file my brief protesting against the order. It was signed by all the commissioners except Commissioner Meyer.

I looked over all the papers in connection with the case in the office of the commission. I saw no letters or comments there except those furnished by myself, a letter from Congressman Moon, which I have read, and a few other pieces of documentary evidence, which had apparently been filed and never disturbed afterwards.

ADJOURNMENT.

The SPEAKER. Under the previous order of the House, the House will now adjourn.

Accordingly (at 1 o'clock and 57 minutes p. m.) the House, under its previous order, adjourned until Friday, August 8, 1913, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting a communication from the Acting Secretary of War submitting an estimate of appropriation for replacing military stores, supplies, and equipment lost by the National Guard in Ohio during the recent floods (H. Doc. No. 172); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting a letter from members of the commission created for the purpose of investigating and reporting to Congress a suitable design for a memorial bridge across the Potomac, submitting an estimate of appropriation to enable the work to be started (H. Doc. No. 173); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Clearwater Harbor and Big Pass, Fla., with a view to securing a channel with a suitable depth and width from the Gulf of Mexico to a point at or near the town of Clearwater, Fla. (H. Doc. No. 174); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

4. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Pensauken Creek, N. J. (H. Doc. No. 175); to the Committee on Rivers and Harbors and ordered to be printed.

5. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination and survey of Lake Ponchartrain, La., with a view to removal of the middle ground between the Rigolets and north draw of New Orleans & Northwestern Railroad bridge (H. Doc. No. 176); to the Committee on River and Harbors and ordered to be printed with illustration.

6. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Fox Creek, Dorchester County, Md. (H. Doc. No. 177); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

7. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of inland waterway between McClellanville and Winyah Bay, and between Charleston and McClellanville, by way of Alligator Creek and Sewee Bay, S. C. (H. Doc. No. 178); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

8. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Blackwater River, Va., with a view to removal of shoal at its mouth (H. Doc. No. 179); to the Committee on Rivers and Harbors and ordered to be printed.

9. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Wabash River at Maunie, Ill. (H. Doc. No. 180); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

10. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination and survey of Manhasset Harbor, N. Y. (H. Doc. No. 181); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

11. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Hunting Field Creek, Md. (H. Doc. No. 182); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, reported the same without amendment, accompanied by a report (No. 41), 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.

Mr. DENT, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy, reported the same with amendment, accompanied by a report (No. 42), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on the Library was discharged from the consideration of the bill (H. R. 7282) for the relief of the estate of Samuel Véry, jr., and the same was referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LINTHICUM: A bill (H. R. 7288) to provide for repairing the U. S. frigate *Constellation* and stationing her at Baltimore, Md., and for other purposes; to the Committee on Naval Affairs.

By Mr. LEVY: A bill (H. R. 7289) to amend an act entitled "An act to amend the national banking laws," approved May 30, 1908, by admitting State banks to its provisions; by repealing the prohibitory tax on the circulation of national currency associations, and by providing that the member banks thereof may assume the functions of clearing houses and have the benefits of loan certificates; to the Committee on Banking and Currency.

Also, a bill (H. R. 7290) to amend and extend an act entitled "An act to amend the national banking laws," approved May 30, 1908, by admitting State banks to its benefits, increasing the powers of national currency associations to perform the functions of clearing houses, including issuance of loan certificates, repealing the prohibitory tax on their note issues, providing a continuous market for 2 per cent bonds, and establishing an elastic bank currency on a gold basis; to the Committee on Banking and Currency.

By Mr. CARTER: A bill (H. R. 7291) to amend article 103 of the Rules and Articles of War; to the Committee on Military Affairs.

By Mr. ADAMSON: A bill (H. R. 7292) to provide for the admission of the male employees of the executive departments and independent bureaus of the Government in Washington who may contract tuberculosis while so employed to the United States Public Health Sanatorium for Tuberculosis at Fort Stanton, N. Mex., not exceeding 25 in number to be under treatment at one time; to the Committee on Interstate and Foreign Commerce.

By Mr. BROCKSON: A bill (H. R. 7293) to establish a customs collection district and ports of entry in the State of Delaware; to the Committee on Ways and Means.

By Mr. HULINGS: A bill (H. R. 7294) to enable the Interstate Commerce Commission to investigate appliances or systems to promote the safety of railway operations, and making appropriation for the same; to the Committee on Appropriations.

By Mr. BURKE of South Dakota: A bill (H. R. 7295) granting a condemned cannon to the city of Miller, S. Dak.; to the Committee on Military Affairs.

By Mr. STEPHENS of Texas: A bill (H. R. 7296) regulating the expenditure of Indian funds for support of sectarian schools or religious institutions; to the Committee on Indian Affairs.

By Mr. MONDELL: A bill (H. R. 7297) granting a right of way over certain public lands and reservations to the city and county of San Francisco for the purposes of a water supply and power development; to the Committee on the Public Lands.

By Mr. BROCKSON: A bill (H. R. 7298) to increase the limit of cost of the public building at Smyrna, Del.; to the Committee on Public Buildings and Grounds.

By Mr. TREADWAY: A bill (H. R. 7299) to provide for a site and public building at Great Barrington, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. KENT: A bill (H. R. 7300) to authorize the establishment of free public schools upon United States military reservations; to the Committee on Military Affairs.

By Mr. CONRY: A bill (H. R. 7301) authorizing the Secretary of the Navy to offer rewards for information or evidence

of violations of the antitrust act; to the Committee on Naval Affairs.

By Mr. LINTHICUM: A bill (H. R. 7302) to place the supervision and control of Fort McHenry and the grounds connected therewith under the city of Baltimore, and making certain provisions in connection with the said transfer; to the Committee on Military Affairs.

By Mr. EVANS: A bill (H. R. 7303) authorizing the Court of Claims to hear and consider all claims of certain tribes or nations of Indians in the State of Montana; to the Committee on Indian Affairs.

Also, a bill (H. R. 7304) for the relief of certain nations or tribes of Indians in Montana; to the Committee on Indian Affairs.

By Mr. LINTHICUM: A bill (H. R. 7305) providing for the appropriation of a sum of money for the erection at Fort McHenry of a monument and flagstaff to Francis Scott Key, and a memorial hall to the defenders of the Nation in the War of 1812, and the erection of a monument upon the North Point battle field, and for the necessary alterations in the buildings and grounds in connection therewith; to the Committee on the Library.

By Mr. LEVY: Resolution (H. Res. 220) directing the Secretary of the Treasury to furnish the House with a copy of the transfer list of registered 2 per cent bonds by national banks since July 1, 1913; to the Committee on Ways and Means.

By Mr. GOODWIN of Arkansas: Resolution (H. Res. 221) to print decisions of the Supreme Court of the United States in the Arkansas, Oregon, West Virginia, Missouri, and Minnesota rate cases; to the Committee on Printing.

By Mr. BRITTEN: Resolution (H. Res. 222) directing the Committee on Naval Affairs to report a bill at the earliest practicable date providing for an emergency appropriation sufficiently large to begin the immediate construction of three additional battleships of the dreadnought type; to the Committee on Naval Affairs.

By Mr. STEPHENS of Texas: Joint resolution (H. J. Res. 115) extending belligerent rights to the contending factions in the Republic of Mexico and declaring for a policy of neutrality; to the Committee on Foreign Affairs.

By Mr. HOBSON: Joint resolution (H. J. Res. 116) authorizing the Secretary of the Treasury to furnish certain information to Congress; to the Committee on Interstate and Foreign Commerce.

Also, joint resolution (H. J. Res. 117) proposing an amendment to the Constitution prohibiting the sale, manufacture for sale, and importation for sale of beverages or foods containing alcohol; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 7306) granting an increase of pension to Lorenzo D. Crawley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7307) granting an increase of pension to Thomas J. Chilton; to the Committee on Invalid Pensions.

By Mr. ANDERSON: A bill (H. R. 7308) granting an increase of pension to Mary Fowler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7309) granting an increase of pension to George H. Suits; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7310) granting a pension to Isabel Arneson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7311) granting a pension to Melissa J. Gross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7312) granting a pension to Minnie A. Thornhill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7313) granting a pension to Bridget Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7314) granting a pension to Hattie Reynolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7315) granting a pension to Eli J. Bertrand; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7316) for the relief of Peter J. Schwarg; to the Committee on Claims.

Also, a bill (H. R. 7317) for the relief of F. W. Tyler; to the Committee on Claims.

Also, a bill (H. R. 7318) for the relief of Benjamin F. Dayton; to the Committee on Military Affairs.

By Mr. BROWN of West Virginia: A bill (H. R. 7319) granting a pension to Anna B. McCoy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7320) for the relief of Adolph Kogelschatz; to the Committee on War Claims.

By Mr. CLARK of Missouri: A bill (H. R. 7321) for the relief of the treasurer of State Hospital No. 1, at Fulton, Mo.; to the Committee on War Claims.

By Mr. CONRY: A bill (H. R. 7322) granting a pension to Michael Collins; to the Committee on Invalid Pensions.

By Mr. DENT: A bill (H. R. 7323) granting a pension to Martha Rebecca Young; to the Committee on Pensions.

By Mr. DICKINSON: A bill (H. R. 7324) granting a pension to Jacob Buzan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7325) granting a pension to James M. Pickett; to the Committee on Invalid Pensions.

By Mr. FERGUSSON: A bill (H. R. 7326) granting a pension to Joseph F. Fike; to the Committee on Pensions.

Also, a bill (H. R. 7327) for the relief of Charles L. Hill; to the Committee on the Public Lands.

Also, a bill (H. R. 7328) for the relief of W. A. Walker; to the Committee on Claims.

Also, a bill (H. R. 7329) authorizing the Secretary of War to award the congressional medal of honor to Second Lieut. Etienne de P. Bujac; to the Committee on Military Affairs.

By Mr. FORDNEY: A bill (H. R. 7330) granting a pension to Ira A. Huntley; to the Committee on Pensions.

By Mr. HULINGS: A bill (H. R. 7331) authorizing the Commissioner of Internal Revenue to redeem and pay to Nathan Rosenblum the value of certain revenue stamps destroyed; to the Committee on Claims.

By Mr. KINKAID of Nebraska: A bill (H. R. 7332) granting an increase of pension to William Brown; to the Committee on Invalid Pensions.

By Mr. LAFFERTY: A bill (H. R. 7333) granting a pension to Sue S. Rabb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7334) for the relief of Charles Leon; to the Committee on Claims.

Also, a bill (H. R. 7335) for the relief of Oliver Steele; to the Committee on Claims.

By Mr. O'HAIR: A bill (H. R. 7336) granting a pension to Elisha Buckner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7337) granting an increase of pension to James H. Moreland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7338) granting an increase of pension to James Claypool; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7339) granting an increase of pension to Luther Jenkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7340) granting an increase of pension to John W. Bayne; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7341) granting a pension to Mary A. Vaughn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7342) removing the disability of a charge of desertion in the case of William Martin; to the Committee on Military Affairs.

By Mr. PAYNE: A bill (H. R. 7343) granting an increase of pension to John W. Whitbeck; to the Committee on Invalid Pensions.

By Mr. POST: A bill (H. R. 7344) granting an increase of pension to Wesley W. Gooley; to the Committee on Invalid Pensions.

By Mr. PROUTY: A bill (H. R. 7345) granting a pension to Walter E. Petrie; to the Committee on Pensions.

By Mr. STEPHENS of California: A bill (H. R. 7346) granting a pension to Elizabeth McManus; to the Committee on Invalid Pensions.

By Mr. STONE: A bill (H. R. 7347) granting an increase of pension to Catherine Kennedy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7348) granting an increase of pension to William A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7349) granting an increase of pension to John T. Lea; to the Committee on Invalid Pensions.

By Mr. THOMSON of Illinois: A bill (H. R. 7350) for the relief of George Q. Allen; to the Committee on Appropriations.

By Mr. TREADWAY: A bill (H. R. 7351) granting a pension to Julia Halloran; to the Committee on Pensions.

Also, a bill (H. R. 7352) granting a pension to Eva M. Thomas; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 7353) to remove the charge of desertion against James Green; to the Committee on Naval Affairs.

By Mr. MITCHELL: A bill (H. R. 7354) waiving the age limit for admission to the Pay Corps of the United States Navy in the case of Edward Henry Duane; to the Committee on Naval Affairs.

PETITIONS, ETC.

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

By the SPEAKER (by request): Petition of the Society of Automobile Engineers, protesting against the passage of the Oldfield bill, relative to change in the patent laws; to the Committee on Patents.

By Mr. ANDERSON: Papers to accompany a bill granting a pension to Bridget Thomas; to the Committee on Invalid Pensions.

Also, papers to accompany a bill to grant a pension to Hattie Reynolds; to the Committee on Invalid Pensions.

Also, papers to accompany a bill granting a pension to Isabel Arneson; to the Committee on Invalid Pensions.

Also, papers to accompany a bill granting a pension to Mary Tavler; to the Committee on Invalid Pensions.

By Mr. DALE: Petition of the San Francisco Title Insurance Co. of San Francisco, Cal., protesting against mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: Petition of the North Carolina Pine Association, favoring the retention of the Commerce Court; to the Committee on the Judiciary.

By Mr. FLOYD of Arkansas: Petition of the Harrison Commercial Club, of Harrison, Ark., favoring the passage of the Ransdell-Humphreys bill, to guarantee flood protection; to the Committee on Rivers and Harbors.

By Mr. LONERGAN: Petition of the Society of Automobile Engineers of New York, protesting against the passage of the Oldfield bill, relative to change in the patent laws; to the Committee on Patents.

By Mr. MANN: Petition of Illinois State Branch, United National Association of Post Office Clerks, protesting against an amendment to the Sunday closing law; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Chicago, Ill., protesting against the proposed tariff on books, etc., in foreign languages; to the Committee on Ways and Means.

By Mr. METZ: Petition of sundry manufacturers of the United States, protesting against the adoption of the proposed cotton schedule in the tariff bill; to the Committee on Ways and Means.

By Mr. SPARKMAN: Petitions of sundry business men of the State of Florida, favoring a change in the interstate commerce laws relative to mail orders; to the Committee on Interstate and Foreign Commerce.

By Mr. TUTTLE: Petition of Plainfield Branch and the officers and members of the Montclair Branch of the New Jersey Association Opposed to Woman Suffrage, protesting against the passage of an amendment to the Constitution favoring suffrage for women; to the Committee on the Judiciary.

By Mr. WILSON of New York: Petition of the Society of Tammany or Columbian Order, relative to the needs of the American Navy; to the Committee on Naval Affairs.

SENATE.

WEDNESDAY, August 6, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

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

CONSTITUTIONALIST CAUSE IN MEXICO (S. DOC. NO. 153).

Mr. SHEPPARD. Mr. President, I have not pressed the resolution (S. Res. 142) I introduced recently in regard to affairs in Mexico because the President is endeavoring to make a settlement of the situation through mediation. I shall not take any further action in the matter until the result of that effort is determined.

I have here, however, a statement showing the nature of the constitutionalist cause, the extent of the territory now in undisturbed possession of the constitutionalists, the names of the various military leaders, and the number of their followers in arms. I think this statement will be of great value in enabling the Senate to obtain a proper idea of the situation, and I ask that it be printed in the Record and also published as a document. I obtained it from sources I believe to be entirely authentic.

There being no objection, the matter referred to was ordered to be printed as a document and also to be printed in the Record, as follows:

MEMORANDUM RELATIVE TO MEXICAN SITUATION.

It is universally believed that 90 per cent of the people of Mexico favor the constitutionalist cause, headed by Gov. Carranza. This cause represents the identical ideas and aspirations of the revolution of 1910, as set forth in the "Plan de San Luis Potosi." The triumph of Madero over Diaz and his effort to bring about a realization of those ideals and